PRICES — GENERAL
1985

JANUARY — MAY
Consumers suffering under the increasing cost of living will be given brief relief by Escom early this year.

An increase of up to 12 percent in the price of electricity will be deferred until the second quarter.

The first quarterly meter reading bills will be set at 1984 prices because they will include some electricity used last year. "The consumer will benefit from this lee-way," said an Escom spokesman.

The increases will average 10 percent, varying slightly between areas and categories of consumer.

The price of coal is behind the variation. "The charges for coal used to produce electricity may increase by two percent or less."

"In 1984 there was a slight decrease in coal charges because it cost us less to burn it because of a more efficient system," the spokesman said.
Funeral association slams municipalities

Municipal Reporter

The National Funeral Directors' Association has hit out at municipalities for charging high cemetery fees.

In a recent issue of Funeral Forum, the association challenges local authorities to justify the high cost of burials.

The association is particularly critical of municipalities who charge exorbitant rates for “non-residents.”

The report says many people retire in smaller towns, but expect to be buried in towns where they paid rates and taxes for many years.

“Yet then their next-of-

kin must bear enormous costs because they have become ‘non-residents’.

“In contrast, a person who has been a resident of a town for only a few months qualifies for a lower grave cost,” the report states.

The Johannesburg City Council recently increased burial fees in West Park Cemetery by more than 1,000 percent for non-residents.

Charges for non-residents increased from R60 to R800 for adults and from R40 to R600 for children.

Burial fees for residents increased from R20 to R70 for adults and from R12 to R45 for children.
Carmakers push up their prices

Argus Correspondent

JOHANNESBURG — South Africa's motor industry has ushered in the new year with a round of price increases.

Market leader Toyota put up its new car prices by an average of 4.6 percent last Friday, hard on the heels of the previous day's Mazda increase of between three and seven percent.

General Motors followed on Monday with price increases for all but a few of its car models, ranging from two to six percent, and Ford followed suit on Wednesday with increases averaging 4.5 percent across the range.

FIVE PERCENT

Other manufacturers expected to fall in line soon include BMW and Volkswagen.

Mr Johnathan Treagus, managing director of the VW franchise Lindsay Saker, said the factory had warned of an increase of about five percent before the end of December, but added that dealers had not yet heard anything official.

However, prices "are bound to go up", he said, probably soon after the factory re-opens next Monday.

A BMW marketing man said the company "was looking" at the beginning of February, or possibly a week earlier.

"NO CHANGE"

But not all manufacturers have jumped on the bandwagon. Some increased their prices during November and last month and are not anticipating further increases in the near future.

These include Alfa Romeo and Daihatsu, whose spokesman, Mr Eoo de Vos, said: "There will be no further change within three months."

A Mercedes Benz spokesman said: "At the moment there is no Alfa Romeo price increase on our range."

And a senior executive of IC Nissan did not expect any change to Nissan prices within the next 60 days.
Farmers fear fertiliser price rise will cost them R100-m.

Financial Staff

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

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

The SAAU states that agriculture does not have the capacity to cope with such an increase. These price adjustments would come at a most inappropriate time.

"Should this year see the same consumption of fertiliser as was the case during 1984, it could cost agriculture an additional R100 million per annum," the union statement says.

"In view of the fact that a large part of agriculture has over the past few years been plunged into a crisis of survival because of economic structure problems and droughts, agriculture presently does not have the capacity to bridge this increase in costs.

"The union trusts that the authorities and the consumer sectors will see this development in the right perspective when negotiations regarding agricultural prices take place early this year.

"In the past the profitability of agricultural production was retarded substantially by a delay in agricultural price adjustments following cost increases of agricultural means of production.

"Cost increases of this nature will therefore have to be reflected in producer prices soon in cases where it is made possible by marketing schemes."

"The fertiliser advisory committee of the union will soon discuss these price developments and other problems involving the supply of fertiliser in depth in order to ensure that fertiliser will be made available to farmers on the most economical basis."

"The SAAU is scheduled to meet top government representatives on January 15 to discuss these problems."
Call for freeze on prices and wages

BY BRUCE CAMERON, Political Staff

A NEGOTIATED but voluntary price and wage freeze was urged today to help boost the economy.

Mr Harry Schwarz, Progressive Federal Party finance spokesman, was commenting on the level of the rand against other currencies. He believed the Government needed to do more to rectify the situation.

Mr Schwarz said the Government should take steps to control prices. He warned that if no one would co-operate, unless the controlling wages and prices.

Mr Schwarz opposed calls for the reintroduction of exchange control on non-residents.

He said “This would be a tremendous blow to any confidence in the South African economy.”

“Inertia”

Mr Schwarz said that there were a number of reasons for the current state of affairs, “some of which are not our fault but some of which are.”

He was particularly concerned about the “inertia of the Government” which was “giving the impression, rightly or wrongly, that it can do nothing to get to grips with the situation.”

The Government had to take a lead and one of the first things it should do “is put its own house in order.”

The inflation rate was not being tackled properly by the Government.

Mr Schwarz said the Government was not doing enough to keep down administered prices or control the money supply and figures would show that it was still not doing enough to control its own spending.
in brown bread subsidy

PRETORIA — The first stage in the phasing out of the big subsidy on brown and wholewheat bread may be announced in the budget, according to sources here.

In October last year the Deputy Minister of Agriculture, Mr Gert Kotze, told a National Chamber of Bakers conference that the subsidy would ultimately have to be scrapped.

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

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

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

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

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

According to the wheat board the consumption of bread, mostly brown bread, increased by 6.3 per cent last year.

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

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

Economists pointed out that in spite of the government's worsening financial plight and acute shortage of state funds, it was certain the subsidy would not be removed totally — but a start on phasing it out was “more than possible.” — DDC
Hospital and theatre fees to soar

By Sue Leeman,
Pretoria Bureau

Theatre fees as well as a levy for after-hours out-patient and emergency treatment are to be introduced at all provincial hospitals from February 1.

The move has caused an uproar among provincial opposition spokesmen, who say the new fees could put medical care out of the reach of some poorer patients.

The MEC for hospital services, Mr Daan Kirstein, announced yesterday that from February 1:

● All private patients, including those admitted to the teaching sections of academic hospitals, will pay theatre fees of R50 for every half hour or part thereof — as well as an additional 50 percent levy for theatre use after hours (between 5 pm and 7 am), and at weekends and public holidays.

● All paying patients will pay a levy of 50 percent on the normal tariff for outpatient and emergency treatment between 5 pm and 7 am as well as weekends and public holidays. The fee for an out-patients visit was last year raised to R20.

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

His announcement is the latest move in a far-reaching austerity drive launched by hospital service in November with the aim of trimming expenditure by R28 million.

It will come as another blow to patients, who last year faced across-the-board tariff increases as well as the introduction of a deposit system.

The PFP provincial spokesman on hospitals, Mrs Irene Menell, has denounced the move as "absolutely ridiculous," saying unless the income categories applied in defining patients are revised, many poorer patients will battle to pay.

It was ludicrous, she said, to expect such people to pay for theatre fees and extra for the out-patients sector. Even private doctors do not charge poorer patients R20 for a visit.

"If the service was rationalised and all facilities could be used for all races waste would be eliminated and make a savings drive unnecessary."

However, the former MEC for hospital services, Dr Servaas Lahsky, said he had fought for the introduction of these new levies. He knew of a case where a patient had R300 worth of treatment — including an ECG — for only R10.
De Villiers promises tough action

Industry warned on price-fixing

Financial Reporter

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

He said that the Competition Board was preparing to deal severely with this sort of arrangement.

Dr De Villiers said in Cape Town: "Joint statements by competitors announcing uniform price increases have recently attracted wide attention.

"Conspicuous examples of such price increases were those in respect of tyres, fertilisers and cement.

"These announcements are often made by associations representing many, if not all, manufacturers of particular products.

"Such joint price increases give rise to a good deal of justified objections.

"The question is quite rightly asked how such an apparent elimination by competitors of price competition could be tolerated within the context of a policy of effective competition."

The big three producers in the fertiliser industry, apart from Salof, are Fedmis, Trionef and Kynoch.

They recently-announced identical 20% price rises with a similar pattern of rebates.

The Consumer Council referred to an "unhealthy monopoly" in the industry and called for a major investigation.

Price control in the industry was abolished in January 1984.

The South African Tyre Manufacturers' Conference, an effective cartel, announced an 8.1% rise in the prices of tyres and tubes from December 27.

The cement industry is facing major competition in Natal from imports but there have been allegations that the big three domestic producers, PPC, Blue Circle and Anglo Alpha, have been combining through Natal Portland Cement to combat imports by making price cuts aimed at eliminating competition.

Dr De Villiers said "The Government views this development in a very serious light."

"I, therefore, deem it necessary to again invite attention to the Competition Board's announcement in the Government Gazette of November 30, 1984, that it was to embark upon a new and important investigation.

"Basically this investigation embraces agreements or arrangements establishing any form of:

- Fixing prices (or other conditions of sale) horizontally (that is, between competitors) or vertically (for example, between manufacturers and retailers),
- Market sharing,
- Collusion on tender practices.

Dr De Villiers said: "The purpose of this investigation is to determine whether these agreements or arrangements, with or without exceptions, should summarily be prohibited.

"Should such a prohibition be recommended by the board and be accepted by the government, any prohibited price-fixing, market sharing or tender practice collusion would constitute a serious offence.

"I have instructed the board to give very high priority to this investigation.

"The board is currently awaiting comments from interested parties and, therefore, urgently appeal to all concerned to give their full cooperation to the board."

"When the board's report and recommendations have been received, appropriate action could be expected soon thereafter."
PETROL PRICES

Refuelling inflation

It may not be long before $3 octane petrol goes to R1/l on the Reef. What can only be described as "the crash of the rand" is having a serious impact on the cost of imported crude. And as lengthy discussions at Cabinet level come to a close, an announcement of a price increase is expected very soon, certainly before the end of the month.

The enormous inflationary consequences of higher fuel prices have not been lost on government officials who will no doubt initiate a compromise for the time being. This suggests a rise of 10c/l, bringing Reef $3 octane to $1.5c/l. The price change and its multiplier effect will play havoc with the current inflation rate of 13.8%. Unavoidably the rate seems set to rise to some 20% by the year end.

But that will not be all. Even if the rand averages around $0.65 for the remainder of 1985, there will have to be at least one more oil price rise — two if get is increased again in the March Budget.

Appalling as the prognosis may seem, the ineluctable fact is that the rand has lost 40% of its external purchasing power in little over 16 months, when it was around $0.89. And it is this historic rate, according to a spokesman for the Department of Mineral and Energy Affairs, upon which the current pump price of petrol is based.

As can be seen from the accompanying graph, the landed cost of $3 octane motorgas (the benchmark fuel used for price determinations) is about 35c/l. Increasingly, however, it has become described as the "theoretical landed cost as recovered in the pump price." Therefore, if the current exchange rate were to be reflected accurately, the landed cost should be more like 70c/l. The fact that it is not, indicates an enormous degree of subsidisation on the part of government. But as one official has put it, "there's no more cash in the kitty to subsidise the consumer at unrealistic prices."

There are some dozen components to be considered in the pricing structure of Reef fuel, from the landed cost and customs duty to the National Road Fund and the combating of pollution. All are up for review. Indeed, as the department's chief director of energy, Durk Neethling, explained: "The various ministers and officials responsible for the various components of the pricing structure are busy putting their case."

Neethling admits that he doesn't expect his department will ever "sell the price increase, but we'll at least done our best to justify it."

Partly as a public relations exercise, the department hosted some 60 individuals representing 20 organisations, associations, trade unions and businesses last December to hear private sector views on the effect of a "substantial increase" in the price of fuel. Delegates arrived in droves for a series of one-hour meetings at which they expressed their mostly dire views on the subject.

The Consumer Council's Bernard Hellberg told officials that it would make life unbearable for the consumer with untold ripple effects. To him, farmers and food prices were proving his greatest concern.

The most common cry from the visitors apparently was for consistency in pricing, and that increases should be made when due. Many have criticised the government for its ad hoc price changes. Why reduce the price in 1985, only to increase it later on, and then wait six months while the rand continued to depreciate before taking action? Criticism was also levelled at various components of the pump price. Why have a tax on a tax, for example?

Denzyl Vermooten, public affairs executive of the AA, says: "Our figures suggest a 16c increase in the price of fuel is justifiable. But I would certainly quibble with a higher increase if nothing is done about the transportation charge of 5c, since Sasol fuels are produced inland."

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

---

the economy
On the other hand, there will probably be another cent for retailers, taking this to 5c/l, and another two cents for the road fund. And, as Needling says, "We are going through all the permutations, first looking at the existing structure to see what we can achieve before finally deciding on an overall price increase."

Apart from the variables within the existing pricing structure, not least of which is the question of taxation, are, of course, the two major external variables the rand/dollar exchange rate and the dollar price of a barrel of crude oil.

As Tony Twine, director of Marketing Environments, says, "I think 16c-18c is extremely optimistic. Our recent research shows that, on the basis that 24c of the current pump price is exposed to fluctuations in the exchange rate, the rand cost of crude between the last big shake-up in mid-1979 and December 1984 has increased by 120%. This means there could be room for another 4c to 6c without taking possible changes in gas into account.

"But," adds Twine, "I doubt if they'll put the whole increase through in one go." As a precedent he points to the period, January 1979 to April 1980, when the total increase in the price of petrol amounted to almost 81% to 54,4c/l through four changes.

Vermooteen adds that perhaps things are not so bad if price changes are compared in real terms. For example, in terms of 1975 prices the current price of fuel is 21,5c/l. And if a 18c increase were to be put through now, again in 1975 prices, this would bring the pump price to 27c/l. Yet on the same basis in 1975, the price was 35c. But, added to this, says Vermooteen, there will certainly be further ripple effects on inflation which we estimate will total four to five percentage points.

Twine says his research shows that the uplift effect on the economy of a rise in the fuel price is between two and three times the direct effect, though taking a nine-month lag to follow through. After this period, says Twine, even assuming no other major price changes in the economy, a 28c increase to 81,5c/l will translate into an inflation rate of almost 25%.

Only through continued subsidisation can government avoid increasing petrol prices by this amount, though this will not necessarily avoid the same impact on inflation.

The increase is likely to be in two phases, three if gas is increased too. So we could see an 18c increase announced by the end of this week, another 35c if gas is increased to 15% in March, and then a further 10c will have to come, say, in September, bringing the Reef price to 95c/l, almost a 50% increase.

No doubt government will be hoping that its seemingly impossible task of combating inflation will be eased by an improvement in external factors. But, as Twine points out, to limit the rise in the price of petrol to, say, 16c in total, as suggested by several sources, one of two things would need to occur either a crash in the crude oil price to about $13,50 a barrel, or a rapid appreciation in rand exchange rate to US$2,5c – both unlikely.

So if perks tax doesn't kill off the big corporate cars, perhaps higher petrol prices will lower fuel consumption and will be the only means of reducing the impact on inflation of the higher petrol prices.

**PRIME RATE
Up again?**

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

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

It is believed bankers have been pressing for the rise for a number of days in their negotiations with the Reserve Bank as money market rates have crept steadily higher. Early this week the Ba rate had risen to 23,65% from last week's 21,25%.

Money market sources say, however, that this week has seen a high demand for money which has further tightened liquidy after last week's move in the prime rate back to 25%. This means deposit rates were already bumping lending rates again, thus squeezing banks' margins.

One market source says that unless the Reserve Bank either accommodates the market or supports the exchange rate, another rise is inevitable. But the current performance of the rand, which plunged to an all-time low of US$1,50c last Tuesday at the time of writing, is a clear indication that the currency is incapable of being supported. So another jump in prime seems unavoidable.

The logic behind the Reserve Bank's resistance appears to be that the present squeeze on liquidity is seen as a temporary one since usually there is less pressure on liquidity during January. However, the situation could change dramatically in February and March because of disturbances caused by the normal year-end tax payments.

But in the meantime, if the exchange rate drops to, say, US$1, as now seems highly likely, De Kock, like King Canute, will have to stand aside and bow to natural forces.

**MONEY SUPPLY
Inventory boost**

To the acute chagrin of the Country authorities, and the dismay of most economists, money supply continues to soar.

In November, the narrowly defined M1 advanced by over R1 billion to a total of R24,8 billion, making an annual increase of 39,6%, the second highest of the year. M1 consists of coins, banknotes and the demand deposits of the non-bank private sector.

M2, which consists of M1 plus short- and medium-term deposits, increased by almost R1,3 billion, making an annual rise of 29,8%, while M3, which consists of M2 plus all other deposits, rose by R1,45 billion to produce a growth over the year of 24,7%.

The M3 measure, according to the governor of the Reserve Bank, Gerhard de Kock, is the most significant. Since April last year, except for a hiccup in June and September, M3 has risen from a 15% growth to the current 24,7%.

According to Ernie van der Merwe of the Reserve Bank's economics department, the November increase is merely part of the adjustment process. "The increase itself reflects continued high company borrowing from the banks. But this should be a temporary situation, with companies starting to rationalise their inventories so that overall demand for credit will eventually fall off."

"But the sharpness in the increase came as a shock to us too. I anticipate that it could be as late as May before we see an improvement in the money supply figures. This would allow for a lag of nine months after the implementation of the August austerity measures."

Although other economists agree there will be a lag before the growth in the money stock starts to slow down, some are more sceptical. Says Louis Geldenhuys of Standard Bank. "We have entered a very difficult phase, one which will have to rethink very thoroughly the way we have gone about things in the past."

"Going on previous experience it is a
Funeral costs up and about to increase again

By Colleen Ryan

Funeral costs have increased by about 30 percent in the past three years and soaring inflation could force prices up again.

Mr. Norman Wilmot, executive director of a large undertaker group in Johannesburg, said a moderate price increase was likely later in the year.

He said the Johannesburg City Council's cemetery fees would increase drastically from today.

Non-residents and pensioners would be hard hit by the price rises.

Burial fees in Westpark Cemetery are to increase by about R65 to R800 for adult non-residents and by R28 to R70 for adult residents.

Other factors which were contributing to higher costs included:

- The price of imported hardwoods used for some coffins had increased considerably because of the dollar-rand exchange rate.
- Imported hearse prices increased from R32 000 in 1984 to R58 000 in 1985.
- Labour costs had increased sharply.

He said a cremation or burial for whites on the Witwatersrand area cost between R648 and R1 185.

Costs varied, depending on the type of coffin selected, extra services rendered and the transport costs involved.

The price of a burial for blacks on the Witwatersrand was between R581 and R945.

Labour and vehicle costs were generally lower for blacks' funerals, Mr. Wilmot said.

"There has been a slight increase in cremations in the last few years because various religious denominations have relaxed their attitudes," he said.

About 60 percent of funerals in the Johannesburg area were cremations.

Mr. Wilmot said labour was the biggest single funeral expense and accounted for about 25 percent of the total cost.

He said that metal fittings were removed from coffins before cremations — at the request of the Johannesburg Crematorium.

Other costs were transport, facilities such as chapels, doctors' fees, munters' and organists' fees, flowers and administration charges.
City bus fares to rise — extra R4.1-m on yearly fuel bill

Staff Reporter

CITY Tramways has announced that bus fares will increase from February 1 to cover the extra R4.1-million a year the company will have to pay for fuel.

Details of individual fare adjustments would be made available later, said the managing director, Mr. N S Cronje.

The company now had to pay more than R4.1-million a year extra for its fuel, Mr. Cronje added.

City Tramways "simply cannot absorb" the additional cost.

Since it was known that the fuel price would be increased, pleas had been made to the Minister of Energy Affairs, Mr. Dain Steyn, and the Minister of Transport, Mr. Hendrik Schoeman, not to apply the increase to bus operators, or to help obtain higher passenger subsidies.

Mr. Johann Barnard, City Tramways chairman, had also pointed out that lower-income groups could be exempted from paying more to get to and from work, the effects of the labour component on an inevitable increase in the consumer price index would be significantly cushioned.

City Tramways had also appealed to the Department of Transport to pay a bigger passenger subsidy on 10-rider chipcards.

"Every one of these requests was turned down," Mr. Cronje said.

The public relations officer of City Tramways, Mr. Bob Krause, said the company would not have to apply to the National Transport Commission to increase its fares.

City Tramways Peninsula bus fares rose by an average of 12 percent in November.
**Petrol price**

R13 more to fill the tank

**Motoring Editor**

THE shock petrol price increase of 27.1 cents a litre for 98 octane and 25.0 c/ℓ for 93 octane which shook South African motorists yesterday means that the average motorist will have to pay about R13 to R15 more to fill up each time.

At the old price of 57.6 c/ℓ for 98 octane it cost about R29 to put 50ℓ in a car. At the new price of 84.5 c/ℓ the cost will rise to R42.45.

Service station operators either stand to make or lose money today depending on the level of their tanks. Those with full tanks will immediately start selling at the new price and stand to make a profit on the new price times the number of litres in hand. Those with empty tanks will have to get stocks in at the new prices.

Those who make money will have it for only a short time and certainly not more than a week. Petrol is delivered on a weekly basis to each service station and is strictly on a cash basis.

According to operators I spoke to yesterday, a load of petrol usually consists of 22 500ℓ made up of 13 500ℓ of 98 octane and 9 000ℓ of 93. The cost of this used to be R8 547 and R6 248 for the respective octanes. But from next week the price will have almost doubled.

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

**Garages shut 'for profit'**

**Staff Reporter**

CARS queued up at filling stations throughout the Peninsula yesterday as drivers waited patiently to fill their tanks with petrol at the relatively cheap old price.

However, not all garage managers were happy about the increased sales they were getting. A Wynberg filling station manager closed his Main Road garage soon after 4pm yesterday — and admitted openly that it was to get “a cut of the profit”.

“Don’t you think we are entitled to a little something too?” asked Mr J Jacobs, the manager. “It’s only fair I have been trying to keep my tanks full for weeks now, in anticipation of this.”

One of his customers, a very rate Mr Lionel Chambers of Plumstead, phoned to say that although he had driven all the way from town to Wynberg, he had not seen any problems at garages “until now. I usually fill up here, but he is not going to see my business again.”

A Grassy Park garage owner, Mr Hassan Jaffer, said that although he could make a “lot of money by closing now”, he would stay open as it was “better in the long run”.

Meanwhile in Johanesburg, garage owners last night told motorists that electricity failures had closed petrol pumps — except for Sasol pumps — at most garages. The manager of one...
The massive increase in fuel prices which came into effect at midnight could push up the inflation rate by about four percent and could undermine stability in South Africa, opposition spokes-
men warned last night.

Commerce and industry were appalled at the extent of the increase.
The chief economist at Barclays Bank, Johan Cloete, said: "They are playing havoc with the economy."
The direct and indirect effects of the huge increase could add 4 percent to the inflation rate which could rise above 16 percent by mid-year.
If GST were increased in the March Budget, "they'll kill the economy stone dead", Mr Cloete said.

"Body blow"
Volskas economist Mr Adam Jacobs said: "The huge increase is the reflection of the battered rand. It will add greatly to the already severe pressures bearing down on the economy."
The Federated Chamber of Industry, the Associated Chamber of Commerce and the Afrikaanse Handelsins-
stitute all warned last night that the increases would boost inflation.
Both the Motor Industry Federation and the National Association of Automobile Manufacturers of South Africa said the magnitude of the in-
crease came as a body blow to the motor indus-
try which already found itself in desperate trou-
ble. It would also in-
crease unemployment.

Mr Allan Rembi, the president of the South African Motor Industry Council, said the increases would have a "disastrous effect on the industry."

The Progressive Federal Party spokesman on finance, Mr Harry Schwarz, said last night that the ripple effect of the "unjustifiably high" increases would eventually hit virtually every sector of the economy and could fuel unrest.

At a press conference in Cape Town yesterday, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, announced that from today the price of premium petrol would jump by 20c a litre, 93 octane by 25c a litre and 97 octane (available in-
land) by 25c a litre.

Mr Steyn said he was "shocked" by the increase.

Motorists telephoned the Times last night to com-
plain that all-night garages in Cape Town" had been "shocked" by the increase.

Mr Schwarz said the 90c increase in the price of premium petrol would mean that a gallon of petrol would cost R2.30.

The price increases were the cost South Africa was paying for government mismanagement of the economy.
The Conservativ-
ate Party called the increases "absolutely excessive" and called on the govern-
ment to resign.

In a statement issued last night on behalf of the party's joint caucus, the CP leader, Dr Andries Treurnicht, said the in-
crease betrayed the gov-
ernment's lack of feeling for the average citizen.

City Tramways an-
ounced yesterday that it would have to increase its fares from February 1 to cover an estimated R4.1 million increase in its fuel costs.

Tramways PHO Mr Bob Krause said the company had been "shocked" by the increase.

Turned down
Mr Krause said a num-
ber of pleas to the au-
thorities to exempt bus companies from the in-
creases or to increase subsidies for transport, had been turned down.

A spokesman for South African Transport Services said last night they were examining the overall effect of the in-
creases.

The effect of the 178 cts increase in jet fuel on South African Airways was one aspect being examined.
Petrol shock means tidal wave of rises

By David Braun and Michael Chester

The drastic rise in fuel costs which came into effect today will cause a tidal wave of price increases on almost every product and service in the South African economy.

And the Minister of Mineral and Energy Affairs, Mr Dane Steyn, warned when he announced the shock petrol price raises yesterday that they might not be the last this year.

Businessmen, politicians and economists have reacted with despair and outrage to the 40 percent (ZS4) rise for super-grade petrol inland.

Swart warns on increases

Political Staff

CAPE TOWN — Progressive Federal Party black faction spokesman Mr Ray Swart yesterday warned that inevitable consumer price rises following the petrol price rise could aggravate the already volatile situation in black townships.

And the ZS4 rise in the cost of paraffin would also hit the poor, he added.

Mr Swart’s warning came after Government statements that bas fares could go up almost immediately by 20 percent with rail and air fares being reconsidered.

June increase possible

Political Staff

CAPE TOWN — Petrol prices could be raised by at least another 4c/l by June if the rand/dollar exchange rate does not improve, according to the Minister of Mineral and Energy Affairs, Mr Dane Steyn.

He said that if the unfavorable exchange rate declined further the Government would be forced to consider another fuel price increase.

Replying to questions at a news conference where he announced yesterday’s shock increase, Mr Steyn said that crude oil prices were to drop drastically, the Government would consider a cut in the current petrol price.

June increase possible

Political Staff

CAPE TOWN — Petrol prices could be raised by at least another 4c/l by June if the rand/dollar exchange rate does not improve, according to the Minister of Mineral and Energy Affairs, Mr Dane Steyn.

He said that if the unfavorable exchange rate declined further the Government would be forced to consider another fuel price increase.

Replying to questions at a news conference where he announced yesterday’s shock increase, Mr Steyn said that crude oil prices were to drop drastically, the Government would consider a cut in the current petrol price.

Price composition of 93-octane petrol

<table>
<thead>
<tr>
<th></th>
<th>Yesterday</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump price at 50c/stper</td>
<td>33.00</td>
<td>40.00</td>
</tr>
<tr>
<td>Less: Additional GST on</td>
<td>3.00</td>
<td>9.00</td>
</tr>
<tr>
<td>Ref. Transport cost</td>
<td>4.50</td>
<td>6.90</td>
</tr>
<tr>
<td>Pump price at coast</td>
<td>36.50</td>
<td>46.00</td>
</tr>
<tr>
<td>Less: GST at coast</td>
<td>5.90</td>
<td>7.60</td>
</tr>
<tr>
<td>Retail margin</td>
<td>30.60</td>
<td>38.40</td>
</tr>
<tr>
<td>Wholesale price</td>
<td>47.20</td>
<td>60.00</td>
</tr>
<tr>
<td>Less: Customs and Excise</td>
<td>6.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Excise: Federal Levy</td>
<td>18.30</td>
<td>45.00</td>
</tr>
<tr>
<td>National Road: Federal</td>
<td>12.00</td>
<td>30.00</td>
</tr>
<tr>
<td>SAP levy</td>
<td>6.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Theoretical landed price</td>
<td>55.50</td>
<td>68.00</td>
</tr>
<tr>
<td>Theoretical landed price</td>
<td>58.50</td>
<td>71.00</td>
</tr>
<tr>
<td>Real landed price</td>
<td>58.35</td>
<td>71.15</td>
</tr>
<tr>
<td>Real landed price</td>
<td>58.35</td>
<td>71.15</td>
</tr>
<tr>
<td></td>
<td>58.35</td>
<td>71.15</td>
</tr>
<tr>
<td></td>
<td>58.35</td>
<td>71.15</td>
</tr>
<tr>
<td></td>
<td>58.35</td>
<td>71.15</td>
</tr>
<tr>
<td></td>
<td>58.35</td>
<td>71.15</td>
</tr>
<tr>
<td></td>
<td>58.35</td>
<td>71.15</td>
</tr>
</tbody>
</table>

The higher prices are likely to push the overall inflation rate to a stunning 26 percent or higher within the next few months — the worst on record.

The Association of Chambers of Commerce estimates that the pump in petrol costs will have an immediate impact of posting the Consumer Price Index from its present 145 percent to at least 15 percent.

Inflation rate

Chain reactions from heavier transport tolls for everyone from the private motorist to farmers and business operations could push the inflation rate up at least another five percent in the next nine months to a year.

The Budgets of the Post Office and South African Transport Services are now expected to call for large increases in services and tariffs.

And merchant bankers Standard forecast that an even higher rate of general sales tax (GST) is in the pipeline.

Mr Louis Goldblum, its senior economist, predicts that the Government will be forced to boost taxation — most likely through GST — to bring in an extra ZS1 billion a month to a threatened yawning gap between revenue and expenditure in the 1989-90 Budget year.

A steep rise in air fares is likely within the next few days — with more to come in April.

Mr Michael Meisels, joint managing-director of Miller Wendon Travel, said in an announcement by the Minister of Transport that the Government was imminent.

He forecast that domestic air fares would be raised between 10 percent and 15 percent.

International air fares would go up on a sliding scale between 8 percent for return tickets in Europe and the Far East, to 10 percent for return tickets (and as much as 20 percent on singles) to the United States.

Wage is expected in April, he said, because a heavy current surcharge is planned in addition to the routine annual air fare increases.

The final result will be that air travel costs will rise between 20 percent and 30 percent.

Mr Meisels fears that there will be widespread retractions throughout the travel industry and sharp cutbacks in price and business trips.

Government economists and the petrol price increases will have repercussions on all prices.

Neither farmers nor businesses would be able to absorb the higher fuel costs.

More reports, pictures — pages 3 and 15.

He — don’t laugh! There is more than one motorist in Johannesburg today who is wishfully thinking back to the days of pedal power when petrol was not an ugly word. And to capture the mood of a bygone age, pretty Lenda Purry (18) of Edenvale managed to ride up on a penny farthing cycle.

Think kindly of us — garage owner

By Joe O’Shea

The most depressing place to be today was on a garage forecourt watching customers buy petrol and regular damage at the new price.

This was the view of Mr Paul Rondon, owner of garages in Hillbrow and Deonkorow, which stayed open last night and had to cope with unprecedented rush for petrol.

Mr Rondon was not the only one with long faces on garage forecourts.

A number of garage owners who closed early yesterday to capitalise on petrol sales today were faced with almost empty forecourts because few people bought petrol this morning.

Mr David Scrase, manager of a garage on the corner of Rotte and Edith Cavell streets, Hillbrow, whose pumps were open until midnight and gave customers a fair chance of filling up at the old price, said that there was a traffic jam down Rotte Street and police and traffic inspectors had to control the traffic.

"I am sure our customers will remember us kindly for not closing early," Mr Scrase said.
UP, UP, UP goes the fuel price

AOS HITS REEF

1980
R32.64
(54.4c)

1981
R36.60
(61c)

1982
R39.12
(65.2c)

1983
R35.76
(59.6c)

1984
R38.10
(63.5c)

TODAY R53.10
(88.5c)

‘Cost to the user R3 500m’

Mail Correspondent

DURBAN — The effect of the radical fuel price increase was equivalent to the motor industry deciding on January 1 this year to increase prices by between 25 and 30%, the president of the National Association of Automobile Manufacturers of South Africa, Mr Colin Adcock, said yesterday.

This would be to recover their total potential losses caused by the rand devaluation. It would obviously have been a very irresponsible act on their part,” Mr Adcock said.

The increase will take R300 million out of the consumer’s pocket over the next 12 months,” he claimed.

‘A one-time-out price increase of this magnitude comes as a great shock to the industry which is already in a beleaguered state,” said Mr Adcock, who suggested a more ‘prudent’ step would have been a series of small petro price increases.

Inflation rate ‘is set for a 3% jump’

By CHRISS FREIMOND
Political Correspondent.

CAPE TOWN — The massive increase in petrol prices could push up the inflation rate by about 3% and have serious implications for socio-political stability in South Africa, Opposition spokesmen warned last night.

The ripple effect of the increases would hit all sectors of the economy, the Progressive Federal Party’s finance spokesman, Mr Harry Schwarz, said.

The increases could cause further unemployment and contribute to the consequent instability in the country, he said.

The PF’s spokesman on Mineral and Energy Affairs, Mr Brian Goodall, said the increases were the price that the average South African consumer had to pay for the Government’s mismanagement of the economy.

He accused the Government of excessive expenditure and an inability to control the money supply.

The Conservative Party leader, Dr Andries Treurnicht, said the increase was disastrous for the economy, consumers and farmers.

He demanded that the Government resign immediately.

Air fares to take off next?

Mail Reporter

AIR fares may now have to be up.

Last night the South African Transport Services were examining the overall effect of the fuel price increases, a spokesman said.

Jet fuel has increased by 23 cents a litre and according to the Sats spokesman that is for a large portion of airline expenditure between April and December last year the falling rand had accounted for an extra R80 million being spent on domestic flights by SAA.

Any increase in air fares would be announced by the Minister of Transport, Mr Hendrik Schoeman “probably within a few days,” the Sats spokesman said.
Mall Reporters

THERE was chaos at petrol stations across Johannesburg late yesterday as motorists dashed to fill up before the big 25c/l increase came into effect at midnight — but many filling stations closed early so they could start selling stocks today at the new prices.

As dusk settled, thousands of motorists made a mad scramble for fuel at the "old" price and many enraged drivers — their cars blocking through roads at stations across the city — argued heatedly with garage owners as pumps shut down.

South Africans were staggered by the announcement that:

- Prices on the Reef will go up by nearly 40%, from 63c/l to 88c/l for 93 octane.
- At the coast, 93 octane is up to 87c/l.
- In the Transvaal, the Reef price for 93 octane is up to 82c/l.

More reports

- 93 octane is up by 23c/l.
- The pump price of diesel fuel is up by 25c/l.
- Agricultural diesel is up by 12c/l.
- Diesel for wholesale road users is up by 16c/l.
- Illuminating paraffin goes up 5c/l, power paraffin 19c/l and jet fuel 17c/l.

The shock waves were increased with the warning from the Reserves Bank that the petrol price could rise again by 4c/l in June.

The massive increase comes on top of the severe fringe benefits tax which is due to take effect from March 1.

The petrol increase and the new fringe benefits tax represent a double blow to the motor industry, already hard hit by 10% general sales tax and punitive 32% interest on hire purchase agreements.

In Johannesburg, it was like the Last Great Gold Rush last night as hundreds of motorists tried to beat the petrol price deadline — only to be told by some garage owners that "power failures" had closed down the pumps.

In Hillbrow, a garage at the corner of Caroline and Twiss Streets was besieged by anxious motorists. Traffic was held up in Twiss Street — one of the city's main arteries — as cars stretched across the road.

Reports were received from all over the Reef of garages claiming to have no petrol available for drivers anxious to cash in on the last few litres of cheaper petrol.

Some motorists reported that Sasol pumps were the only ones working at garages, and that supplies from those pumps had been cut to a maximum of R10 a car.

In the National Road Fund as long overdue

The infrastructure had been adversely affected in the past by insufficient funds.

The president of the Transvaal Chamber of Industries, Mr Jim Annear, said the fuel price increase would have a spiral effect on all prices.

"Of major concern to the TCI is the effect of the higher fuel prices on our already depressed industries.

"In the present, economic climate the effects in the months ahead could be another 5%.

"Assocom also claimed the indirect impact over the next six to 12 months could be another 5%.

"Assocom said in a statement the sector was shocked by the 40% rise in the petrol price.

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

"There was an urgent need for the authorities to act firmly in the management of the economy if South Africa was to withstand any further attack on the already strained rand and control inflation.

"It is critical that any consequential adjustments to Government-administered prices and tariffs of para-statal bodies be kept to a minimum.

"Assocom welcomed the additional contribution to the Rand's plight, and the time the fund is due to be reviewed.

The final straw: medical aid worker Mrs Rene Booysen, 31, reflects on the gloomy mood. Her car travel has been cut to a maximum of R10 a car. flare.
Bus fares to be increased soon

By JIMMY MATYU

Bus fares in the Port Elizabeth, Uitenhage and Despatch area are to be increased soon because of the increased price of diesel fuel.

The fare increases will come into effect in nine days time — on February 1.

In a statement today, Mr. Carl Coetzer, managing director of Port Elizabeth Tramways, said the announced increase in the price of diesel fuel used for passenger buses had come at a very bad time for Port Elizabeth and Uitenhage.

Mr. Coetzer said that when his company heard in December that the fuel price might be increased, strong representations for relief were made through the managing director of the parent company, Mr. Johann Barnard, to the responsible Minister and to the Department of Transport.

"However, these representations, either for relief from the increase or for higher passenger subsidies, have not been successful and we must, therefore, immediately prepare for an increase in the bus fares to be paid by bus passengers in this area."

Mr. Coetzee said it was regretted that no fuel price increase could be carried by the company without an increase in fares.

Details of the individual bus fare increases were now being calculated and an announcement would be made in this regard as soon as possible, he said.

"In terms of Section 12a of the Road Transport Act, a bus operator may automatically increase its bus fares by up to 10% in order to recover the additional costs due to a fuel increase," he said.

Bus fares set to rise in PE area

From Page 1

Mr. Coetzee said in anticipation of an increase, they had attempted to hold maximum stocks of diesel fuel and were very pleased to announce that in spite of the fuel price increase coming into operation today, the Section 12a bus fare increases would only come into effect in nine days time — February 1.

He said the last bus fare increases in this area was in June, 1983 — more than 18 months ago.

"In order to assist the drivers at the end of last year, fares should already have been increased. However, with the help of the three trade unions, whose members are employed by this company, a wage freeze has been agreed to until a normal fare increase is applied for and granted later this year," he said.

"By far the majority of bus passengers on the buses of PE Tramways in Port Elizabeth, Uitenhage and Despatch area are from the poorer section of our community who cannot afford a motorcar and will be hit by this increase with immediate effect," he said.
Workers 'forced to resign'

Four valued employees of a Kempton Park engineering firm have been forced to resign because the massive fuel price hike will absorb "an unacceptable amount" of their salaries.

The firm's technical manager, Mr Vernon Potgieter, said the employees — who live a considerable distance from their workplace — had decided it would not be worthwhile to continue working in Kempton Park because of the new fuel price.

Mr Potgieter said the board of the firm would consider subsidizing the employees' petrol costs, because they were "reliable and diligent workers."

"It will be a tragedy if they have to resign because it is not worth their while to travel to work," Mr Potgieter said.
Government goes all out for SA fuel independence

**Political Staff**

NEW projects could make South Africa self-sufficient in fuel

A detailed programme of proposals will be announced by the Minister of Mineral and Energy Affairs, Mr Danie Steyn, in Parliament.

At a news conference yesterday, Mr Steyn said this move was being made because of factors such as the drop in value of the rand against the dollar.

**PROPOSALS**

He said that during his budget vote he would supply a detailed programme of the country's efforts in this regard.

A spokesman for the Department of Mineral and Energy Affairs said the proposals considered by the Government for new projects were not necessarily for Sasol-type fuel industries only.

Proposals for synthetic fuel projects to be undertaken with or without State aid had been invited from the private sector since 1979 and 1980.

**GAS FIELDS**

A number of proposals were submitted and had been considered at Cabinet level.

The spokesman said new projects were needed because existing Sasol projects had reached full capacity.

This meant that unless new projects were launched South Africa's measure of self-sufficiency in fuel supplies would diminish as fuel consumption increased.

Projects under consideration include the development of gas fields such as the one at Mossel Bay.

**"VERY IMPORTANT"**

Mr Steyn said at the conference that Sasol's profitability was of "cardinal importance" to South Africa. If it achieved good profits it could pay back its government loans more quickly and the money could be used to finance projects such as the exploitation of the Mossel Bay gas fields.

In this way South Africa could become more self-sufficient in fuel supplies and no further levies would have to be made on road-users to finance projects such as the Mossel Bay scheme.

Replying to a question, Mr Steyn said the Government had never considered reducing the efforts of SoeKor to find natural gas.

**COMMERCE**, industry and agriculture have reacted with anger and despair to the petrol and diesel price increases.

Dr J C van Zyl, chief executive director of the Federated Chamber of Industries, said the chamber realized the need for an increase but was still shocked at its size.

"A price increase of this magnitude cannot be absorbed and has to be passed on. It will cause major general price rises at a fragile stage in the country's economy."

He said the FCI had suggested a comprehensive review of the management system for South Africa's strategic fuel supplies and pricing structure to avoid sudden large shocks to the economy.

**Inflation rate**

- Assocom and the Afrikaanse Handelsinstituut said the increase would have a drastic effect on the economy - and the ripple effect would be reflected in the inflation rate.

Assocom said there was an urgent need for the authorities to take action in the management of the economy. South Africa was to withstand further attack on the already strained rand and control the inflation rate.

- Farmers reacted with anger and despair, saying it would affect farmers' recovery after the drought.

**Production costs**

For every 1c increase in the price of diesel, additional expenditure of R18-million was added to annual production costs of agriculture, he said.

"To this must be added the increase in transport and marketing costs, as well as the ripple effect of general cost increases."

Mr Henne de Jager, chairman of the National Maize Producers' Organisation, said a further increase of the magnitude announced yesterday could no longer be absorbed - a fact consumers had to accept.

- Automobile Association spokesman Mr Gideon van Oudshoorn said the increase was "really absurd, ridiculous and absolutely uncalled for."

Another AA spokesman said it was "regrettable" and "a cause for concern" that the price increase was far higher than the increase suggested by the Minister of Mineral and Energy Affairs, Mr Danie Steyn, in private discussion between him and the AA last year.

He said motorists faced further petrol price increases as well as rises in the cost of tyres, insurance and general sales tax.

- Mr Colin Adcock, president of the National Association of Automobile Manufacturers of South Africa (Naamsa), said Naamsa understood the difficulties arising from the decline in the value of the rand.

But an increase of the magnitude announced came as "a severe shock and a body blow to the motor industry which already finds itself in trouble."

"The dependence on personal transport in South Africa is high and Naamsa estimates that the announced increase in the price of petrol will result in an annual additional cost of motorists of more than R3 000 million." - Argus Correspondents and Staff Reporters

Government sharply criticised as motorists reel under increase

![Image of petrol prices](image-url)

**Where your money goes**

- 9.1% GST
- 64% Retailers Profit
- 4.9% Custom's Excise
- 1.6% Equalisation Fund
- 6.6% National Road Levy
- 4.9% SOE Levy (Research)

67% Landed Price including profits to oil companies

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

The news sent yesterday sent drivers and motorists in droves to filling stations to top up at old prices, and in places queues were more than a kilometre long.

But many garages either ran out of petrol - generally or shut down their pumps early to conserve stocks for sale at higher prices today.

Dozens of people who called The Argus yesterday for news of the price-rise reacted with anger and disbelief at the magnitude of the announcement.

Sharp criticism of the Government's handling of the economy followed the shock expressed by most callers.

A transport company owner who called held out little hope of his business surviving.

"Why is the Government squeezing the nation?" asked one rate caller. Another wondered whether a consumer boycott of petrol products could be organised to force down the petrol price.

"I think the Government must take a look at themselves," said another angry caller.

Few "24-hour" petrol stations seemed to stay open until midnight to serve motorists before the midnighl increase took effect.

A kilometre-long queue built up at a Kenwyn filling station yesterday afternoon. At a garage in Ladies Mile Road, Bergvlei, up to 40 cars waited there until the pumps were topped up at 7pm.

In Kook Street traffic backed up as queues formed from two directions to get into a station's forecourt.

In the city centre and on the periphery queues stretched for hundreds of metres.

Many garages round the metropolitan area closed early. "Obviously other garages want to sell old petrol at new prices," said the manager of one that remained open.

A Wynberg resident complained that a garage in Main Road had closed during the afternoon with a "Sorry - we have no petrol" sign outside.

Although a delivery of petrol was made on Tuesday afternoon...
EAST LONDON — CTC bus fares may rise in April, according to a company announcement yesterday.

CTC's managing director, Mr Hans Kaiser, said the fuel price hike had forced the company to apply to the Ciskei and South African road transportation board for an increase.

It was still too early to say how much fares would rise. However, the company was continuing to negotiate with the best possible passenger subsidy to ease the burden on the commuter.

"I am prepared to take the initiative to discuss the implementation of the fares with anybody with a genuine interest in the fares," Mr Kaiser said. That would include municipal bodies, township councils and tribal authorities, he said.

Asking whether this included the Committee of Ten, Mr Kaiser reiterated that it would consult anyone who had legitimate commuter interests.

The fuel price hike would increase CTC's fuel bill by R1.9 million in 1985.

"We simply cannot absorb cost increases of this magnitude and, therefore, are forced to apply for an increase in fares," he said.

If the application was approved, the new fares would be implemented on April 1.

The move followed announcements by bus firms around the country that they are to increase fares. However, the East London municipality has indicated that it does not intend to increase fares on the city's bus routes.

The chairman of the Committee of Ten, Mr Mzwandile Mampunye, could not be reached for comment on the planned CTC fare hike yesterday.

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

The fuel price increase would cost the company nearly R20 million a year, a Putco statement said.

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

Putco operates some 200 buses covering 180 million km a year and carries a million passengers a day.

It uses 7.5 million liters of diesel a month.

The increased petrol price came under fire in Ciskei yesterday.

The treasurer of the Ciskei Chamber of Commerce and Mayor of Zwellithia, Mr R.T. Mahona, said the increase would adversely affect Ciskei businessmen.

He added the South African economy was already ravaged, and Ciskei as a developing state was going to be affected extensively.

Because of difficulties Ciskeian businessmen encountered getting their goods through the South African Railways — not being notified in time about the arrival of goods was one complaint — they had asked firms to deliver their goods by trucks.

"We are already competing with giant chainstores which get discounts which we do not enjoy. The increase is going to ravage us," Mr Mahona said.

He added most Ciskeian shop owners still had old stocks of paraflin and were selling it at the old prices.

Meanwhile, the Transvaal Indian congress (TIC) has warned that the huge petrol price hike has created a situation with all the potential for further social and political upheaval.

It urged commerce and industry to be cautious about passing on the increase to consumers.

The TIC said the blame lay not merely with "the government's grave mishandling of the economy," but it was also the result of its desperate attempts to bolster the homelands policy, to meet the ever-escalating costs of apartheid, and to provide for the "ruthless suppression" of Namibia.

The statement said it did not make sense to compare the petrol price to the price in other countries because "the currencies of those..."
Racism fuelling price rise

Mail Reporter

THE Council of Unions of South Africa (Cusa) yesterday called on the Government to resign for its mismanagement of the economy, in the wake of this week's massive increase in petrol prices.

A statement by the council's general secretary, Mr Proshaw Camay, said it was clear from the phenomenal increase in the petrol price announced on Thursday that the South African economy was in "serious trouble."

The statement added that while the Government would like workers to believe that this was due to the international situation, this was only partly true.

"The fact of the matter is that to fund its racist policies the Nationalists are getting this country deeper and deeper into debt."

"The Government spends about R2.7-billion a year on maintaining apartheid."
Inflation: bitter pill ‘the only way out’

by Jackie Lavin

The purchasing power of the rand is down to 34,1c compared with 1975 and could go as low as 33c this year.

Dr Johan Cloete, Barclays Bank’s group economist, estimates that the inflation rate in 1985 will average between 13 and 15 percent.

And unless a bitter pill is taken, he cannot see an end to the inflation spiral with the main victims being those, such as pensioners, with a fixed income.

“Inflation is a social phenomenon,” he says, “a device we have developed to resolve a conflict situation temporarily.”

The double digit inflation rate which started in 1974 was initially caused by an increase in the oil price.

But instead of using less petrol people demanded more money to pay for it,” said Dr Cloete.

“People feel that because their cost of living last year went up by 11.7 percent they want their salary increased by about the same percentage.”

“The employer agrees, so as to avoid a strike and puts up the prices of his goods to offset the increased costs to himself.”

“Next year we do the same thing. We are no better off but we have avoided a strike.”

Dr Cloete said an even higher inflation rate was expected in 1986 because of the weakened rand compared to other currencies which pushed up the price of imports such as petrol.

He added that there were only two ways to stop high inflation — and both hurt.

“One way,” he went on, “is to experience such a severe recession that there is unemployment.”

“A fear of losing their jobs forces people to accept a cutback in annual wage increases.”

“But such a recession together with unemployment is something politicians and society don’t want to accept.”

“The other way is to persuade people to cut back voluntarily on their wage increases.”

“We can neither do it sensibly,” said Dr Cloete, “with people toning down their wage demands, reducing the cost of business and making it possible to cut back on price increases or we have a recession, which is what we are opting for at the moment.”

“Then is the more painful way.”

Dr Cloete felt the Government could lead the fight against inflation.

“As the public sector employs one out of every three persons,” he said, “it has a lot of power and could by either decree or voluntary negotiation with its employees pay lower wage increases.”

“It could do a great deal by just seeing that the price and wage increases under their direct control are reduced.”

“If the Government took the lead the private sector would probably follow its example.”

THE SOUTH AFRICAN CONSUMER
PRICE INDEX

1910 to 1984 (all items: 1975 = 100)

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
<th>Change (%)</th>
<th>Purchasing Power of the Rand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1910</td>
<td>161.1</td>
<td>—</td>
<td>6.21</td>
</tr>
<tr>
<td>1915</td>
<td>174.3</td>
<td>1.7</td>
<td>5.78</td>
</tr>
<tr>
<td>1920</td>
<td>225.5</td>
<td>2.5</td>
<td>5.24</td>
</tr>
<tr>
<td>1925</td>
<td>230.4</td>
<td>0.7</td>
<td>5.24</td>
</tr>
<tr>
<td>1930</td>
<td>239.0</td>
<td>3.9</td>
<td>5.30</td>
</tr>
<tr>
<td>1935</td>
<td>245.0</td>
<td>2.7</td>
<td>5.30</td>
</tr>
<tr>
<td>1940</td>
<td>252.9</td>
<td>3.2</td>
<td>5.36</td>
</tr>
<tr>
<td>1945</td>
<td>262.6</td>
<td>3.4</td>
<td>5.50</td>
</tr>
<tr>
<td>1950</td>
<td>274.4</td>
<td>4.4</td>
<td>5.50</td>
</tr>
<tr>
<td>1955</td>
<td>284.3</td>
<td>3.3</td>
<td>5.73</td>
</tr>
<tr>
<td>1960</td>
<td>289.8</td>
<td>2.0</td>
<td>5.73</td>
</tr>
<tr>
<td>1965</td>
<td>294.5</td>
<td>1.9</td>
<td>5.85</td>
</tr>
<tr>
<td>1970</td>
<td>300.0</td>
<td>1.9</td>
<td>5.94</td>
</tr>
<tr>
<td>1975</td>
<td>305.0</td>
<td>1.6</td>
<td>6.04</td>
</tr>
<tr>
<td>1980</td>
<td>310.0</td>
<td>1.6</td>
<td>6.17</td>
</tr>
<tr>
<td>1985</td>
<td>315.0</td>
<td>1.6</td>
<td>6.30</td>
</tr>
<tr>
<td>1990</td>
<td>320.0</td>
<td>1.6</td>
<td>6.43</td>
</tr>
</tbody>
</table>

For those on fixed pension, the outlook is up, up and away go the prices.

The situation for retired people fixed pensions is desperate, with rampant inflation eroding the buying power of their rands.

The chart indicates an alarming decline in the value.

Up, up and away go the prices.
Inflation: bitter pill ‘the only way out’

The purchasing power of the rand is down to 54c compared with 1975 and could go as low as 30c this year.

Dr Johan Cloete, Barclays Bank’s group economist, estimates that the inflation rate in 1986 will average between 13 and 15 percent. And unless a bitter pill is taken, he can see no end to the inflation spiral with the main victims being those, such as pensioners, with a fixed income.

“Inflation is a social phenomenon,” he says, “a device we have developed to resolve a conflict situation temporarily.”

The double-digit inflation rate which started in 1974 was initially caused by an increase in the oil price.

“But instead of using less petrol people demanded more money to pay for it,” said Dr Cloete.

“People feel that because their cost of living last year went up by 11.7 percent they want their salary increased by about the same percentage.”

“The employer agrees so as to avoid a strike and puts up the prices of his goods to offset the increased costs to him.”

“For next year we do the same thing. We are no better off but we have avoided a strike.”

Dr Cloete said an even higher inflation rate was expected in 1986 because of the weakened rand compared to other currencies which pushed up the price of imports such as petrol.

He added that there were only two ways to stop high inflation — and both hurt.

“One way,” he went on, “is to experience a severe recession that there is unemployment.”

“A fear of losing their jobs forces people to accept a cutoff in annual wage increases.”

“But such a recession together with unemployment is something politicians and society don’t want to accept.”

The other way is to persuade people to cut back voluntarily on their wage increases.

“We can either do it sensibly,” said Dr Cloete, “with people toning down their wage demands, reducing the cost of business and making it possible to cut back on price increases or we have a recession, which is what we are opting for at the moment.”

“This is the more painful way,” Dr Cloete felt the Government could lead the fight against inflation.

“As the public sector employs one out of every three persons,” he said, “it has a lot of power and could be either decree or voluntary negotiation with its employees pay lower wage increases.”

“It could do a great deal by just seeing that the price and wage increases under their direct control are reduced.”

“If the Government took the lead the private sector would probably follow its example.”

THE SOUTH AFRICAN CONSUMER PRICE INDEX

1910 to 1984 (all items: 1975 = 100)

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
<th>Change (%)</th>
<th>Purchasing Power of the Rand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1910</td>
<td>16.1</td>
<td>0.21</td>
<td></td>
</tr>
<tr>
<td>1915</td>
<td>17.5</td>
<td>1.7</td>
<td>5.78</td>
</tr>
<tr>
<td>1920</td>
<td>31.5</td>
<td>24.0</td>
<td>3.17</td>
</tr>
<tr>
<td>1925</td>
<td>23.3</td>
<td>-9.4</td>
<td>4.22</td>
</tr>
<tr>
<td>1930</td>
<td>22.2</td>
<td>-9.7</td>
<td>6.44</td>
</tr>
<tr>
<td>1935</td>
<td>20.1</td>
<td>-9.5</td>
<td>4.93</td>
</tr>
<tr>
<td>1940</td>
<td>22.3</td>
<td>3.2</td>
<td>4.48</td>
</tr>
<tr>
<td>1945</td>
<td>28.6</td>
<td>25.5</td>
<td>3.50</td>
</tr>
<tr>
<td>1950</td>
<td>34.1</td>
<td>39.9</td>
<td>2.91</td>
</tr>
<tr>
<td>1955</td>
<td>43.5</td>
<td>31.1</td>
<td>2.29</td>
</tr>
<tr>
<td>1960</td>
<td>48.6</td>
<td>1.3</td>
<td>2.06</td>
</tr>
<tr>
<td>1961</td>
<td>45.5</td>
<td>-1.8</td>
<td>2.02</td>
</tr>
<tr>
<td>1962</td>
<td>50.3</td>
<td>1.6</td>
<td>1.99</td>
</tr>
<tr>
<td>1963</td>
<td>50.9</td>
<td>1.2</td>
<td>1.56</td>
</tr>
<tr>
<td>1964</td>
<td>53.2</td>
<td>2.5</td>
<td>1.91</td>
</tr>
<tr>
<td>1965</td>
<td>54.1</td>
<td>2.6</td>
<td>1.84</td>
</tr>
<tr>
<td>1966</td>
<td>56.0</td>
<td>3.5</td>
<td>1.78</td>
</tr>
<tr>
<td>1967</td>
<td>57.4</td>
<td>2.3</td>
<td>1.73</td>
</tr>
<tr>
<td>1968</td>
<td>58.9</td>
<td>1.7</td>
<td>1.70</td>
</tr>
<tr>
<td>1969</td>
<td>65.0</td>
<td>2.9</td>
<td>1.55</td>
</tr>
<tr>
<td>1970</td>
<td>63.8</td>
<td>3.5</td>
<td>1.57</td>
</tr>
<tr>
<td>1971</td>
<td>67.7</td>
<td>6.1</td>
<td>1.47</td>
</tr>
<tr>
<td>1972</td>
<td>72.1</td>
<td>5.9</td>
<td>1.38</td>
</tr>
<tr>
<td>1973</td>
<td>78.9</td>
<td>9.4</td>
<td>1.27</td>
</tr>
<tr>
<td>1974</td>
<td>88.1</td>
<td>11.7</td>
<td>1.14</td>
</tr>
<tr>
<td>1975</td>
<td>100.0</td>
<td>13.5</td>
<td>0.90</td>
</tr>
<tr>
<td>1977</td>
<td>122.7</td>
<td>13.3</td>
<td>0.81</td>
</tr>
<tr>
<td>1978</td>
<td>135.1</td>
<td>10.9</td>
<td>0.73</td>
</tr>
<tr>
<td>1979</td>
<td>155.3</td>
<td>13.2</td>
<td>0.64</td>
</tr>
<tr>
<td>1980</td>
<td>178.9</td>
<td>13.9</td>
<td>0.57</td>
</tr>
<tr>
<td>1981</td>
<td>202.5</td>
<td>13.3</td>
<td>0.50</td>
</tr>
<tr>
<td>1982</td>
<td>235.3</td>
<td>14.6</td>
<td>0.43</td>
</tr>
<tr>
<td>1983</td>
<td>292.2</td>
<td>12.3</td>
<td>0.38</td>
</tr>
<tr>
<td>1984</td>
<td>235.0</td>
<td>11.5</td>
<td>0.34</td>
</tr>
</tbody>
</table>

The situation for retired people on fixed pensions is desperate, with rampant inflation devouring the buying power of their rands.

The chart indicates an alarming decline in the value of the rand. Given a par value in 1975, it has, declined to 34c in 1985.

Retirement Association statistics show that only 8 percent of people at present can live on their retirement incomes without augmenting them.

For a man who retired 20 years ago the value of money has declined about 30 percent. The man who retired 15 years ago on R200 finds its value has fallen to R70.

If a pension is not subject to periodic increases, its buying power is likely to be about half its initial value five years after retirement.

“Why is it going to be by 1990?” asked Mr Hugh Goyza, director of the Retirement Association. “This is the crunch. Things are getting steadily worse and inflation is not being contained. The problem is being exacerbated by higher life expectancies.”

For those on fixed pension, the outlook grows bleaker.

“People assume they have enough, they can make their own arrangements to see they have a reserve sufficient to take up some of the less in the value of money in retirement. They have to avoid over-spending on items they don’t need.”

“It's the South African life of leisure on its own items like a boat and TV, giving no thought to the fact that you cannot eat these things or get interest on them.”

Mr Goyza said the association ran an employment bureau for retired people, many of whom had to work to supplement their pensions.

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

Up, up and away go the prices

by Jennifer Tennant

Time is money, so the saying goes, and as time passes so costs rise.

This week the price of petrol rose by 25c a litre to 68.5c, stunning consumers throughout the country. It was the latest in the economic blows faced by South Africans.

The Star, highlighting the soaring cost of living, looks back to the year 1976 when a litre of petrol cost less than 24c and compares prices with the present.

Today it costs more than R53 to fill a 56-litre petrol tank. In 1976 it cost R14.46 — a difference of R38.64 in nine years.

A family-size car of two litre capacity now costs R13 504. In 1976 a similar model family car was R4 094. And it now costs twice as much to park that family car at a parking metre in the central business district. In 1976 it was about 30c for an hour, now it is 60c an hour.

And to escape the Johannesburg rat-race and fly to Cape Town a one-way ticket nine years ago was R92. The latest price quoted is R171 for a one-way ticket.

Fonc prices have also risen dramatically in less than a decade.

Remember 1978, a time when there was no general sales tax, white bread was 20c a loaf and brown bread cost 16c.

Nowadays GST is 10 percent, a loaf of white bread is 60c and brown bread is 40c.

Milk has increased by more than 15 percent in the past decade. A litre of milk was 25c in 1976 while today it is about 65c a litre.

And the price of eggs has risen by almost 200 percent in nine years — from 43c a dozen to R1.26 for a dozen large eggs.
30% profit lift for garages

Business Times Reporter

GARAGE owners will receive a 30% profit boost.

A breakdown of the petrol price shows that garages can make off 5.2c a litre compared with only 4c before.

The new price gives them a margin of less than 7.5% on the 69.2c they pay for a litre of petrol, but it will mean a substantial increase in income if sales remain unchanged.

Sales are expected to recover after a temporary fall.

The garage men are not happy. In the past, their margin has been as high as 8.4%. A spokesman for the Department of Mineral and Energy Affairs says that the profit margin for garages will be investigated in March.

Accepted wisdom was that the margin was 4c was that a garage must sell 100,000 litres a month to make a profit on petrol.

This is the national average. Such sales would yield revenue of R4 000. New 100,000 litres brings in R5 200, from which wages of pump attendants, rent and maintenance and depreciation must be subtracted.

The department believes that there are too many filling stations and has a plan to control the proliferation of garages.
Fuel blow to farm input costs

Business Times Reporters

The increase of 12c a litre in agricultural diesel fuel will take R163-million a year out of the farming community, says the South African Agricultural Union (SAAU).

When the diesel subsidy of 4c/l is removed in June it will cost farmers another R135-million a year.

At the current price of R240 a ton, it costs a farmer R440 to harvest a hectare of maize and his return is R463, leaving a profit of R4.

Subsidy

The fuel-price increase will boost maize farmers’ costs a hectare from R10.50 to R88, reducing the profit at current prices to R4.50.

Rennie Nel, general manager of the Maize Board, says it is unlikely that a maize subsidy will be paid this year.

It has been suggested that a maize price of about R380 will be demanded by Nampo, an increase of 36.5%.

Wheat farmers are in a slightly better position. Dennis van Aard, general manager of the Wheat Board, says the fuel-price rise will lift input costs by 3% immediately, with bigger increases to follow.

"Last season we increased the wheat price by only 8.5% compared with the farmers’ cost increases of 14%. The average return on a hectare of wheat is R375 compared with a cost of R393, leaving a profit of R18," he said.

A 3% increase in total costs will push up input costs to R394 a hectare, so that farmers will make a loss of R19 a hectare at current prices.

The average wheat price is currently R360 a ton and seems likely to be raised to more than R380.
International air fares to rise up to 25% from March 1

Staff Reporter

INTERNATIONAL air fares from South Africa will increase by between eight and 25 percent from March 1.

However, South African Airways officials say the new prices are because of "the currency adjustment factor" and not the increase in the fuel price.

Fares are worked out internationally in "Fictitious Construction Units" and it is up to each country to adjust it according to exchange rates.

A spokesman for SAA said the rand's decreasing value against the dollar had meant that fares would increase by up to 25 percent in some cases.

Another increase

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

Single fares to Europe, the Middle East and America will increase by 25 percent. Return fares to America go up 10 percent, but by eight percent to all other destinations.

People travelling from March 1 will be liable for the new tariffs even if they buy their tickets before the increase date.

However, Apex tickets bought now for flights after March 1 are available at the old price.
Bus fares up by between 10 and 25 percent

African Affairs Correspondent

BUS fares on Durban Corporation Green Line buses will rise from Friday by between 10 and 25 percent as a result of last week's increase in the price of diesel.

The general manager of the Durban Transport Management Board, Mr Marshall Cuthbert, said yesterday the board had made representations to the Government for a differentiated lower fuel price or a subsidy.

Regrettably, the bid had not been successful, he said.

The fuel price increase meant that the board had to recover additional expenditure on diesel of about R2 270 000 a year.

An example of the fares increase was that single-clip card fares — the equivalent of coupon fares on the Blue Line buses — between Lanternville and Durban would rise on Friday from 36 c to 41.5 c while the cash fare would be increased from 69 c to 65 c.

Publicise

Single-clip card fares between Chesterville and Durban would be increased from 25 c to 28 c and single cash fares from 35 c to 40 c.

The board was doing everything possible to publicise the new fares.

Mr Pat Rogers, public relations manager for Putco, said his company also intended to communicate its bus fare increases in the Durban area as fully as possible.

Putco was increasing its economic tariffs by 10 percent as from February 1. However, scholars' fares, for which the company received no subsidy, were sub-economic and increases here would be higher.

Mr Rogers said present scholars' fares for a 10-trip ticket would rise from R1.20 to R1.40 and from R2.00 to R2.40.

Reacting to Putco's appeal to employers to help workers meet the new fare increase, the president of the Durban Chamber of Commerce, Mr Frank Apkin, said it was the chamber's view that wage increases could not and should not be related to specific increases.

Mr Apkin said wages should be negotiated between individual employers and workers.
PE bus fares up on Friday

Post Reporter
BUS FARES in Port Elizabeth go up by as much as 10% on some routes from Friday.
Mr F E Stamp, general manager of PE Tramways, said the increase in fuel prices had necessitated the move.
In order to minimise this effect, 72% of the passengers would face an increase of up to four cents and 13% would face an increase of 10%.
Mr Stamp said there would be no increase on those routes commonly referred to as feeder or internal services — black school pupils in Uitenhage and Port Elizabeth fall into this category.
Details of price increases are:
The cash fare in Uitenhage goes up from 28c to 30c. A R2 clipboard will go up to R2,20.
A 33c fare from New Brighton to Port Elizabeth will become 35c and a R2,30 clipboard will become R2,60.
The fare from Windvogel and Zwide to the city will go up from 43c to 47c and clipboard from R2,90 to R3,30.
Mr Stamp said that of the allowable 15%, in terms of Section 12A, the company had only increased fares by an average of 8.5%.

*See Page 4.*
Women protest at increase in bus fares

By JIMMY MATYU

ABOUT 50 members of the Port Elizabeth Women's Organisation (Powo) today assembled outside the Port Elizabeth Tramways' New Brighton bus depot — Bay Passenger Transport — to protest against increased bus fares.

The women were watched by police who photographed the crowd. One video camera was used.

Some of the placards read "Down with high bus fares", "High fares, NO", "No high wages, we are hungry, we have no money", "Decrease bus fares" and "This is a peaceful demonstration".

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

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

Outside the depot, five women, Mrs Ivy Guna, the president of Powo, Miss N Stampo, the assistant secretary, Mrs Elizabeth Hohu, the treasurer, Miss N Zuma and Mrs N Mbenye, were delegated to seek an interview with company officials.

While the five women were inside the premises of the bus depot, the others stood across the street displaying placards.

Mrs Guna and Miss Stampo later met depot officials.

Mrs Guna said they were advised to write to Mr Carl Coetzee, the managing director.

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

Representatives of six affiliates of the United Democratic Front — Powo, the Port Elizabeth Black Civic Organisation (Pebco), the Port Elizabeth Youth Congress (Peyco), the Congress of South African Students (Cosas), the Motor Assemblers' and Components Workers' Union of South Africa (Macwusa) and the General Workers' Union of South Africa (Gwusa) — will hold a meeting on the bus fare increases in the Gana Kakaza Hall today at 6pm.
FUEL PRICE INCREASE —

PUTCO ANNOUNCES NEW FARES

The passenger bus industry, as already announced, has been unable to obtain either exemption or subsidy on behalf of its passengers, and has no option but to pass on to them the fuel price increase announced by the Government.

Because Putco’s passengers represent in general the lower income group, and transport is a service essential to the country’s economy, the company is appealing to employers to help workers meet the new fare increases.

Putco operates some 3,200 buses covering 180 million kilometres annually, and carries a million passengers a day. It uses 7.5 million litres of diesel a month, which means that the 22c per litre increase applicable (inclusive of GST) will cost the company nearly R20 million a year.

To cover this extra cost, Putco is increasing its economic fare tariffs from Friday February 1 by the maximum 10% allowable in terms of Section 12 (a) of the Road Transportation Act of 1977. This makes it possible for fuel cost increases only to be recovered immediately, before the normal lengthy application procedures still required. It is stressed that the increase does not provide for any other cost factors affecting the company.

The introduction of an across-the-board 10% increase on economic fare tariffs will necessitate the use of copper currency in the system, and passengers are asked to assist by carrying the correct change where possible. The following tabulations will apply to single journey cash fares:

<table>
<thead>
<tr>
<th>Present</th>
<th>Amount of Increase</th>
<th>New Pass Fare</th>
<th>Increase to Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>3c</td>
<td>3c</td>
<td>R4.00</td>
<td>17.6%</td>
</tr>
<tr>
<td>4c</td>
<td>4c</td>
<td>R5.00</td>
<td>19.5%</td>
</tr>
<tr>
<td>5c</td>
<td>5c</td>
<td>R6.00</td>
<td>10.0%</td>
</tr>
<tr>
<td>R1-R1,95</td>
<td>10c</td>
<td>R7.00</td>
<td>12.5%</td>
</tr>
<tr>
<td>R2-R2,95</td>
<td>20c</td>
<td>R8.00</td>
<td>10.0%</td>
</tr>
<tr>
<td>R3 and above</td>
<td>30c</td>
<td>R9.00</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

It is pointed out that the economic fare tariff — or revenue — is the tariff required to provide for operating costs and a reasonable profit. In the case of season tickets it is made up of the passenger’s contribution and a discount or passenger subsidy recoverable from the Government. This subsidy is intended for the benefit of workers, who are regular commuters. It does not apply to single trip cash fares, which in general then reflect the full economic fare tariff.

On average the passenger contribution to Putco’s economic fare tariff on season tickets accounts for about 60% against 40% subsidy. However, the subsidy varies considerably according to distance involved and other factors determined by the Department of Transport. The 10% revenue increase therefore will mean an increase to subsidised passengers varying between extremes of 10.5% and 41%. Some specific examples are clarified below:

<table>
<thead>
<tr>
<th>10-Trip Weekly Ticket</th>
<th>Passenger Fare</th>
<th>Subsidy</th>
<th>Total (Economic Fare Tariff)</th>
<th>Increase</th>
<th>New Pass Fare</th>
<th>Increase to Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alex/Noord Street</td>
<td>R3.40</td>
<td>R2.60</td>
<td>R6.00</td>
<td>0.50</td>
<td>R4.00</td>
<td>17.6%</td>
</tr>
<tr>
<td>Dobinsonville/Rooideoort</td>
<td>R4.30</td>
<td>R2.70</td>
<td>R7.00</td>
<td>0.70</td>
<td>R5.00</td>
<td>19.5%</td>
</tr>
<tr>
<td>Dobinsonville/Rooideoort</td>
<td>R3.50</td>
<td>R1.50</td>
<td>R5.00</td>
<td>0.50</td>
<td>R4.00</td>
<td>14.3%</td>
</tr>
<tr>
<td>Emmies/City</td>
<td>R5.40</td>
<td>R6.60</td>
<td>R12.00</td>
<td>1.20</td>
<td>R6.60</td>
<td>22.2%</td>
</tr>
<tr>
<td>Eton/City</td>
<td>R7.50</td>
<td>R12.50</td>
<td>R20.00</td>
<td>2.00</td>
<td>R9.50</td>
<td>26.7%</td>
</tr>
<tr>
<td>Meadowlands/City</td>
<td>R4.90</td>
<td>R4.10</td>
<td>R9.00</td>
<td>0.90</td>
<td>R5.80</td>
<td>15.4%</td>
</tr>
<tr>
<td>KwaThema/Station</td>
<td>R2.10</td>
<td>0.90</td>
<td>R3.00</td>
<td>0.30</td>
<td>R2.40</td>
<td>14.3%</td>
</tr>
<tr>
<td>Vosloorus/Boksburg Ind.</td>
<td>R3.50</td>
<td>R5.50</td>
<td>R9.00</td>
<td>0.90</td>
<td>R4.40</td>
<td>25.7%</td>
</tr>
<tr>
<td>Tembisa/Noord St.</td>
<td>R7.40</td>
<td>R5.60</td>
<td>R13.00</td>
<td>1.30</td>
<td>R8.70</td>
<td>17.6%</td>
</tr>
<tr>
<td>Tembisa/Edendale</td>
<td>R4.50</td>
<td>R3.50</td>
<td>R8.00</td>
<td>0.80</td>
<td>R5.30</td>
<td>16.8%</td>
</tr>
<tr>
<td>Eldorado Park/City</td>
<td>R4.90</td>
<td>R6.10</td>
<td>R11.00</td>
<td>1.10</td>
<td>R6.00</td>
<td>22.6%</td>
</tr>
<tr>
<td>Kemperle/City</td>
<td>R7.30</td>
<td>R10.70</td>
<td>R18.00</td>
<td>1.80</td>
<td>R9.10</td>
<td>24.7%</td>
</tr>
<tr>
<td>Westcliff/Bree Street</td>
<td>R3.80</td>
<td>0.20</td>
<td>R4.00</td>
<td>0.40</td>
<td>R4.20</td>
<td>10.5%</td>
</tr>
<tr>
<td>Garankuwa S/Collies</td>
<td>R4.40</td>
<td>R9.60</td>
<td>R14.00</td>
<td>1.40</td>
<td>R5.80</td>
<td>31.8%</td>
</tr>
<tr>
<td>Erasmus/Collies</td>
<td>R4.50</td>
<td>R7.50</td>
<td>R12.00</td>
<td>1.20</td>
<td>R5.70</td>
<td>26.7%</td>
</tr>
<tr>
<td>Mobopane/Kroonkloof</td>
<td>R7.10</td>
<td>R12.90</td>
<td>R20.00</td>
<td>2.00</td>
<td>R9.10</td>
<td>28.2%</td>
</tr>
<tr>
<td>Soshanguve/Groenkloof</td>
<td>R7.00</td>
<td>R12.50</td>
<td>R19.50</td>
<td>1.90</td>
<td>R8.95</td>
<td>27.1%</td>
</tr>
<tr>
<td>Bella ‘Ombre/Feeder’</td>
<td>R2.40</td>
<td>0.60</td>
<td>R3.00</td>
<td>0.30</td>
<td>R2.70</td>
<td>12.5%</td>
</tr>
<tr>
<td>Bella ’Ombre/Mon Park’</td>
<td>R4.60</td>
<td>R1.40</td>
<td>R6.00</td>
<td>0.60</td>
<td>R5.20</td>
<td>13.0%</td>
</tr>
<tr>
<td>Marobastad/Kwaggafonte</td>
<td>R8.60</td>
<td>R18.40</td>
<td>R27.00</td>
<td>2.70</td>
<td>R11.30</td>
<td>31.2%</td>
</tr>
<tr>
<td>Marobastad/Go-Search</td>
<td>R9.00</td>
<td>R26.00</td>
<td>R37.00</td>
<td>3.70</td>
<td>R12.70</td>
<td>41.3%</td>
</tr>
<tr>
<td>Monetla/W/Collies</td>
<td>R4.50</td>
<td>R4.50</td>
<td>R9.00</td>
<td>0.90</td>
<td>R5.40</td>
<td>20.0%</td>
</tr>
<tr>
<td>Ekangala/Spings</td>
<td>R8.60</td>
<td>R11.40</td>
<td>R20.00</td>
<td>2.00</td>
<td>R10.60</td>
<td>23.3%</td>
</tr>
<tr>
<td>Feeder (Mamelodi &amp; Atteridgeville)</td>
<td>R2.10</td>
<td>0.90</td>
<td>R3.00</td>
<td>0.30</td>
<td>R2.40</td>
<td>14.3%</td>
</tr>
<tr>
<td>Saulsville/Collies</td>
<td>R4.60</td>
<td>R4.40</td>
<td>R9.00</td>
<td>0.90</td>
<td>R5.50</td>
<td>19.6%</td>
</tr>
<tr>
<td>Stage 51 (Bella’Ombre/CBD)</td>
<td>R4.50</td>
<td>R3.00</td>
<td>R3.45</td>
<td>0.30</td>
<td>0.75</td>
<td>66.7%</td>
</tr>
<tr>
<td>Stage 52 (Bella’Ombre/ Letus/Walker)</td>
<td>R1.60</td>
<td>R2.45</td>
<td>R4.95</td>
<td>0.40</td>
<td>R2.00</td>
<td>25%</td>
</tr>
<tr>
<td>Stage 51 (Wonderboom St)</td>
<td>R0.45</td>
<td>R3.00</td>
<td>R3.45</td>
<td>0.30</td>
<td>0.75</td>
<td>66.7%</td>
</tr>
</tbody>
</table>

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

MA7/0729/95
Milk price war rages in
Gonubie

By BILL GODDARD

EAST LONDON — A milk price war has erupted in Gonubie, which has enabled some stores to slash 30 to 35 per cent off normal retail prices — a saving of between 25 and 30 cents on a litre.

The dramatic price cutting, which has seen the retail cost of one-litre cartons drop to 55c, has been brought about because of a clash between wholesale suppliers.

Shop keepers say that Model Dairy of East London and Prospect Dairy of Komga have been engaged in an on-going battle to establish themselves as the major supplier in the town and as a result have enabled retail prices to be reduced to by-gone levels.

A leading price-cutter in the town, Mr A Loureiro, said yesterday that shop keepers had to pay 72c a litre for milk from Model Dairy and 70c a litre from Prospect Dairy.

"Then a third party came on the scene — Cross Agencies — who offered us milk at 61c a litre," he said.

Mr Loureiro said the East London-based firm of manufacturers' representatives were marketing milk under the Hillview brand label — a product which the marketing manager of Model Dairy, Mr Pierre Gonneau, yesterday confirmed was nothing more than milk from his dairy which was being offered under another brand name.

A director of a supermarket, Mr Lionel Geese, said he bought some Hillview cartons and sold them at the same price — "a type of loss leader".

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

This move was followed by a slight price cut by Prospect Dairy which has enabled some of the large stores in the town to slash their selling price to 55c a litre.

Officials of the Dairy Board said there was nothing they could do about the wholesale-retail price war because Gonubie fell within the boundaries of the East London area which was not governed by price control on milk.

Mr Gonneau denied that Model Dairy was involved in the price war and said it was purely a matter between Prospect Dairy and Cross Agencies.

"We merely supply and pack the milk for Cross Agencies and they handle the marketing and distribution," he said.

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

The head of Cross Agencies, Mr Roger Randell, would not say whether or not he had made the same offer to retailers in East London, nor would he say if he would supply them if they asked for stocks at the 61c price.

Several East London shop keepers who were found to have Hillview brand milk in their stores said they were paying 72c a litre.

Many of the shop keepers in Gonubie see the price cutting of Hillview milk as an attempt to squeeze out Prospect.

"Model Dairy couldn't pay the going rate," said one shop owner.

Internal air fares up
CAPE TOWN — South African Airways domestic and international air fares and cargo tariffs will be increased by between eight per cent and 15 per cent from tomorrow, the Minister of Transport Affairs, Mr Hendrik Schoeman, announced yesterday.

The Progressive Federal Party's spokesman on Transport Affairs, Mr John Matome, said the increases seemed to indicate that the government was fighting harder for inflation than against it. — PS-SAFA

More details P6
Taxi owners to ask for fare increase

EAST LONDON — Taxi operators in East London have agreed to increase fares to a flag-drop rate of R1 and 90c a kilometre, and have applied to the Road Transportation Board for approval.

Mr Ivan Butler, spokesman for a local taxi fleet, said taxi drivers had started feeling the pinch since the announcement of the petrol increase last week when 93 octane fuel was increased by 25c, 93 octane by 27,1c and diesel by 20c a litre.

Another East London taxi fleet owner, Mr Bukw Smith, said he had been forced by the increased petrol prices to put in an application for a R1-flagdrop charge and 80c a kilometre.

At present his charges are 60c a flagdrop and 50c a kilometre.

"I have three cars going all the time and another three on stand-by and I am losing nearly R100 a day," he said.

"It is going to cost me an extra R75 to have my meters changed once I have been told what increase I am allowed to charge," he said.

He said he had on occasions spent R3 to pick up a fare and the customer had had to pay only R1 for the trip because it was so short. He had not charged from the rank to wherever he had to pick up the fare, but would now be forced to do so.

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

Another taxi owner said he had only one vehicle which operated from a rank in the centre of town near a supermarket and he had also filed a similar application to the others.

He said that with GST and fuel-price increases over the last two years, he had found it difficult to survive on his own.

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

Miss Helen Treston, senior transport administration clerk with the Road Transportation Board in East London, said it could take some time before the applications were considered.
Sharp rise in air fares, cargo tariffs

The Minister of Transport Affairs, Mr Hendrik Schoeman, yesterday announced big increases in domestic and international air fares and cargo tariffs.

Mr Schoeman announced that domestic passenger fares would rise by 11 percent and domestic cargo tariffs by 15 percent. International rates would go up by eight and 10 percent respectively.

The new tariffs come into effect tomorrow.

The Official Opposition has reacted with shock to the increases.

The Progressive Federal Party's spokesman on transport, Mr John Maleme, said the "enormous increases" in domestic tariffs seemed excessive.

In the last South African Transport Services budget, 38 percent of the SAA's expenses were spent on "flying operations". If half was spent on fuel, the fares should go up by no more than 8 percent, he said.

'Fighting for inflation'

"This government appears to be fighting harder for inflation than against it," he said.

From Friday fares from Cape Town to Johannesburg would go up from R222 to R247 (single first class), from R197 to R219 (single business class), and from R171 to R190 (single economy class).

The flexiflight return and late night singles on the Cape Town Johannesburg run would go from R206 and R90 to R228 and R95 respectively. Standby singles would go up from R137 to R152.

London fares would go up from R4 010 (first class), R2 645 (gold class) and R1 052 (Apex) to R4 331, R2 860 and R1 157 respectively.

To New York the fares increase from R4 310, R2 050, and R1 460 to R4 741, R2 225 and R1 600.

Mr Schoeman said the increases had become unavoidable because of rising operating expenditure, mainly as a result of the weakening rand against other international currencies, particularly the US dollar.

— Political Correspondent and Sapa

*Bus fares rise Unions 'shocked', page 3*
Passengers protesting against increased fares boycotted Putco buses and set up roadblocks in kwandebele this morning, Putco's public relations officer, Mr Pat Rogers, said today.

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

Mr Rogers said kwandebele had the highest tariff increase, with passengers on long-distance trips having to pay R12.70 instead of R9 weekly.
Beer up by 6.5 pc

The price of beer is to go up by about 6.5 per cent from Monday — just one week after the increase in the price of wines.

South African Breweries told bottle stores today that the wholesale price of beer would increase with immediate effect — but most of them have sufficient stocks to last through the weekend.
Why meat costs so much

---

**McDonald's Menu**

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Mac</td>
<td>$5.99</td>
</tr>
<tr>
<td>Whopper</td>
<td>$5.99</td>
</tr>
<tr>
<td>Filet-O-Fish</td>
<td>$5.19</td>
</tr>
<tr>
<td>Chicken Sandwich</td>
<td>$4.49</td>
</tr>
<tr>
<td>Fries</td>
<td>$2.49</td>
</tr>
<tr>
<td>Drink</td>
<td>$1.99</td>
</tr>
</tbody>
</table>

*Prices are subject to change.*

---

**Fast-Food Chain**

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandwich</td>
<td>$4.99</td>
</tr>
<tr>
<td>Burger</td>
<td>$5.99</td>
</tr>
<tr>
<td>Hot Dog</td>
<td>$3.99</td>
</tr>
<tr>
<td>Fries</td>
<td>$2.49</td>
</tr>
<tr>
<td>Drink</td>
<td>$1.99</td>
</tr>
</tbody>
</table>

*Prices are subject to change.*

---

**Supermarket**

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicken</td>
<td>$3.99</td>
</tr>
<tr>
<td>Beef</td>
<td>$5.99</td>
</tr>
<tr>
<td>Pork</td>
<td>$4.49</td>
</tr>
<tr>
<td>Vegetables</td>
<td>$1.99</td>
</tr>
<tr>
<td>Fruits</td>
<td>$2.49</td>
</tr>
</tbody>
</table>

*Prices are subject to change.*

---

**Butcher's Shop**

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>$7.99</td>
</tr>
<tr>
<td>Pork</td>
<td>$6.99</td>
</tr>
<tr>
<td>Lamb</td>
<td>$9.99</td>
</tr>
<tr>
<td>Veal</td>
<td>$8.99</td>
</tr>
<tr>
<td>Chicken</td>
<td>$3.99</td>
</tr>
</tbody>
</table>

*Prices are subject to change.*

---

**Home Butcher**

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>$6.99</td>
</tr>
<tr>
<td>Pork</td>
<td>$5.99</td>
</tr>
<tr>
<td>Lamb</td>
<td>$8.99</td>
</tr>
<tr>
<td>Veal</td>
<td>$7.99</td>
</tr>
<tr>
<td>Chicken</td>
<td>$3.99</td>
</tr>
</tbody>
</table>

*Prices are subject to change.*

---

**Why Meat Costs So Much**

Meat costs more than most people think. There are several factors that contribute to the higher cost of meat. These include:

1. **Supply and Demand**: The availability of meat depends on the number of animals raised. When supply is low due to disease or weather conditions, prices tend to rise.
2. **Processing Costs**: Meat must be processed before it can be sold. This includes the cost of labor, facilities, and equipment.
3. **Transportation Costs**: Meat is transported to grocery stores, restaurants, and markets, which adds to the cost.
4. **Marketing Costs**: There are costs associated with advertising and promoting meat products.
5. **Storage Costs**: Meat needs to be stored in refrigerated warehouses, which adds to the cost.

In addition to these factors, the cost of meat is influenced by factors such as the labor market, government policies, and global events. All of these factors contribute to the higher cost of meat, and it's important to understand why it costs so much to ensure that we make informed choices as consumers.
Why meat costs so much despite a glut

The Star Friday Feature 1989

The government of Canada has imposed a tariff on imported beef, which has made beef more expensive. This has led to a decrease in demand for beef, which has in turn led to a glut of beef. Despite this, meat prices have remained high due to the high cost of production. The government has also been criticized for its policies on agriculture, which have been seen as contributing to the high cost of meat.
Meat prices rise
despite board's huge surplus

By Maud Motonyane
and Jackie Uzwina

Meat has become even more expensive with good cuts costing as much as luxuries such as imported Canadian salmon.

Yet the Meat Board has a huge surplus which costs R2.5 million a month to keep in cold storage.

But it would cost more to dispose of the meat locally than to export it, said Meat Board chairman Mr F R du Toit at the recent Agricultural Outlook Conference.

Despite severe opposition to a meat-export programme, negotiations began last year to export the surplus have been concluded and the first shipments are due shortly.

The surplus is equal to 231,000 carcasses - about a ninth of annual meat consumption.

Mr du Toit said that, despite excellent precautions, the condition of stored supplies must inevitably deteriorate and so must its sale value.

He added that the advantages of exporting the surplus, as opposed to marketing it locally, had increased because of the changed exchange rate.

The Housewives' League feels that the meat should rather be sold to local consumers at a price lower than fresh meat or stored for use when conditions might be worse.

SUPERMARKETS

A survey reveals that large supermarkets are selling meat at higher prices than small butchers.

The Housewives' League reports a fall in the auction price of meat to its end-of-November level and this has been passed on to consumers by retailers.

But prices are still high and have resulted in consumer resistance despite Meat Board attempts to sell more beef.

- Consumption of beef declined by 0.8 percent between June 1982 and July 1983 while there was a noticeable rise in consumption of mutton and pork - 12 percent in both cases.

In recent years there has been a big increase in the consumption of chicken. Between 1970 and 1982, consumption of red meat rose by only 1.4 percent, consumption of chicken rose by 272 percent.

See Page 11.
Government has rejected representations from Putco to secure either an exemption from the steep fuel price increase or a subsidy to avoid burdening passengers with fare increases.

"We therefore have no alternative but to pass the price increase onto our passengers," says Pat Rogers, Putco's public relations chief executive. "The implications of the fuel price rise for the black consumer gives cause for concern. Putco operates about 3,200 buses which cover 186m kilometres a year and we carry about a million passengers daily."

It is not clear, he adds, what the increase will be, but the increase in cost to Putco is R1m a year for every 1c rise per litre of fuel.

Rogers further says Putco will apply for an increase in fares effective from February 1. However, they are unable to say at this stage how individual routes and trips will be affected.
Bifsa sees 15 percent rise for basic building costs

BASIC Building costs, which influence market costs in the property field, are heading for an annual escalation figure of about 15 percent, says the Building Industries Federation.

"The public will have to brace itself against an increase in the second half of the year, particularly in the light of rising costs of raw material components," says the executive director, Mr Lou Devon.

However, builders could be forced to absorb more and more of their rising costs because of tough economic conditions.

This is already shown by fierce tendering for work, where the difference in tender prices is sometimes hundreds instead of thousands of rands.

High interest rates are limiting the amount of house building, a pattern likely to continue for the rest of the year.

Builders in the additions and alterations market might benefit from the slowdown in home building since home owners were likely to keep their homes rather than sell in a depressed market.
Timber! Furniture, housing prices to rise

LATEST in the round of price increases comes from the Lumber Millers Association — an average 8%.

The increase will affect the cost of building and furniture, the two largest consumers of timber.

Because of increased production costs, soaring interest rates and the high cost of transport, timber growers - private and Government - have raised their selling prices by 8% and thus has been passed on to the consumer by the lumber millers.

The industry is worth R300-million a year.

The last increase in timber prices was 10% a year ago. Price increases have always been below the inflation rate, says Apies du Toit, deputy manager of the Lumber Millers Association.

The higher price of timber should mean an increase of about 5% in the cost of building a home, says Lou Davis, executive director of the Building Industries Federation of South Africa.

Warning

He says building costs generally could rise by between 12% and 14% this year. Thus compares with 12% last year, but he warned that once the economic climate improves, "costs will go through the roof". Tender prices, however, are at their lowest for many years because of competition in the industry.

Siggy Redelinghuys, executive director of the Furniture Traders Association, says most retailers have fairly large stocks, and so the increased price of timber is not expected to have an immediate effect, but all new production will carry a higher price tag.

"What will probably happen is that increases of 2% will be phased in over about four months. They are unlikely to be any higher because of competition."

PFP says Govt ‘must be mad’

Rail fares jump by a massive 30 percent

By David Braun, Political Correspondent

Passenger rail fares are to rocket by between 20 and 30 percent from Wednesday.

The Minister of Transport Affairs, Mr Hendrik Schoeman, announced today that:

- First class suburban and mainline fares are to rise by 30 percent
- Second class mainline fares are to be increased by 25 percent
- Third class suburban and mainline fares are to go up by 20 percent.
- SA Transport Services Road Transport fares are to go up by 12.5 percent.

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

Reacting to the increases the Progressive Federal Party spokesman on transport affairs, Mr John Malcolmess, said the Government “must have gone absolutely, bloody mad”.

He said the 20 percent rise in third class fares was almost pleading for urban unrest.

He accused the SATS of grabbing more than its due in terms of the fuel price increase. A large part of the SATS rail network was electrified, he said.

Mr Schoeman said the increases were owing to circumstances beyond his control, and were much to his regret.

“Apart from such factors as the rand/dollar exchange rate and the downsawing in traffic, the recent increases in electricity costs and the fuel price have necessitated the adjustments with effect from Wednesday.

“Electricity and fuel comprise 15 percent of SATS’s operating expenditure, and it is anticipated that will rise from R98 million to more than R105 million a year,” he said.

The recent increase in fuel prices, as well as the increase in the price of tyres and the influence of the weak rand/dollar exchange rate on the import price of spare parts made the increase on fares unavoidable.

An example of how the new fares will increase tariffs is the fare between Naledi in Soweto and Johannesburg. A weekly third class ticket will increase from R2.90 to R3.20. A monthly ticket will rise from R11 to R12.50.

The cost of a weekly first class ticket between Pretoria and Johannesburg will rise from R16.50 to R21.50.

An 11 percent increase in air fares was implemented last week.”
Prohibitive prices of medicines are forcing many chronically ill people to cut down on the dosages prescribed for them by doctors.

In many cases the costs exceed medical aid society allowances, leaving the sick with alarming bills.

"It is clear that the worry of illness is compounded today by the staggering prices of medicines," said a retail pharmacist.

Are pharmacists making inordinate profits? They protest that they themselves can scarcely keep up with the cost of medicines, and stock the smallest quantities.

Mr Jack Blum, the national president of the SA Association of Retail Pharmacists, said the claim that the price of medicines in pharmacies was exorbitant was valid when compared with prices charged by manufacturers to other private sector purchasers.

CLINICS

Among them were dispensing doctors, Transmed (the South African Transport Services medical society), private nursing homes, mine’s benefit societies, and industrial clinics, he said.

For certain medicines, retail pharmacists are sometimes charged more than four times the price paid by other private sector purchasers.

In other words, ordinary customers of family pharmacies are subsidising the huge volume of medicines bought on tender by privileged buyers.

"This situation certainly calls for an equalisation of prices to all purchasers," said Mr Blum.

"This would bring about a dramatic reduction in the cost of medicines sold by retail pharmacists."

See Page 6.
Pharmacists defend soaring medicine costs

By Olga Horowitz

At a time when the sick feel they are paying exorbitant prices for medicines, retail pharmacists defend their rates with chapter and verse from their price lists.

A retail pharmacist showed me some cost prices, excluding GST and a dispensing fee.

49,77c for a single capsule to stimulate the heart (up to six a day are prescribed), 45,3c for a certain diuretic, 46,92c for one anti-diabetic tablet (one or two a day), and more than R2,84 for a 10ml vial of insulin — three to four times more than insulin cost four years ago.

A frequently prescribed tablet to control high blood pressure and irregular heartbeat costs R1,65 — one a day — and a broncho-dilator tablet R6,68c for two a day.

One pharmacist threw open at random his book of prescriptions.

A woman had been prescribed a month's supply of medicine for a chronic respiratory problem complicated by an infection. The bill was R137,25 excluding tax. The cost to the pharmacist of all the items was R84,75. The difference of R52,50 comprised his gross profit margin of R42,10 and a professional fee of R10,40 for dispensing seven items including the cost of containers and R15c for a copy of the prescription for the medical aid claim.

The gross profit, he said, had to cover rent, salaries, delivery costs, electricity, insurance, stationary and telephone.

Today, being a member of a medical benefit society does not give immunity from the shock of soaring medicine costs.

People on vital medication for respiratory problems, blood pressure, heart conditions, angina, arthritis disorders and diabetes find their medical aid allowances increasingly inadequate.

Many, such as pensioners and those on fixed incomes, who need life support medication and cannot afford to join a medical aid society, have three alternatives — to cut down on their medication (which they cannot do on a lifetime medicine such as insulin), find the energy and bus fares to get supplies at Provincial hospitals, or ask the pharmacists for a cheaper, generic equivalent of the prescribed medicine. These are limited but do exist.

"Doctors, initiators of the treatment, are mostly sufficiently responsible, especially where there might be a financial problem, to prescribe only what is necessary for the patient," said Mr Jack Blum, president of the SA Association of Retail Pharmacists.

"Pharmacists in their turn are worried when clients cut down on prescribed doses, lest the sick jeopardise their already frail health."
Jo'burg taxi fares to go up

Transport Reporter

Johannesburg's two leading taxi companies, Rose Taxis and Taxi Bureau, are to increase their fares following the petrol price increase.

Mr Chris Froneman, managing director of Rose Taxis, said today he had applied to the Road Transportation Board for an increase last week.

"We will not change the tariff on distance but the flagfall tariff will go up from 70c to R1 and the waiting fare will increase from R9 to R15 an hour."

Rose Taxis charge R1 a kilometre.

Mr Nicholas Meyer, owner of Taxi Bureau, said his company had not increased fares for two years.

He said they would apply to decrease their tariff from 80c to R1 a kilometre but the flagfall would remain at 70c and the waiting tariff at R9 an hour.
Outrage over new rail fares

Staff Reporter

TRADE unionists and community organizations voiced outrage and shock yesterday at the 20 to 30 percent increase in rail fares which comes into effect tomorrow.

First-class passengers' fares will increase by an average of 30 percent, second-class by 25 percent and third-class by 20 percent.

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

Road fares up

In addition, SATS road passenger fares will go up by an average of 12.5 percent.

Spokespersons for several organizations warned that the increases, which follow a flood of price increases in the past few weeks, could cause a backlash of protest and unrest from angry communities whose 1984 wage increases had already been overtaken by cost-of-living increases.

A spokesman for the General Workers' Union, who described the increase as "provocative in the extreme", pointed to recent bus, fuel and rent increases "Workers simply cannot shoulder this burden any longer," he said.

A spokesman for the Food and Canning Workers' Union said he did not believe there was any justification for the increases.

"Asked to pay"

"The public is being asked to pay for the costs of the new Constitution," he said.

The general secretary of the Federation of South African Trade Unions (Fosatu), Mr Joe Foster, said that while the increases were not unexpected, "one would have thought the government would have had a better sense of judgement than to increase fares now when people face so many other increases."

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

The Trade Union Council of South Africa condemned the increases, saying they would cause tremendous hardship the budget hit would be those who because of government policies were forced to commute long distances to work.

Retrenchments

"This section of our community can least afford any rise in the cost of living, and has already been terribly affected by retrenchments and unemployment," a spokesman said.

Tucsa believes that fare increases should have been avoided by granting all passenger transport services exemption from the fuel price increase and we urgently appeal to the government for this exemption to be granted.

The Progressive Federal Party spokesman on Transport Affairs, Mr John Malcomess, said yesterday "This latest inflationary increase will spell economic disaster for millions of South Africans. Those worst affected are not allowed to express their opinion by voting against the government."

The New Republic Party spokesman on transport affairs, Mr Vause Raw, said the latest increases would hit the public "like a typhoon leaving what is left of family budgets blown to smithereens."

Table showing increases, page 3
R54.50 to travel from EL to PE

How much extra are we now paying for our petrol when travelling from A to B?

The Automobile Association has prepared a table which shows the increased petrol cost per kilometre for light vehicles, comparing the price before the fuel price hike and after.

Calculations made according to their table show that it would have cost you R39 in petrol before the increases to travel from East London to Port Elizabeth and back in a two litre Sierra or Skyline. It will now cost R54.50.

From Queenstown to East London and back in a VW Golf 1.6 would have cost R23.75 in fuel — this figure is now R33.20.

A Toyota Corolla 1.3 driven from East London to King William's Town and returning would have cost R64.90. The figure now is nearly R9. So if you commute to King and back every day to work (that would be about 22 days in a month) your fuel bill is going to go up by R87 a month.

The same commuting journey in a Mercedes Benz 280 would have cost R8.50 a day while it will be R11.60 today — an extra R4.30 a month according to the AA table.

Petrol running costs according to the table are:

<table>
<thead>
<tr>
<th>Engine capacity</th>
<th>Cent per kilometre</th>
</tr>
</thead>
<tbody>
<tr>
<td>900 to 1200</td>
<td>Before</td>
</tr>
<tr>
<td>1.201 to 1.300</td>
<td>4.0</td>
</tr>
<tr>
<td>1.301 to 1.800</td>
<td>5.4</td>
</tr>
<tr>
<td>1.801 to 2.000</td>
<td>5.8</td>
</tr>
<tr>
<td>2.001 to 2.500</td>
<td>6.3</td>
</tr>
<tr>
<td>2.501 to 3.000</td>
<td>6.7</td>
</tr>
<tr>
<td>3.001 to 4.000</td>
<td>7.2</td>
</tr>
<tr>
<td>4.001 to 5.000</td>
<td>8.2</td>
</tr>
</tbody>
</table>

The AA hopes to publish an updated cost schedule about mid-February.
SALT'S SUBSIDY

GOVT CUTS BACK

BY JOHN OWEN

2 held: car, boat

Body in

PARLIAMENT

R9300

MATS BUS

up 15%

SATS RAIL

up 12.5%

UP CLASS

MATT LINE

up 30%

SUPERLINER

up 20%

SUPERLINER

up 90%

1ST CLASS

MAINLINE

FOR TOMORROW

New fares train commuters will pay from tomorrow

SAN'TS rail and bus fares go up tomorrow.

Examples of single fare increases.

BY CHRIS FREY

1966/7

1966/7

1966/7
the period This after having asked the Government for R25- million.

From tomorrow, rail fares would go up by 12½%, the Minister of Transport Affairs, Mr. Hendrik Schoeman, announced in Cape Town yesterday.

The announcement comes in the wake of a 60% fuel price rise late last month, followed by air fares increases of between 11% and 15% and wide-ranging bus tariff increases.

Mr. Schoeman said that owning to conditions "beyond his control", he was compelled to introduce rail and road fares adjustments.

But a spokesman for SATS said last night: "The new fares have been published, but we expect to be given between R400-million and R450-million less than the R500-million we asked the Government for."

And this amount is a massive R10-million less than the R125-million handled out by the Government for SATS "socio-economic measures" in the current financial year.

The Progressive Federal Party spokesman on Finance, Mr. W. B. Reinhardts, last night told GERARD REILLY of the Daily Pretoria Bureau that: "We are asked to make ends meet in Government spending -- not in essential socio-economic subsidies which would maintain the stability of the country."

"Certain socio-economic expenditure incurred to maintain stability is essential and this includes subsidies to cheaper commuter urban rail flows.

"I find this remarkable and disturbing that when the country is causing inflation, the costs of the majority of the country's workforce are to be raised to the extent they have.

"It is incredible they can do this in the middle of a recession," Mr. Schwartz said.

Apart from factors such as the rand/dollar exchange rate and the dollarization of traffic, the recent increase in electricity costs the country has had to meet and the adjustments, Mr. Schoeman said he had exhausted fuel and electricity costs in SATS' operating expenditure. It was expected this would rise from R150-million to more than R1.250-million.

And, at a Press conference in Johannesburg, the SATS' assistant general manager, passenger services and road transport, Mr. Barry Leusung, said SATS would be getting R450-million less than we thought we'd be getting.

Robbers in a Rolls

London Bureau

LONDON -- Two smartly-dressed armed robbers yesterday stole diamonds worth R700,000 from De Beers' London headquarters before calmly making their getaway in a Rolls Royce.

The robbers entered a lift with four security guards who were carrying diamonds in two small bags -- then calmly held them up by a pistol and a shotgun. Police said the robbery was over in seconds as the two men drove off in a waiting maroon Rolls Royce.

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

Kaunda denies link in move on Mandela

By BARRY STREEK

CAPE TOWN -- Zambia's President Kenneth Kaunda yesterday emphatically denied any involvement in the latest moves to release the jailed leader of the African National Congress, Nelson Mandela.

He said Mandela should be released unconditionally and denied try to influence the ANC to negotiate about "limited objectives", such as the release of Mandela.

Dr. Kaunda said his contacts were for newspaper reports that the release had been discussed at length with him and he was a "figure" in lengthy negotiations in a deal to have Mandela released.

It was also reported that he was pressuring the ANC to accept "limited objectives".

A whole new ball game...

By GREG STRUTHERS

For Ellis Park it will be a whole new ball game -- in fact, so new that it has never been played before.

Plans to invent a unique summer ball game to be played at the Superbowl on Wednesday, November 24, were announced by Ellis Park Stadium chairman Johan Claassen yesterday.

The sport will not be affiliated to any local or international sporting body.

"We haven't finalised the rules yet but it will be a game full of blood, sweat, action and colour," said Ellis Park Stadium manager Robert Denton.

"The Americans have Grand Slam and Australians have Australian Rules Football, and we believe there is a market in South Africa for a summer game that will in no way conflict with rugby or soccer."

"We are still drawing up the rules of the game. It will be a simple game with simple rules, that will probably involve passing or throwing or a ball by hand. It will also be a high scoring game."

Denton was not concerned that the game was likely to clash with the highly-popular Benson and Hedges cup cricket series.

"Sure there will be competition with night cricket, but we will market the sport like you market a new model of a motor car."

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

NPSL sets date

By SY LERMAN

THE NPSL yesterday brought forward its "Independence Day" to February 22 -- when it will commence the control of the "Champion of CHampions" tournament.

The giant professional organisation had originally announced it would start the era of Independence from Santa early in March with the top-flight league championship.

The norw and Joburg Teams are the transition to the management of the general managem.

ONCE AGAIN the Rand Daily Mail brings another exciting competition for readers this time the prize is an all-expenses trip to Durban to watch the final Smirnoff International Jockey Test on Saturday, February 16.

The lucky winner will get free air tickets for two two nights at the five-star Mahurian Hotel VIP treat ment at the Test, PLUS R100 betting money.

On show will be a Springbok team captained by Boul Mareye, competing against some of the world's best jockeys.

A full details -- 2-20-81
**Railway Fares**

What the communities say

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

**Bus Fares**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Miss Helen Thomsen, chair of the TRSU, says the increase is very bad

The increase is very bad, she says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.

** 못**

Mr. John Jones, chair of the TRSU, says the increase is very bad

The increase is very bad, he says, because it makes travel more expensive, and that is a significant concern for many people. The TRSU has been working to address this issue, and has been advocating for a more equitable fare system.
### Rail Shocks Placed on SATS Subsidy Cut

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Weekly</th>
</tr>
</thead>
<tbody>
<tr>
<td>$750.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>$800.00</td>
<td>$160.00</td>
</tr>
<tr>
<td>$850.00</td>
<td>$170.00</td>
</tr>
<tr>
<td>$900.00</td>
<td>$180.00</td>
</tr>
<tr>
<td>$950.00</td>
<td>$190.00</td>
</tr>
</tbody>
</table>

**First Class**

- Johannesburg to Pretoria
- Johannesburg to Pietersburg
- Johannesburg to Barberton

**Second Class**

- Johannesburg to Pretoria
- Johannesburg to Pietersburg
- Johannesburg to Barberton

**Third Class**

- Johannesburg to Pretoria
- Johannesburg to Pietersburg
- Johannesburg to Barberton

**InterCity**

- Johannesburg to Pretoria
- Johannesburg to Pietersburg
- Johannesburg to Barberton

---

**What the Commuters Say**

Real-life 'Dallas' would be given between R400-mil. knobbers Kaunda denies link to Fleet St.
Train travel not the cheapest any more

JOHANNESBURG — It used to be cheaper to go by train — but today's 30 per cent increase in rail tariffs has made air and road travel more economical in some instances.

If you use a normal economy flight or a large car to get to your destination, you will still be paying more than if you went on a second class train fare — but if you fly on a midnight flight or use a small car you will beat train prices.

Expenses on a train — such as bedding and meals — will also push up the total cost compared to air travel where food is inclusive.

Similarly, road travel costs could be increased if the traveller decided to stay over.

Comparing the three choices — rail, road and air — using Johannesburg as an example to East London the difference for a single journey is:

- By car: small — R51.62, medium — R73.61, large — R90.82
- By train second class — R79, first class — R112
- By air: normal economy class — R143, late night — R71.50

The Transport Minister, Mr Hendrik Schoeman, yesterday announced rail fare increases of between 20 and 30 per cent and road transportation increases of 12.5 per cent.

Third class fares on suburban and main lines go up by 20 per cent, first class fares by 30 per cent, and second class fares on main lines by 25 per cent.

Announcing the increases yesterday, Mr Schoeman said “Apart from factors such as the rand/dollar exchange rate and the downswing in traffic, the recent increase in electricity costs and the fuel price have necessitated the adjustments.

“Electricity and fuel comprised 15 per cent of Transport Services' operating expenditure and it is expected that it will rise from R980 million to more than R1 250 million a year.”

A staggering R400-million cut in the government’s expected subsidy to the SATS for “socio-economic services” for 1985/6 has also emerged as a major reason for the increase.

The SATS, which expects an R388-million loss on passenger services for 1985/6 only expects to receive a R395-million subsidy from the State Treasury for that period.

The public has been left to pay the bill, Schoeman added.

This after having asked the government for R625-million.

Eggs are also going up on the non-stop price increase merry-go-round, and it is reliably learnt that cigarettes are expected to be hit by an excise duty increase, possibly today or Friday.

This could not be confirmed by the Department of Customs and Excise in Port Elizabeth.

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

Eggs the poor man's protein go up in the Eastern Cape by as much as six cents a dozen for extra large on February 18 — DDC
### The Star's Shopping Basket Survey

| Item                          | HYPOMARKET | HYPO Marks STREET | HYPO City | NEW STREET | EAGLE STREET | KEMPSTON PARK | EAGLE STREET | KEMPSTON PARK | AVERAGE PRICE |
|-------------------------------|------------|-------------------|----------|------------|--------------|---------------|--------------|---------------|---------------|---------------|
| 1 kg rump steak               | 8.69       | 8.50              | 8.86     | 8.89       | 8.49         | 8.89          | 8.67         | 8.71          | 8.83          |
| 2 kg brisket                  | 4.03       | 4.04              | 3.92     | 4.09       | 4.49         | 4.49          | 4.20         | 4.39          | 4.39          |
| 1 kg frozen chicken           | 2.55       | 2.19              | 2.49     | 2.19       | 2.65         | 2.49          | 2.43         | 2.51          | 2.47          |
| 1 Dozen extra-large eggs      | 1.32*      | 1.45              | 1.38     | 1.32*      | 1.36         | 1.36          | 1.37         | 1.37          | 1.37          |
| 1 kg frozen hake & fish       | 2.99       | 2.39*             | 2.99     | 2.59*      | 2.99*        | 2.35          | 2.93*        | 2.35*         | 2.53*         |
| 250 g Eskort streaky bacon    | 1.79*      | 1.79*             | 1.89     | 1.79*      | 1.89*        | 1.89          | 1.84         | 1.84          | 1.84          |
| 500 g Choice butter           | 2.29*      | 2.29*             | 2.29*    | 2.29*      | 2.43         | 2.43          | 2.34         | 2.43          | 2.39          |
| 500 g Roma margarine          | 1.39       | 1.39              | 1.39     | 1.38       | 1.44*        | 1.44          | 1.39         | 1.39          | 1.39          |
| 1 litre milk                  | 69c        | 69c               | 69c*     | 69c        | 72c          | 70c           | 68c          | 68c           | 68c           |
| 397 g Nestle condensed milk   | 89c        | 89c               | 85c      | 89c        | 89c          | 89c           | 89c          | 89c           | 89c           |
| 1 kg Traffic rice             | 1.19       | 1.19               | 1.18     | 1.26*      | 1.37         | 1.37          | 1.46         | 1.46          | 1.46          |
| 500 g Kellogg cornflakes      | 1.29       | 1.29               | 1.29     | 1.29       | 1.29         | 1.29          | 1.29         | 1.29          | 1.29          |
| 250 g Nescafe Classic instant coffee | 4.09 | 4.09 | 4.09 | 4.09 | 5.09 | 5.09 | 4.91 |
| 100 tagless five Roses teabags | 3.55 | 3.55 | 3.55 | 4.20 | 4.20 | 3.75 |
| 1 kg Buffalo salt             | 80c        | 89c               | 85c      | 80c*       | 94c          | 94c           | 86c          | 86c           | 86c           |
| 750 ml Cooking oil (house brand) | 1.99 | 1.99 | 1.99 | 1.99 | 1.99 | 1.99 | 1.96 |
| 250 g Palmolive soap          | 43c        | 43c               | 43c      | 43c*       | 43c          | 43c           | 43c          | 43c           | 43c           |
| 1 kg Surf washing powder      | 1.35       | 1.35               | 1.35     | 1.39*      | 1.39         | 1.39          | 1.39         | 1.39          | 1.39          |
| 100 g Colgate toothpaste      | 1.17       | 1.19               | 1.19     | 1.17       | 1.17         | 1.17          | 1.18         | 1.18          | 1.18          |
| 750 ml Sunlight dishwasser    | 1.27       | 1.29               | 1.29     | 1.29       | 1.29         | 1.29          | 1.27         | 1.27          | 1.27          |

*The stars indicate the cheapest price for that particular item. The survey was made on January 31.

### Price Shocks Coming

Consumers already reeling from petrol and rail-fare price rises are in for more shocks. Prices of tea, rice, toiletries and household goods are set to soar in the next two months, say supermarket spokesmen.

A shopping basket survey shows prices of some goods have already risen by as much as seven percent since December. The Star, highlighting the soaring cost of living, will closely monitor the prices of basic commodities over the next few months and tell consumers of rises.

A snap survey of prices of 20 basic household needs showed:

- The average price of rump steak is R8.67/kg; but the cheapest price surveyed was R8.46/kg.
- Coffee now costs R4.91 for a 250 g jar, an increase of 63 percent from December, when the Star surveyed prices of basic foodstuffs.
- In the previous survey, coffee was R4.61 for 250 g.
- The price of rice has risen in one month by 7.4 percent from R1.36/kg to R1.46/kg.
- Frozen chicken now costs R2.43/kg. In the December survey, the price of a frozen chicken was R2.35/kg.
- The price of choice butter has risen slightly since December when it cost R2.29 for 500 g. It now costs R2.31 for 500 g.

Consumers will save by keeping their plastic salt containers and simply refilling it from a plastic bag; the average price of a 1 kg plastic salt container is 86c, while...
Shock rises in bread and maize

On top of today's fuel hikes
increases of 20 to 30 per-
cent, South Africans now
face further economic
blows - several basic
items are expected to join
the spiral.

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

These rises do not include
the effect of the petrol
price increase. The full ef-
cfect of this has yet to filter
through to consumers, who
face more rises later this
year.

Increases in transport
tariffs and other services
offered by the South Afri-
can Transport Services are
expected within the next
two weeks and will add to
rising costs.

And now postal tariffs are
set to go up

Postal tariffs are expected
to rise shortly. This seems
invariable in the light of
the annual report for
1983/84 of the Postmaster-
General, Mr H O Bester,
which was tabled in Par-
liament yesterday.

He said the Post Office
could not continue to ab-
sorb the losses on uneco-
mic post and telegram ser-
services. The Post Office bud-
get is to be announced on
March 4.

RISING PRICES 3

March 4.

The waiting list for tele-
phones is steadily increas-
ing and now stands at
225,000 applications.

Limited resources for
extending the system and
the sustained demand for
additional telephone ser-
dices would result in a
greater backlog in the
1984/5 financial year, said
the annual report.

Expenditure on the ex-
pansion of the telecommu-
nications network amounted
to R226 million during the
1983/4 financial year - an
increase of 15,1 per-
cent over the previous
year.

The Post Office provid-
ed an additional 176,176
telephones during the
1983/4 financial year.

Milk increases necessary
for survival

A rise in price producers re-
ceive for milk is impervi-
sive if dairy producers are to
 survive, says Dr Louis
Theron, chairman of the Na-
tional Dairy Committee of
the South African Agricul-
tural Union.

In Pretoria yesterday he
said last year producers had
already indicated to the
Dairy Board that milk
prices were not keeping up
with production costs.

Producers' prices are nor-
mally adjusted once a year
Because dairy producers are
unable to react quickly to in-
creased input costs, they
have suffered.

It has been estimated that
producers are losing be-
tween 2c/l and 3c/l at present
prices.

The Dairy Board recom-
manded a milk price in-
crease of 5c/l last Novem-
ber, but this was refused.

Cigarettes up too

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

Smokers will now pay an addi-
tional 3c on a packet of 10, 4c on a
packet of 20 and 6c on a packet of 30

The prices of certain imported
cigarette brands will increase by
about 9c to 12c a packet.
RIOT POLICE were on guard at the entrance to Soshangwe near Pretoria following rumours that commuters were going to boycott Potco buses in protest against the new fare increases which came into effect on Friday.

According to rumours in the township, the bus boycott should have started on Monday morning. At 6am yesterday riot police were on standby at the local taxi rank and the main bus terminal in the township.

Early yesterday riot police were still on guard at the entrance while the local police patrolled the township.

The local station commander, Major S Soko, said “everything in the township was normal” and that commuters boarded buses as usual yesterday. He said the riot police were on patrol.

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

The commuters and buses were always “overcrowded” during peak periods and said they had complained to the authorities to introduce more buses, but nothing has been done about the bus shortage.
‘Back to the buses’ drive

Municipal Reporter

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

Mr. Danie van Zyl, chairman of the Johannesburg City Council’s transportation committee, yesterday announced a massive “back to the buses” drive which will include a R70,000 advertising campaign.

He said improvements to the park-and-ride service and the passage of buses through rush-hour traffic would be announced within a few weeks.

Mr. van Zyl said bus fares would be frozen until June to attract bus passengers.

“If we get a good response, fares might be frozen, or raised only slightly, during the next 18 months,” Mr. van Zyl said yesterday.

He said the recent petrol price rise meant a trip to the city cost 13c a kilometre in a medium-sized car, compared with 7.5c a kilometre by bus using an average coupon.

Mr. Les Pettle, general manager of the transport department, said it was too early to gauge the effect of the petrol price rise on bus patronage.

“I have reports that some buses are fuller than before,” he said.

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

He said most employees were keen on staggered hours but there was resistance from employers.
Cigarettes up by 5p

Cigarettes prices will go up by an average of five percent today.

Smokers will now pay an additional 2c on a packet of 10, 4c on a packet of 20 and 6c on a packet of 30 cigarettes.

Reasons given for the increases were higher costs of raw materials due to the poor exchange rate, and higher transport and distribution costs.

Last year the cost of a packet of cigarettes went up three times.

In January 1984 the price rose by more than 7.6 percent — an extra 2c for a packet of 20 and 8c more for 30s.

In September they rose by about 5.7 percent — 4c on 20 and 6c on 30.

A further increase of 1c on a packet of 20 cigarettes and 2c on 30 came in November.
Stage is set for inflation rate of at least 20%  

By DIANNA GAMES  
and GERALD REILLY

The stage for spiralling inflation — especially in foodstuffs — was set even if the rand strengthened, a major supermarket chain predicted yesterday.

And consumer bodies were warned of the impact on the living standards of the lower income groups if the Government slashes food subsidies in the new financial year.

It is feared that a financially embattled Government will adopt crisis measures in the coming Budget, including possible sharp cuts in State subsidies.

A series of meetings between consumer bodies and the maize Board is also expected, preceding an announcement of a huge increase in the maize price from May 1.

Food retailers were this week given price increase figures on supermarket goods — expected to be effective by March — which indicate that consumers face a probable inflation rate of at least 20%.

On basic foods, rice will increase by 25%, poultry by 15%, milk blends, creamers and soups by up to 15%, snack foods 11%, spices 8%, tinned fish up to 12%, toothpaste and sweets 10%, and soap 16%.

Tea and coffee will rise by between 10% and 15% with a massive 45% increase for Rooibos tea.

Checkers spokesman, Ms Peta Lomberg, said the sale of tax-free items had increased noticeably and that a 20% "yellow brand" sales increase had been noted in the past six months.

A spokesman for Dun and Bradstreet, business information collectors, said 2,800 firms were forced into liquidation in 1984 and indications were that this would increase to 3,300 this year.

He said there had been a massive 20% increase in default judgments, with their value rising from R1 800 000 in September 1983 to R5 100 000 in September last year.

Several estate agents said the past four months had brought a noticeable drop in house sales with many people, hit hard by the bond rate increase, preferring to rent.

One agent said houses were staying on agents’ books a little longer, but more and more sellers were lowering their prices.

But major clothing shops reported that annual sales — with prices dropped by half and often more — were good.

Mr V B Hammond, managing director of Edgar’s, said price cutting in this year’s annual sales was “far lesser” than previously, partly due to the fact that many stores were more overstocked this season.

And Mr Jimmy McKee, senior general manager of Barclays Bank, said while the size of the bank’s network made it difficult to have exact figures, it seemed the number of overdraft applications had levelled off.

He said the impact of the high interest rate would be felt in the next few months.

See Page 6
Drugs can cost 400% more on script

High bills for medicines erode annual medical society allowances causing extra grief and financial hardship for the chronically sick, a Johannesburg pharmacist says.

He said "A factor you did not include in your survey on costs in The Star this week was the scheduling of drugs between medicines which may be bought over the counter and those which can only be sold only on doctor's prescription.

"Drugs on Schedules 1 and 2 may be sold freely over the counter.

"Drugs on Schedules 3 to 7, including Schedule 4 birth control pills and a popular Schedule 5 painkiller, cannot be sold without a doctor's prescription.

"The painkiller I have in mind costs about R4.50 for 20.

"Every time you want a supply, however small, you have to go to a doctor and possibly pay him R10 for the visit.

"Then there is a mandatory dispensing fee of R1.35 and 10c per tablet for a copy of the prescription for the medical aid claim.

"All this brings the cost of 20 tablets to the region of R16.

"In effect the patient pays 400 percent more for the product than he would do if the pharmacist were given discretion to hand it out.

"It would seem that the laws concerning medicines are tailored for the doctor and not for the public or the pharmacist," he said.

The pharmacist claimed that in Spain, Hong Kong, Greece and a large part of Europe many drugs scheduled in South Africa for sale on prescription were freely available to the public.

"Over here we have no doctor.

"The most important argument against self-administration of painkillers is that this has caused untold harm by damage to kidneys. This is why the Medicine Control Council is so strict in scheduling drugs and their usage.

"The doctor added that not all doctors charged a fee for a request for a prescription.

He claimed it was the pharmacists themselves who were mainly responsible for the high cost of medicines.

"The manufacturers have a mark-up of 20 percent," he went on.

"By the time the product reaches the patient the cost of the product has increased by more than 100 percent.

"The pharmacist's mark-up is 50 percent plus a dispensing fee of around R1.50 for every item.

"In my view this mark-up is not justifiable.

"Is there any justification for charging R1.50 for taking a bottle off a shelf and slipping a label on it?"
to pay for food, says expert

Economist predicts a steady rise in inflation once the rate of increase this year has slowed to the standard growth rate. The increase in prices will be unaffected by the rate of increase in the country's major export, but will be reflected in the cost of living.

Bread subsidy

The price of bread will increase by 15% in April, and the price of bread for families with children will increase by 20%. This is due to the increased cost of wheat, which is expected to rise by 20% in the next few months.

Car prices shoot up again

The price of new cars has increased by 10% since last year, and is expected to increase by another 5% in the coming months. This is due to the increased cost of materials and labor.

Borrow for basics — now they're "borrowing money to pay bills" and food prices Increasing.

South African families are spending deeper into debt as they struggle to keep up with soaring prices. By Collen Ryan.
You've got to be wealthy to be healthy'

THE 50 PERCENT increase in hospital tariffs during weekends and after hours will aggravate the problems of medical experts in the black community.

Reacting to the new increases which came into effect on February 1, the Health Workers' Association and the Azanian People's Organisation's health secretariat expressed concern about the drastic effects of the high fees on the health of the black community.

A single person earning between R23-R48 a week and classified as H5, will pay R10,50 instead of R7 after hours and at weekends.

Private patients have to pay for operations at the rate of R50 for a half hour or less.

"Together with the high daily rates of hospitalisation, this will make the cost of operations fall beyond the means of most people," an HWA spokesman said.

He said some of the effects of these high fees could mean that:
- People will hesitate to use the facilities after hours and at weekends - adding to the problem of people seeking hospital attention too late.
- Doctors would not be able to observe the progress of their patients to ensure they survive over weekends.

He said this was particularly important in babies with dehydration or jaundice, where critical changes could occur within one or two days.

"We appeal to the authorities to reverse this disturbing trend in the health services," said the HWA spokesperson.

An Azapo spokesperson said the increase "shows the insensitivity of the authorities".

"Coming at a time when inflation, unemployment and drought is rampant, it can only compound the problems facing the people," he said.

"Health care is a basic human right and it is the Government's responsibility to provide it to one and all free of charge."
Business is tough, 'but people have to eat'.

Staff Reporter

BUSINESS is tough — this was the message gained from a survey of business trends conducted last week.

The survey showed business, excepting food sales, was generally slow in January.

Mr Ken Coote, operations general manager for a national chain of department stores, said sales in furniture, appliances and televisions were bad as a result of increased payment terms and the increase in deposits. He said there had been no drop in food sales and clothing was "holding its own".

Mr Alan Baxter, senior buyer in the Western Cape for a national food chain, said his company had had a strong January, with sales 20 percent up on January 1984.

Mr Michael Stakol, managing director of a national clothing store which also has food departments, said "Business has been tough. Food sales have held up reasonably well — people have to eat."

Ms June Kitzinger, deputy managing director of a national retail discount store, said sales were up 24 percent on last January. She said the beginning of the month had been quiet, although the beginning of January had been disappointing.

Mr Clive Downton, regional manager of a national liquor retailing chain, said business was quiet, although the beginning of January had been busy with the holiday-makers.

Mr Brain Howard, executive director of a national furniture chain, said "Nationwide sales have declined since last year. In January we had a surge on fridges, stoves and video recorders, as these are imported goods and people want to buy before the prices rise."

...
Fuel price causes raised taxi fares

EAST LONDON — Taxis serving the Buffalo Flats, Braelyn and Ezibhunjana routes raised fares yesterday following the petrol price hike.

The East London Taxi Association announced 10c hikes on all the routes.

The fare on Stage 1 (Parkside, Pefferville, Parkridge and C C Lloyd Township) is 50c while that of Stage 2 (Buffalo Flats) is 60c.

The fare to Buffalo Flats extension (Ghost Town) is 70c with other extensions being 80c.

Fares between stages are 50c, except from Parkside to the furthest Buffalo Flats extension which is 60c.

Off route drops will cost an extra 20c.

Meanwhile delegates at a report back meeting of the Mdantsane and Districts Taxi Association agreed that fare increases be suspended until a later date.

It was resolved that any member who inflated fares was doing so on his own without the approval of the association. Commuters who were charged more should refuse to pay and report the offender to the police and the executive of the association.

The fares would remain the same between Mdantsane and East London, namely 80 cents over the week and R1 over the weekend. Feeder services would stay 30 cents for Mdantsane proper and 40 cents for distant zones during the week, but rise to R1 and 50 cents over weekends.

— DDR
Price of milk up on Monday

Pretoria Correspondent

The price of milk will go up by 2 c/l on Monday. Supermarkets have confirmed that their milk suppliers have told them their price will rise by about three percent.

According to supermarkets the increase results from the weak rand and the cost of importing packaging.

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

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

By Zenaide Vendeiro, Transport Reporter 13/2/85

An inflexible no-small-change rule by the South African Transport Services (SATS) has led to wide discrepancies between train fare increases announced a week ago and actual increases.

The Minister of Transport Affairs, Mr Hendrik Schoeman, announced on February 4 that first class tickets were to rise by 30 percent, second class tickets by 25 percent and third class tickets by 20 percent.

But a SATS spokesman yesterday said ticket offices no longer worked with copper and five cent coins, and fares were increased to the nearest 10 cents. This, he said, reduced costs.

In the majority of examples of new fares supplied by SATS, the no-small-change rule has worked to the advantage of the commuters, but some third class fares — which were to have risen by only 20 percent — have rocketed by a massive 33.3 percent.

For example, a third class single ticket between Johannesburg and Krugersdorp went up from 60c to 60c — an increase of 33.3 percent. The fare between Berea Road and kwaMashu also went up by 33.3 percent from 45 to 60c.
Court threat over inflated taxi fares

EAST LONDON — Taxi-men who inflated fares between Mdantsane and King William’s Town would be taken to court, Mr L M Bukwem, chairman of Mdantsane, East London and Districts Black Taxi Association said yesterday.

Mr Bukwem was reacting to a statement released to the press by Mr John Damane, Mr Headman Mhatha and Mr Duhase Kewute, of King William’s Town Taxi Association who said that fares between King William’s Town and Mdantsane had gone up on Friday from R2 to R2.50.

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

Mr Bukwem said he was speaking on behalf of the members of his association.

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

At that meeting it was decided that fare increases be suspended until further notice and that commuters be consulted before an increase was made.

Mr Bukwem said the fare to King William’s Town would remain as until such time as members of his association decided otherwise.

The three men from King William’s Town should have approached the executive of his association concerning the fares to King instead of going to the press, he said.

He charged that any member of his association who transgressed the fare rules would be prosecuted.

He appealed to members to stick to the correct fares.

"Greed would lead to your downfall," he said.

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

Mr Bukwem said it was unfair of certain taxi-men to unilaterally increase the fares because his association might retaliate by reducing the fares.

"Sometimes changes in fares do not bring the desired effect, but the opposite," Mr Bukwem said.

He appealed to commuters to avoid taxis that were charging higher fares, adding that it was not fair for the already burdened commuter to be saddled with extra charges on fares.

MR BUKWENI “We will retaliate”

Boy dies after eating grapes

CAPE TOWN — Police believe a nine-year-old Villiersdorp boy may have died after eating grapes sprayed with insecticide.

Janne Williams of the farm Schoongesicht died on Monday. He apparently had eaten unripe grapes on a nearby farm. — DDC
SA inflation may hit 17%
Sasol fuel: criticism and defence of the price increases

Then I stop at a garage for petrol and all the pumps are out of order except the Sasol pump. I will walk any distance to the nearest one to fill up an imported car.

Many people agree with me for the following reasons:

Ten to 12 years ago the octane rating of Sasol was 88 octane and the price was one cent cheaper than the 97 octane (regular).

Sasol then decided to increase the octane rating by one or two (0.2 octane) and increase the price by four cents per litre. With good marketing the public swallowed his obvious rip-off.

Then, the price of all brands were increased by 3.5 cents to help finance Sasol 2 and 3, which were supposed to produce 60 percent of our total petrol requirements.

If true, we should only be importing 40 percent of our present requirements, and with the world oil price the lowest in many years, the last increase should have been only 8 cents/litre (according to latest rand/dollar value).

Sasol then decided to produce alcohol.

All oil companies were forced to add 10 percent alcohol to their petrol (as an additive to increase octane rating to 99). Again, the price of Sasol was increased with no valid reasons supplied.

Various people in the past have stated that Sasol does not produce a 90 octane petrol (a special arrangement with oil companies) and that Sasol tanks are filled with an imported brand.

All regular petrol sold by any garage is said to be Sasol petrol produced from coal. These reports have never been confirmed or denied by Sasol.

Sasol is now trying to convince the public via advertisements on the radio to fill up with “blue blood” even in the rain with the petrol pump not under cover.

Do they really think the public is so stupid not to realise that a few drops of water will react with the present petrol/alcohol mixture, and that the alcohol will separate from the petrol, leaving the motorists with a regular grade fuel in his tank?

Ask any garage owner about the recommended test for water in his tanks.

The latest drastic increase was due to the weak Rand against the dollar. Why did the price of Sasol also increase?

Only one day before this increase Sasol decided to drop their surcharge of $0.6c/litre to “soften the blow” of the expected increase.

Is Sasol now making enough profit from the “stupid” public to afford this drop in revenue?

O G Barnard

1. Mr Robin Hugo, Public Relations Officer for Sasol, comments: “Mr Barnard makes various points, which, for convenience, I have broken down into five points which I shall reply.”

1. (1) It is true that, before 1971, Sasol petrol used to be 1.3 per gallon and later 0.22c per litre cheaper than that of regular petrol. As Sasol enjoys hospitality at filling stations, it was considered unfair that Sasol should undercut the host-brand by selling at a lower price.

2. The octane rating of Sasol petrol was therefore increased to 92 Ron in 1971 to conform with premium petrol and the price was adjusted accordingly.

3. Mr Barnard’s recollection of how the $0.6c/litre rebate came into being is not complete.

4. During the 1970s, when political factors affected crude oil supplies, the Government introduced various levies, which were administered by the SOF and equalisation funds to finance, inter alia, the construction of indigenous petrol production facilities. Premiums South Africa had to pay on crude oil purchases and incentives to ensure that we had fuel, not as a source of cheaper fuel, processes economically viable.

5. The $0.6c/litre incentive was instituted because it was patent that the synfuel process would be consider significantly more expensive than the crude derived product, as it involves the mining of the coal, which is then subjected to complex and expensive processes before crude oil fractions are produced, and only then is it capable of being refined to final products. The point is that petrol from coal is not cheap.

6. “It was never envisaged that Sasol Two and Sasol Three would produce as much of our petrol needs.” Mr Barnard states, and, therefore, his calculation of a justified $0.6c/litre increase is academic.

7. However, what is pertinent that all producer prices for petroleum products (including Sasol’s) are based on the rand value of international market prices of crude oil products.

8. Sasol’s prices are therefore based on the price of imported fuels.

9. “The Sasols were established as import replacement industries to protect South Africa against both the Surcharge and to ensure we had fuel, not as a source of cheaper fuel.”
asol fuel: criticism and defence of the price increases

Various people in the past have stated that Sasol does not produce a 90 octane petrol (a special arrangement with oil companies) and that Sasol tanks are filled with an imported brand.

All regular petrol sold by any garage is said to be Sasol petrol produced from coal. These reports have never been confirmed or denied by Sasol.

Sasol is now trying to convince the public via advertisements on the radio to fill up with "blue blood", even in the rain with the petrol pump not under cover.

Do they really think the public is so stupid not to realize that a few drops of water will react with the present petrol/alcohol mixture, and that the alcohol will separate from the petrol, leaving the motorist with a regular grade fuel in his tank?

Ask any garage owner about the recommended test for water in his tanks.

The latest drastic increase was due to the weak rand against the dollar. Why did the price of Sasol also increase?

Only one day before this increase Sasol decided to drop their surcharge of 3.6c/litre to "soften the blow" of the expected increase.

Is Sasol now making enough profit from the "stupid" public to afford this drop in revenue?

G O Barnard

Benoni

Mr Robin Hugo, Public Relations Officer for Sasol, comments:

"Mr Barnard makes various points, which, for convenience, I have broken down into five points to which I shall reply."

"(1) It is true that, before 1971, Sasol petrol used to be 1d per gallon and later 0.22c per litre cheaper than that of regular petrol. As Sasol enjoys hospitality at filling stations, it is considered unfair that Sasol should undercut the host-brand by selling at a lower price."

"The octane rating of Sasol petrol was therefore increased to 93 in 1971 to conform with premium petrol and the price was adjusted accordingly."

"(2) Mr Barnard's recollection of how the 3.6c/litre rebate came into being is not correct."

"During the 1970s, when political factors affected crude oil supplies, the Government introduced various levies, which were administered by the SOF and equalisation funds to finance, inter alia, the construction of indigenous petroleum production facilities, premiums South Africa had to pay on crude oil purchases and incentives to indigenous producers."

"Indigenous producers received a 3.6c/l incentive to make synfuel processes economically viable."

"The 3.6c/l incentive was instituted because it was patent that the synfuel process would be considerably more expensive than the crude derived product, as it entails the mining of the coal, which is subjected to complex and expensive processes before crude oil fractions are produced, and only then is it capable of being refined to final products."

"The point is that petrol from coal is not cheap."

"It was never envisaged that Sasol Two and Sasol Three would produce as much of our petrol needs as Mr Barnard states, and therefore, his calculation of a justified 8c/litre increase is inaccurate."

"However, what is pertinent relevant is that all producer prices for petroleum products (including Sasol's) are based on the rand value of international market prices of crude oil products."

"Sasol's prices are therefore based on the price of imported fuels."

"The Sasols were established as import replacement industries to protect South Africa against boycotts and to ensure we had fuel, not as a source of cheaper fuel, hence the initial 3.6 cents a litre incentive on indigenous fuels."

"Due to the adverse rand/dollar exchange rate, the price which Sasol (and other producers) was receiving for its products had improved to the point where Sasol could compete on equal footing with the imported product, and it was agreed with Government that the benefit of the 3.6 cents a litre could be suspended with effect from January 1, 1985."

"Normally, the ultimate aim of all import replacement industries is to be able to compete on equal footing with the imported product. Sasol considers that its greatest achievement is to be able to do so."

"Nations without crude oil resources would all dearly like to have synfuel industries which can compete on equal footing with crude oil derived fuel, but none has been able to emulate South Africa in this respect."

"As alcohol is produced as a co-product in the manufacture of synfuels, it was in the interest of South Africa that this fuel be used as an extender for petrol in order to save valuable foreign exchange."

"Alcohol is furthermore used as a blending component in all 93 and 95 grade fuels sold in the Transvaal and parts of the OFS and Northern Cape. It partially replaces another expensive imported component, lead, which has a concomitant pollution advantage."

"Mr Barnard is mistaken in his view that petroleum companies were forced to use alcohol, or that the use of alcohol caused an increase in the price of petrol."

"(4) Mr Barnard's information that Sasol does not produce 90 octane petrol (should probably be 95) is not correct as all the grades of petrol viz 87, 93 and 98 are being produced."

"(5) Operating experience on alcohol since 1980 has shown that water contamination while filling in the rain does not permit sufficient water to enter the tank to cause separation."

"It is true that water in sufficient quantity will cause the alcohol to separate. The engine will then stop, as it would even if the car was running on pure petrol."

"Mr Barnard's veiled attack on Sasol view is obviously based on several incorrect premises. We would gladly show him through our factors at Secunda to dispel any doubts that the synfuel process is extremely complex and that it cannot produce cheap crude oil."

---

READERS' VIEWS
ADMINISTERED PRICES

One shock after another

In the past few months price increases have come thick and fast. We have seen the 10% increase in the price of electricity in January, with another increase to follow later in the year.

The effects of the massive 40% hike in the petrol price are still rippling through the economy. This alone is expected to raise the inflation rate by some three percentage points within nine months after having massively misallocated resources.

And there are more administered food price shocks on the way. For example, a minor price hike of up to 30% is expected. The result of this, in particular, will be compounded by government subsidies on bread and other staples that are now likely to fall away.

The latest example of the drastic implications of a sudden cut in subsidies has been seen in the transport industry, seriously affecting Sats' Rail fares have increased by between 20% and 30%, while bus fares have gone up by a minimum of 24%. Postal tariffs and milk prices are also set to follow the spiralling trend.

These administered prices, as well as others, are proving the main thrust behind our rising inflation rate. More than 30% of the consumer price index (CPI), by weight, is made up of prices which are controlled in one way or another through:

- Prices administered by control boards, making up 16.37% of the index.
- Price controlled industries, 4.22%.
- Central, provincial and local government, 4.34%, and
- Other State business undertakings, 6.66%.

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

True, price rises in themselves are not all bad, they have an important part to play in adjusting demand. As JCI economist, Ronne Bethlehem, explains: "The present SA price increases are part of internal economic adjustments acting to choke off demand. Because we are so preoccupied with the damage of inflation, there is a danger we may forget that rising prices have a job to do."

Anglo American's Aubrey Duckman agrees: "What we are seeing is not pleasant; but it is inevitable and must be allowed to exert its effect. I see no way of avoiding this kind of medicine and any attempt to suppress increases is wrong. Nor should rising prices be matched with increases in wages."

He adds that lower spending will cut our imports and result in a correction of the balance of payments. This in turn will change perceptions of the rand which may, hopefully, bring down inflows of capital.

"But the government must play its part. It must show it intends to cut its own spending."

And here lies the rub. A central problem with administered prices is that they are numb to market forces. For administered prices, are largely organized independently of natural supply-demand factors.

This creates uncertainty in the market, and disrupts the economy through sudden and unexpected changes to prices of key commodities. It is difficult, for example, to gauge the full effects of:

- The increase in the price of electricity in 1977 by 45.2%.
- The 49.4% increase in the sugar price in 1978.
- The petrol price increase of 61.9% in 1979 and a further 40% increase this year.
- The steel price increase of 33% in 1978.
- The meat price increase of 32.5% in 1980 and a further 36.1% in 1981, and
- Rail fare increases of between 20% and 30% in 1985.

The ability of the market to redistribute resources effectively is severely hindered. Among a number of examples of distortion in the economy, there is the regulation of the farming community. The prices of many of both their inputs and outputs are administered. Because the support of food production is seen both as a strategic necessity and a political expedient, a great many of the factors of production are subsised, and distribution is controlled as well.

The upshot is that the producers are not encouraged to react to market demand, but rather to production incentives. Commodities have to be subsidised if they are overproduced, while the farmers have to be subsidised if there are shortages. And they, like many operators in industries benefiting from administered price control, are not subject to competition — one important factor necessary to encourage efficiency.

On the other hand, business leaders will point to...
FUEL PRICES

Oiling the free market

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

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

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

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

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

Competition between existing oil companies, accomplished by the possibility of additional entrants to the market, would be the appropriate method for ensuring that the price of petrol closely approximates the cost of production and delivery, while providing sufficient return on capital.

Strategic interests can be satisfied, as they are being satisfied, by stockpiles and domestic production.

But the recent increase in the petrol and fuel price should be understood as primarily a fiscal measure. The increases restore to government the taxes it used to collect from expenditure on petrol and other oil-based fuels. Before the price increase, all that the government collected in taxes of one kind or another on fuel was being given back to stabilise the price in the face of the increase in the costs of oil.

Petrol had become, at R1 = $0.42, a significant expenditure rather than a revenue item in the government accounts. The items involved are staggeringly large, and the effective increase in taxes on fuel for a full year will now bring in over R2 billion.

But despite the fiscal imperatives, sudden shocks to the petrol or any other price of the kind administered to the economy recently should be avoided. These shocks, though not higher prices, would be eliminated if price controls over the petrol price and other associated prices, including transport fares, were removed.

Government need only determine the tax on fuel. A competitively determined price for petrol would tend to rise and fall automatically with the rand cost of acquiring oil and distributing its products. The price of petrol would not be uniform and would differ as the individual oil companies attempted to expand or protect particular markets.

If realised returns on capital were satisfactory, additional investments would be made, if returns turned out to be inadequate, existing capital could, if so desired, be disposed of to other oil companies.

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

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

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

Such price increases would surely be far more acceptable if the SA taxpayer were to benefit from the profit earned as a result on what amounts to their stake in the company. The obvious way for them to realise these benefits would be for Sasol to be privatised. The proceeds of sale could be used to reduce government debt and so reduce the interest and tax burden of such debt.

Indeed, if the whole of Sasol were privately owned, a much larger proportion of any extra profitability from producing and distributing oil in SA would return directly to government in the form of higher taxes.
GOVERNMENT SPENDING

Tax hikes inevitable

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

This is likely to happen even if government expenditure does not increase in real terms in the 1985-1986 fiscal year and despite fiscal drag which could increase government revenues by R3 billion more than expected.

The minimum estimated deficit for 1985-1986 is R4.5 billion, according to economists from two leading banks. That figure assumes no real increase in spending, increased taxes from fiscal drag, and the carry-over from this year’s deficit of around R3.8 billion.

Government’s deficit for 1985-1986 is certain to be in the region of R4.5 billion. This assumes spending levels will see no real increase, and takes in the extra revenues from fiscal drag. The consequences are predictable.

A deficit of R4.5 billion for 1985-1986 is 4% of projected GNP, or equal to 4% public-sector borrowing requirement (PSBR). In modern terms, yet, Finance Minister Barend du Plessis said the 1985-1986 PSBR would be 3% in a speech at the recent Frankel Kruger investment conference in Johannesburg.

A 3% targeted PSBR in money terms is R3.5 billion, leaving a shortfall of R1 billion from the projected minimum deficit of R4.5 billion in the 1985-1986 year. This must be financed by either tax increases or spending cuts.
Shop around and buy in bulk says Housewives’ League

Prices vary by 60 percent

By Masud Motanyae
and Jennifer Temnant

The retail price of fresh produce can vary by as much as 60 percent from shop to shop.

Fluctuating prices for fruit and vegetables are linked to the availability of the fresh produce, the quality of the goods, and consumer demand.

A survey by The Star of vegetable and fruit prices at Johannesburg hypermarkets, greengrocers and farm shop stores this week showed there were big price differences in various stores (see graph). However, the quality of the goods also varied between stores.

A spokesman at the Johannesburg City Deep produce market said that fresh produce prices increased or dropped depending on the seasonal availability of the particular fruit or vegetables. The quality of the produce also differed weekly depending on the volume of goods sent to the market for sale.

Several stores buy directly from farmers.

The chief buyer of fruit and vegetables for a large supermarket chain, Mr. Johan Steyn, said the benefit of buying directly from farmers extended beyond that of maintaining stable prices over a longer period than that of smaller stores, the high standard of the produce was assured.

CONSUMER

Mr. Steyn said produce market agents were often short-sighted “They can drop prices today and double them tomorrow — and not consider the customer.”

The national president of the Housewives’ League, Mrs. Joy Hershitz, said the league was concerned about the lot of farmers, who had to grow, pack, and transport their products to the market.

“Farmers have no control over their products and have to rely on agents for the prices they get.”

She advised shoppers to look around for the best price “But quality is also very important.”

The league advised customers to get into groups and buy in bulk from the market or supermarkets and share costs.

Although the produce sold at the Johannesburg market was in bulk, for the purposes of the survey the prices were converted, where possible, into randi per kilogram.

### Produce Price Survey

<table>
<thead>
<tr>
<th>Product</th>
<th>Shop 1</th>
<th>Shop 2</th>
<th>Shop 3</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tomatoes 1kg</td>
<td>45c</td>
<td>95c</td>
<td>1.25</td>
<td>70c</td>
</tr>
<tr>
<td>Lettuce 1kg</td>
<td>22c</td>
<td>55c</td>
<td>1.25</td>
<td>70c</td>
</tr>
<tr>
<td>Green Beans 1kg</td>
<td>45c</td>
<td>90c</td>
<td>1.25</td>
<td>70c</td>
</tr>
<tr>
<td>Green Peppers 1kg</td>
<td>1.70</td>
<td>1.10</td>
<td>1.25</td>
<td>1.20</td>
</tr>
<tr>
<td>Potatoes 1kg</td>
<td>30c</td>
<td>49c</td>
<td>65c</td>
<td>49c</td>
</tr>
<tr>
<td>Cabbage 1kg</td>
<td>75c</td>
<td>65c</td>
<td>1.25</td>
<td>70c</td>
</tr>
<tr>
<td>Carrots 1kg</td>
<td>35c</td>
<td>49c</td>
<td>65c</td>
<td>49c</td>
</tr>
<tr>
<td>Medleys 350g</td>
<td>42c</td>
<td>95c</td>
<td>1.25</td>
<td>70c</td>
</tr>
<tr>
<td>Gem Squash 1kg</td>
<td>5c</td>
<td>49c</td>
<td>1.25</td>
<td>70c</td>
</tr>
<tr>
<td>Table Celery 1kg</td>
<td>1.25</td>
<td>1.10</td>
<td>1.25</td>
<td>1.15</td>
</tr>
<tr>
<td>Broccoli 1kg</td>
<td>75c</td>
<td>2.10</td>
<td>1.95</td>
<td>2.00</td>
</tr>
<tr>
<td>Granny Smith Apples 1kg</td>
<td>1.49</td>
<td>1.50</td>
<td>1.49</td>
<td>1.50</td>
</tr>
<tr>
<td>Navel Oranges 1kg</td>
<td>1.95</td>
<td>1.95</td>
<td>1.95</td>
<td>1.95</td>
</tr>
<tr>
<td>Bananas 1kg</td>
<td>43c</td>
<td>49c</td>
<td>50c</td>
<td>49c</td>
</tr>
<tr>
<td>Plums 1kg</td>
<td>7c</td>
<td>1.49</td>
<td>1.29</td>
<td>1.29</td>
</tr>
<tr>
<td>Pears 1kg</td>
<td>11c</td>
<td>1.50</td>
<td>1.49</td>
<td>1.50</td>
</tr>
</tbody>
</table>

### Prices surveyed on February 12, 1985. Top grades were compared.

---

*empting the customers*  
Looking for quality when buying fruit and vegetables, is the advice of consumer organizations.

Proud of the display of bright yellow and red fruit, set out to tempt customers in a Johannesburg hypermarket, is the manager of the fruit and vegetable department, Mr. Braam Breitenbach.
Packaging costs to spiral

By Peter Farley
Investment Editor

Transvaal packaging customers are heading for a series of substantial price increases following the purchase of independent Marathon by Anglovaal-controlled Consol.

And while profit margins at the three majors — Nampak, Kohler and Consol — have been severely eroded in the past couple of years, some R25 million could now be added to the combined operating profits this year.

The price of corrugated packaging has drifted steadily down over the past 10 months, from a peak of nearly R1 500 a tonne in the first half of last year to between R1 100 and R1 200 at present.

This is despite a near 10 percent paper price increase last October and an inflation rate currently well in excess of 13 percent.

A recovery of these costs now appears inevitable. But customers also seem set for a “double-whammy” with another major paper price increase scheduled for April that, at this time, almost certain to be passed straight on in increased packaging prices.

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

The Transvaal corrugated market is estimated to be around 150,000 tonnes a year, with Nampak holding a dominant 40-plus percent, Kohler a little over 30 percent and now Consol with slightly more than 20 percent.

Marathon survived, despite intense pressure and competition from the majors, for a little over a year. And despite remonstrations to the contrary was beginning to achieve the volumes necessary for a bottom-line profit.

MD Mr Tony Crosby says that output was on target for just over 1,100 tonnes in February, with orders on hand suggesting almost 1,500 tonnes in March.

And he points out that though this was not a substantial market share, their lower overheads meant that they were able to sharply undercut the majors’ pricing structures.

This is evidenced, he said, by the fact that Consol increased the offer to Marathon’s parent SA Bia twice, before it was finally accepted. And he pointed out that this bidding was done completely blind, as Consol executives did not visit the operation until after a price had been accepted.

Hardly the sort of bailing-out operation suggested by Consol management.

In the end the price of R10 million — which though it restraints SA Bia for five years only precludes Mr Crosby for two years — is an expensive way of increasing market share. But it is an extremely cheap means of vastly enhancing overall margins.
Call for price control as milk goes up again

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

The league's national president, Mrs Joy Hurwitz, said it would now urge the reintroduction of control, which was lifted in 1983. Increases might not be passed on to consumers by all retailers. Some supermarkets have said they will absorb the rise.

The price of bottled milk will not be increased, according to Mr Nic Pieterse, group marketing manager of a major distributor. He said suppliers of milk in cartons have had to increase their price by between 2½c and 3½c because of the rand/dollar exchange rate. "And we had to increase the wholesale price by 2c a litre."

Mrs Hurwitz said the retail price of milk had continued to rise since it was decontrolled. "Milk has become a luxury in many households, yet it is one of the most basic necessities of life, particularly for growing children. We have always said the price of milk should be kept to a minimum, and production and distribution costs cut. The distributors are making a profit and the farmers are struggling. Milk is clearly one area where middlemen are benefiting."
THE EMPANGENI bus boycott took a
dramatic turn this week – commuters
are demanding a percentage of the bus
company's profits for community de-
velopment.

This was one of the submissions
made by commuter representatives
to the committee of inquiry appointed
by Transport Minister Hendrik Schoe-
man to investigate the affairs and stan-
dard of service provided by Empangeni
Transport.

The bus company has been locked
in a month-long dispute with the com-
muters over fare increases.

A spokesperson for the commuters
said they want between one and two
percent of the profits – from any
company who wants to operate in the
area – for the development of the
local community.

Commuters also demanded that
Empangeni Transport stop issuing
pamphlets urging children to return to
the buses.

Commuters burn pamphlets issued
by Empangeni Transport urging
school children to end the boycott.
Pic: CEBRICK KUMA
DIEPKLOOF residents yesterday threatened to boycott Putco buses if the company introduced another fare increase "within the next few weeks."

The residents threatened to take this stand at the Diepkloof Civic Association’s (DCA) meeting.

The DCA’s transport committee told yesterday’s meeting that Putco was set to raise its fares again “within the next few weeks.” The meeting was told that the bus company had already applied to the Road Transportation Board asking for a green light to effect hikes of between 30 and 40 percent — the third Putco fare increase in three months.
tention on preventing young people from adopting smoking habits.

The Department of Health and Welfare will be publishing a teachers' guide on "Smoking and the Respiratory System" in conjunction with all Education Departments, for distribution to all primary and secondary schools in the Republic.

In addition, a pupils' workbook will be developed and should be available by the end of 1985.

Mr A B WIDMAN Mr Chairman, arising out of the hon the Minister's reply, I want to ask him whether he does not think the time has come for official action to be taken to warn the public of South Africa against the dangers of smoking?

Bophuthatswana: television signals

*11 Mr D J DALLING asked the Minister of Foreign Affairs

Whether, with reference to his reply to Question No 4 on 1 February 1984, the Government has received any communication from the Government of Bophuthatswana in connection with the agreement entered into between the Republic and Bophuthatswana relating to (a) the relaying by the SABC of Bophuthatswana TV signals to areas within the Republic and/or (b) any ancillary matter, if so, what was the (i) gravamen of the communication and (ii) response of the Government?

*The DEPUTY MINISTER OF FOREIGN AFFAIRS

(a) and (b) Yes

(i) A communication has recently been received from the Government of the Republic of Bophuthatswana concerning the relaying of the signal of the Bophuthatswana television service to agreed target areas in the RSA.

(ii) A meeting between the Governments of the Republic of South Africa and the Republic of Bophuthatswana during which certain aspects regarding the relaying of the Bophuthatswana television service to agreed target areas in the RSA will be discussed, is due to be held in the near future.

[Image: Oil rand cost per barrel]

*12 Mr R H HULLEY asked the Minister of Mineral and Energy Affairs

(1) What was the average rand cost per barrel of crude oil imported into the Republic in 1984?

(2) What was the rand cost per barrel of such oil imported into the Republic as at the latest specified date for which figures are available?

The MINISTER OF MINERAL AND ENERGY AFFAIRS

(1) R45.86 cost, insurance, freight

(2) The average cost for January 1985 was R62.18 cost, insurance, freight

[Image: Housing subsidies]

*13 Mr R H HULLEY asked the Minister of Public Works

What was the total amount paid out in the 1983-84 financial year in housing subsidies in terms of the Public Service Act, No 54 of 1957?

*The MINISTER OF PUBLIC WORKS

R107 839 857

*Soweto

*14 Mrs H SUZMAN asked the Minister of Co-operation and Development

How many trading licences were operative in Soweto as at 1 January 1985?

*15 Dr A L BORAIN asked the Minister of Manpower

(1) Whether, with reference to his reply to Question No 10 on 1 February 1984, the investigation by the National Training Board into apprenticeship and artisan training in South Africa has been completed; if not, (a) why not and (b) when is it anticipated that it will be completed, if so, what were the findings;

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

*The MINISTER OF MANPOWER

(1) Yes

(a) Falls away

(b) The report with findings and recommendations will soon be submitted to me as Minister of Manpower for consideration

(2) Any action necessary will be taken after the Report has received due consideration

*16 Dr A L BORAIN asked the Minister of National Education

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

[Image: Oil payment cost per barrel]

*18 Mr P H P GASTROW asked the Minister of Law and Order

(1) Whether any member of the South African Police received any complaints concerning a water-slide at the Muizenberg beachfront area in January 1985, if so, (a) when, (b) from whom and (c) what was (i) the nature of the complaints and (ii) his response thereto;

(2) whether any member of the South African Police approached any owner or operator of the said water-slide on an official basis in that month, if so, (a) when, (b) why and (c) with what result?

*The DEPUTY MINISTER OF LAW AND ORDER

(1) No, no record that such a complaint was lodged, could be traced

(2) No, not on an official basis

*19 Mr R H HULLEY asked the Minister of Mineral and Energy Affairs

(1) Whether he will furnish the House with information on the landed cost in South Africa of crude oil, if not, why not, if so;

(2) in respect of the latest specified date for which figures are available, (a) what was the landed cost in South Africa of crude oil in United State dollars per barrel, (b) what, in respect of 93-octane petrol, was the cost expressed in cents per litre at the pump and (c) what elements comp
Shoppers to shell out more for their eggs

Consumer Reporter

The price of eggs will rise by 8c a dozen for extra-large, 7c for large and 2c for medium from today, according to the Boland Poultry Association.

Prices were last increased in June 1984.

The association says, there are fewer large eggs now.

"We are importing fishmeal because of a local shortage," said Mr William Carter, chairman of the association. "This is inferior quality and has created a protein problem which is affecting the size of eggs."

LABOUR COSTS

Other reasons for the price increase are increased packaging and labour costs, said Mr Carter.

Medium eggs were being increased by only 2c to persuade consumers to buy them and not large eggs, he said.

"The adverse effect of imported fishmeal on egg sizes has created a shortage and we have increased the price of extra-large and jumbo eggs from today," said Pack 'n Pay chief buyer, Mr Allan Baxter.

The price of a dozen large eggs will be increased by 6c from March 4, he said.

"INGENIOUS"

"We have been assured that the quality of fishmeal will improve and soon there will be sufficient extra-large eggs," said Mr Baxter.

Mr Bernard Hellberg, assistant director of the Consumer Council, said: "The excuses being offered are becoming more ingenious by the day."

"People must start regarding eggs as a luxury."
tention on preventing young people from adopting smoking habits.

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

In addition, a pupil's booklet will be developed and should be available by the end of 1985.

Mr A B WIDMAN, Mr Chairman, arising out of the hon. the Minister's reply, I want to ask him whether he does not think the time has come for official action to be taken to warn the public of South Africa against the dangers of smoking.

Bophuthatswana: television signals

*11 Mr D J DALLING asked the Minister of Foreign Affairs:

Whether, with reference to his reply to Question No 4 on 1 February 1984, the Government has received any communication from the Government of Bophuthatswana in connection with the agreement entered into between the Republic and Bophuthatswana relating to (a) the relaying by the SABC of Bophuthatswana TV signals to areas within the Republic and/or (b) any ancillary matter, if so, what was the (i) gravamen of the communication and (ii) the response of the Government?

*12 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs:

(1) What was the average rand cost per barrel of crude oil imported into the Republic in 1984?

(2) What was the rand cost per barrel of such oil imported into the Republic as at the latest specified date for which figures are available?

The MINISTER OF MINERAL AND ENERGY AFFAIRS

(1) R45,86 cost, insurance, freigh

(2) The average cost for January 1985 was R62,16 cost, insurance, freight

*13 Mr R R HULLEY asked the Minister of Public Works:

What was the total amount paid out in the 1983-84 financial year in housing subsidies in terms of the Public Service Act, No 54 of 1957?

*14 Mrs H SUZMAN asked the Minister of Co-operation and Development:

How many trading licences were operative in Soweto as at 1 January 1985?

*16 Dr A L BORAINF asked the Minister of National Education:

What percentage of the gross national product of South Africa was spent on educational research and development in the field of science in 1982-83?
The Department of Health and Welfare will be publishing a teachers’ guide on “Smoking and the Respiratory System” in conjunction with all Education Departments, for distribution to all primary and secondary schools in the Republic.

In addition, a pupils’ workbook will be developed and should be available by the end 1985.

Mr. A. B. WIDMAN, MP, Chairman, arising out of the hon. the Minister’s reply, I want to ask him whether he does not think the time has come for official action to be taken to warn the public of South Africa against the dangers of smoking.

Bophuthatswana: television signals

*11 Mr. D. J. DALLING asked the Minister of Foreign Affairs:

Whether, with reference to his reply to Question No. 4 on 1 February 1984, the Government has received any communication from the Government of Bophuthatswana in connection with the agreement entered into between the Republic and Bophuthatswana relating to (a) the relaying by the SABC of Bophuthatswana TV signals to areas within the Republic and/or (b) any ancillary matter; if so, what was the (i) gravamen of the communication and (ii) response of the Government?

†The DEPUTY MINISTER OF FOREIGN AFFAIRS

(a) and (b) Yes
(ii) A communication has recently been received from the Government of the Republic of Bophuthatswana concerning the relaying of the signal of the Bophuthatswana television service to agreed target areas in the RSA
(iii) A meeting between the Governments of the Republic of South Africa and the Republic of Bophuthatswana during which certain aspects regarding the relaying of the Bophuthatswana television service to agreed target areas in the RSA will be discussed, is due to be held in the near future.

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

(1) R45.86 cost, insurance, freight.
(2) The average cost: For January 1985 was R62.18 cost, insurance, freight.

Housing subsidies 9/2/85

*13 Mr. R. R. HULLEY asked the Minister of Public Works:

What was the total amount paid out in the 1983-84 financial year in housing subsidies in terms of the Public Service Act, No 54 of 1957?

†The MINISTER OF PUBLIC WORKS

R107 839 857

Soweto

*14 Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

How many trading licences were operative in Soweto as at 1 January 1985?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The City Council of Johannesburg is the licensing authority for Soweto. Upon enquiry the Council indicated that the requested information was not available and could not be readily obtained.

Apprenticeship/artisan training: investigation

*15 Dr. A. L. BORAINE asked the Minister of Manpower:

(1) Whether, with reference to his reply to Question No. 10 on 1 February 1984, the investigation by the National Training Board into apprenticeship and artisan training in South Africa has been completed, if not, (a) why not and (b) when is it anticipated that it will be completed, if so, what were the findings?
(2) whether any action is to be taken as a result of the investigation, if so, what action?

†The MINISTER OF MANPOWER

(1) (a) Falls away
(b) The report with findings and recommendations will soon be submitted to me as Minister of Manpower for consideration.
(2) Any action necessary will be taken after the Report has received due consideration.

Gross national product: educational research/development

*16. Dr. A. L. BORAINE asked the Minister of National Education:

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

The MINISTER OF NATIONAL EDUCATION

The information for 1982/83 is not available, as this information is only collected every two years. The information for 1983/84 is presently being processed.

Muizenberg beach-front: water-slide

*18 Mr. P. H. P. GASTROW asked the Minister of Law and Order:

(1) Whether any member of the South African Police received complaints concerning a water-slide at the Muizenberg beach-front area in January 1985, if so, (a) when, (b) from whom and (c) what was (i) the nature of the complaints and (ii) his response thereto.
(2) whether any member of the South African Police approached any owner or operator of the said water-slide on an official basis, if so, (a) when, (b) why and (c) with what result?

†The DEPUTY MINISTER OF LAW AND ORDER

(1) No, no record that such a complaint was lodged, could be traced
(2) No, not on an official basis.
The MINISTER OF MINERAL AND ENERGY AFFAIRS (Reply laid upon the Table with leave of House)

(1) Yes

(2) (a) 29.71 USA Dollars for January 1985

(b) and (c) Prices of fuel are not determined on a cost plus basis but in terms of the international list price of refined petroleum products at four large refineries at Singapore and Bahrain. The international list price reflects current international crude oil costs as well as refinery costs and refinery profits. The landed cost plus wholesale profit margin of 93 octane petrol amounted to 58,513 RSA cents per litre at an exchange rate ratio of R1.00 to USA 0.465 Dollar in January 1985.

The wholesale margin is based on a scientific economic analysis and amounts at present to approximately 15 per cent on assets without provision for tax and interest on capital employed. The present comprehensive price composition of 93 octane petrol is as follows

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>88.5</td>
</tr>
<tr>
<td></td>
<td>8.0 or 9.0% of Reef price</td>
</tr>
<tr>
<td></td>
<td>6.5 or 7.3% of Reef price</td>
</tr>
<tr>
<td></td>
<td>5.2 or 5.9% of Reef price</td>
</tr>
<tr>
<td></td>
<td>81.4</td>
</tr>
<tr>
<td></td>
<td>7.4 or 9.1% of coast price</td>
</tr>
<tr>
<td></td>
<td>5.2 or 6.4% of coast price</td>
</tr>
<tr>
<td></td>
<td>68.8</td>
</tr>
<tr>
<td></td>
<td>3,987 or 4.9% of coast price</td>
</tr>
<tr>
<td></td>
<td>1,300 or 1.5% of coast price</td>
</tr>
<tr>
<td></td>
<td>5,000 or 6.2% of coast price</td>
</tr>
<tr>
<td></td>
<td>4,000 or 5.0% of coast price</td>
</tr>
<tr>
<td></td>
<td>54,513 or 66.9% of coast price</td>
</tr>
<tr>
<td></td>
<td>58,513</td>
</tr>
</tbody>
</table>

Landed cost reflected in price
Actual landed cost including wholesale profit margin
Unit loss which is financed as a price equalization factor from the sale of stockpiled supplies

Advertisements/sponsorship by tobacco companies: legislation

*20 Dr M S BARNARD asked the Minister of Health and Welfare

(1) Whether he intends introducing legislation relating to (a) advertisements for the smoking of tobacco products and (b) sponsorship of sporting and other events by tobacco companies, if not, why not, if so, (i) what will be the nature of such legislation and (ii) when is it anticipated that it will be introduced,

(2) whether he will make a statement on the matter?

*The MINISTER OF HEALTH AND WELFARE

(a) No

(b) I do not believe that smoking-related problems can be altered dramatically by legislation but rather by continued education and information

(?) No

Mr A B WIDMAN: Mr Chairman, arising out of the hon the Minister's reply, I again put the question to him whether he does not think it is time to warn the public of South Africa of the dangers of smoking. Mr Chairman, seeing that the hon the Minister does not reply

The CHAIRMAN OF THE HOUSE: Order! The hon member asked the very same question earlier today. On what occasion the hon the Minister did not reply, and I presume that he does not want to do so now.

Mr A B WIDMAN: Mr Chairman, can I then ask the hon the Minister whether he intends replying?

Mr M A TARR: Mr Chairman, further arising out of the hon the Minister's reply, does he not consider that cigarette advertisements have the effect of encouraging young people to smoke?

Cape Peninsula meat-controlled area

*21 Mr P A MYBURGH asked the Minister of Agricultural Economics

Whether, with reference to his reply to Question No 14 on 11 July 1984, the National Marketing Council has completed its investigation into the proposed extension of the Cape Peninsula meat-controlled area, if not, (a) why not and (b) when is it anticipated that it will be completed, if so, (i) what were the findings and (ii) when will the decision of the Meat Board to extend the controlled area be implemented?

The MINISTER OF AGRICULTURAL ECONOMICS

Yes (a) and (b) fall away

(i) The National Marketing Council recommended that the controlled area of the Cape Peninsula not be extended

(ii) I decided that before I finally decide on the Meat Board's request that the controlled area of the Cape Peninsula be extended, the bodies concerned should investigate the possibility of extending the slaughtering facilities in the Western Cape

Anti-smoking campaign

*22 Dr M S BARNARD asked the Minister of Education

(1) Whether his Department (a) is holding or (b) intends to hold an anti-smoking campaign at schools falling under its control if not who is it, or what is the nature of the campaign?

(2) whether he will make a statement on the matter?

The MINISTER OF EDUCATION

(1) (a) and (b) No It is not practicable for the Department to hold country-wide campaigns in order to combat specific hazards singly. However, the Department uses whatever opportunities present themselves in various syllabi to make pupils aware of health hazards. Smoking, as well as other dangerous habits such as drug abuse and the abuse of intoxicating liquor are being dealt with in the syllabuses for guidance. Also, pamphlets on various health topics are compiled in close co-operation with the Department of Health and Welfare by the interdepartmental Advisory Committee for Health Education on which the Department and other departments of Education are represented

(2) No
tion on preventing young people from adopting smoking habits.

The Department of Health and Welfare will be publishing a teachers guide on Smoking and the Respiratory System in conjunction with all Education Departments, for distribution to all primary and secondary schools in the Republic.

In addition, a pupils workbook will be developed and should be available by the end of 1985.

Mr A B WIDMAN Mr Chairman, arising out of the hon. the Minister's reply, I want to ask him whether he does not think the time has come for official action to be taken to warn the public of South Africa against the dangers of smoking?

Bophuthatswana, television signals

*11 Mr D J DALLING asked the Minister of Foreign Affairs:

Whether, with reference to his reply to Question No 4 on 1 February 1984, the Government has received any communication from the Government of Bophuthatswana in connection with the agreement entered into between the Republic and Bophuthatswana relating to (a) the relaying by the SABC of Bophuthatswana TV signals to areas within the Republic and/or (b) any ancillary matter, if so, what was the (i) gravamen of the communication and (ii) response of the Government?

The DEPUTY MINISTER OF FOREIGN AFFAIRS

(a) and (b) Yes

(i) A communication has recently been received from the Government of the Republic of Bophuthatswana concerning the relaying of the signal of the Bophuthatswana television service to agreed target areas in the RSA.

(ii) A meeting between the Governments of the Republic of South Africa and the Republic of Bophuthatswana during which certain aspects regarding the relaying of the Bophuthatswana television service to agreed target areas in the RSA will be discussed, is due to be held in the near future.

Oiltand cost per barrel

*12 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs:

(1) What was the average rand cost per barrel of crude oil imported into the Republic in 1984?

(2) What was the rand cost per barrel of sweet crude oil imported into the Republic as at the latest specified date for which figures are available?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

(1) R45,86 cost, insurance, freight

(2) The average cost for January 1985 was R62,18 cost, insurance, freight.

191285

Housing subsidies

*13 Mr R R HULLEY asked the Minister of Public Works:

What was the total amount paid out in the 1983-84 financial year in housing subsidies in terms of the Public Service Act, No 54 of 1957?

*The MINISTER OF PUBLIC WORKS:

R107 839 857

Soweto

*14 Mrs H SZUMAN asked the Minister of Co-operation and Development:

How many trading licences were operative in Soweto as at 1 January 1985?

The MINISTER OF NORTHERN EDUCATION:

The City Council of Johannesburg is the licensing authority for Soweto. Upon enquiry the Council indicated that the requested information was not available and could not be readily obtained.

Apprenticeship/artisan training: investigation

*15 Dr A L BORAIN asks the Minister of Co-operation and Development:

(1) Whether, with reference to his reply to Question No 10 on 1 February 1984, the investigation by the National Training Board into apprenticeship and artisan training in South Africa has been completed, if not, (a) why not and (b) when is it anticipated that it will be completed; if so, what were the findings?

(2) Whether any action is to be taken as a result of the investigation, if so, what action?

The MINISTER OF MANPOWER:

(1) Yes

(a) Falls away

(b) The report with findings and recommendations will soon be submitted to me as Minister of Manpower for consideration.

(2) Any action necessary will be taken after the Report has received due consideration.

Gross national product: educational research and development

*16 Dr A L BORAIN asks the Minister of National Education:

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

The MINISTER OF NATIONAL EDUCATION:

The information for 1982/83 is not available, as this information is only collected every two years. The information for 1983/84 is presently being processed.

Mulzenberg beach-front: water-slide

*18 Mr P H P GASTROW asked the Minister of Law and Order:

(1) Whether any member of the South African Police received any complaints concerning a water-slide at the Mulzenberg beachfront area in January 1985, if so, (a) when, (b) from whom and (c) what was the content of the complaints and (d) his response thereto?

(2) Whether any member of the South African Police approached any owner or operator of the water-slide on an official basis in that month, if so, (a) when, (b) why and (c) with what result?

The DEPUTY MINISTER OF LAW AND ORDER:

(1) No, no record that such a complaint was lodged, could be traced

(2) No, not on an official basis

*19 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs:

(1) Whether he will furnish the House with information on the landed cost in South Africa of crude oil, if not why not, if so,

(2) in respect of the latest specified date for which figures are available, (a) what was the landed cost in South Africa of crude oil in United States dollars per barrel, (b) what, in respect of 93-octane petrol, was the cost expressed in cents per litre at the pump and (c) what elements com-
prised the marketing margin in the latest petrol price composition?

The MINISTER OF MINERAL AND ENERGY AFFAIRS (Replied upon the Table with leave of House)

(1) Yes

(2) (a) 29.71 USA Dollars for January 1985

(b) en (c) Prices of fuel are not determined on a cost plus basis but in terms of the international list price of refined petroleum products at four large refineries at Singapore and Bahriem. The international list price reflects current international crude oil costs as well as refinery costs and refinery profits. The landed cost plus wholesale profit margin of 93 octane petrol amounted to 58,513 RSA cents per litre at an exchange rate ratio of R1.00 to USA $0.645 Dollar in January 1985.

The wholesale margin is based on a scientific economic analysis and amounts at present to approximately 15 per cent on assets without provision for tax and interest on capital employed. The present comprehensive price composition of 93 octane petrol is as follows

- Pump price at Witwatersrand:
  - General sales tax at Reef: 88.3
  - Railage and pipeline costs to Reef: 8.0 or 9.0% of Reef price
  - Service station profit margin: 6.5 or 7.3% of Reef price
  - Wholesale price:
    - Customs and excise duty: 5.2 or 5.9% of Reef price
    - Equalisation Fund Levy: 81.4
    - National Road Fund Levy: 7.4 or 9.1% of coast price
    - Service station profit margin: 5.2 or 6.4% of coast price
- Wholesale price:
  - 68.8
  - 3.987 or 4.9% of coast price
  - 1.300 or 1.5% of coast price
  - 5.000 or 6.2% of coast price
  - 4,000 or 5.0% of coast price
  - Landed cost reflected in price:
    - Actual landed cost including wholesale profit margin: 54,513 or 66.5% of coast price
  - 58,513

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

Advertisements/sponsorship by tobacco companies: legislation

*20 Dr M S BARNARD asked the Minister of Health and Welfare:

Whether he intends introducing legislation relating to (a) advertisements for the smoking of tobacco products and (b) sponsorship of sporting and other events by tobacco companies, if not, why not; if so, (i) what will be the nature of such legislation and (a) when is it anticipated that it will be introduced, (2) whether he will make a statement on the matter?

*The MINISTER OF HEALTH AND WELFARE:

(1) No

(b) No I do not believe that smoking-related problems can be altered dramatically by legislation but rather by continued education and information.

(2) No

Mr A B WIDMAN Mr Chairman, arising out of the hon the Minister's reply, I again put the question to him whether he does not think it is time to warn the public of South Africa of the dangers of smoking. Mr Chairman, seeing that the hon the Minister does not reply

The CHAIRMAN OF THE HOUSE Order! The hon member asked this particular question earlier today. On what occasion the hon the Minister did not reply, I presume that he does not want to do so now.

Mr A B WIDMAN Mr Chairman, can I then ask the hon the Minister whether he intends replying?

Mr M A TARR Mr Chairman, further arising out of the hon the Minister's reply, does he not consider that cigarette advertisements have the effect of encouraging young people to smoke?

Cape Peninsula meat-controlled area

*21 Mr P A MYBURGH asked the Minister of Agricultural Economics.

Whether, with reference to his reply to Question No 14 on 11 July 1984, the National Marketing Council has completed its investigation into the proposed extension of the Cape Peninsula meat-controlled area, if not, (a) why not and (b) when is it anticipated that it will be completed if so, (i) what were the findings and (ii) when will the decision of the Meat Board to extend the controlled area be implemented?

The MINISTER OF AGRICULTURAL ECONOMICS:

Yes (a) and (b) fall away

(i) The National Marketing Council recom

ommended that the controlled area of the Cape Peninsula not be extended.

(ii) I decided that before I finally decide on the Meat Board's request that the controlled area of the Cape Peninsula be extended, the bodies concerned should investigate the possibility of extending the slaughtering facilities in the Western Cape.

Anti-smoking campaign

*22 Dr M S BARNARD asked the Minister of Education

Whether his Department (a) is holding or (b) intends to hold an anti-smoking campaign at schools falling under its control, if not, why not, if so, what is the nature of the campaign,

whether he will make a statement on the matter?

The MINISTER OF EDUCATION

*1 (a) and (b) No It is not practicable for the Department to hold countrywide campaigns in order to combat specific hazards singly. However, the Department is using whatever opportunities present themselves in various syllabi to make pupils aware of health hazards. Smoking, as well as other dangerous habits such as drug abuse and the abuse of intoxicating liquors, are dealt with in the syllabuses for guidance. Also, pamphlets on various health topics are compiled in close co-operation with the Department of Health and Welfare by the interdepartmental Advisory Committee for Health Education on which the Department and other departments of Education are represented.

*2 Dr M S BARNARD Mr Chairman further arising out of the hon Minister's answers will the hon Minister please tell us if it would help his department if his colleague next to
Escom's East Cape tariff increases highest in SA

Political Correspondent

CAPE TOWN — Escom electricity tariffs for the Eastern Cape show the highest percentage increase in South Africa over a 10-year period.


In 1982 the price of Escom electricity was, however, still cheaper in the Eastern Cape than in four other regions.

The report states that in terms of the total cost to consumers, electricity cost each Eastern Cape consumer 415% more in 1982 than in 1972 (a rise from 0.331c a kWh to 2.715c).

The next highest increase over this period was on the Rand and in the Free State (401%) while the Western Cape (239%) had the lowest rise.

In the Border region, the increase was 239%.

Percentage rises for the two other Escom regions for which statistics are available were Natal 288% and Northern Cape 256%.

It was suggested to the commission that a tariff policy which comes as near as possible to supply at cost be accepted.

Transmission costs to certain reference points could then be established, so that each consumer's transmission cost would include his share up to the nearest reference point plus the additional cost between the consumer and the reference point.

Rates on electricity tariffs should occur only once a year — in January — and should include the coal price adjustment for the following year and should be valid for the whole year.

To reduce administrative costs and eliminate inconsistencies, the report recommends reducing the existing seven regional distribution undertakings to three. A two-tier control structure is recommended, consisting of the Board of Control of the Electricity Supply Corporation (Escoor) and a management structure.

An Electricity Amendment Bill is to be introduced during the current session of Parliament to rationalize electricity supply in South Africa "as soon as possible."

Escom's share in electricity supply in South Africa had by 1982 grown to 83.5%.
Only one dairy puts up bottled milk price

Although most dairies in the Johannesburg area have not increased the price of milk supplied in bottles, Douglastdale Dairy in Bryanston has put up the price of its bottled milk by 2c.

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

Douglastdale Dairy also increased its prices per bottled litre from 68c to 70c.

Mr Duncan Dewar, a spokesman for Douglastdale Dairy, said the increase was to cover the increased cost of petrol.

A spokesman for Nel's Dairy, Mr Andre du Toit, said its bottled milk would remain at 68c and he knew of no other dairy other than Douglastdale Dairy in the region which had increased its bottled milk price.

The price of bottled milk would not be increased, according to Mr Nic Peterse, the marketing manager of a major distributor.

He said suppliers of milk in cartons had had to increase their price by between 2½c and 3½c because of the rand/dollar exchange rate. "And we had to increase the wholesale price by 2c a litre." The retail price was not controlled, and whether consumers would be affected would depend on whether retailers could absorb the increase.
PARLIAMENT.—All three opposition parties in the Assembly yesterday criticized the new transport increases, saying they had not been entirely necessary and would increase the cost of living.

Mr John Malcomess, chief opposition spokesman, said the increases would not have been necessary if the government had paid SATS compensation for its losses on socio-economic passenger services.

Mr R F van Heerden, the Conservative Party's spokesman, said the increases were "shocking" when taken together with recent air and rail fare increases and the massive rise in the price of petrol and electricity.

"Deficit"

Mr Vause Raw, chief spokesman for the New Republic Party, said the country could have expected better than a "deficit" budget.

Mr Malcomess congratulated SATS management and staff on their achievement in the current year as a profit seemed on the cards "despite a severe economic downturn".

Mr Van Heerden said farmers would be hit by the 12.5 percent increase on livestock transport, sugar cane, power paraffin and diesel.

"The shock-waves will spread further in the next few weeks and further increases can be expected in the price of food as well as manufactured goods.

Bright spots

"Add to all this another increase in petrol, an increase in GST which is certainly going to follow, the high interest rates which are being paid at present and the picture looks bleak."

Mr Raw said the only bright spots in the budget were the achievement of the SATS personnel in conveying an increased traffic load with a 16 percent reduction in staff and the saving on capital budget.

Sapa reports Mr Schoeman as announcing in the House that the SWA/Namibian administration would assume full responsibility for rail and road services in the territory from April 1.

He also announced that the financial and organizational structure of SATS would be investigated by Dr W J de Villiers, chairman of the recent commission of inquiry into Escom.
Putco applies for another fare hike

By MOJALEFA MOSEKI

ANOTHER bus fare increase is on the cards. This time it comes into effect on November 1 and Putco has already submitted applications to the National Road Transportation Board.

The chief PRO for Putco, Mr Pat Rogers, yesterday confirmed that applications for a further 15.1 percent increase had been submitted to the Transportation Board.

Effect

The applied percentage, he said, was part of the overall 24.2 percent which was to be effected because of the recent petrol price hike but was divided into two parts of which 9.1 percent was effected last month.

"Because the lay procedure does not allow for more than one application at a time, provision was made for costs other than fuel, which are salaries and wages, maintenance, spares and bus services," the statement read.
Now Operation Hunger must find another R6m

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

A few months ago Operation Hunger announced it would have to cease its feeding operations of self-help schemes to more than half a million people in drought-stricken regions because it had run up a R1.5-million deficit.

At a press conference in Johannesburg this week Mrs Ira Perlman, director of Operation Hunger, said since two weeks ago when she had compiled a budget for the next year two appeals for aid for another 30,000 people had been received.

"Do not be fooled by the recent rains," she said, pointing out that the drought still persisted in many areas and that the floods had increased the list of people in despair.

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

Warning of disaster

"In Port Elizabeth we anticipate having to spend almost R300,000 In Riverlea, here in Johannesburg, an emergency committee has been established to cope with a new and urgent hunger problem," Mr Perlman warned.

Mrs Perlman warned that in view of retrenchments and the coming winter could produce "one of the worst disasters in history" if Operation Hunger could not go on meeting its targets.

However, Operation Hunger has worked out a plan of action to put its finances on a sound footing.

The chairman of Operation Hunger's Businessman's Action Committee, Mr Jonny Frankel, said the intention was to approach private sector companies, both listed and unlisted, to pledge fixed sums of money over a few years towards Operation Hunger.

Companies would also be asked to approach their employees to donate a fixed sum every month from their salaries and that the companies would match their employee contributions rand by rand.

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

The chairman of Operation Hunger, Mr Mervyn King, thanked the private sector and the public for having "responded superbly" to calls for assistance by Operation Hunger.

"The good news is that some 150,000 people have, with the assistance of Operation Hunger, reached the point where they have been phased out of emergency family feeding schemes in certain areas."
R360-m electric plan
Keeping tariffs at half those Escom charges

Municipal Reporter

A planned saving of more than R360 million by the Johannesburg Electricity Department over the next decade should allow the city to continue to charge consumers half the price which Escom does, says chief electrical engineer Mr Wessel Barnard.

Mr Barnard said that up to 1985 his department would save more than R400 million on buying Escom electricity by maintaining its own power stations — but this would cost about R60 million.

"About 40 percent of our electricity comes from Escom, but our tariff increases have been half Escom's. "This should continue," he added.

He said the department would maintain its power stations by using machinery from obsolete British stations.

"Some of our equipment is quite old and you can no longer get spares.

"The British are closing down some of their smaller stations and we recently bought two major parts for what it would have cost to repair one," said Mr Barnard.

He added that British Electricity International, a consulting company, recently conducted a technical feasibility study to see what equipment at the Johannesburg stations needed to be replaced.

Mr Barnard said he expected a report from the company within the next few weeks.

The Ministry of Agriculture

ECONOMICS

The Ministry of Agriculture has recently released its annual report, which includes a detailed analysis of the country's agricultural sector. The report highlights the following key findings:

1. The agricultural sector contributed 23% of the country's GDP in 2020.
2. The total value of agricultural production in 2020 was $5 billion.
3. The ministry forecasts a growth of 5% in agricultural production this year.
4. The report also highlights the challenges faced by the sector, such as drought and pest infestations.

The report concludes with recommendations for future growth and development strategies in the agricultural sector.
The Super Profits which Copy-cat Drugs Could Hit

The Star Friday March 1, 1969

Shell and Provincial hospitals have many years and that has led to the introduction of medicolegal procedures that have been presented. In the past, our early copy-cat specialists have been presented in the distribution. The board which is made up of highly-qualified pharmacists, is unanimous.

Regrettably, we have not been able to control the quantity of the pharmaceuticals, but have had to attend to the problem. Our sales force has been working to correct these situations and to develop the same kind of product. This has not been to the profit of our competitors, or to the profit of the public, either. The admissibility of the patentee's or the Mint's views on this subject is not a matter of which it is hard to

By Joe Operative, Medical Reporter

involved in pharmaceuticals. Any copy-cat drugs are making hit
Phone calls, letters, parcels to cost more

Political Correspondent

ALMOST every mail and telephone tariff will rise on April 1 to increase total Post Office revenue by an average of 14.8 percent.

This bad news for the consumer, coming on top of recent fuel price and transport tariff increases, was announced at a joint sitting of Parliament this afternoon.
The Homeowner's Emergency Guide

**Table of Contents**

1. Introduction to the Emergency Guide
2. Quick Reference Guide
3. Telephone and Telegram Codes
4. Local and Main Line Numbers
5. Special Service Numbers
6. Special Instructions
7. Additional Information

---

**Introduction to the Emergency Guide**

This guide is designed to provide a comprehensive emergency reference for homeowners, including quick access to essential telephone and telegram codes, local and main line numbers, and special service numbers. It is intended to be a valuable resource in times of crisis, offering guidance on how to communicate effectively and efficiently during emergencies.

---

**Quick Reference Guide**

- **911**: Emergency Services (Police, Fire, Ambulance)
- **411**: Information Services
- **555**: Operator Services
- **611**: Long Distance Services
- **711**: Relay Services

---

**Telephone and Telegram Codes**

- **Local Line**: 1-202-555-1234
- **Main Line**: 1-202-555-1235
- **Special Line**: 1-202-555-1236

---

**Local and Main Line Numbers**

- **Local Line**: 1-202-555-1234
- **Main Line**: 1-202-555-1235

---

**Special Service Numbers**

- **Police**: 1-202-555-1989
- **Fire**: 1-202-555-1989
- **Ambulance**: 1-202-555-1989

---

**Special Instructions**

- **Communication with Authorities**: Provide clear and concise information about the emergency.
- **Follow Evacuation Orders**: If directed, leave the area immediately.
- **Stay Calm and Alert**: Keep an eye out for any additional alerts or updates.

---

**Additional Information**

- **Emergency Contacts**: Ensure all family members have key contacts and emergency information.
- **Communications Equipment**: Check your emergency communication equipment regularly.

---

**Conclusion**

The Homeowner's Emergency Guide is a valuable tool for homeowners to ensure they are prepared for emergencies. By familiarizing themselves with the information provided, homeowners can take steps to protect themselves and their families in times of crisis.
Over Budget

Postal Increases

All sectors unite to condemn Mummiak for rise in Post Office charges
Dismay at PO tariff increases

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

Increases set for April 1

JOHANNESBURG — April Fool’s day will bring a 25 percent increase in some telephone tariffs, an increase in postal costs and a new 12c stamp to replace the current 11c one.

The Minister of Communications, Dr Lapa Munnik, announced extensive increases yesterday during the reading of the Postal Budget in Parliament, which is expected to come into force on April 1.

The extra one cent on the 11c stamp represents an increase of nine percent for standard postal items.

Dr Munnik announced increases of 25 percent in the telephone unit price for local and trunk calls from eight to 10 cents, about 14 percent for automatically dialled overseas calls — R3.52 a minute to R4.44 a minute, 20 percent in telephone rentals — from R7 to R9 a month, nine percent in standard postage — from 11c to 12c, about 20 percent in parcel tariffs, and 20 percent in telegrams.

Opposition spokesman, Mr Alf Widman, said he was "shocked and disappointed". He said Dr Lapa Munnik, Minister of Communications, could have avoided the increases by budgeting for a deficit instead of a R68-million surplus.

He said Dr Munnik had expected a deficit of R131-million this year but had finished instead with a surplus of R28.4-million. This meant the Post Office was R159-million better off than it had expected to be.

New Republic Party spokesman Mr Brian Page described the Post Office budget as a "bad news budget", and said it was gratifying that Dr Munnik had kept increases on everyday items, such as letters, down to a minimum.

"Inability"
The PFAP spokesman on finance, Mr Harry Schwarz, said the government is setting the worst possible example by failing to exercise control over administered prices.

The government could not expect the private sector to curb price rises if it continuously demonstrated its own inability or unwillingness to curb the prices of vital services and commodities, he said.

The president of the Afrikaanse Handelsinstituut, Mr Leon Bartel, deplored the extent of the increases, while Volkskas economist Mr Adam Jacobs said the increases would add a further burden to the already burdened consumer.

Cape Town Chamber of Commerce, Mr Brian McLeod, warned that the increases would have a ripple effect through the entire economy.

"They are totally unacceptable with the economy in its present predicament," he said.

The increases would provide another boost to the inflationary spiral, and this was to be viewed with great alarm, he said.

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

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

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

System

Service hours in particular needed to be carefully looked at because, according to the present system, personnel worked a 39-hour week with an hour for lunch on weekdays.

The council felt that service should be available between 13h00 and 14h00 when townspeople needed to do business at the Post Office.

Other aspects which constituted a cause for concern were the scope of certain tariff increases.
PU tariff increases

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

Increases set for April 1

Opposition spokesman Mr. Alf Widman, said he was "shocked and disappointed". He said Dr. Lapa Munnik, Minister of Communications, could have avoided the increases by budgeting for a deficit instead of a R8.8 million surplus.

He said Dr. Munnik had expected a deficit of R121 million this year but had finished instead with a surplus of R20.4 million. This meant the Post Office was R160 million better off than it had expected to be.

New Republic Party spokesman Mr. Brian Page described the Post Office budget as a "bad news budget", but said it was gratifying that Dr. Munnik had kept increases on everyday items, such as letters, down to a minimum.

"Inability"

The FPF spokesman on finance, Mr. Harry Schwartz, said "The government is setting the worst possible example by failing to exercise control over administered prices.

The government could not expect the private sector to curb price rises if it continuously demonstrated its own inability or unwillingness to curb the prices of vital services and commodities, he said.

As the president of the Afrikaanse Handelainstituut, Mr. Leon Bartel, deplored the extent of the increases, while Volkskas economist Mr. Adam Jacobs said the increases would add a further twist to the price spiral.

By failing to keep the increases below the inflation rate the Post Office had made a negative contribution to the fight against inflation. A 17 percent rate was likely by mid-year and an even higher rate threatened if general sales tax was raised in the main budget, he warned.

The director of the Cape Town Chamber of Commerce, Mr. Brian McLeod, warned that the increases would have a ripple effect through the entire economy. "They are totally unacceptable with the economy in its present predicament," he said.

The increases would provide another boost to the inflationary spiral and this was to be ventured with great alarm, he said.

The Consumer Council said in a statement that they viewed the tremendous rise in Post Office tariffs with extreme disapproval. Initially, considering the quality of service consumers had to put up with.

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

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

System

Service hours in particular needed to be carefully looked at because, according to the present system, personnel worked a 39-hour week with an hour for lunch on weekdays.

The council felt that service should be available between 13h00 and 14h00 when townpeople needed to do business at the Post Office.

Other aspects which constituted a cause for concern were the scope of certain tariff increases and the constantly growing telephone installation backlog.

It was particularly unwarranted to increase telephone rentals by 28.5 percent at a time when the country was suffering from the effects of a recession, the council said.

According to economists the increases could be the last straw for some post consumers.
Johannesburg — Household monthly budgets, since the beginning of the year, have climbed by as much as 21.16 per cent — and in money terms that means R7.45 to an average household on basic foods, says the Housewives League.

Figures collected by the league show an increase of 18.3 per cent and 21.16 per cent in two different supermarkets on a standard list of 27 basic items from February 1984 to February 1985.

This is well over the February inflation rate of around 14 per cent and does not include the recent 40 per cent petrol price increase, 6.5 per cent beer increase and the cigarette price increase.

The league’s president, Mrs Joy Hurwitz, said price increases were forcing people to change their shopping and eating habits.

She said people were finding it increasingly difficult to keep to a budget because of large price fluctuations and sudden large expenses like tax and petrol.

She said housewives who would normally shop monthly were now having to do so weekly and others daily because of the budgeting difficulty.

The total price of one list showed an increase from R36.65 to R43.65 and the other from R34.74 to R42.09.

Taking the cheapest of each item, regardless of the brand, some increases over the past year were:

- Rice (1 kg) — 89c to R1.15
- Oil (750 ml) — R1.52 to R1.99
- Meat meal (2.5 kg) — 89c to R1.23
- Margarine (500 g) — 89c to R1.19
- Tea bags (100) — R1.39 to R1.85
- Instant coffee (750 g) — R2.39 to R3.29
- Frozen chicken (1 kg) — R1.68 to R2.29
- White bread from 45c a loaf to 59c, brown bread 29c to 39c
- Eggs (dozen) — 29c to R1.10

The survey was conducted among three major supermarkets and prices varied widely with between R1.15 and R1.25 being charged for rice, R1.65 and R2.49 for 100 teabags and R4.73 and R5.69 for 1 kg skimmed milk powder. — DDC
Petrol price ‘no excuse for food price rises’

By Maud Motanyane and Jackie Unwin

The recent increase in the price of petrol should not be used as an excuse to increase the cost of basic foodstuffs, says a director of a large supermarket.

An internal study by Pick ‘n Pay has shown that the increased petrol price has affected the cost of deliveries by only 0.01 percent.

But a survey conducted by The Star on February 28 showed increases in the prices of basic household products and food.

One of the reasons for this is the poor rand exchange rate which has affected the price of imported raw materials such as candle wax, tea, and packaging.

A 2 kg pack of Tastic rice has gone up by an average of 53c, a 250 g pack of Johnnie’s tea bags by an average of 6c, a 450 g packet of Prices candles by an average of 15c — an increase of 22 percent.

The Star is conducting an ongoing price survey of 75 basic products, including meat, vegetables, tinned food, household cleaners and toiletries.

Three supermarkets have been selected. They are Pick ‘n Pay, Benmore Gardens; OK Bazaars, Rosebank; and Checkers, Killarney Mall. Spar, Blackheath, has invited The Star to include it in the next survey.

The prices were first recorded in the first week of February and the second survey was on February 28.

In that period Checkers increased the prices of 28 of the items surveyed, OK Bazaars increased the prices of 22 items and Pick ‘n Pay raised the prices of 19 items.

A 500 g block of Rama margarine has increased by an average of 4c, a litre of milk has gone up by 1c on average. Despite the recent 2c increase in the production costs of milk, Pick ‘n Pay maintained the old price of 69c.

A packet of 20 imported Camel cigarettes went up an average 7c and 20 Benson and Hedges went up an average 3c.

A litre of fresh orange juice went up an average 6c.

A 750 g tin of Clifton went up an average 16c. A large jar of Black Cat peanut butter (810 g) went up an average 6c.

A kilogram of 1 kg frozen hake fillets went up an average 3c. Twinksavers 200 tissues went up an average 7c. Surf 2 kg washing powder went up an average 48c.
15 pc water tariff rise

A 15 percent increase in Rand Water Board tariffs will come into effect in Sandton and Roodepoort from April but will affect the rest of the Reef only from July.

Mr Dale Hobbs, chairman of the Rand Water Board, said today that board tariffs would increase by 15 percent from April 1.

According to spokesmen for Johannesburg, Randburg and Krugersdorp municipalities, the increase would be considered in the forthcoming budgets which come into effect on July 1.

ANTICIPATED

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

A spokesman for the Roodepoort City Council water department said the increase in water prices would come into effect on about April 1.

Mr Jack Kendall, Sandton town engineer, said he would recommend to the management committee that tariffs for residents be increased as soon as possible.

Mr Hobbs said the increase was due to high interest rates and rises in the cost of water, electricity, coal and chemicals.

He said the board was budgeting for a R6 million deficit to keep increases as low as possible.
Milk price rise on the cards

Pretoria Bureau [21/3/75]

A milk price increase would be discussed at a Dairy Board meeting today, the board's general manager said.

Mr Eddie Roux said, however, that it was unlikely a final decision would be made today.

"We are watching the milk supply situation closely," he said.

"Production is declining and we are moving away from surplus. This means there is a greater chance of a price increase."

The dairy committee of the South African Agricultural Union approached the board last month for a producer price increase. Dairy farmers are losing at least 3 cents a litre on present prices.
No capital return for three years

Why sugar industry puts up price again

By Duncan Collings
Deputy Financial Editor

The South African sugar industry will record a shortfall of R157 million in the 1984/85 season ending in April this year and is headed for an estimated R200 million shortfall in the 1985/86 season.

However, the industry will not raise further loans in either of the two years but will absorb the shortfalls, says SA Sugar Association general manager, Mr Peter Sale.

Mr Sale outlined the state of the finances of the sugar industry at a press briefing at which the 14 percent increase in the industrial price and 12.5 percent increase in retail price of sugar was announced.

The shortfalls are based on a formula whereby allowed cost of production includes roughly a 16 percent return on capital and thus the true picture is that in the current season actual costs of production and income were nearly in balance and a small shortfall is anticipated for next year.

RECORD CROP

But the industry has had no return on its capital investment for three years and is already indebted to the tune of R327 million, and Mr Sale says that in his opinion the industry has reached the limit of its borrowings and thus will have to absorb the shortfalls.

The crop for the current season, ironically, will be a record 174 million tons. The domestic market will take 12 million tons of that, as refined sugar is still available. Production of raw sugar will be 60 million tons.

In view of the depressed state of the world sugar market, the local industry will not be exporting all that it has available and has started stockpiling sugar.

There are currently 500,000 tons stockpiled which is virtually the capacity of the sugar export terminal in Durban, but no decision has yet been taken to increase storage capacity by erecting the proposed fourth storage facility.

The industry will lose R277 million on its exports in the 1984/85 season and exports the following season will continue to run at a similar loss, says Mr Sale, unless there is a dramatic and, at the moment, unexpected increase in the world sugar price.

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

On the export front the 70,000 tons a year export contract to supply Israel with refined white sugar comes up for renewal shortly and if negotiations are successful a bulk white sugar export storage facility will have to be erected.

The existing terminal handles only unrefined raw sugar.

The domestic market ran at a R78 million surplus last year after a loss of R193 million the previous year, and after taking into account the announced increase in an estimated R20 million surplus next year.

Mr Sale said that all of the industry's loans - the majority of which are denominated in US dollars - have been covered and the industry therefore recorded no foreign exchange losses.

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

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

LOCAL INDUSTRY

Referring to the latest price increases, Mr Sale said that it is true that while the world price remains extremely depressed, at present sugar could be imported into this country and sold for less than local sugar, but as soon as the world price recovers, which it must do shortly, this will no longer be the case.

He pointed out that one cannot simply mothball the local industry while imports are cheaper and then reactivate it again when the world price once more rises above the local cost.

He points out that the local industry indirectly supports 186,000 people and indirectly more than another one million.

He says that if the local industry were endangered it would destroy the structure of Natal and KwaZulu and would swing an average of R180 million in foreign exchange earnings into a R50 million deficit based on the current world price for imports of the...
Rise in bread price likely

Next week’s Budget is likely to bring another shock for consumers — an increase in the price of bread.

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

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

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

The Government was paying an annual subsidy of R280 million on the price of brown bread and was unlikely to raise it further, said Mr van Aarde.

Bread prices will increase again in October when the Government grants wheat producers their annual increase.

Brown bread presently costs 40c and is being subsidised by 4c a loaf. The price of white bread, which is unsubsidised, is 60c.
In past 10 years sugar prices have riven over 300 percent

Increase Will have ripple effect

by
Maud Motanyane and Jackie Unwin

A spoonful of sugar won't help the medicine go down this time. The increase in the retail price of sugar announced on Thursday, which will result in an increase of about 12.5 percent in the consumer price, will have a ripple effect on about 200 household shopping items.

The retail price of sugar has increased by 39.88 percent over a 12-month period.

There is no price control on either the wholesale or retail prices of sugar, but it is estimated that the retail price of a 2.5 kg pack of white sugar will go up by about 25c from about R1.96 to R2.21, and that of a 1 kg pack of brown sugar by about 9c, from about 73c to 82c.

But at least some of the manufacturers of sugar-based products said their prices would not rise any further at the moment because the sugar price rise had been anticipated and built into this year's pricing policy.

Disastrous Drought

This is the second sugar price increase within six months.

Mr Ian Smeaton, chairman of the SA Sugar Association, said the price adjustment in September 1984 was necessary to provide some alleviation to the industry following the serious financial problems resulting from the disastrous drought.

He said the new price increase will bring the industrial selling price up to the level of the estimated cost of production for the 1985-86 season.

Mrs Joy Hurwitz, president of the Housewives' League, said: "I fail to see why in a recession we must have an increase in this commodity. There has been an over 200 percent increase in the sugar price in the past 10 years."

"In a recession an increase of this size is unacceptable whatever the state the sugar industry is in. Consider the state consumers are in. We cannot afford an increase of this size."

I hope and pray we are not going to have similar rises with maize and bread prices, which are next on the list."

Mr Bernhard Hellberg, assistant director of the Consumer Council, said: "In a sense we are dealing with a luxury but we are afraid that we will probably see the soft drink manufacturers using this as justification for a price increase in their products even if it contains artificial sweeteners."

"The increase will affect biscuits, jams and sweets. But you can survive without them."

Mr Richard Cohen, a director of Pick 'n Pay, said the price increase was not unexpected.

"One has a lot of empathy for the sugar farmers but on the other hand it's another nail in the coffin of inflation and the man in the street."

We have certain stocks of sugar and while these last we will keep the prices down. It is difficult to say how long this will be."

Miss Peta Lombard, Checkers' public affairs manager, said: "Any sugar increase at this time will fuel inflation because it has repercussions on so many other products."

"We do have some stocks and we obviously will hold the price for as long as we can depending on the quantities people buy."

The increase could start impacting on the other products in anything from two weeks to two months, depending on the product and how far production is ahead of demand."

Mr Philip Botha, deputy general manager of Langerberg Koop Canned Products, said: "Although this is a substantial increase we will have to absorb it because our last increase was only on March 1."

Mr P Beyers of Cadbury Ltd said: "The increase was expected and this was taken into consideration when we worked out our pricing policy this year. Some products have already gone up and others will go up in the near future."

But Mr K Blumberg, chairman of the Sweet and Chocolate Association, said he had no mandate to comment for the whole industry but the price of sugar would most definitely be passed on to the consumer.
'Everyone'

Mr Brian Goodall, the Opposition spokesman on Mineral and Energy Affairs, warned that the increase in the price of petrol would affect everyone as petrol was a cost for all businesses.

"No doubt this will be passed on to the consumer and inflation will feed on inflation," he added.

Mr Philip Krawitz, president of the Cape Town Chamber of Commerce, said the increase in the petrol price was the first realization of the effect of the increase in GST.

Mr Colin McCarthy, director-designate of the Cape Chamber of Industries, said he was shocked at the increase because of the ripple effect it would have on the rest of the economy.

Own Correspondent, Political Staff, Sapa and Staff Reporter
Retailers slow to pass price rise buck

By Maud Motanyane

The Consumer Council has accused large supermarkets of indiscriminately increasing prices on basic products and called on them to review their policies and give more consideration to the consumer.

Surveys conducted by the council over the past five months revealed that cleaning products had increased by 22.9 percent on average, groceries by 7.5 percent and toiletries by 27.3 percent.

The council kept regular price checks on 101 articles at 30 supermarkets and hyperstores in Pretoria.

The council's director, Mr Jan Cronje, said "The question arose whether large chain stores were as concerned about the consumer's welfare as they professed to be."

The retailers, however, put the blame at the door of the manufacturers.

"Some suppliers had increased their prices two or three times over the last six months," said Mr Richard Cohen, a director of Puck 'n Pay.

He said it was unfair for the Consumer Council to blame supermarkets for the recent price rises.

"We do not put prices up unless we are compelled to do so by the manufacturers," said Mr Mike Dobson, the deputy director of Spar Group.

A spokesperson for Checkers said he was delighted to see the Consumer Council was fulfilling its role, that of being the consumer's watchdog.

"But in this case they have got the wrong end of the stick," he said.
Tempers flare over price rises

CHARGES that supermarket groups have increased the prices of domestic commodities "phenomenally" while professing concern for consumers have left the companies bristling with anger at the Co-ordinating Consumer Council.

"The big supermarket groups are ripping off the public with certain commodities," said an repentant Bernard Hellberg, assistant director of the consumer council. Research personnel of the council had found over a five-month period that "the price of cleaning agents has risen by 22.9 percent", and, if taken on an annual basis, it would seem that the prices of cleaning agents could rise by almost 55 percent.

"Right under the consumer's nose, the chain stores raise prices without any fanfare, while at the same time taking the field in the media when other quarters increase prices for administered products, such as bread, milk and meat," said Jan Cronje, director of the council.

Richard Cohen, director of Pick 'n Pay, said he took "exception" to the charges, and said that "any implication that we are not fighting inflation tooth and nail is terribly wrong. The council is totally on the wrong track."

Lionel Blakeman, a director of Checkers, said his group was pleased to see the consumer council was doing its work, but felt that "this time they have got the cat by the tail."

According to the consumer council, grocery prices have shown an average increase of 7.5 percent from the end of September 1984, representing an annual increase of 18 percent.

Articles, such as soap and deodorants, increased on an annual basis by 27.3 percent. All these increases were well above the annual inflation rate of some 15 percent, the council pointed out.

The researchers had done regular price checks on 101 articles at 30 supermarkets in Pretoria. Mr Cohen said he and colleagues in their group were "battling day in and out to contain price increases."

"We have, indeed, gone through a very traumatic time, and prices have escalated tremendously. Short of not stocking a particular range of products or a line, and in one major producer's case it has come to that, we have to offer customers a choice," he said.

Pick 'n Pay had tried to contain price increases, sold stocks at old prices and tried to keep increases to not more than 10 percent at a time. Manufacturers were also asked to delay their annual increases.

"It would be wrong to get an advantage out of our suppliers and put that into our pockets. We try to put it into the pockets of our customers," Mr Cohen said.

Mr Blakeman said that there were two ways prices could rise: A straightforward, normal increase, and when a commodity returned to normal price after being on a special offer. Sometimes the two situations combined, with the special offer returning to normal and then being increased normally, and this would then seem to be a very large increase.

But Mr Hellberg countered that "because the survey was taken over many months, the effect of specials would be minimised."

"We are not mad at the supermarkets; we are just pointing out the increases are over and above the inflation rate," he said.

Spokesmen for the supermarket groups carefully pointed out they did not want to buckier in public with the consumer council, and blamed suppliers for the price increases.
CPI rate to February of 16% bodes ill

Inflation may hit record levels

By HOWARD PREECE

SOUTH AFRICA's annual inflation rate in April could prove the highest in the country's history since the freak 24% in the abnormal post-war economic circumstances of 1920.

The worst rate since then was 16.5% during for both April and May in 1982.

In the 12 months to the end of February this year the rate was fractionally over 16%, according to the official consumer price index (CPI).

That was just under the most recent peak of 16.1% which was recorded in June 1982.

The Department of Statistics said at the time the 16.5% level in April and May of 1982 was the highest in the country's history since 1920.

It is possible the rate for the 12 months to the end of March this year will show a slight dip below 16%.

In March 1984 the increase was 1.26% and the rise this month could prove less — thus reducing the annual rate.

Now it is also true the rate in April 1984 rose by 1.5%, mainly because of large surge in food prices because of the drought.

With agricultural prospects looking better this year it might have been hoped the rise in April would be less than 1.5% — again reducing the annual increase in the CPI.

However, the impact of last week's budget — above all the direct and ripple effects of the further jump in General Sales Tax (from 10% to 12%) — will be felt particularly in April.

Hence the very real prospect that the annual rise in the CPI could go above 16.5% next month and thus to a 65-year record for South Africa.

Combined lagging effects of the slump in the foreign exchange value of the rand are also bound to take a toll on the cost of living in the coming months.

But I do not think there is much risk that some of the most pessimistic inflation forecasts for the near future — an annual rate of close to 20%, or even more — are likely to be borne out.

The tough measures of the Reserve Bank and the Treasury are being felt right across most of the economy now.

It is clear, though, just how hard a road ahead faces South Africa in bringing inflation down.

In his Budget the Minister of Finance, Mr Barend du Plessis, implicitly assumed an inflation rate for the 1985-86 fiscal year of around 11% — 12%.

This is evident in his provision for a rise in state spending of 11.4%, with an additional overrun of R400mn allowed for on his more than R300mn total expenditure plan.

Before the Budget Mr Du Plessis repeatedly stressed his intention would be keep the rise in State spending close to zero in real terms — that is, roughly equivalent to the rate of inflation.

Of course, the consumer price index does not equate precisely with the Reserve Bank's ultimate definition of inflation, the deflator of gross domestic product which measures the weighted impact of all price changes.

For practical purposes, however, the CPI can be taken as the basic guide to inflation.

Mr Du Plessis is going to need all the breaks just to get inflation down to 11% — 12% in 1985-86.

But he will still have a long way to go after that.

South Africa's main trading partners — the US, Britain, Japan and West Germany — have average annual inflation rates of around 4%.

This country cannot easily rest, therefore, until the rate is at least back around 7% — 8%.

The rate has not been that low, however, since — and then only briefly — the middle months of 1978.

In the 12 months to the end of February last year the CPI was down to annual rate of "only" 10% — but look what has happened since.

It would be potentially disastrous, according to most economists, for South Africa to allow another major upturn in the economy until inflation has been reduced well into single figures.

This reduction could happen — but it is unlikely before late 1986/early 1987 at best.

That would rule out the prospect of any new boom phase until 1988 even if there were a large and sustained increase in the price of gold...
Bread price is expected to rise

An increase in the price of bread is likely to be announced by the Government within the next few weeks.

The Minister of Agricultural Economics and Water Affairs, Mr Greylag Wentzel, yesterday warned that consumer subsidies on bread could not be maintained at present levels.

He told the Western Cape Agricultural Union in Ermelo that the Government was committed to phasing out subsidies where possible.

"This year the Government has provided a bread subsidy of R200 million but at present prices this money will be used up before the new wheat season in October."— Pretoria Bureau.
The National Maize Producers' Organisation (Nampo) has applied for a 23 percent increase in the producer price of maize.

Nampo made its recommendation at a meeting of the Maize Board yesterday. The board will pass on its decision to the National Marketing Council and a final price will be announced by the Government next month.

A Nampo spokesman, Dr Kit le Chu, said Nampo had asked for the price to be increased to K277.3 ton on the basis of production cost figures.

The price rise would raise the consumer price of mealie meal by 14.4 percent.
Big maize price increase ahead

PRETORIA — The country will have to brace itself for a big increase in the price of maize products from the beginning of May.

At a meeting here yesterday, the National Maize Producers' Organization (Nampos) recommended a price increase of 23 percent to R277 a ton.

The Maize Board's key recommendation to the National Marketing Council is expected to vary only marginally.

Economists said yesterday the maize price rise would help boost the country's inflation rate upwards to 20 percent by mid-year.

Nampos economist Dr Kie le Clus said yesterday the price rise and its ripple effect on other basic foods would raise the inflation rate for lower-income groups by at least one percent.

The all-items index of the consumer price index would rise by about 0.5 percent.

Laying costs of higher-income groups would be boosted by 0.31 percent.

Nampos estimates that if the price is raised by 23 percent, the price of eggs will be affected by four percent, poultry by 3.2 percent, beef by 8.5 percent and dairy products by 2.1 percent.

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

It recommended that the subsidy be maintained at R292 million in the new financial year — slightly up on the R274-million in the 1984/85 financial year.

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

If this was so, economists said, it looked as if the consumer would have to bear the full weight of any increase in the producer price of maize.
Keep your eye on rising prices

By Jennifer Tennant

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

To keep consumers informed about increases, The Star will monitor the prices of 25 basic items weekly.

This is the first of the weekly surveys conducted at four supermarkets in the most prosperous suburb of Johannesburg. Prices were surveyed on Tuesday.

The average cost of the items in the shopping basket, R69.52, does not include the 12 percent general sales tax payable on some of the items.

The average price for a kilogram of pectinhouse stock was R2.75/kg but the cheapest price surveyed was R1.64/kg.

Braai cost an average of R4.39/kg this week. At the end of January when The Star conducted a survey of basic foodstuffs, it was R2.79/kg.

Milk prices have gone up again in January. The average price this week 72c/litre. One store has not increased the price of milk since January and it still costs 60c/litre.

Coffee now costs R5.34 for a 250g bottle, an increase of more than 30 percent from January.

In the previous survey the average price of coffee was R4.99/250g.

The price of rice has risen since January by 17.5 percent to R1.66/litre, up from R1.08/litre.

Rice prices may have risen in price. In January the average price was 60c/kg, this week it was 80c/kg.

Onions now cost R2.10/kg, up from R1.79/kg.

Keep your eye on rising prices

By Jennifer Tennant

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

To keep consumers informed about increases, The Star will monitor the prices of 25 basic items weekly.

This is the first of the weekly surveys conducted at four supermarkets in the most prosperous suburb of Johannesburg. Prices were surveyed on Tuesday.

The average cost of the items in the shopping basket, R69.52, does not include the 12 percent general sales tax payable on some of the items.

The average price for a kilogram of pectinhouse stock was R2.75/kg but the cheapest price surveyed was R1.64/kg.

Braai cost an average of R4.39/kg this week. At the end of January when The Star conducted a survey of basic foodstuffs, it was R2.79/kg.

Milk prices have gone up again in January. The average price this week 72c/litre. One store has not increased the price of milk since January and it still costs 60c/litre.

Coffee now costs R5.34 for a 250g bottle, an increase of more than 30 percent from January.

In the previous survey the average price of coffee was R4.99/250g.

The price of rice has risen since January by 17.5 percent to R1.66/litre, up from R1.08/litre.

Rice prices may have risen in price. In January the average price was 60c/kg, this week it was 80c/kg.
Doctors' consultation fees could rise by R4

Pretoria Correspondent

Consulting your doctor could soon cost you R4 more.

The Medical Association of South Africa (Masa) announced guidelines at a Press conference yesterday which will raise general practitioners' fees by an average 9 percent.

A Masa spokesman said the minimum increase for certain services would be 2.5 percent, and the maximum 29 percent.

The new tariff unit will rise from seven to nine units of R2.10 — increasing consultation fees from about R14 to R18.

The previous tariff unit was between R1.75 and R3.66.

The adjustment is the first under the new medical fee system implemented last year whereby doctors can choose between Masa's private tariff or the statutory one determined by the Representative Association of Medical Schemes (Rams).

Other professional medical people doing consultation work — such as dermatologists, paediatricians, specialist physicians and psychiatrists — will also benefit from the increase.

The spokesman said the medical profession was aware that the announcement came at the "wrong time" because of the economic situation, but general practitioners were the cornerstone of medicine.

Masa believes the tariff units for medical procedures have been too high in the past, but those for consultations too low — which caused an imbalance.

"The increased fees will also be a disincentive for a patient to visit his general practitioner for a minor complaint which could be cured by visiting a chemist," said Dr B Mandell, a member of the Masa executive committee.

He said the increase could in some cases be more than 20 percent, depending on the type of practice and its patients.

He suggested that patients needing major medical treatment first discuss the costs with their doctor.
Newspaper price increase

The cover price of the Cape Times and other Cape Town daily newspapers will be increased from 30c to 40c from today.

The increase has been forced by a further steep rise in the cost of newsprint, inks, transport and production costs generally, as well as by the rise in the general sales tax rate since the last cover-price increase, in October 1984.

The new cover price of 40c includes tax (4c).

Subscriptions taken out before the end of April will be charged at the old cover price of 30c a copy. These subscriptions will be accepted for a maximum period of one year.
Postal charges up

From today standardised letter postage will increase by 1c to 12c and registration of postal articles from 34c to 55c. Telephone calls will cost 10c a unit and directly dialled overseas calls R1 a minute.
April Fool’s Day no joke

By HILARY VENABLES

APRIL FOOL’S DAY is no joke for hard-pressed consumers - bringing with it a new round of price increases affecting the cost of postal and telecommunications services and road and rail freight and harbour charges.

The price of local and trunk telephone calls goes up 25 percent today from 8c to 10c a call unit.

Directly-dialled overseas calls are up 14 percent to R4 a minute and the monthly telephone rental has been increased from R7 to R9.

As this charge is payable in advance it may already have been calculated on the latest accounts of some subscribers.

The cost of sending standard-sized letters increases by 11c to 12c, postal registration is up 10 cents to 55 cents an item and the tariff for priority mail is now R1,20 plus ordinary postage.

Under-franked letters will cost the receiver double the shortfall.

Parcel and telegramme tariffs have increased by about 20 percent.

Details of other post and telecommunications service tariffs are available from all post offices.

Increased tariffs of between 6,5 and 14 percent for road and rail transport and harbour charges also come into operation today.

The increases are expected to have a ripple effect on the price of food, fuel and manufactured goods.

The South African Transport Services’ road transport goods tariff is up 14,6 percent.

Postal and parcels cost 12 percent more by road and rail and livestock transport costs are up 12,5 percent.

Pipeline charges for diesel and power paraffin increase by 10 percent and coal transportation by 8 percent.

The AA has warned that the higher railway tariffs could result in a further petrol price increase of one cent a litre.
SOUTH WEST African Fishing Industries has applied to the Government for a special increase in the price of fishmeal.

The company was hit hard by the recent increase in the price of fuel used by its fleet and also in the manufacturing process. If granted, it would enable the company to recover most of the increased costs, according to a preliminary profit announcement for the year to December.

On a turnover for the year of R25.26m (up by 32% on 1983), the group income before taxation was down 3% at R9.11m.

The attributable amount to ordinary shareholders was down by 10% at R4.50m (R4.98m), with earnings a share also down by 10% at 142c (158c).

The directors said the main reason for the drop in earnings was because of a drastic reduction in usage fee income from United Fishing Enterprises, after poor anchovy catches throughout the industry last year.

However, with a final dividend of 70c a share (50c interim), the 100c level of 1983 was maintained.

In addition, a special dividend of 200c a share was also declared for the 1985 financial year.

Of prospects for 1985, the directors did not expect a profit from their investment in Chile, because the fish processing operation there was under financial strain because of a decline of $100 a ton in average realisation of fishmeal compared with the previous year.

But, generally, "given a normal pelagic fishing season and no undue developments in the other sectors, we expect a reasonable increase in earnings over 1984." — Sapa
**Meat prices have taken slight rise**

By Jennifer Tennant and Rashiwata Jaga

While some basic foodstuffs dropped in price this week, meat prices rose slightly, so says The Star weekly survey.

The Star, in a weekly survey of four large supermarkets, is alerting housewives to increased prices—on average, a rise of 3% across the piece of basic consumer commodities.

**CHECKUP UP**

The shopping basket survey compares prices of 25 basic household items of four northwestern supermarkets. They were surveyed on Tuesday.

The average cost of the items in the shopping basket is R5,43. This does not include the 12.6% general sales tax payable on some goods.

**Easter Eggs and Bunnies**

By Mandy Matassone and Jackie Uwini

Quality as well as price should be taken into consideration when choosing vegetables, says Mandy Matassone, national retail manager African Fresh, a member of a major supermarket.

She says they are freshly picked and it is easy to be misled. You usually pay more for better quality, she said.

She gave potatoes as an example, a plentiful supply at the moment, where there is great variety of quality and size.

"You can buy a first-grade potato which has been washed for R2,00 a packet, but you can also buy a better first-grade potato from the Free State or the Cape, which costs R4,00," she said.

The cheap way to buy vegetables is a task at the Johannesburg market but it is difficult to compare its process as quantity and quality vary.

A spokesman for the market said the white pumpkins grown in the yard were freely available and gem squash in R3,50. Both was a particularly good buy at the moment.

But he warned that tomatoes and prices were likely to rise.

**GEM SQUASH**

At the market grade-one tomatoes are selling at between R3 and R5 a carton, which is up to R1,50. Lettuces are selling at up to R1,50 a crate containing about 36 Green beans are selling at R1,00 and a packet daily.

Cabbage are selling at R3 to R5 a crate, containing about 12 from R3,00 and a packet, containing mix to 12, sold at between R4 and R2.

Carrots are selling at between R1 and R2 a crate, depending on the quality Gem squash from R1,00 to R3 a carton and R2,00 a packet, containing about 36. Onions range from between R3 and R5 a packet, containing about 10 kg.

Large grade one Potatoes were selling at between R4 and R5,40 a kg, while high-grade potatoes were selling at between R3,50 and R5.

Golden Delicious apples are selling at between R1 and R2 a kg, depending on the size of about 20 kg said to be sold for R1,40 a packet. Potatoes were being sold at R3 and R4 to 15 to 20 potatoes, depending on the size.

Oranges were between R3 and R5 and R4 for the large standard grade, with cherry grade selling at between R3,50 and R4 a carton

**Cheaper ways to buy vegetables and fruit**

There was no need to trek to the market to buy vegetables as bulk, in order to obtain good prices, says Mrs Jeann Talhman, vice-president of the Housewives League.

Mrs Talhman and her friends obtained three-quarters of their vegetables and asked her greengrocer to buy bulk items.

• Buy when fresh and in season. Price drops often match the local growing season and prices should go up as supplies increase.

• Choose to substitute one vegetable for another when the price is right, there are many different forms in which most vegetables are available. Are canned peaches cheaper this week than fresh?

• Never buy more than you can eat. A better buy is a box of tomatoes that are fresh and you can eat in two days than a box which are less fresh and you cannot eat in two days.

• Be sure to check the store before buying fruit and vegetables. There are store brands which are much cheaper than the plain fruit and vegetable.

• Buy from supermarkets and greengrocers rather than from other sources.

**Vegetable prices, quality vary**

<table>
<thead>
<tr>
<th>Product</th>
<th>Price per kg</th>
<th>Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onions</td>
<td>R3 to R5</td>
<td>Standard</td>
</tr>
<tr>
<td>Potatoes</td>
<td>R4 to R5,40</td>
<td>Large</td>
</tr>
<tr>
<td>Green Beans</td>
<td>R1,00 to R3</td>
<td>Packets</td>
</tr>
<tr>
<td>Carrots</td>
<td>R1 to R2</td>
<td>Crate</td>
</tr>
<tr>
<td>Cabbage</td>
<td>R3,50 to R5</td>
<td>Carton</td>
</tr>
<tr>
<td>Lettuces</td>
<td>R1,50 to R3</td>
<td>Crate</td>
</tr>
<tr>
<td>Oranges</td>
<td>R3 to R5,50</td>
<td>Carton</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>R3 to R5</td>
<td>Carton</td>
</tr>
<tr>
<td>Apples</td>
<td>R1 to R2</td>
<td>Packet</td>
</tr>
<tr>
<td>Potatoes (bulk)</td>
<td>R1,40 to R1,90</td>
<td>Packet</td>
</tr>
</tbody>
</table>

**Survey - APRIL 2 1985**

PRICES EXCLUDE GST
Ford, GM increase car prices

Own Correspondent
PORT ELIZABETH — Ford Motor Company, General Motors and other motor manufacturers have announced increased new car prices with immediate effect.

Volkswagen announced price increases on March 1.

The "normal quarterly increases" have pushed up the average percentage price of popular models produced by the three Eastern Cape manufacturers by between 14 and 25 percent since April 1984.

Spokesmen for the three manufacturers said the increases could be attributed mainly to the devastating affect of exchange rates. The "normal" annual increase of vehicle prices was about 15 percent.

Cheapest sedan
Mr Bob Kershaw, press relations manager for Ford, said that in Ford's case the latest increases ranged from 1.6 to 4.5 percent.

The cheapest sedan model sold by Ford, the Escort 1300 L, now costs R9 745 — 20.1 percent more than the R8 110 it cost in April 1984. This latest price, however, excludes the "dealer handling and delivery" (DH and D) fee, which puts another R95 on the price.

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

Powerless
He said devaluation of the rand had left the industry powerless, especially since manufacturers had to pay about 60 percent more for import costs.

Volkswagen's Citi Golf, priced at R9 115, is the company's cheapest model. Twelve months ago this vehicle cost R7 700, representing an increase of almost 19 percent.

The price of the company's top model, the Audi 500 E 2.2 automatic, has risen by R4 050 to R26 700 — an increase of 17.6 percent.

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

'Slightly higher'

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

This was a result of government-administered price rises affecting fuel, general sales tax, postal and transport rates, he said.

General Motors' cheapest sedan, the Kadett 1.2 L, now costs R9 350, compared with R7 910 twelve months ago.

The company's Opel Senator 3.0 E now sells at R3 800 — 14 percent or R3 925 more than it cost in April last year.

Toyota, the country's top vehicle seller for the past few years, has announced price increases ranging between almost 17 percent to about 25 percent.

The Toyota Corolla 1.3 L (rear-wheel drive) is the company's cheapest car, and now costs R9 790 compared with R8 185 in April last year.

The Cressida 2.0 GL five-speed, which cost R11 765 in April 1984, will now fetch R14 640 — a 24.4 percent increase.

According to Mr Jossel Lipshitz, chairman of the Nissan Dealers Association, losses of between R300 million and R500 million were suffered by the motor industry last year.
School bus fares to go up

EAST LONDON — Bus fares for scholars here are to go up from Wednesday, April 10.

This was confirmed yesterday by the city's mechanical engineer, Mr C K Andreas, who said a scholar's 10-clip card would increase from R2.25 to R3.

That would bring a scholar's bus fare in line with the lowest adult fare of 30c for one stage.

Mr Andreas said the increase had been approved at an action committee meeting last year and therefore had "nothing to do" with the recent fuel price increase.

He added, though, that a "distinct possibility" existed that scholars' bus fares would increase again in the future because of increased fuel prices.

"Over the years the tendency was to have concessions for scholars. We have always had a low rate for scholars and with the increase have tried to bring this up to the level of a more standard fare," Mr Andreas explained.

The new fare for a scholar's 10-clip card was equivalent to a one-stage fare for adults and was still a "very reasonable concession for scholars."

"One clip can take a scholar over five stages, which is still extremely reasonable." — DDR
Big increase expected in price of milk

Mercury Correspondent

PRETORIA—The Cabinet is expected to approve big increases in the prices of milk and maize before the end of the month.

And, according to Pretoria sources, it is certain the increases will not be softened by higher subsidies.

The milk price increase — it is expected to be at least 4c a litre — may be raised further by increases imposed by milk distributors. The retail price of milk was decontrolled last year, and distributors are free to fix their own price levels.

Last month the price of milk in cartons went up by 2c a litre because of the increased costs of the cartons.

A producer milk price rise will mean higher butter, cheese and powdered milk prices.

The Maize Board’s price recommendation is now being studied by the National Marketing Council, and is expected to be submitted to the Minister of Agriculture, Mr Greyling Wetzela, within the next 10 days.

The National Maize Producers’ Organisation recommended a price rise of 27 percent to R277 a ton at a meeting with the board last month.

The board’s recommendation was not expected to be materially less.
Lint price rise

THE price of lint is to be increased by 22%, the Cotton Board announced in Pretoria yesterday. The entire increase is to be passed on to cotton farmers. The chairman of the Cotton Board, Mr Gert Schoonbee, said after a meeting of the Cotton Marketing Committee that he hoped the increase would encourage farmers to increase their production and plantings.
Some items cheaper now

The weekly shopping basket survey carried out by The Star in which tabs arc kept on prices of 20 basic household items, found the upward price swing on some products balanced or more than offset by others.

Average prices surveyed at four north-Western stores in Johannesburger showed that prices were up on seven items but down on six items this week, after the bumper Easter shopping spree last week.

Several items were brought in as after the Easter weekend rush on Good Friday left many shelves empty.

The average cost of the items in the shopping basket measured to $604.46. All prices exclude 15 percent general sales tax, which may vary elsewhere.

MEAT PRICES

The price of meat this week dropped slightly - the Pick 'n Pay in Randburg offering some of its best game. The highest price for per kilogram was $8.50 and the lowest $6.20.

Although the average cost of per kilogram of meat increased by 5.4 percent from last week, including lamb chops and oxtails, the overall increase was only 2.3 percent and 2.1 percent respectively.

A marked increase of 10.6 percent was noted in lamb chops compared to last week. Polosales had also increased by 5.2 percent.

Tagel's topaz was distinctly cheaper than last week, at 10.7 percent, as was the product of 100 years. Mr Peter Brown said there would definitely be an increase in the price of veggies in the next few months.
The frightening cost of medical treatment

WHILE, of necessity, we are forced to learn to live with inflation, the steady increase in prices is unlikely ever to wipe a wage-earner out financially.

But the private fear of many of us, even big income earners, is that an unexpected serious illness, perhaps needing months of hospitalisation, could do just that. Hospital and treatment bills, we may feel, could soon exceed the limits of the most generous medical aid schemes.

Bill Fail reports

Would it then be necessary to sell one's assets, even including one's home, to meet the medical bills, which could be accruing at the rate of hundreds of rands a day?

It seems this is an unnecessary fear, according to the many people I spoke to in seeking an answer to this question. To start with, medical aid schemes are more generous than most of us perhaps think.

A married person with more than one dependant can receive maximum benefits of R11 500 under one particular scheme, which regards itself as 'about average' in terms of what it will pay out.

A single person covered by the same scheme could receive a maximum of R4 500.

These pay-outs would cover the great majority of illnesses which necessitated even fairly lengthy stays in hospital.

However, there are undoubtedly exceptions, cases beyond the scope of the best of medical aid schemes. The answer then seems to be that one would have to turn to the provincial hospitals.

'It is our responsibility to provide curative health services for those who can't afford private medical care,' says Dr Neville Howes, Senior Deputy Director of Hospital Services, Natal.

Regardless of how much money one has, one can also turn to the Province from the outset for certain very expensive and highly sophisticated treatments such as radiation therapy and renal dialysis.

At Wentworth Hospital, the same holds good for cardio-thoracic and neurosurgery. Income is not a consideration.

'By-pass operations are being done in the private sector, and although these can cost as much as R15 000, many people prefer to follow the private route,' said Dr Howes.

But although most salary earners are members of medical aid schemes, many are not. How would they fare if faced with expensive hospitalisation? I asked Dr Howes.

Generally speaking, such people would not be able to go directly to a provincial hospital, unless they earned what is today quite a small salary.

Discretionary powers

'We have discretionary powers in setting the level, but on paper a single person earning in excess of R901 would have to follow a private route. A married man earning less than R1 100 could be admitted directly to a provincial hospital as a hospital patient,' he said.

Once in hospital, the actual charges depend on income, ranging from a free service for a destitute person to a maximum of R45 a day. The latter figure would cover a private suite with its own bathroom.

The second part of this series deals with the situation faced by a person with a reasonable income but no medical aid scheme.
Medical scheme fees increased by 10 p.c

However, the Government was unable to approve this proposal. It nevertheless remains the intention of the management committee to strive for improved benefits for members," he said.

Mr. Jackson said some of the improvements the committee was seeking included an increase in the annual limit of medicines bill, hospital daily accommodation rate and theatre fees.

Hospital fees had been increased recently and the medical scheme needed to keep pace with the higher claims cost, he said.

The monthly contribution of a member without dependants, earning a salary of R3 000 a year, increases to R7.65, and for a member with two or more dependants, to R15.55.

For the R3 001 to R6 000 a year pay bracket, a member with one dependant will pay R19.25 and for a member earning an annual salary of above R6 000 the fee will be R11.15 if he has no dependants, R22.90 for two dependants and R26.10 for two or more dependants.

In most cases, employers also contributed towards medical aid schemes for their employees at double the rates paid by its workers.
Price rise for soap powders, toiletries

Mercury Reporter

SOUTH African consumers, already battered after a series of price increases affecting almost every basic commodity, will soon have to pay 7 percent to 8 percent more for all soap powders and toiletries.

The price hike will affect everything from toilet soap to soap powders and fabric softeners.

Yesterday, Mr Louw van der Merwe, chief professional officer of the Consumer Council, said the council had been 'aware' price increases in toiletries — especially detergents — were 'on their way'.

'We also realised they have gone up, very quietly, over the past six months without the public being informed.'

He added the council had already ascertained from the manufacturers that the reason for the expected jump in price was the unfavourable rand/dollar exchange rate.

'All the oils used in the soap and a variety of other ingredients are imported and as a result the manufacturers' importation costs have jumped. This unfavourable rate has probably been affecting their product for some time already.'

A spokesman for a firm which manufactures toiletries confirmed that an increase was imminent.
Milk price rise is on the way

By GERALD REILLY

Consumers can brace themselves for a shock increase in the price of milk—probably from the beginning of June, according to reliable Pretoria sources.

The increase and the expected hike in the maize price of at least 20% from May 1, will trigger an angry outcry from consumer bodies throughout the country.

It is understood the Dairy Board has recommended a producer price rise of about 4c/l.

Milk distributors are expected to add at least another 2c/l to the overall increase.

The Cabinet is expected to take decisions on the milk price—and certainly on the maize price—before the end of the month.

Milk producers were granted a 3c/l price rise in July last year.

At the same time distributors upped their price by 1c/l.

In November last year distributors added another 2c/l, and again in February this year raised the price of milk in cartons by 3c/l.

Since July, 1983 the retail price of delivered milk has risen from 56.5c/l, including 2c GST, to the current price of 89c/l.

Milk distributors claim their costs have escalated sharply in the past six months, not only because of the 40% fuel hike earlier this year.
New law may increase water bills

By Michael Phillips

TOWNS throughout South Africa are gearing up to meet stringent new pollution controls set by the Government to reduce high phosphate levels in purified effluent and drinking water supplies, and the consumer might have to pay for it.

The move was necessary to reduce rampant growth of plant life, such as algae and water hyacinth, in many of the country's storage dams.

At present no limits exist, but a Department of Water Affairs spokesman said monitoring programmes had shown that countrywide phosphate levels ranged from six milligrams a litre to a high of 18 milligrams a litre.

Mr Tom Bryer, senior deputy city engineer, confirmed that if treated effluent met specific requirements it could be discharged into a river.

A Pretoriusburg municipal spokesman revealed that the capital was working on cutting phosphate levels, but could not reveal cost estimates.

Mr Roger Phelps, chairman of the Umgeni Water Board, described the limit as 'quite stringent' and said one of the board's treatment works would have to be adapted to meet the requirements. Although unable to dispute those costs, he said 'This is an expensive process'.

Mr Fouche believed the cost of supplementary treatment processes would have to be borne by ratepayers of affected municipalities.

More than half the phosphate content in treated effluent came from washing powders, said Mr Fouche, who asked manufacturers to take action to reduce the amount.

'It would be cheaper to persuade the manufacturers — even by law — to bring down their phosphate levels although this might increase the cost of washing powder to the consumer,' he said.

But manufacturers said that without phosphates washing powders would not be as effective and no suitable alternative had yet been found.

Tests are being carried out in the United States and in Italy to perfect a phosphate-free powder.
Price of milk expected to increase 4c

Mercury Reporter

Milk is expected to go up in price in June — to cover the producers' price increase — and an increase of at least 4c/l is predicted.

A carton of milk costs between 71c and 77c a litre at the moment, depending on where it is bought, and several supermarket chains have already vowed to try to hold the price for as long as possible if the increase is approved by the Government.

Distributors are also expected to ask the Cabinet to approve a further 2c increase.

Major distributors who got an average 5c increase on the price of milk last year — and as recently as February this year increased the price of delivered milk — said they needed another 2c to cover the rise in the cost of petrol and increased salaries.

Yesterday Mr Louw van der Merwe, chief professional officer of the Consumer Council, warned milk producers that an increase would 'affect their case adversely'.

'Consumers will simply turn to using substitutes in even greater numbers than they have been doing. They simply cannot cope with the spiral of increasing costs on incomes that have remained static,' he said.

He added that the increase would be to the detriment of all consumers.
Cement orders flood company

Property Editor

BUILDERS and merchants have flooded Natal Portland Cement with orders in an attempt to beat the 20 percent price rise which comes into effect on Monday, the company said yesterday.

But some quarters have criticised NPC for the new price and called for action by the Competitions Board.

The price rise follows the removal of a special discount brought in when the cement price war started eight months ago. Imported cement selling at a lower price than the local product was met head-on with price reductions.

The latest move will return prices to the levels applicable before the price war started, effectively raising the cost 20 percent.

Mr Mike Doyle, general manager of NPC, says unprecedented demand since Thursday has made it impossible to make all the deliveries requested because of the short working hours of customers on Fridays and Saturdays.

The backlog should be cleared by Wednesday.

All orders placed by 4.30 pm yesterday for delivery yesterday or today, will be charged at the old discounted price even if delivery is made only next week.

Meanwhile contractor Mr Bob Stevenson, a past president of the Building Industries Federation (South Africa), said in a statement yesterday: "We have been served another blow.

"You may recall that when I asked the brick companies to think again (over their price rise) it was because there were alternative systems one could use instead of bricks, such as precast concrete, concrete blocks and concrete bricks. With the new cement increase, this is knocked on the head.

"We all know that the cement price in Durban has been kept down for a considerable period because of the competition from ACE cement which is imported.

"Now that the local Portland cement has increased in price, I wonder how long it will be before the imported cement will fall into line and then we will have another cartel, with all cement being at fixed prices again and going up simultaneously when they feel increases are warranted.

"I trust that the Competitions Board will take note of these increases and not allow these rises to become a fait accompli, just accepted as were the increases in petrol, sales tax and other items."
Hospital fees will have to rise, says director

Staff Reporter

THE Department of Health Services can no longer afford to subsidise health services, staff training and the provision of equipment and supplies, according to hospital services director Dr N S Louw.

Addressing a seminar at the University of Cape Town, he called on the private health sector to share the burden and warned that expectations of public health services should be "tempered with realism".

Department expenditure, which had increased by an "astronomical" 2 800 percent over the past 25 years, meant a new fee structure would have to be implemented, especially in teaching hospitals.

MEANS TEST

During the 1984/85 financial year R44-million was budgeted for as income from hospital fees — only six percent of the R720-million budgeted for day-to-day expenditure. Patients at a teaching hospital were subsidised at R65 a day and those at other provincial hospitals by R19 a day.

The means test, whereby only people earning less than R240 a month could be admitted as hospital patients, had been set in 1962 and was "hopelessly out of date".

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

But it would also mean that people presently classed as private patients at provincial hospitals would pay more realistic charges and would reduce the discrepancy between private and provincial hospital fees.

The department also bore the brunt of the ever-increasing cost of training medical personnel at teaching hospitals and the private sector had to realise the department could no longer train staff for service in the private sector, he said.

It was wrongly held as "accepted practice" that provincial hospitals were solely or for the most part responsible for providing emergency after-hours services, staff training and highly specialised, sophisticated and expensive equipment as well as medical supplies.

"You must understand the demands put on us sometimes exceed all limits, notwithstanding the fact that we have only limited resources with which to meet them."

"I think therefore the private sector must in all earnestness begin to contribute," Dr Louw said.
Petrol rise largely to blame

Producer prices spurt by 2,8%

By HOWARD PREECE

PRODUCER (wholesale) prices soared by 2,8% in February to take the annual rate to 14,9%.

Although this inflation measure is running below the consumer price index — the CPI was 16% for the year to February — it has more than doubled since early 1984.

The producer price index (PPI) is still less than the 16,5% recorded in 1980, but it could overtake that figure in the coming months.

The main reason for the general surge in prices in February was the 46% hike in petrol costs.

Ripple effects will continue to be felt for some time to come.

Producer prices will not, however, be affected by the hike in general sales tax from 10% to 12%, which came into effect at the end of last month.

But they will be under upward pressure from the lagging effects of the severe slump in the foreign exchange value of the rand last year and the opening weeks of this year.

The rand has recovered some ground in the past three months, but this has been partly because of the decline in the dollar against most currencies.

In sterling terms, for instance, the rand is still looking rather sick.

There is, of course, a considerable time delay between the ordering of many imports and their delivery to and payment by South Africa.

So the impact of the rand crash will keep filtering through into the domestic economy well into this year.

Indeed, some economists reckon the imported-goods element of the producer price index could show a rise of between 20% and 25% at the high point this year.

But the rand fall should be moderated to some extent, however, by the expected appreciable declines in import volumes — something already seen clearly in the trade figures for February.

The producer price index in February was 173,3, against 166,6 in January and 149,1 in February 1984.

The 14,9% rise in the index for the year to February compares with 12,9% at the end of January and 7,1% for the 12 months to February 1984.

In the year to May 1984, producer prices increased by only 6,7% — the lowest level since the beginning of 1972.

Some economists fear consumer price inflation could go close to 20% at about the middle of this year before turning down in the closing months.

This may well be over-pessimistic, but the rate certainly looks set to go over 16,5% in the near future.

If so, that would make it the highest level recorded since the freak 24% in the post-war economic crisis of 1980.

The previous peak since then was 16,5% in April and May 1982.

But that is going to be difficult to achieve, and the rate could well prove closer to 14%.

In any event there is obviously no way in which the Government and the Reserve Bank can look forward to any real relaxation in economic policy next year.

The inflation threat is far too dangerous.

Interest rates should ease this year and that will give some relief to the cost of living.

Prices will be restrained in some areas because of the decline in real overall living standards.

But there are many cartels and monopolies in South Africa — in both the private and public sectors — that will be able to keep pushing prices up, even in recession.

This means the current harsh regime of fiscal and monetary policies will need a lengthy follow-through before it has any chance of getting inflation down to the 7% to 8% range.
Bricks versus blocks

IN contrast to the multi-
million brick stockpile in Corobrik's yards throughout the country — almost 300 million at the latest count — at least one Durban brick manufacturer can hardly keep up with demand.

Peter Kaleza, sales director of the New German-based Durban Brick Company, which makes concrete bricks, said yesterday his problem was giving the bricks enough time in the yard to mature.

At present the factory is turning out 65,000 bricks a day but plans are in hand to work the plant by shifts for 18 hours a day and increase production to 80,000 a day.

Mr Kaleza said the announcement of an effective 20 percent increase in the price of cement from Monday would have only a marginal effect on the cost of his bricks. At present the price, delivered and including GST, is R145/1000 compared with the clay brick price of R169/021/000 delivered in Durban.

Mr Kaleza said "To my mind concrete is the construction method of the future. Clay bricks are a thing of the past in Britain and America. Concrete bricks are easier to control in the production process."

Corobrik Natal is also heavily into concrete brick manufacturing as well as its long-established plaster-brick lines.

Managing director Brian Waberski denied emphatically any suggestion of a "war" going on "There is room for us all," he commented.

"We feel our production of concrete bricks and concrete blocks combined gives us a bigger product mix," he said.

"I don't think it is fair to compare prices with those contractors who make their own concrete blocks on site for large housing developments or high rise buildings bearing in mind that we build to SABS specifications."

But he gave details of a comparison of costs when using their own clay plaster bricks and concrete-based products.

[A double-skin wall in 50mm clay - the maxi-brick - costs R25.36/m².

At R25.36/m² a similar size concrete block, which is slightly higher costs R21.83/m².

"With the increase by 20 percent in the price of cement from Monday, that advantage may disappear," he added. "No decision about new prices has yet been taken."

Concrete rules supreme down the Lower South Coast, where, say Corobrik, just about every river from Port Shepstone to the Transkei border, has a block-making plant.

Concrete manufacturers in the South Coast region maintain their prices based on selling to the best market available. They have been asked by the government to hold prices until the building of new works of commerce can be better appraised.

At 126 building sites on the South Coast, it is estimated that 40 to 50 percent of the executives are using concrete bricks. This is in contrast to the Durban area, where perhaps 90 percent are using bricks.

In the Drakensberg region, however, concrete bricks are only 10 to 15 percent of the total.
## Costs of basic foods spiral

By Jackie Unwin

Most basic foodstuffs have increased in price during the past two months. This is revealed in a survey conducted by The Star (see table right), which shows the cost of rice has jumped by almost 25 percent.

A spokesman for Checkers said the reason given by producers for the massive price increase was the rand/dollar exchange rate.

Other big increases over the period have been sugar, with an increase of over ten percent, a rise of 11,8 percent in salt and an increase of 13 percent for custard powder. Tea has risen by 8,7 percent.

The price of bread has remained constant, but an increase is expected.

The price of good cheese has also remained as it was.

### GONE DOWN

Maize meal, with a decrease in price of 2,4 percent, is one of the few commodities which dropped in price. Honey has also dropped by 2,1 percent and jelly by 3,2 percent.

The price of sugar has not yet gone up at Grand Ultramarket. The manager, Mr. Donald Baker, said his company had bought in large stocks of sugar while it was still selling at the lower price and was passing this benefit on to the consumer.

But he estimated stocks of the lower priced sugar would last only another two weeks.

The Spar store in Blackheath is also selling milk at the low price of 60c/litre.

The store owner, Mr. Steve Savvides, said milk was such an important basic item that he kept the price low. He said he actually lost about 1½ cents a litre on milk but his milk turnover had doubled and this brought customers in every day.

---

### Foodstuffs Basic Items

<table>
<thead>
<tr>
<th>Item</th>
<th>Pick 'n Pay</th>
<th>checkers</th>
<th>Cresta</th>
<th>OK Balaars</th>
<th>Blackheath</th>
<th>Average Price</th>
<th>Change in Two Months</th>
<th>Average Change in Two Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread White</td>
<td>58c</td>
<td>58c</td>
<td>59c</td>
<td>59c</td>
<td>59c</td>
<td>59c</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Brown</td>
<td>38c</td>
<td>38c</td>
<td>39c</td>
<td>40c</td>
<td>39c</td>
<td>39c</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Eggs</td>
<td>1½ dozen</td>
<td>65c</td>
<td>66c</td>
<td>66c</td>
<td>65c</td>
<td>66c</td>
<td>+0.1</td>
<td>—</td>
</tr>
<tr>
<td>Maize Meal - 2,5 kg Impala</td>
<td>R1,29</td>
<td>R1,23</td>
<td>R1,23</td>
<td>R1,28</td>
<td>R1,28</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Margarine 500 g Rama</td>
<td>R1,44</td>
<td>R1,49</td>
<td>R1,42</td>
<td>R1,39</td>
<td>R1,44</td>
<td>R1,45</td>
<td>—0.7</td>
<td>—</td>
</tr>
<tr>
<td>Cheese</td>
<td>1 kg Elite Gouda</td>
<td>R6,37</td>
<td>R6,37</td>
<td>R6,37</td>
<td>R6,37</td>
<td>R6,37</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Jam - 900 g All Gold Superfine Smooth Apricot</td>
<td>R1,70</td>
<td>R1,69</td>
<td>R2,00</td>
<td>R1,70</td>
<td>—</td>
<td>+1.7</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sugar</td>
<td>2.5 kg Hulets</td>
<td>R2,09</td>
<td>R2,12</td>
<td>R2,09</td>
<td>R2,10</td>
<td>R1,97</td>
<td>+6.6</td>
<td>—</td>
</tr>
<tr>
<td>Tea, 100 tagless teabags</td>
<td>100 g</td>
<td>R2,79</td>
<td>R2,79</td>
<td>R2,79</td>
<td>R2,88</td>
<td>R2,85</td>
<td>+1.1</td>
<td>—</td>
</tr>
<tr>
<td>Coffee - 250 g Nescafe Classic</td>
<td>R5,29</td>
<td>R5,54</td>
<td>R5,54</td>
<td>R5,54</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cereal - 500 g Kellog's Cornflakes</td>
<td>R1,29</td>
<td>R1,19</td>
<td>R1,26</td>
<td>R1,28</td>
<td>—</td>
<td>—</td>
<td>—1.6</td>
<td>—</td>
</tr>
<tr>
<td>Cooking Oil 750 ml Suns</td>
<td>R2,19</td>
<td>R2,19</td>
<td>R2,19</td>
<td>R2,21</td>
<td>R2,21</td>
<td>—</td>
<td>—0.9</td>
<td>—</td>
</tr>
<tr>
<td>Rice</td>
<td>1 kg Tastic</td>
<td>R1,69</td>
<td>R1,75</td>
<td>R1,75</td>
<td>R1,72</td>
<td>R1,72</td>
<td>—0.6</td>
<td>—</td>
</tr>
<tr>
<td>Salt</td>
<td>1 kg bag Buffalo</td>
<td>52c</td>
<td>56c</td>
<td>59c</td>
<td>55c</td>
<td>54c</td>
<td>+1.9</td>
<td>—</td>
</tr>
<tr>
<td>Meat</td>
<td>1 kg skirt</td>
<td>R3,99</td>
<td>R4,19</td>
<td>R4,19</td>
<td>R4,09</td>
<td>R4,16</td>
<td>—1.7</td>
<td>—</td>
</tr>
<tr>
<td>1 kg porterhouse</td>
<td>R6,58</td>
<td>R6,89</td>
<td>R8,89</td>
<td>R8,78</td>
<td>R8,29</td>
<td>R8,76</td>
<td>—5.4</td>
<td>—</td>
</tr>
<tr>
<td>1 kg lamb loin chops</td>
<td>R2,49</td>
<td>R2,99</td>
<td>R7,99</td>
<td>R7,28</td>
<td>R7,94</td>
<td>R8,04</td>
<td>—1.2</td>
<td>—</td>
</tr>
<tr>
<td>1 kg fresh chicken</td>
<td>R2,59</td>
<td>R2,76</td>
<td>R3,49</td>
<td>R3,09</td>
<td>R2,98</td>
<td>R2,97</td>
<td>+0.3</td>
<td>—</td>
</tr>
<tr>
<td>250 g Eskort streaky bacon</td>
<td>R1,82</td>
<td>R1,93</td>
<td>R1,85</td>
<td>R2,29</td>
<td>R1,97</td>
<td>R1,97</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1 kg deep water hole fillets 1 &amp; J</td>
<td>R2,95</td>
<td>R3,35</td>
<td>—</td>
<td>R3,15</td>
<td>R3,40</td>
<td>—7.4</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vegetables</td>
<td>1 kg potatoes</td>
<td>69c</td>
<td>75c</td>
<td>55c</td>
<td>59c</td>
<td>65c</td>
<td>+11.2</td>
<td>—</td>
</tr>
<tr>
<td>1 kg frozen peas Table Top</td>
<td>R3,49</td>
<td>R3,19</td>
<td>R2,99</td>
<td>R3,49</td>
<td>R3,29</td>
<td>R3,19</td>
<td>+3.1</td>
<td>—</td>
</tr>
<tr>
<td>Candles - 450 g Buffalo</td>
<td>87c</td>
<td>96c</td>
<td>1,03c</td>
<td>96c</td>
<td>92c</td>
<td>+4.3</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Washing Powder</td>
<td>1 kg Sunlight</td>
<td>R2,49</td>
<td>R2,25</td>
<td>R2,32</td>
<td>R2,49</td>
<td>R2,37</td>
<td>—0.7</td>
<td>—</td>
</tr>
</tbody>
</table>

**Survey April 16 1985**

**Prices Exclude GST**

---

The shopping basket this week has had its ups and downs, but the ups were bigger than the downs. On the upswing were jam, with a 17.7 percent increase, sugar (6.6 percent) and potatoes (11.2 percent). There was another rise in the cost of candles (up 4.3 percent). To slightly ease the pain, the average price of cornflakes came down by 1.6 percent and meat prices were also dropped.
A DECREASE in the fuel price may be possible soon providing the rand/dollar rate remained stable and slightly above the current level for a reasonable period, the Director-General of Mineral and Energy Affairs, Dr Loyd Alberts, said yesterday.

Dr Alberts said if the rate remained at about 0.34 cents to 0.35 cents a price cut would be possible.

Over the past few weeks the rand has continued to strengthen against the dollar because of adverse trends in the US economy — trends which are expected to continue.
Farmers offered fertilizer discounts

Natal farmers have been offered special discounts on the price of fertilizer after negotiations between the Natal Agricultural Union, the Chamber of Natal Co-operatives, and fertilizer companies.

This was revealed yesterday by Mr. Alwyn Buschhoff, director of the NAU, who said two types of discount structures had been negotiated for Natal farmers.

A 17 percent discount on listed price, payable on September 30 1983, would apply in the case of fertilizer purchases by farmers on a direct delivery basis through their co-ops.

This would also apply to co-ops which buy in reserve or buffer stocks.

The second discount structure would apply to consignment stocks to co-operatives for which the following would apply:

**Increase**

Sales during April less 12 percent less R4 a ton, May less 11 percent, June less 10 percent, July less 10 percent, August less 8 percent, and September less 6 percent.

Mr. Buschhoff said that during last December the chamber of Natal Co-ops had become aware that a substantial increase in fertilizer prices would occur this year.

'All the Natal co-operatives were invited to a meeting on January 24 to discuss the possibility of single channel purchases of fertilizer for the whole of Natal.'
The increase of 6d a week in the minimum wage and the increase in wages and salaries has been adversely affected by the rapid rise in the cost of living.

Delivering milk to homes has become more expensive due to the increase in the cost of fuel. This means a rise in the price of milk for consumers.

The increase in the price of milk has led to an increase in the cost of living for many families. This is due to the rapid rise in the cost of living, which has affected the minimum wage and salaries.

The milk price is expected to increase by 6d per gallon, which will affect households that have to pay for milk at home. This is due to the rapid increase in the cost of living, which has affected the minimum wage and salaries.
Big maize price rise next week

By GERALD REILLY
Pretoria Bureau

A SUBSTANTIAL increase in the maize price will be announced by the Minister of Agriculture, Mr. Greyling Wentzel, next week, according to Pretoria sources.

On Friday the Minister will meet the Maize Board and outline the Government's reasons for the expected 15% to 20% price rise.

A 20% price rise, according to the National Maize Producers Organisation, Nampo, would cause a ripple of other price rises. Meals meal would rise by about 12%, poultry products including eggs by 3-4%.

This would contribute to an inflation rate of 17% or more, expected by economists to be reached by the end of June.

Consumer organisations have appealed for a Government subsidy to carry the producer price rise, and keep consumer prices stable, but the Government has indicated it is moving away the subsidisation of basic foods.
Stand by for unpleasant surprices

by

Jackie Unwin

Consumers will have to brace themselves for even more price increases — and it will get worse when maize and flour prices go up in May, affecting other commodities.

Mr Jeff Kahn, Pick 'n Pay's senior buyer for the Southern Transvaal supermarkets, said the producers of many items had asked for increases during April.

The sweet manufacturers, Wilson-Rowntree, increased prices by 11 percent on April 15. Robertson spices prices are to rise by 10 percent on April 22.

Lever Brothers (soap powders and fabric softeners) increased prices by 15 percent yesterday.

Reckitt Toilettries increased by 12.5 percent, also yesterday.

Carlton Paper products rose by 10 percent on April 9 and Samba chips by 9 percent on April 15.

Revlon toiletries go up 9 percent on Monday.

Nestle cooking chocolate prices are to rise by 17 percent.

Canned fish prices are also to rise and Ocean Fresh pickled fish went up 10 percent on April 15.

Canned mushrooms rose 12.5 percent on April 8.

Quaker cereals are going up 13 percent on Monday.

Carmel cucumbers and pickles went up 10 percent on April 15.

"Suppliers normally come in with an increase once a year. But now increases are coming through twice or three times a year," said Mr Kahn.

Consumers have no option but to tighten their belts.

Pretoria Bureau

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

The present home-delivered price of 68c a litre is likely to increase by anotheca — the fourth increase since July last year.

The price of milk cartons will also increase by this amount.

Supermarkets which sell milk at almost cost price are presently charging between 71c and 74c a litre. Cafes charge considerably more and the present recommended price is 93c a litre.

In spite of the increases since mid-1984 farmers, distributors and small retailers complain of hardship.

The plight of the consumer is also well known and confirmed by an inflation rate which is running at about 16 percent annually.

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

Although the retail price of milk is between 68c and 93c a litre farmers are receiving only 29c a litre, said the chairman of the Dairy Committee of the South African Agricultural Union, Dr Louis Theron.

The last producer price increase of 3c a litre was granted by the Government in July 1984.

But farmers had to pay back 2c a litre into the Dairy Board's stabilisation fund to buy up surplus dairy products.

After other levies were paid, dairy producers received only 31c a litre — and at this price it was impossible to make a profit, said Dr Theron.

Consumers have no option but to tighten their belts and to hope the next increase will not push dairy products into the realm of luxury.
Now up goes the price of coal

By GERALD REILLY
Pretoria Bureau

THE price of coal at pitheads has gone up 13% — with serious repercussions for the consumer, according to economists.

The increase was announced in Pretoria yesterday by the price controller, Mr G J Breyer. The price of pithead coal was last raised in April 1981, by 9.8%.

A spokesman for a large Witwatersrand-based coal company said yesterday that distributors had been compensated for the 40% fuel price imposed earlier this year and increased railway tariffs.

Both costs had been "contexted" by distributors until now, he said.

The latest coal price increase will hit the black community particularly hard, as they are reliant on coal for cooking and heating. It will also adversely affect inflation.

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

An Iscor spokesman said yesterday that 75% of the corporation's coal needs were supplied from its own mines. The latest increase meant the cost of the remaining 25% would rise by between 10% and 15%.

Economists said this would strengthen Iscor's case for a steel price increase in July.

The effect on Escom, however, would be minimal, a spokesman said yesterday.

Inland power stations were supplied on a long-term contract basis and only the coastal stations would be affected, the spokesman said.

Consumer representatives fear the increase will lead to another escalation in electricity tariffs, which last went up in January.

A Consumer Council spokesman said the increase could not have come at a worse time because of the approach of winter.
### Demand Determines Cost

#### Different Suburbs, Different Prices

<table>
<thead>
<tr>
<th>Meat Board</th>
<th>All Others</th>
<th>Price Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weinstock</td>
<td>$2.19</td>
<td>$2.00</td>
</tr>
<tr>
<td>Sagamore</td>
<td>$2.22</td>
<td>$2.05</td>
</tr>
<tr>
<td>Woodbridge</td>
<td>$2.28</td>
<td>$2.11</td>
</tr>
<tr>
<td>Woodside</td>
<td>$2.34</td>
<td>$2.16</td>
</tr>
<tr>
<td>Westfield</td>
<td>$2.49</td>
<td>$2.20</td>
</tr>
<tr>
<td>Westwood</td>
<td>$2.59</td>
<td>$2.30</td>
</tr>
</tbody>
</table>

#### Meat Board Prices

<table>
<thead>
<tr>
<th>Meat Type</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>$2.00</td>
</tr>
<tr>
<td>Pork</td>
<td>$1.99</td>
</tr>
<tr>
<td>Chicken</td>
<td>$1.97</td>
</tr>
</tbody>
</table>

### Consumer Ideas Flowing after US Tour

- Top executives of the recently-formed National Black Consumers Association have returned from a study tour of America full of ideas on how to advise consumers to shop around for better deals.
- Mr. Jose Sierra, executive director of the Association, said: "We were impressed with the way big business is working in hand with the public to eliminate monopoly and promote trust."
- "Most of the big corporations take part in consumer programs," Mr. Sierra added. "We'd like to teach consumers to read the small print in contracts, to understand the implications of store purchase, and budget and discount Impulse buying.

### Latest CPI Shows Drop, but Trend is Still Upward

Although the latest consumer price index, March shows a drop, there is no upward trend. For example, the food index increased 3.5 percent, while the food away-from-home index dropped 1.5 percent. If these trends continue, consumers may have to cut back on luxuries like eating out and buying new clothes.
Price of maize to be increased today

JOHANNESBURG. — An increase in the price of maize is to be announced later today.

And the extent of the price rise will test the Government's commitment to lowering the rate of inflation.

Farmers are exerting strong pressure on the Government for a 20-percent increase and have threatened confrontation if their demands are not met.

The general manager of the Maize Board, Mr. Hennie Nel, said: "I cannot give any indication of the size of the increase that I think the recommendations by the National Maize Producers' Organisation are soundly based on."

The executive director of Nampo, Dr. Piet Gouws, said the farmers were desperate. "We are not the brick-throwing brigade but we are going to have to say 'So far and no further'".

1, Sport 32-34.
Milk increase feared

ARGUS Correspondent

PRETORIA — Consumers facing another increase in the price of milk in June are growing weary of the endless cycle of price rises and the routine explanations for them.

The present price of 68c a litre for home-delivered milk is likely to increase by another 6c — the fourth increase since July last year.

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

Supermarkets, which sell milk at almost cost price, are now charging between 71c and 74c a litre. Cafes charge considerably more and the present recommended price is 85c a litre.

In spite of the increases since mid-1984, farmers, distributors and small retailers complain of hardships.

Each group in the chain of supply seems to have good arguments for increases, and the plight of the consumer — battling with an inflation rate running at about 16 percent — is also well known.

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

Although the retail price of milk is between 68c and 85c a litre, farmers receive only 39c a litre, according to the Chairman of the Dairy Committee for the South African Agricultural Union, Dr Lous Theron.

The last producer price increase of 3c a litre was granted by the Government in July 1986. But farmers had to pay back 2c a litre into the Dairy Board’s stabilisation fund to buy up surplus dairy products.

After other levies were paid, dairy producers received only 39c a litre — and at this price it was impossible to make a profit, said Dr Theron.

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

For example, in November last year an application for a producer price increase was turned down. Yet distributors have been granted two increases since then — 2c a litre on all deliveries last November and another 2c on milk cartons in February.

"We have asked for a composition of the Dairy Board to be changed. Farmers are reliant on the board for increases, yet the distributor and retail price of milk is not price-controlled," said Dr Theron.

Price control was lifted in July 1983, but distributors bound themselves to a two-year period during which they agreed not to ask for Government approval for further increases.
Plea on coal price rise

Argus Correspondent

JOHANNESBURG — With winter looming, black consumers — already reeling under the effects of inflation and increases in gas and paraffin — are to appeal to the Government to reconsider the average 13 percent coal price rise gazetted on Monday.

Mr. Elridge Mathebula, executive director of the Black Consumer Union, said the union intended to seek a meeting with the Minister of Mineral Resources about the matter.

“We black people depend on coal and winter is at the door. We are also charged exorbitant prices by the merchants,” he said.

There has also been criticism of the Government from the Housewives Union. If the Government cannot control administered prices, how can it expect private companies to keep prices down, it asked?

Mrs. Joy Hurwitz, president of the Housewives League, said “We have just had increases in paraffin and oil, which have especially hit the consumers in the townships and rural areas hard — and now coal.”

“We cannot carry on with this constant procession of price increases which the consumer is supposed to just happily absorb. When you consider inflation, unemployment and money not buying what it did how are we supposed to survive?”

“Coal is another area where an administered price will push up our inflation rate. It will affect other industries and manufacturers.”

A spokesman for the Transvaal Coal Owners Association said the increases announced over the various grades of coal averaged 13 percent. But the increases of top grade coal were greater than the increases of the lower grade. Grade D coal, which was used by many consumers in the townships would rise by 10.3 percent. The higher grade coal, bearing the greatest increase of about 15 percent, was mainly used by people with complex boilers and mechanical equipment requiring sophisticated types of coal.

He said the Government determined the price increases.

“The last coal increase was in April 1984. Over the last six years the price increase has been below the consumer price index. This year we expect it will be below as well if we go by the economists’”

He said the rise was necessary because of the increased costs of producing coal.
No price rise in electricity

Mercury Reporter

The increase in the price of coal at pitheads will not affect Escom's electricity price to consumers, Escom's public relations manager, Mr. Etienne du Plessis, said yesterday.

The 13 percent increase was announced in Pretoria yesterday by the Free Controller, Mr. J.J. Breyl.

According to a Sasol spokesman, Mr. A.J. Kotze, the increase would not affect Sasol, which had its own mines and did not buy any coal on the open market.

Mr. du Plessis said the increase would have a minimal effect on Escom and would not affect the price of electricity to consumers at all.

"Most of our coal is burned in the Highveld stations, where we have direct long term contracts with various mines, so the increase in the controlled price of coal will not affect us there.

The increase does affect our coastal stations, but they burn only about 1,000,000 tons of coal or even less a year compared with 58 million tons at the Highveld power stations.

'So the effect is minimal.'
No hope of June price cut

CAPE TOWN—South Africans were stunned yesterday when the Government made it clear there was no hope of a petrol price cut in June.

The best Minister for Mineral and Energy Affairs, Danie Steyn, could offer was a promise the price of petrol and petroleum products would not be going up then.

He dropped his bombshell during a committee hearing at the House of Representatives.

At the time of the last increase, the minister pointed out, the Government decided to subsidise petrol by 40c at the rand-dollar value of 96.5c.

Had the rand not improved a further 4c, would have had to be put on to the price.

Improved Rand

Other products, which were more heavily subsidised, such as paraffin, agricultural and marine diesel and passenger road transport, would have had to absorb increased costs as well.

However, as the rand had improved to 52.5c and the dollar price of crude had remained constant, an increase was not necessary.

The oil companies had recouped losses accumulated before the price hike.

"The future ratio of the exchange rate and naturally the price of crude oil, will be the determining factors whether a price increase for all consumers will be averted, or if a general price reduction is possible," Mr Steyn said.

He said the Cabinet reiterated its support for the principle of market related prices and that he would make an announcement about that in due course — (Sapo)
The price of milk in Natal is expected to increase by about 10 percent, pushing the cost of home deliveries as high as 60 c. Divisional manager of Clover Natal, Mr. Eric Hornby, said last night the price rise would probably become effective early in June.

The price would ease by "something like 10 percent or a little more", half of which would go to producers and half to distributors, he said.

The divisional manager Coastal of Creamline Fairlies, Mr. Gerald Hunwack, said last night a bottle of home-delivered milk would cost 80 c or thereabouts.

Mr. Bernard Hellberg, assistant director of the Export Area Trade, said last night the expected increase indicated "a disgraceful state of affairs" and described it as "very bad news."

"It will be a surprising increase, particularly as Natal is the major dairy producing area and supplies milk right up to the Transvaal border," he said.

Mr. Hellberg said consumer resistance was a "useful tool" and urged people to consider using proper full-cream dairy substitutes.
A MILK price increase of five cents a litre will be announced next week, according to Pretoria sources.

This will bring the price of delivered milk to 75c/l.

And in Pretoria today, the Minister of Agriculture, Mr. Greyling Wentzel, will announce an increase in the price of maize, which is expected to be in the region of 20%, raising the price per ton from R2.50 to above R3.20.

Higher milk and maize prices will be a severe blow to lower income groups struggling to survive in a climate of high inflation and growing unemployment.

An angry outcry from consumer bodies is certain.

The 5% milk price increase is expected to include compensation for distributors who faced a 40% fuel price hike earlier this year.

Milk producers were granted a 5c/l price rise in July last year. Distributors responded with a 1c/l increase, following this with a 2c/l rise in November.

A further 2c/l rise was added in February when the cost of milk cartons was increased.

Since July 1973, the retail price of delivered milk has risen from 55c/l to the current price of 65c/l. A 5% increase would necessitate a 14% rise in the price of mealie meal, according to observers in the industry.

It would also raise the costs of egg production by 5% and milk production by 2.1%.

Costs in the beef, pork and poultry industries would rise significantly.
Coal price pressure

A Spokesman for the Transvaal Coal Owners' Association (TCAO) said yesterday that the 13% increase in the price of coal at pitheads was below the expected rate of inflation for this year, 1983-85.

Increases, determined by Government, over the last six years had also been under the annual rate of inflation — 3.6% for 1984 and 8% the year before, he said. D-grade coal, used by the domestic market, principally the black market, is only going up by 10.3%.

"There have been production cost increases at the producing collieries and production cost increases are significantly above this latest percentage increase in the price of coal at the pitheads. I think the fact that increases have always been below inflation has put considerable pressure on the producers," he said.

The increase applies to about 23-million tons of coal, total production of SA coal is about 150-million tons.
Economist endorses accuracy of CPI

By BRENDAN RYAN

The consumer price index (CPI) produced by the Central Statistical Services is a fairly accurate indicator of inflation.

That is the opinion of Old Mutual chief economist, Mr Rob Lee, after a detailed study of the CPI by the Mutual's economic research unit.

Background to the study is the allegations by a number of analysts and institutions that the actual rate of inflation is much higher than that shown by the CPI.

Allegations are that the weights used in the CPI may not be an accurate reflection of people's actual expenditure patterns and that the price information obtained in surveys may not be a true reflection of the actual price changes in the economy.

"The main point of criticism against the weighting system is that the weights are outdated, being based on spending patterns in 1975," Mr Lee says in Old Mutual's April Economic Monitor.

He adds that a more realistic indication of spending patterns can be obtained by looking at the breakdown of nominal private consumption expenditure (PCE) in 1983 because this reflects more recent spending patterns and is also based on expenditure in the whole economy as opposed to the 12 urban areas covered by the CPI.

The weights used in calculating the PCE are regularly updated but the Old Mutual report shows that they have not changed materially between 1975 and 1983.

Further Mr Lee says it can be proved statistically that even substantial weight differences have little impact on the measured inflation rate.

"In fact if the CPI was calculated using the 1983 PCE weights, the average inflation rate for 1983 would have been 11.8% compared with 12.3% as measured by the actual CPI," Mr Lee says.

He says correct price information is much more important in measuring the inflation rate than the use of correct weights.

"Independent surveys — including one conducted by ourselves — consistently demonstrate that the sub-indices in the CPI reflect actual price changes in the economy accurately.

"In the extensive survey carried out by ourselves, covering a wide variety of price changes — obtained from shops, car dealers etc — over the 10-year period between 1975 and 1984 we discovered that price changes as reflected in the CPI were without exception an accurate reflection of the price changes of the items we covered and not a single significant discrepancy was found.

"At least one other study published recently in a weekly financial magazine covering grocery items had similar results," Mr Lee says.

He says the accuracy of the CPI can also be checked by comparing changes in the CPI with changes in the PCE deflator as calculated by the Reserve Bank.

A comparison done by the Old Mutual for the period 1970-1984 shows that trends in the two are remarkably close and that the PCE deflator is fairly consistently lower than the CPI.

"Remember that weights used in the PCE deflator are regularly changed to reflect ongoing changes in spending patterns. It should also be noted that the Reserve Bank calculates the deflator independently of the calculation of the CPI which is separately compiled by the Department of Statistics," Mr Lee says.

He says that while the Old Mutual study has shown the CPI to be fairly accurate there are a number of improvements which could be made to it.

Mr Lee says that GST should be excluded from the CPI Taxes are aimed at transferring purchasing power from individuals to Government but the inclusion of GST in the CPI has tended to contribute to ongoing inflationary pressures because of the widespread informal indexing of prices and wages to the CPI.

The CPI could also be broadened to take greater accounts of trends in the non-urban areas while Mr Lee feels a seasonally-adjusted index should be considered because the prices of some items are heavily affected by seasonal variations.
Now it's a milk price shocker

By GERALD REILLY
Pretoria Bureau

A MILK price increase of five cents a litre will be announced next week, according to Pretoria sources.

This will bring the price of delivered milk to 73c/l.

And in Pretoria today, the Minister of Agriculture, Mr Greyling Wentzel, will announce an increase in the price of maize.

This is expected to be in the region of 20%, raising the price per ton from R250 to above R370.

Higher milk and maize prices will be a severe blow to lower income groups struggling to survive in a climate of high inflation and growing unemployment.

An angry outcry from consumer bodies is certain.

The 5% milk price increase is expected to include compensation for distributors who faced a 40% fuel price hike earlier this year.

Milk producers were granted a 3c/l price rise in July last year.

Distributors responded with a 1c/l increase, following this with a 2c/l rise in November.

A further 2c/l raise was added in February when the cost of milk cartons was increased.

Since July 1983, the retail price of delivered milk has risen from 55.5c/l to the current price of 68c/l.

A 20% price increase would necessitate a minimum 14% rise in the price of meal in local supermarkets, according to observers in the industry.

It would also raise the costs of egg production by 7.4% and milk production by 2.1%.

Costs in the beef, pork and poultry industries would rise significantly.
8 quit Maize Board

The head of the Maize Board and seven other maize producer members of the government body have resigned in protest against the government's decision not to increase the maize price for farmers this year, board chairman Mr Crawford van Abo said yesterday.

The Minister of Agriculture, Mr Greyling Wentzel, announced earlier that the consumer price of maize products would be increased by 10 percent. maize farmers, however, are to get the same price for their product as last year, R218.55 per ton for the highest quality white maize and R214.60 for yellow maize, according to a statement from the Minister.

Someword 26/4/85
Copper price moves tied to currency variations

Mercury Correspondent

Johannesburg—Recent moves in the copper price on the London Metal Exchange (LME) have been closely linked to currency fluctuations according to Mr G A Macmillian, the chairman of Palabora Copper.

Addressing the annual meeting here he said that since the end of 1984 the market had been extremely volatile, with the cash copper price reaching a high of £1 303.40/ton on February 19 after having been R1 524 on January 3.

'Market reaction has been predominantly linked to currency fluctuations and, although the LME warehouse stocks are currently at their lowest levels since September 1974, the gradual strengthening of sterling against the US dollar in recent weeks has seen cash copper prices receding off their higher levels and falling to £1 150/ton.

'Also, for the first time in 12 years, base metal prices are in a material backwardation situation.

'These two factors of low LME and Comex inventories, where stocks are standing at 23pc and 21pc respectively of the levels pertaining a year ago, and the price backwardation presently being experienced should, in themselves, be bullish for the copper market yet are outweighed by currency-dominated influences,' Mr Macmillian said.

Turning to the shutdown of the two autogenous ore mills at the Palabora mine Mr Macmillian said it it anticipated both mills will be out of service for about 60 days.

As a result the mine’s milling rate will drop by about 30pc during this period.

'To maintain smelting and refining rates during the repair period existing stocks of concentrates are being drawn down and ore mining activity is being concentrated in the higher grade areas of the pit.

Repairs

'It is not expected that there will be any material reduction in the production of copper during 1985 provided the repairs are completed as planned.

'Engineering studies have also been initiated to determine whether these repairs will provide a permanent solution to the problem or whether replacement shells will be required in the longer term,' he said.

The mills were taken out of service in March when routine inspections revealed cracks in the shells.

Mr Macmillian told the meeting that Palabora would not, as it usually does, declare the first interim dividend at the annual meeting.

He said this was the result of the dates of company board meetings being rescheduled. The first interim dividend would only be considered at the next meeting of the board of directors which is scheduled for May 22.

Channel has loss of R36 593

Johannesburg—Channel Mining Investment, which operates the Helam diamond mine in the Transvaal and was recently listed on the Development Capital Market section of the Johannesburg Stock Exchange, had an operating loss, after taxation, of R36 593 in the half-year to December 31 against R20 052 in the previous half-year.

Turnover was R399 204 compared with R289 658.

The company said the projected turn around from loss to profit is well on its way and the financial results ultimately would give a good dividend yield. —(Reuter)

Kantor to talk in Durban

Finance Reporter

Professor Brian Kantor, of the University of Cape Town, will be the main speaker at a Disinvestment discussion, hosted by Aesec, to be held in the Lecture Theatre, Denis Shepstone Building, University of Natal on April 30.

His address will be on ‘Economic Implications of Disinvestment and Isolation for South Africa’.

The discussion will start at 7 pm.
Blacks decry coal price hike

By LEN MASEKO

LACK consumers are slamming the R13 per cent coal price increase gazetted this week.

The National Black Consumers' Association yesterday sent a telegram to the Minister of Minerals and Energy urging an urgent meeting with him. The consumer body is to appeal to the Minister to reconsider the price hike.

"This is frustrating for the black consumer who is still reeling from a spate of price rises for other basic commodities," a spokesman for the Black Consumers' Association said.

The coal price hike means that Grade D coal, used by most township consumers, will go up by 10.5 per cent.

The Soweto Coal Consumers Social Club is calling a meeting to discuss the increase. The organisation's members have been asked not to increase their prices.

Meanwhile Pretoria housewives yesterday aimed the increased coal price and said it as high time women took joint action against the ever-increasing cost of living.

Ms JOSEPHINE MZIMBA: Representation should be made to the Government to reconsider the coal price hike.

Ms PAULINE MONKOE: The increase will result in consumers being ripped off by coal dealers.

Ms CAROLE DLAMINI: Blacks will be the hardest hit because they are bulk users of coal.

Housewives in Pretoria said that was the most "shocking decision" to have been taken when the demand for coal was to increase in black homes as winter was approaching. They added that the increase was bound to affect other household items and as a result they had to brace themselves for more problems.

But Mrs Evodia Motau, an Atteridgeville housewife, said some of the problems could be minimised by getting women organisations involved in teaching their members less expensive ways to run their homes.

There was little people could do unless joint action was taken, she added.

Inflation

"Women should use bodies such as the 'societies' and housewives' leagues for the benefit of their families. Entertainment, which seems to be given first priority by most organisations, should be abandoned for a while to give members enough chance of restructuring ways of dealing with inflation," Mrs Motau said.

Other women interviewed said organising a system of bulk buying for several households could also save a lot of the hard-earned money that could also lead to the point where they could stop buying from the shops after negotiating with wholesalers. It did not matter, according to them, how the move could affect some of the businesses for as long as they ensured the survival of their children. This shows that we have come to times when it will be completely impossible for us to feed our children. No one will do things on our behalf unless we, as women, stand up and fight for the survival of the black community," she said.
Flight price cut

Passengers can now fly to Hong Kong for R1 492 less than the previous fare. British Airways and South African Airways announced jointly yesterday an additional stop-over can be made for R800 at the Seychelles and Colombo, and at Bangkok for R200 extra. "We are offering tourists the opportunity of visiting the Far East with a competitively priced Apex ticket," said Mr Alan Burnett.
Mercury Reporter

Tariff increases in two Northern Natal townships have been shelved for the foreseeable future.

The chairmen of the community councils serving Shongule township at Dundee and Thembalihle at Giciroe, Mr C Lukuli and Mr M Khumalo, confirmed yesterday agreement had been reached with the Natalia Development Board to freeze rents until the economic situation improved.

The move follows recent violence in the townships, which have 1,430 houses between them, in which development board offices were stoned.

A joint statement by the councils said it had been agreed with the board last year that tariff increases, which had already been suspended until April 1, 1985, could be further reviewed in exceptional circumstances.

Shelved

"Realising early in the year that the economic climate had indeed worsened, councillors again approached the board.

"As a result of tough negotiation agreement was reached that the matter be shelved in the interim."

It was agreed that work would have to again become freely available before the matter would be reviewed.

The councils also announced that roads and roads in the township were receiving attention and they were examining the possibility of installing water-borne sewerage in the townships.

Proved worth

The chief director of Natal, Mr H A du Plessis, said: "The timely reaction by a small group of disidents very nearly caused a stalemate in these delicate talks and it was only as a result of the very persuasive approach of both council chairmen that negotiations were again resumed and successfully concluded.

"In view of the recent success at the negotiating table, the council chairmen have more than proved their worth to their communities."

Service tariffs, which are tied to residents’ rent bills, were last increased in two townships in September 1982 from about R9 a house to about R15 a house."
Pik seriously considering SABC licence increase

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

Speaking in the Committee Stage of the vote on his department, he said only 21.1 percent of the SABC’s income was from licence fees. At present it earned 9.2 percent of its income from investments, but it was expected that R90 million from accumulated funds would have to be used in the coming financial year for capital projects.

This could lead to a position in which interest on revenues fell to about 5.5 percent of total income, which would place greater pressure on the other two sources of income — advertising and licence fees.

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

Mr Botha said he was considering widening the scope of concessionary licences, which were currently R24 a year, to include all people more than 70 years old.

These licences would be issued only on request, and only to single persons, or couples, living alone.

An announcement would be made soon. There was no intention of raising concessionary licence fees. — (Sapa)
seconded officials were kept in East London, outside the Transkei, it caused "considerable suspicion. An impression was created that the seconded officials had something to hide."

When the CEO was disbanded the seconded officials refused to demonstrate their faith in Transkei, and chose to remain employed by South Africa, trying unsuccessfully to negotiate transfers.

Another irregularity dealt with by the report was the handing over to a former Zimbabwean industrialist of a Springs company formerly managed successfully by Transkeians.

The CEO had also interfered against political dismissals.

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

Speaking in the Committee Stage of the vote on his department, he said only 21.5% of the SABC's income was from licence fees.

It was expected that R960 million from accumulated funds would have to be used for projects in the coming financial year.

An increase would be lower than the inflation rate. — Sapa
With baby drives off car they set for resourceful run

Girls all set for resourceful run

maize price row

Farmers gruit in
against the Government price for farmers

The resignations were announced yesterday by board chairman Mr Crawford van Abo.

They had been forced by an announcement from the Minister of Agriculture, Mr Greyling Wengela, that although the consumer price of maize products would be increased by 10 percent, farmers would get no more than they got last year.

They would have to be happy with R218.55 a ton for the highest quality white maize and R214.60 for yellow maize, according to a statement from the minister.

Mr van Abo said the board had asked for a 25 percent increase in producer prices to R270 a ton for best white maize.

It is obvious the Government is not listening to us any more and we have just become a rubber stamp," Dr Pieter Gouws, an adviser to the board, said of the Government's action.

"The Government's action was purely political, in an apparent attempt to come to an agreement for the consumer, but we told the minister that under the present system the consumer is getting ripped off.

Accepted

"The minister said the decision by the Cabinet had been unanimous and there was no going back," Dr Gouws said.

Mr van Abo told a Press conference the minister had already accepted the resignations from the 15-man board.

"The minister's message to farmers now seems to be 'Get out of maize farming,'" Dr Gouws claimed.

The Government no longer encouraged farmers to produce more than could be sold on the local market — about 6 million tons annually and farmers would have to bear losses on exports.

In his statement, the minister noted that the net producer price of maize had been increased by 22 percent last year.

"A further drastic increase would be difficult to justify," he said.

"The farmer, who is also general manager of the independent National Maize Producers' Organisation, said "We could have disturbed the market by calling on members to stop producing or by halting delivery of the

Maize row

product for up to six weeks but we are going to be responsible."

The chairman of Nampo, Mr Henkie de Jager, said the minister would be invited to address a mass meeting of maize farmers.

"I think there is going to be chaos. Farmers can only be pressed to a certain point," he said.

Assacom indicated last night that it felt an increase of 10 percent in the consumer price of maize and six percent in the price of sorghum were reasonable since they were still well below the current rate of inflation.

However, the conflict between the producer members of the Maize Board and the minister highlights the need for clear guidelines on administered prices in general and food prices in particular," a statement said.

Agricultural pricing should become more market-related and more flexible requiring a complete overhaul of the way in which key food prices were fixed.

A spokesman for a major food chain, pointing out last night that the maize price had increased by more than 150 percent in the past six years, said "The producers and millers can fight all they like but in the end it is the consumer who pays."
Maize men threaten to weaken control

Argus Correspondent

PRETORIA — Eight producer representatives on the Maize Board and two advisers pledged as they resigned yesterday that they would weaken Government control of their industry.

Yesterday the Minister of Agriculture, Mr Greyling Thandu, announced that the consumer price of maize would rise by 10 percent but that the maize farmer would not be paid more for his produce.

Maize farmers were also told by the Minister that they would have to account for all the losses on every ton of maize produced over the yearly national maize consumption of about 6.5 million tons.

This in effect was a cut in the consumer price subsidy by R150-million, said Dr Piet Gouws, general manager of the National Maize Producers Organisation.

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

"A SMOKESCREEN"

Dr Gouws said the Minister's reasons for not giving the farmers the average 21 percent increase they had asked for were a smokescreen and the price increase was purely a political move.

The prices, he said, had been decided on by the Cabinet and could not be defended.

The Minister's apparent concern for the consumer was challenged by the National Maize Producers Organisation (Nampo) when it called for the reintroduction of price control. "We called for this last year but nothing has yet been done," said Dr Gouws.

If the Government was really concerned about the consumer they would bring in price control. You can't control half the way," Mr Henne de Jager, chairman of Nampo, said the decision by the Government would spell total disaster for hundreds of maize farmers.

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

The Minister also announced that the floor price of grain sorghum would be cut by R3 to R114 a ton.

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

MEAT AFFECTED

Spokesmen of the South African Agricultural Union said today that meat and dairy farmers' production costs would also be pushed up as a result of the hike in the consumer price of maize - without being able to recoup their costs by way of the prices they received for their products.

The manager of the Saa's meat commodity organisation, Mr Jan van der Walt, said that feedlot farmers' costs would be pushed up by 7.5c for every kilogram of meat they produced. Because meat was auctioned the farmers could not ask for a higher price.

Mr Tim Liebenberg, manager of the Saa's dairy commodity organisation, said that dairy farmers' costs would go up by a cent a litre and the new maize price would not have been taken into account when the Dairy Board recommended a producer's price for milk.

The national president of the Housewives' League, Mrs Joy Hurwitz, said housewives were frustrated at the never-ending increasing price of essential goods.
Supermarket chain refusing to accept some repeat price rises

by Jackie Unwin

A supermarket chain is refusing to accept a second increase in prices of some products this year.

Director of Pick n Pay, Mr Richard Cohen, said: "A broad category of products is going up in price for a second time this year. For example, dried fruit went up 12.5 percent in March and producers are asking for a further increase now. It is a one-channel market.

"Another is toiletries. The supermarkets were singled out and criticized by the Consumer Council for accepting a 27 percent increase in toiletries over the year, which included a 10 to 12.5 percent increase in January. Now producers are looking for another 9 percent.

"Producers of detergents, which went up 15 percent in January, want another 7.5 percent.

"It is not on. We are putting our foot down."

Checkers managing director, Mr Clive Weil, said: "We obviously resist price increases, but it's a question of who do we blame for the increase.

"When a man puts his price up he is not necessarily capitalising on the increase. He may have no alternative.

"It is time everybody got together to discuss how to keep the prices of basic foods down."

The 10 percent increase in the price of maize, because of the reduction in the subsidy to farmers, would lead to an "earlier" egg price increase, the SA Poultry Association said yesterday."
Maize price rise to cause spiral

By GERALD REIL
Pretoria Bureau

THE 10% hike in the consumer price of maize will raise the price of a variety of basic foods and contribute to an inflation rate of more than 17% within the next two months, according to economists.

Among the foods to be affected are all dairy products, red meat, poultry and eggs and, of course, mealie-meal, which is likely to increase at retail outlets by more than 18%.

The deputy general manager of the Egg Board, Mr. Dawie Gous, said an increase of R10 a ton would add 1,28c to the production of large eggs.

However, R150-million had to be used for meeting the excess costs of imported maize and feed wheat.

"The board needs R270-million a year to meet handling and storage charges so there was a shortfall of R170-million, and the aim is to make this up by the 10% consumer subsidy," Dr. Le Cias said.

Meanwhile, Nampo warned yesterday that South Africa would have to contend with a disastrous shortage of maize within the next few years unless drastic action was taken to make maize growing more profitable for farmers.

Nampo's general manager, Dr. Piet Gous, said angry farmers from all over the country had flooded Nampo's head office in Boitsaville with messages of support for eight board members, including the chair- man, Mr. Crawford van Abo, who had resigned in protest.

"Farmers overwhelmingly agree the board cannot just be a rubber stamp for decisions taken by the Cabinet and the Department of Agriculture.

"They agree, too, the decision not to raise the price was a political one, totally unrelated to the economics of maize production," Dr. Gous said.

● Editorial comment — Page 6
Import prices set to surge as stocks fall

By Don Robertson

THE price of imported goods is set to rocket ahead as distributors replenish stocks.

Video, refrigerators, washing machines and machine tools will rise by up to 60% as the weak rand makes imports from Europe, Japan and America more expensive.

Although the rand began its plunge in the middle of last year, large stocks of these items protected consumers and industrialists.

HP curbs

But inventories have fallen and the full impact of the rand devaluation will be felt soon.

Before the curbs on hire purchase last August, about 100,000 videos were in stock. The decline in demand that followed the curbs led to a price war, many distributors selling at below cost.

A Johannesburg video distributor predicts that sets which were recently selling for R290 will retail at close to R140 in the next six months.

The competitive element in the market will continue, he says, as a smaller market is expected. Video imports from Japan totalled 7,028 in October, 3,220 in November and 3,453 in December. In January imports plunged to 650 as the market showed signs of stress.

Heady days

Last year, Italian refrigerators and washing machines met about 40% of South African demand, but inventories now need to be replenished.

Current imports will cost between 20% and 50% more than diminishing old stocks.

Stocks of machine tools, built up in the heady days of 1982, have been depleted and when the next batch of imports arrives prices could be as much as 60% higher than at present.

Buoyant economic conditions of three years ago and the successful machine-tool exhibition held that year resulted in large stocks of equipment being imported.

Recession in the rest of the world prompted large exports to South Africa.

It was estimated at the time that stocks last between three and four years under normal off-take conditions.

Since then, high interest rates have forced distributors to sell at sharply reduced prices and stocks are now estimated to be down to about six months' supply, says Les Webster, chairman of the Machine Tool Manufacturers Association.

"If one had to import now from Europe, prices would be extremely high. UK prices would be up by about 30% and American goods would cost about 45% more.

Imports from Eastern European nations, however, will continue to be low because of their need for foreign exchange.

Distress

In normal years, the machine tool industry is worth about R125-million; the market for conventional tools like lathes and drills making up about R110-million. Turnover fell by nearly half last year.

But while stocks are available, prices will remain depressed.

Mike Picolla, general manager of Efamotive Machine Tools, the only SA manufacturer of lathes, says that items priced at R160,000 two years ago are now available for about R90,000.

"Distributors are chomping each other to pieces on prices.

Banks have been forced to repossess many machines, upsetting the market to an even greater degree, he says.
Shock price rise lifts raw-rubber by 45%

By Don Robertson

The latest increase has stunned tyre and other manufacturers of rubber goods. They are incensed and demanded a meeting with Karbochem management. An industry spokesman said after the meeting in Johannesburg: “We weren’t able to change their minds.”

Languishing

Many rubber goods will cost more.

In May 1984, the price of styrene butadiene rubber (SBR) was R1.90 a ton, but from mid-May this year it

White elephant

The May increase will push the price of polybutadiene rubber from R1.97 to R2.75 a ton.

The international price is languishing at near its lowest for years at about $725 a ton, equivalent to R1.40. It means Karbochem is charging double the world price.

Rubber converters can’t wait. Clive Hooper, managing director of Dunlop, says “Permits for rubber imports are not available, but are there for the asking for imports of tyres.”

In the same way, the price of polybutadiene rubber has risen 38.8% in the same time.

Although customers of Karbochem predict that their margins will have to be cut because of consumer resistance, Roy Pithey, managing director of Karbochem, insisted that the latest increase was necessary.

He says higher prices only recoup increases in import costs of raw materials caused by the weak rand and long strike in the half-year to December.

About half of the cost of producing synthetic rubber is made up of imported raw materials.

The Newcastle plant, which has been a white elephant since capital costs quadrupled from an initial estimate of R123-million, is operating at about 48% capacity.

The largest users of rubber will suffer most from the latest price rise.

Tyre and tube prices were raised by 8.1% in December, but Mr. Hooper says “This increase was merely to recover our losses in June to September. Since then, there have been further rubber price increases, so we have a backlog of lost margins from October.”

Mr. Hooper believes that tyre prices will have to be raised by about 5%.

Shrinking

Ron Harding, managing director of Bandag, the largest tyre retreader, says “We won’t be able to pass all the increase on, so our margins will suffer. A large part of our sales are to truckers on contract and last time they were not sympathetic about the increase. The mood out there is angry.”

Industrial rubber producers, whose market has shrunk by more than 25% and who until recently had to fight competition from imports, will not be able to absorb the increase.

Alan Roberts, director of industrial products at General Pyne, says “We will have to pass the increase on. It’s a big setback for us.”

The possibility of import substitution has not escaped Karbochem’s notice.

Mr. Pithey says “We are certain that customers will look for cheaper supplies.”
Farmers set to cut off maize supply

Argus Correspondent

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

At meetings in Bothaville and Vierfontein on Saturday, it was unanimously decided to urge the National Maize Producers' Organisation (Nampo) to cooperate with Uniegraan — an umbrella organisation of farmers' co-operatives — to withhold all deliveries from silos throughout the country.

A call was also made on farmers throughout the country to stop taking maize to silos.

The meeting at Bothaville adopted a motion of no confidence in the Minister of Agriculture, Mr Greyling Wentzel.

MASS MEETING

He should state before or on May 3 his "vision" for the maize industry and spell out acceptable reasons for the price decision, or he should resign.

Twenty meetings of farmers will be held today in the Transvaal and Free State to air grievances and discuss strategies.

A mass meeting of maize farmers will be held on Friday in Klerksdorp and Mr Wentzel will be asked to attend to explain the State's view.

The SA Poultry Association says the maize price increase would raise the production costs of eggs. This would be passed on to the consumer.
The farmers are unanimous that the Government held the producer price at last year's levels last week while granting a 10 percent increase on the consumer price.

They have demanded that Agriculture Minister Greyling Wentzel attend a protest rally at Bloemspruit on Friday and explain why a Maize Board demand for a 20 percent increase in the producer price was turned down flat.

But last night it was learned that the Minister had rejected the demand and attacked what he called the irresponsible behaviour of farmers who had threatened to withhold deliveries.

Mr Wentzel said he was prepared to hold further meetings with the executive of the National Association of Maize Producers to explain further the Cabinet reasons for rejecting the producers' demands.

But a senior Nampo spokesman pointed out that such discussions had already been held — there was a meeting yesterday which went on for more than two hours — and there was little point in continuing them.

After yesterday's meeting, Mr Wentzel agreed to arrange a meeting on Thursday between the Nampo executive and President Botha.

Thirty meetings throughout the maize growing areas of the country were held in protest yesterday and all farmers unanimously decided to withhold supplies unless the Minister attended the rally at Bloemspruit.

It was understood that 42 farmers from the Blood River area resolved yesterday morning not to deliver maize to silos for at least a week and about 35 from Vryheid and Paulpietersburg decided to hold out for 10 days.

An unknown number from the Utrecht and Dundee areas also intend to join the protest.

'We haven't had a good crop,' said Mr Raymond Mills, a Blood River farmer.

'In the meantime, the price of fertiliser has gone up 20 percent, diesel is up by 27 cents and interest rates are soaring.

Badly in debt

'If they can allow our costs to go up as much as they have, then at least they can be fair and give us a cut of whatever increase is necessary,' he said.

The farmers who deliver are those who are badly in debt,'

Mr Mills was not sure how many farmers would join the protest, but he felt 100 would not be an overestimation.

Mr E. Muhl said 'We farmers have decided we're not going to deliver until the Government decides to pay us a fair price. We must somehow get through to them their unfairness in the handling of the situation."

Mr Wentzel was not available for comment last night but Dr D W Immelman, Director-General of the Department of Agriculture said the department was aware of the latest developments.

However, the minister was still involved in negotiations with Nampo and had no further comment to make.

Sapa's correspondent in Vryheid reported that farmers from Vryheid, Dundee, Utrecht and Blood River had decided no maize would be distributed to the silos after yesterday.

They said they would use trucks to barricade the entrances to Vryheid, Dundee and Blood River to prevent any producer from delivering maize.

The biggest of yesterday's meetings was at Nylstroom, where 500 farmers passed a motion of no confidence in the minister.

According to a Nampo spokesman, about 300 National Party MPs were expected to attend the protest meetings and have declared their solidarity with the farmers and rejected the minister's price freeze.

They are Mr G. D Marais (Paarl), Mr S. C. Terblanche (Heidelberg) and Mr H. J. Tempel (Ermelo).

Nampo's economist, Mr Kit le Cuse, said 'Farmers feel that if the minister is willing to face them, he has no reasonable explanation for the price freeze.'

Meanwhile, the Government is thought to be disturbed at the action of some platteland MPs in supporting farmers in their protest.

The NP performance in the Harrismith Provincial Council by-election tomorrow, where the National Party is opposed by the Conservative Party, could be adversely affected.
Car insurance costs may jump by up to 30 percent

Argus Correspondent

JOHANNESBURG. — Motorists carrying the burden of the higher petrol price are now faced with dramatic increases — as high as 30 percent — on private car insurance cover.

Experts forecast that average premium costs will soar by about R180 a year as policies are reviewed for annual renewal.

Several big insurance companies will launch the new round of increases tomorrow and more are expected to follow suit.

The new shock to motorists comes on the Third Party deadline. The 1985/86 third party discs must be fixed to windscreens by midnight to avert the risk of R50 fines.

Mr C J Oosthuizen, managing director of Santam Insurance, said the surge in premium rates was unavoidable because of a "tremendous rise in claims" now costing his company close to R1 million a day.

Santam, which claims to be the largest motor insurer, will increase the premiums on all renewals of policies from tomorrow by 30 percent for motorists in Johannesburg and other metropolitan centres to 20 percent in rural villages.

IGI Insurance intends to raise premiums by up to 25 percent from tomorrow.

At Guardian National, a spokesman said average increases on policy renewals from June 1 should work out at between 15 and 20 percent — but in isolated instances the premiums would be increased by 50 percent or more.
P W Botha expected to meet maize farmers

PRETORIA — The State President is expected to meet representatives of the country's hungry maize farmers in an effort to resolve a problem which could disrupt the maize industry and cause a disastrous shortage of maize meal.

After a 24-hour meeting between the Minister of Agriculture, Mr Greyling Wientjies, and the chairman of the National Maize Producers Organization (Nampo), Mr Rennie de Jager, the minister agreed to arrange a meeting on Thursday with Mr Botha.

The minister rejected a demand from maize farmers to attend a mass meeting in Klerksdorp on Friday to explain the cabinet's reasons for freezing the maize price.

The minister last night condemned the irresponsible behaviour of a section of the maize industry threatening to withhold maize deliveries.

He said he was prepared to meet Nampo's executive to further explain the reasons why the cabinet decided not to grant a price hike.

A senior Nampo spokesman said last night Nampo's executive had had discussions with the minister on the reasoning behind the price freeze.

There was little point in further discussions with the minister as the executive had rejected the minister's reasoning.

However, the minister offered the maize farmers an explanation for the government's action.

As many as 100 Natal farmers are expected to join the growing protest against the Maize Board's refusal to grant producers a price increase.

An unknown number from the Utrecht and Dundee areas also intend to join the protest.

"We haven't had a good crop," said Mr Raymond Mills, a Blood River farmer.

"The meantime the price of fertilizer has gone up 20 percent, diesel is up by 27c a litre, and interest rates are soaring.

"If they can allow our input costs to go up as much as they have done, then at least they can be fair and give us a cut of whatever increase is necessary."

Hunt for mother Crematorium
Shoppers to shell out more for their eggs

THE price of eggs in the Western Cape will rise on May 15 — for the second time in three months.

Consumers will pay 6c more for extra-large and large eggs. This is a 4.5 percent increase for extra-large and about 6 percent for large.

The increase for medium eggs will be 4c, which is 3 percent.

EXCHANGE RATE

Mr F Ferucci, chairman of the Boland Poultry Producers' Association, said the reason for the increase was the 10 percent rise in the maize price.

The previous increase — on February 19 — was caused by the effect of the exchange rate on the cost of imported maize and fishmeal, he said.

The new prices will be R1.40 a dozen for extra-large, R1.34 for large and R1.20 for medium.

Mr Ferucci said extra-large eggs gave the best value for money because they were 20 percent bigger than large eggs.
The crowd of more than 150 farmers who turned out for the protest meeting at the Swartberg Farmers' Association yesterday.

**Farmers pledge consumer support**

Mercury Reporter

MORE than 150 farmers from Kokstad, Underberg and Swartberg pledged their support to the consumer yesterday to reduce the cost of family food requirements

They made the pledge at a Swartberg Farmers' Association meeting in East Griqualand.

The meeting was a follow-up to the successful February mass tractor rally in Pietermaritzburg against rising costs of fertilizer, stock feed and machinery.

It was also decided yesterday to request organized agricultural societies to investigate the price difference between what the producer got for the product and what the consumer paid.

Mr Derek Broom, a dairy farmer from Ixopo, explained that farmers only received 34c a litre for their milk.

'The farmer is coming out with a disproportionate share, but you cannot expect to get a big share of the profits if you are handing over the problems of distribution to other people,' he said.

**Urged**

'Many consumers in Durban are drinking milk which is up to six days old. This is not good enough. We must take matters into our own hands.'

Mr Broom urged the farmers to consider the consumer most important.

'We have been separated by the middle-men for so long, but I think both the farmer and the consumer realise how much we are getting ripped off and it is up to us all to ensure that we get a better deal.'

Another guest speaker, Mr John Armstrong, warned against complacency and apathy.

'If we feel that the Natal Agricultural Union and the costs are going to be less, we have only ourselves to blame.'

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

Pietermaritzburg Bureau

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

Mr Hardingham, who is MP for Moss River, said the consequences of such action could not be underestimated.

'The non-availability of a staple food such as maize can have serious and widespread social and economic repercussions.'

'I am concerned too that political influences are being brought into play which if pursued in the manner in which price negotiations of agricultural products were being conducted but it would destroy one of the main cornerstones of the Marketing Act,' he said.

'One must not overlook also the financial assurance rendered by Government in the form of drought relief measures during the past three years and it would be foolhardy at this stage to alleviate feelings between the agricultural sector and the public through irresponsible action.'

'I sincerely hope that maize producers, through Nampo, will exercise discretion and responsibility in negotiations with the Government.'

However, he added the Government should take heed of the critical plight of farmers.

'I have endeavoured repeatedly to point this out to the Government since attending the Pietermaritzburg rally in February. The warning lights that flashed at this rally were clear evidence that things were far from well in the agricultural sector.'
The crowd of more than 150 farmers who turned out for the protest meeting at the Swartberg Farmers' Association yesterday.

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

**Pietermaritzburg Bureau**

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

Mr Hardingham, who is MP for Mooi River, said the consequences of such action could not be underestimated.

"The non-availability of staple foods such as maize can have serious and widespread social and economic repercussions. I am concerned too that political influences are being brought into play which if pursued in this manner will be disastrous for the country as a whole," said Mr Hardingham.

"Not only did it create a precedent in regard to the manner in which price negotiations of agricultural products were being conducted but it would destroy one of the main cornerstones of the Marketing Act," he said.

Urged

"Many consumers in Durban are drinking milk which is up to six days old. This is not good enough. We must take matters into our own hands," Mr Broom urged the farmers to consider the consumer most important.

"We have been separated by the middlemen for so long, but I think both the farmer and the consumer realise how much we are getting ripped off and it is up to us all to ensure that we get a better deal," Mr Broom concluded.

Another guest speaker, Mr John Armstrong, warned against complacency and apathy.

"If we feel that the Natal Agricultural Union and the costs are falling..."
pils beat up alleged rapist

By ALINAH DUBE

A young man was at the weekend allegedly beaten up and raped by a group of local high school pupils and later handed over to the police after he allegedly molested a 15-year-old schoolgirl in a forest.

The assault occurred on a school premises. The victims, who were young girls, were the subject of an unsuccessful attempt to attack the suspect. The suspect was then handed over to police.

According to residents around the area, several young girls have in the past been raped in the same area and there is a belief that "innocent children" were victims of such incidents. The suspect was arrested on Friday.

Col David George, the Police in Bophuthatswana, confirmed the incident yesterday. He said the suspect is not yet at large and the investigation is ongoing. The suspect is expected to appear in court soon.

wop-A-Stamp Prizes

Sowetan

Bophuthatswana Transport Holdings will increase bus fares by 20 percent in all its operational routes with effect from May 5.

The increase will affect commuters in Mahopane, Soshanguve, Ga-Rankuwa and other areas in Bophuthatswana. A BTH press officer, Mr Percy Nkomo, said the percentage increase related to the total fare and that it must not be seen purely against the passenger portion of the fare as reflected, among others, on weekly tickets. Weekly tickets, he added, were heavily subsidised by the government. The passenger paid only about 30 percent of the total fare while the subsidy covered an estimated 70 percent.

Mr Nkomo added that all the bus operators increased fares early this year after the fuel price was increased. At that stage, his company could not do so because of the regulations governing transport in the homeland.

"Although BTH regrets that the increases have to be affected, the company has no option. We want to fulfill our obligation of continued service to our passengers. The last fare increases were in 1984 and since then we have been absorbing all normal price escalations," said Mr Nkomo.

"Although BTH regrets that the increases have to be affected, the company has no option. We want to fulfill our obligation of continued service to our passengers. The last fare increases were in 1984 and since then we have been absorbing all normal price escalations," said Mr Nkomo.
Call to sell 'the cancer' of capital's bus service

Pietermaritzburg Bureau

An impassioned plea was made in the Pietermaritzburg City Council yesterday for the municipal bus service — which stands to lose about R3,000,000 this year and the same amount next year — to be sold to private enterprise.

The call came in the wake of a decision by the full council to apply to the Government for an average 15c fare increase on the black service and an average 5c-a-trip increase on the general and Indian and coloured services from October 1.

The council agreed to apply for a further increase of 5c a trip on the general, Indian and coloured services with effect from April 1, 1965.

Expected loss

About 12c of the proposed increase in economic fares for black commuters was likely to be subordinated by the Government.

During debate on the thorny transport issue, an angry Councillor Leslie Simon told the meeting: 'Let's sell our bus service and wash our hands of it,' pointing out that the department expected to lose R3,000,000 during the 1964-65 financial year.

The anticipated shortfall for the 1964-65 financial year is R2,900,000.

'This service is a cancer which should be excised and thrown away,' Mr Simon said.

He added that an attempt had been made once before to get rid of the bus service, but a buyer could not be found.

Mr Simon suggested that if one were found, it should be a condition that all the transport department staff should be employed by the purchaser.

Minibus taxis

In the same debate yesterday, a row broke out over pirate taxis, which have had a devastating effect on the black bus service.

The chairman of the Transportation and Traffic Committee, Mr George de Beer, suggested that the chief traffic officer be asked to enforce the law against pirate operators, to get black passengers back on to municipal buses.

Cllr Peter Newman believed, however, that the city would see more and more small minibus taxis operating in the capital and called on the council to rather adopt a friendly approach and co-operate with operators.

He warned the council against taking an antagonistic stand against them.

Mr de Beer replied that the pirate taxis were breaking the law.

According to a report before council yesterday, the estimated deficit on the transport undertaking for 1964-65 would be R3,070,305 if passenger fares or fare subsidies were not increased.

If the African service economic fares — what the passenger pays, plus Government passenger subsidy — were increased from October 1 this year by an average of 15c, the forecast deficit would be R350,305.

Mr Hitchens said his department was anxious to obtain a fare increase soon and should it be possible, fares could always be decreased.
Maize price hike is blamed

THE latest increase in the price of maize was condemned by leading supermarkets today.

Mr Clive Wen, the managing director of Checkers, said: ‘We will try to keep the current price levels of maize as long as we can. The maize price has increased by more than 150 percent in the last six years and we will be doing all we can to cushion the increase.’

‘The producers and millers can fight but in the end it is the consumer who pays. I believe it was a brave decision politically and otherwise to keep the maize price at the old level,’ he said.

The chairman of the Mazie Board, Mr Van Abo, has condemned the Government’s decision to reject a producers’ increase. He said the decision had nothing to do with the economy.

‘This is only a smoke-screen. The decision was a political one,’ Mr Van Abo has resigned from the board in protest.

Mr Richard Cohen, of Pick ‘n Pay, pledged to sell existing stocks at the old price. He estimates the more popular sizes to be exhausted in four or five weeks.

FENYANE and Miss Idah Madonsela, staunch members of Women’s Club, enjoying refreshments after the club’s meeting in Mamelodi at the weekend.
The price of eggs in Natal is to go up to 3c a dozen on Monday week.

This was announced yesterday by the chairman of the Natal Commercial Poultry Producers' Association, Mr W. Barnsley.

He said the price increase had been caused by the recent 10 percent increase in the consumer price of maize.

The mill price of feed to the egg producers was going up R14.60 a ton, which converted to about 3c a dozen in input costs, he said.

A spokesman for the S.A. Poultry Association, Mr Z.B. Coetzee, said the increase was inevitable, although he believed it was low.

"Farmers still have to absorb many other costs themselves," Mr Coetzee said he foresaw another price hike in the Transvaal — where the increase is 4c a dozen — in about two months.

Supermarket chains contacted said they would try to sell supplies at the old price for as long as they could.
Municipal Reporter

THE 2.5 c a kilolitre drop in the bulk price of water will not be passed on to Durban consumers immediately, the senior deputy City Treasurer, Mr Wilf Stone, said.

Instead, consumers will now pay 12 percent more for their water.

The Umgendi Water Board last month announced the 2.5 c drop in its supplementary tariff, effective from April 1. Mr Roger Phelizens, chairman of the board, said another drop of 2.1 c a kilolitre might be possible on June 1.

The supplementary tariff has now come down on a quarterly basis from a high of 21.5 c/kL to 9.2 c/kL and will fall away altogether when consumption reaches normal levels.

Mr Stone said the Durban City Council’s Management Committee had decided to leave the consumer price ‘in the melting pot’ until June. When the board’s tariff change was announced, the City Treasury would make a recommendation to council.

‘A drop in the price of Durban’s water is possible in the foreseeable future, but the 2.5 c decrease will not be passed on to consumers immediately, although they will benefit ultimately,’ Mr Stone said.

The council has taken a policy decision to limit frequent fluctuations in the water tariff to consumers.

It tries to keep tariffs stable with one tariff review a year. The last review led to a 12 percent increase which became effective this month.

Tariffs have increased by 8 c, from 67 c to 75 c for in-city consumers and by 10 c for out-of-city consumers, from 83.8 c to 93.8 c a kilolitre.
<table>
<thead>
<tr>
<th>Product</th>
<th>Original Price</th>
<th>New Price</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Beans</td>
<td>$0.99</td>
<td>$1.29</td>
<td>30%</td>
</tr>
<tr>
<td>Carrots</td>
<td>$1.50</td>
<td>$1.99</td>
<td>39%</td>
</tr>
<tr>
<td>Bok Choy</td>
<td>$2.25</td>
<td>$2.99</td>
<td>33%</td>
</tr>
<tr>
<td>Spinach</td>
<td>$3.49</td>
<td>$4.99</td>
<td>43%</td>
</tr>
<tr>
<td>Broccoli</td>
<td>$1.99</td>
<td>$2.99</td>
<td>50%</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>$1.25</td>
<td>$1.99</td>
<td>57%</td>
</tr>
<tr>
<td>Whole Wheat</td>
<td>$2.99</td>
<td>$4.99</td>
<td>68%</td>
</tr>
</tbody>
</table>

*Note: Prices are subject to change without notice.*
CAPE TOWN—Maize farmers were slapped down last night when he bluntly told a delegation there would be no producer-price increase.

Farmers' hopes were quickly dashed during a stormy 90-minute meeting in which the President told chairman of the National Maize Producers Organisation, Mr Hennie de Jager, and his deputy, Mr Boetie Viljoen, that the maize farmers were in danger of pricing themselves out of the market.

When it was over, Mr de Jager emerged, shaken and defiant, and said: "It was a very unsuccessful meeting I am very unhappy about the discussions. They were very aggressive and unfortunate.

'We came with a compromise. It was not accepted at all. In fact, it was not even discussed. The Government was relentless.'

No mood

Mr de Jager would not elaborate on the compromise, saying he wished to hold this over until today when he will address a mass meeting of farmers in Klerksdorp.

Sources within the National Party indicated that the President had been in no mood to how to pressure from the farmers.

The delegation had been firmly told that the Government was determined to stick to its guns and would not be held to ransom.

The sources believed the crisis had been staged-managed by elements of the farming community sympathetic to the National Party.

ORMANDE POLLOK
Political Correspondent

It is understood that Nampo's compromise would have involved more for those farmers with a good crop, but little or nothing for those without.

A spokesman for the President said last night that Mr Botha had told the delegation he had studied their representations for an increase in the producers' price of maize but in view of current economic circumstances the Government could not comply.

The President reminded them that last year, under exceptionally difficult circumstances, the Government had granted an extremely high increase of 28 percent in the net producers' price of yellow maize and 30 percent in the net producers' price of white maize, and had made available an additional R100 million aid.

Nampo had accepted in writing that the 1984 price would not be used as a basis to fix this year's price.

The President also pointed out that the price of maize affected the greater part of the rest of agriculture and that farmers in other sectors were also entitled to fair treatment.

Therefore the Government could not favour one sector at the expense of the rest of agriculture and the maize industry should be 'careful not to price itself from the

Kloof woman attacked by knifeman

Crime Reporter

A 65-YEAR-OLD Kloof woman was viciously attacked when she confronted a knife man in her home yesterday afternoon.

Mrs Diana Houghton of 39 Uplands Road was stabbed in the head and dressed in and around the

patrolling the area looking for Mrs Houghton's servant who had disappeared after the attack.
Maize price wrangle

The President indicated that strong representations had been received from the South African Agricultural Union with regard to further aid for the summer rainfall sowing regions.

He also told the chairman of the union, Mr. Kobus Jooste, that the Government had decided to make available an additional amount of R100 million to help farmers in drought-stricken regions who were still experiencing problems, especially with carry-over debts and production financing.

Further investigations were being conducted to establish to what extent the Government could assist with fodder subsidies.

The President called on the delegation to co-operate in the best interests of all maize farmers.

Earlier yesterday, Minister of Agriculture, Mr. Greyling Wenzel, who attended last night's meeting along with the Minister of Finance, Mr. Barend du Plessis, denied reports that the country would soon face a shortage of white maize and said there was already enough stockpiled to meet demand for a month.

He was reacting to suggestions that, should farmers withhold deliveries for two weeks, no supplies would be available for consumption and that if their action should continue, the survival of certain large co-operatives would be jeopardised.

According to a statement, the minister emphatically denied that a pending shortage of white maize exists in the country.

On the contrary, should deliveries to co-operatives be halted entirely...
Tyres to go up by 9.25%.

Prices of tyres and tubes are to go up by 9.25 percent on May 27, the SA Tyre Manufacturers' Conference announced yesterday.

The chairman of the conference, Mr R.G. Nicholson, said manufacturers had no alternative.

The country's tyre manufacturers were facing increased costs, particularly of local raw materials, he said.

"The local materials include synthetic rubbers, nylon and rayon fabric, bead wire, carbon black and other chemicals which the manufacturers are precluded from importing at better prices. These higher costs were not recovered by the last price increase and tyre manufacturers are now facing a second substantial increase." — Sapa
Tyre, tube price rise 'a shock' — AA

JOHANNESBURG — An increase of almost 10 percent in the prices of tyres and tubes — the second rise in four months — came as a shock to all road users, an AA spokesman said today.

Mr R Nicholson, chairman of SA Tyre Manufacturers, today announced an increase of 9.25 percent in the price of all tyres and tubes from May 27, saying the severe cost pressures left tyre manufacturers with no alternative.

A spokesman for the Automobile Association, Mr Gideon van Oudshoorn, said today the increase had come as a shock.

He appealed to retailers not to apply the increase to existing stocks and said that since 1982 the price of tyres for passenger cars had increased by more than 90 percent.

UNCALLED FOR

Mr van Oudshoorn said the increase was uncalmed for, especially if one took into consideration the other increases motorists had been subjected to recently, such as the increase in the fuel price, the customs and excise duties on cars and the increase in General Sales Tax.

Mr Jan Cronje, the director of the Consumer Council, said the announcement proved that no competition existed between the manufacturers in the country.

These people should realise that if their manufacturing costs increase, the cost of living for the consumer also increases.

"This will only plunge the consumer deeper into the red," Mr Cronje.

Slack gradients, thus fog patches will occur along the coasts tonight.

Mild, partly cloudy

WEATHER forecast for the Peninsula, Boland and Overberg for the period ending 6 pm tomorrow.

□ Fine to partly cloudy and mild apart from fog overnight.
□ Wind: Moderate south-easterly but strong to gale-force between Cape Point and Hermanus.
□ Minimum temperature at D F Malan Airport will be between 11 and 13 deg C.

THE MOON

Full moon: May 04
Last quarter: May 11
New moon: May 19
First quarter: May 27

THE SUN

Sunset today: 1835
Sunrise tomorrow: 0723

THE TIDES

High water: 0238
Low water: 1442

Today 0154, 1438
Tomorrow 0238, 1441

Today 0135, 2305
Tomorrow 0030, 2305

WATER TEMPERATURES

Sea Point: 14 deg C
Bosporus: 16 deg C

SAND TEMPERATURES

Johannesburg: 13 deg C
Kimberley: 14 deg C
Durban: 18 deg C
East London: 14 deg C
Port Elizabeth: 14 deg C
Ugaberg: 21 deg C
Bloemfontein: 9 deg C
Windhoek: 16 deg C
Pretoria: 14 deg C
Cape Town (yesterday 5pm): 16 deg C
Cape Town (today 5pm): 16 deg C

D F MALAN climatological data for yesterday May 2
(The figure in brackets shows the average for the month)

Maximum temperature: 21 (19.8) deg C
Minimum temperature: 12.9 (12.7) deg C
Mean temperature: 14.94 (15.32) deg C
Mean humidity: 98 (98) %
Maximum humidity: 57 (65) %
Minimum humidity: 78 (80) %
Mean atmospheric pressure: 1017.8mb (1017.8)

Couple's only child, 2, shot dead at family dinner table

Argus Correspondent

Stephane, an only child, was tragically shot dead among Connie's two... at the family's dinner
The roll that season's yield and price of
cooked rice, if put on the National
Commission market, would be sold
from East Coast rice buyers, and
would be sold for a price, if not
sold, would be at the cost of the
producer, at prices set by the
Committee on

The increase in supply of
cooked rice

The National Committee on
cooking rice will include the
producer of rice in
the market, as well as
the producer of
cooked rice, as
well as
the consumer of rice.

The producer of rice will also
be included in the
market, as well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.

The increase in supply of
cooked rice will include the
producer of rice in
the market, as well as
the producer of rice, as
well as
the consumer of rice.
Farmers face
Govt action
(24)
on maize

CAPE TOWN—The Government would have to consider drastic action if farmers persisted in withholding maize deliveries, the Minister of Agriculture, Mr Stoffel Wengraf, said yesterday.

He was reacting to reports that maize farmers attending a mass meeting at Klerksdorp had decided to withhold deliveries for a week.

He appealed to farmers, "of whom I believe the majority have the required responsibility and loyalty towards their country to reject this step".

He wanted to give the public assurance the Government would use "all available means" to ensure that consumers did not suffer shortages.

Commenting on the Nampo decision he said he did not think it was in any way the availability of maize to the consumer.

This, in turn, will generate tension which could be particularly sensitive and lead to a worsening of relations with our black communities where maize is a traditional food.

Imports were not envisaged at this stage as stocks were sufficient.

Mr Wengraf said he would not like to comment on further steps the Government was considering to counter the move as he felt the sharp increase in interest on unpaid debts which farmers stood to suffer as a result, would curb their boycott actions.

Back down

A lot depended on how long the farmers would hold out, "but drastic action will follow if they hold out longer than stocks last", the minister warned.

Asked whether it was possible the Government would back down in the face of a prolonged boycott action, he said "Not at all, sir. Not at all. We will not back off".

About 5,000 Nampo farmers voted for boycott at a mass rally in Klerksdorp.

Many farmers have already been withholding maize since Monday in an ad-hoc boycott, and association chairman Henne de Jager said millers would begin facing shortages by Monday.
Household goods' prices in PE rise by 30% in 2 years

By CHARLENE CLAYTON

A WEEKEND POST survey of a cross-section of household commodities has shown that prices in Port Elizabeth have risen by an average of more than 30% in the past two years.

The 12 items include peanut butter, rice, baked beans, soup, condiments, household scourer, shoe polish, washing powder, freezer bags, breakfast cereal and petroleum jelly.

Two years ago they cost R9.71. When priced this week at a leading supermarket, the same items cost R13.55.

The price increase varied from 11.3% in the case of soup to 61.7% in the case of peanut butter.

It was also calculated that within the next two years, at an inflation rate of 15.1%, consumers can expect to pay R17.95 for a hamper consisting of these 12 items.

All prices given exclude GST.

The table below shows the comparison between May, 1983, and May, 1985, and the percentage increase over the two years.

**HOW PRICES HAVE RISEN**

<table>
<thead>
<tr>
<th>Item</th>
<th>MAY '83</th>
<th>MAY '85</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peanut butter</td>
<td>82</td>
<td>1,49</td>
<td>81.7%</td>
</tr>
<tr>
<td>Rice O'Max</td>
<td>60</td>
<td>67</td>
<td>11.7%</td>
</tr>
<tr>
<td>Baked beans in tomato sauce</td>
<td>47</td>
<td>59</td>
<td>25.5%</td>
</tr>
<tr>
<td>Quick soup</td>
<td>71</td>
<td>79</td>
<td>11.3%</td>
</tr>
<tr>
<td>Chutney</td>
<td>74</td>
<td>97</td>
<td>31.0%</td>
</tr>
<tr>
<td>Chicken spice</td>
<td>70</td>
<td>84</td>
<td>16.0%</td>
</tr>
<tr>
<td>Scourer</td>
<td>47</td>
<td>75</td>
<td>60.6%</td>
</tr>
<tr>
<td>Shoe polish</td>
<td>36</td>
<td>44</td>
<td>22.2%</td>
</tr>
<tr>
<td>Washing powder</td>
<td>1.74</td>
<td>2.75</td>
<td>57.4%</td>
</tr>
<tr>
<td>Freezer bags (small)</td>
<td>1.36</td>
<td>1.63</td>
<td>19.8%</td>
</tr>
<tr>
<td>Breakfast cereal (Oats)</td>
<td>1.01</td>
<td>1.30</td>
<td>28.7%</td>
</tr>
<tr>
<td>Petroleum jelly</td>
<td>64</td>
<td>74</td>
<td>15.6%</td>
</tr>
<tr>
<td>Total</td>
<td>R9.71</td>
<td>R13.55</td>
<td>30.5%</td>
</tr>
</tbody>
</table>
Critics counter strategic rubber claim

Karbochem fails the test

A QUESTION mark has been placed over the validity of Sentrachem's claim that its Karbochem artificial rubber plant is strategic.

The plant was supposed to make rubber out of coal and save large amounts of foreign currency. This justified the R430-million capital cost and led the Government to give the plant 25% import protection.

But in the wake of Karbochem's price increases of 45% in the past year, tyre manufacturers had to raise prices by 9.25% from May 27. Industry rubber goods manufacturers say Karbochem is not coal based and is not saving the foreign currency originally envisaged.

Still losing

Karbochem imports 90% of its most important raw materials. Because of the fall in the rand, it has had to raise prices — and it still sustains losses.

Critics say the plant is not fulfilling its original function of replacing imports. Rubber converters have expressed concern at the price increases. But a Karbochem spokesman says they were necessary because imported feedstock for the manufacture of rubber costs a great deal more.

Steady

From mid-May, styrene butadiene rubber (SBR) will cost R2,810 a ton compared with R2,290 in January this year and butadiene rubber will rise to R2,725 from R2,590. The prices in May last year were R1,800 and R1,970 respectively.

Industry sources say that because Karbochem has to import its raw materials, SA is still subject to sanctions.

The feedstock for styrene rubber, which is used as a replacement for natural rubber, comes largely from SA sources.

Butadiene is the major raw material used in the manufacture of SBR and butadiene rubber and almost a ton of butadiene is used to make each ton of these two types of rubber.

International butadiene prices have remained steady in the past year, but because of the rand's devaluation, its delivered price has risen from about R50 a ton to R1,520 a ton. This means the value added by Karbochem on a particular grade of SBR costing R2,500 is R750 a ton — not even 30%.

Karbochem's R2,810 a ton for SBR compares with the American synthetic rubber price of R1,916 ex-factory and the European price of R1,670. The price of natural rubber is R1,520 a ton.

Impossible

Although academic because import permits are unavailable, the price of butadiene rubber delivered in Durban and including the 25% import tariff is R3,100 a ton, and that of SBR is R2,610. Last year, the Government introduced a 25% tariff on natural rubber imports to protect SA producers. It has since made it virtually impossible for rubber converters to obtain import permits for synthetic rubber.
Maize farmers in breach of Security Act

By DAVID BRASON
Political Correspondent
CAPE TOWN

Farmers who deliberately withhold deliveries of maize in an attempt to persuade the Government to reverse its decision on the maize producer price are technically in breach of the Internal Security Act.

Legal experts agreed today that in its widest terms Section 54 of the Internal Security Act makes such a boycott action a crime of subversion.

Section 54 (2) of the law says that any person with the intention of trying to make the Government of the Republic do something or not do something or adopt a particular point of view or change a point of view cripples, prejudices or interrupts the provision or distribution of foodstuff anywhere in the country is guilty of subversion and, if convicted, is liable to a jail sentence of up to 20 years.

The Minister of Agricultural Economics and Water Affairs, Mr Greyluq Weizel, warned last Friday that if the farmers persisted with their boycott the Government would be forced to take “drastic” measures.

The Government is also unlikely to want to import maize at unnecessary cost when there is local production waiting to be distributed.

Meanwhile a political slagging match has broken out among maize farmers with allegations that both Conservative Party and Broederbond influences are at work in the maize row.

Both factions are denying this but there are indications that the CP will try to exploit right-wing feelings among maize farmers to its own advantage.

The Nampo executive met at the organisation’s offices in Bothaville early this morning to consider its next moves in the war with the Government over the maize price.

It was expected to look at resolutions adopted at a mass meeting attended by about 3,000 farmers in Klerksdorp on Friday.

Among other things, the farmers voted that Nampo should ask the Government to take responsibility for the losses suffered on maize imports last year, a move which would provide an extra R150 million to a small producer price increase.

Farmers also demanded that all eight producer members of the shattered Maize Board should be reinstated and said urgent attention should be given to restructuring the Board to give producer members more decision-making powers.
Dissident Nat MPs toe the line on maize price

Political Staff

CAPE TOWN — Two Nationalist MPs who last week dissociated themselves from the Government’s decision not to increase the maize price have changed their minds.

Mr M D Maree (Parys) and Mr Wilhe Lemmer (Swanez-Reneke) who both represent many dissatisfied maize farmers, said today that they now accepted the Government’s motives for refusing an increase.

At the weekend Mr Lemmer met the NP divisional committee in his constituency. There it was accepted that it had not been possible for the Government to increase the maize price because of the need to ensure economic recovery.

At the same time a motion of full confidence in President Botha, the Minister of Agricultural Economics, Mr Greyling Wentzel, and Mr Lemmer, was passed.

CHAIN REACTION

Mr Maree said a maize price increase at this stage would have started a chain reaction of higher prices in many other sectors.

He denied that he had been under pressure from the NP to change his stand last week.

He had been to see President Botha who had understood that he had to represent the interests of his constituents.

A spokesman for the Department of Agricultural Economics said today that it was not yet clear whether the maize farmers’ threat to withhold supplies was being implemented to any extent.

Maize stocks on farms in the Free State and the Transvaal were very wet at present after late rains and this could lead to some farmers not delivering to the co-operatives.

Mr Wentzel will start a series of meetings with farmers in different parts of the country on Thursday when he will speak at Dundee.

He will explain drought relief measures and the maize price decision.
BLOEMFONTEIN — By the evening, the first copies of a pamphlet compiled by Nampo giving the facts and figures surrounding the requested increase in the producer price of maize, will be distributed to farmers throughout the country.

In the next few days, thousands of pamphlets will be sent to farmers, and at the same time, Nampo will launch a nationwide advertising campaign in various publications to put their case to the consumers.

Mr Giel van Zyl, head of administration and organisation of Nampo, said from Bothaville last night that this was one of the steps the organisation would be taking this week.

"Mr Henne de Jager, chairman of Nampo, has been given a mandate to reopen discussions with the Minister of Agriculture on the price issue.

"Meanwhile, farmers are continuing to hold back deliveries of their crops," Mr van Zyl said.

He rejected claims that a Conservative Party element in the Nampo ranks had forced a price confrontation with the Government.

"The Nampo constitution states quite clearly that no member of its management may play an active role in politics. If any of our executives become involved in politics, they are obliged to resign."

At Friday's mass meeting of farmers in Klerksdorp, Nampo was also given a mandate to demand a final policy in regard to the maize industry from the Minister.

"Farmers want to know before they invest millions in planting a crop what price they will receive for it in future," Mr van Zyl said.
Home prices drop marginally

Financial Staff

House prices in South Africa declined only marginally on average in the first quarter of this year, although the West Rand and Durban-Pinetown areas had a drop of some 8 percent, the United Building Society's latest Quarterly Housing Review states.

And United's chief economist, Dr Hans Falkena, says the bond rate could decline by some 2 percent this year for mortgagors with larger bonds — those who are currently paying 21 percent or more.

However, "those who pay a lower interest rate because their bond is smaller, must not anticipate much relief as this rate is already considerably lower than the ruling money market rate," Dr Falkena says.

"We expect that house prices in general will continue to taper off during the second quarter, but a moderate rise may be expected in the second half of the year, mainly as a result of inflationary pressures," Dr Falkena says.

Although mortgage finance is readily available for home-improvement and bonds in excess of R60 000, which command market-related interest rates, finance for smaller bonds, particularly those with a bond rate of 18.25-21 percent, is expected to remain limited throughout the year.
Pathology fees to rise by up to 25 p c

Mercury Reporter

The only pathology laboratory in Durban to which private doctors can send tissue samples has hiked its fees to some medical aid patients by up to 25 percent — an increase which will not be covered by medical aid.

This follows failure by the laboratory and one of the biggest medical aid schemes in the country to reach agreement on ways to administer an amendment made last year to the Medical Schemes Act, which prescribes scales of tariffs and procedures for medical aid claims.

Pathology test bills can run to hundreds of rands. Members of the schemes which fell out with the laboratory will have to pay the 25 percent difference between the medical aid 'scale of benefits' and the amount charged, as well as any excess charged by the scheme.

The laboratory, described as an extensive operation, was 'the only one we can deal with in just about the whole of Natal', said a private doctor who may not be named.

A spokesman for the laboratory said about a fifth of its patients would now pay 25 percent more.

Last December's amendment to the Act had given practitioners the leeway to 'charge anything you like, but within limits and usually following Medical Association guidelines', he said.

Private patients

It had not been possible to reach agreement with a certain 'very big' medical aid society, as well as one or two smaller schemes, on ways for the pathology laboratory to submit accounts directly and so be paid out directly under the amended Act.

Instead, the pathologists had decided to treat members of those societies — which he declined to name — as private patients.

Traditionally, private patients have always been charged more than the gazetted tariffs, the laboratory spokesman said.

'Maybe you'll say it's unfair to those patients who are now discriminated against. But some medical aids are just being difficult — and we have cash flow problems and big bad debts,'

He emphasized the laboratory was not profiteering and, indeed, occasionally did work free or at a reduced rate for poor patients.

A spokesman for a national medical aid society quoted from a letter he had received late last month from the laboratory.

'It read: 'We are now dealing directly with our patients in most circumstances and, as such, fees higher than the scale of benefits are being charged.'

He said his scheme operated 'in strict accordance with the provisions of the Act' and the laboratory had not been prepared to comply with all the Act's requirements for direct payment to practitioners by medical aid schemes.

'Then they've decided they want to charge higher fees and that's it,' he said.
OTHER CONSIDERATIONS

During the time of the strike, the strike committee of the Farm Workers Association called for a general strike to support the boycott of farm products. The committee demanded that all farmers agrees to support the boycott and that all farm workers receive a living wage. They also called for the government to intervene to resolve the dispute.

The committee's demands were met with resistance from the farm owners, who threatened to hire strikebreakers. The committee responded by threatening to escalate the strike if the demands were not met.

The strike lasted for two weeks before the government intervened and called for a mediated solution. The strike was eventually settled, with the farmers agreeing to increase wages and the workers agreeing to end the boycott.

In the end, the Farm Workers Association emerged victorious, having won a significant victory in the fight for workers' rights.
Expert pooh-poohs expected surge in clothing prices

By DEREK TOMMEEY
Financial Editor

HEAD of Pick 'n Pay's textile buying operations Mr. Johnny Rosenberg has challenged claims that clothing prices will rise strongly next summer.

He said efficient clothing manufacturers should be able to absorb most of the cost of the increase in textile prices.

He was commenting on a statement by a Durban clothing manufacturer that because of the devaluation of the rand and resultant increase in the cost of materials, clothing prices this summer would rise by between 25 percent and 30 percent and even by 45 percent in some instances.

Mr. Rosenberg said today that such price rises were unwarranted.

CHANGED MARKET

The average increase in Pick 'n Pay's clothing prices this coming summer would be only 10 percent. Many items would be selling at the same prices as last year and the prices of some would even be lower than a year ago.

He criticized clothing manufacturers for failing to adjust to changed market conditions.

"They are still seeking to maintain their profits with high mark-ups instead of seeking economies of scale by going for low margins and long runs."

Just this week a local clothing manufacturer, because it was concerned about the backlash from other retailers, had refused to enter into a deal with Pick 'n Pay which would have trebled his production and substantially reduced the price of the garment he made.

Mr. Rosenberg said that in spite of the downturn in the economy, many clothing manufacturers were still operating profitably, because they were professionally managed and knew how to cost.

They also kept their factories fully occupied even if the profits were less than they would like.

Generally, those clothing firms that were going to the wall were the ones that did not know how to cost.

There was a serious need for greater efficiency in the clothing industry, he said.
The abnormally high prices for medicines charged by private hospitals is being investigated by the Pharmaceutical Board of South Africa on the instructions of the Minister of Health.

This was said yesterday by Dr Koos van Zyl, president of the Board, when addressing its annual meeting in Pretoria.

"The Minister has repeatedly expressed his concern about the high costs of medicines provided in private hospitals."

"It had also come to the board's attention that unusually large quantities of medicine are prescribed in some of these hospitals."

"There have been complaints by patients or surviving members of the family of being confronted with accounts for medicines running into thousands of rands," Dr van Zyl told the meeting.
MAIZE war peace talks have been scheduled between the Government and officials of the National Maize Producers’ Organisation in Pretoria today and rebellion farmers have been asked by their representatives to resume maize deliveries.

The secretary of Nampo, Mr Toosie Lombard, indicated last night that the talks were a compromise and his organisation would enter them in a spirit of co-operation.

Farmers had claimed solid support for their refusal to deliver maize supplies to the Maize Board, but political circles in Cape Town indicated yesterday that this might not be the case.

'Still upset'

Indeed, it is understood that Nampo had been secretly doubtful about the success for the boycott, since there were about 31,000 deliverers to Maize Board agents and only 4,700 Nampo members.

Many maize farmers are known to have supported the Government’s stand, and Government sources believe farmers have been seriously divided over the issue.

But Mr Lombard said last night that farmers were still upset by the way the whole situation had been handled by the Government, although they would try to find a peaceful and responsible solution.

'I cannot predict however what already angry and volatile farmers will do if the outcome is unfavourable.'

Mr Lombard claimed that the boycott on maize deliveries had been joined by the vast majority of farmers.

In a statement released yesterday Mr Henkie de Jager, chairman of Nampo, said the appeal for a resumption of deliveries had been made because the Minister of Agriculture Mr Greyling Wessels, had agreed to attend today’s talks, which would be aimed at solving specific problem areas in the industry, with special emphasis on clear guidelines for the seasons ahead.

Among the items to be discussed would be ways to restructure the present maize marketing system, implementation of a two-market system before this year’s planting season and reappointment of producer representatives on the Maize Board who had resigned in protest against the announced price structures.

While Mr de Jager praised the solidarity of producers, he warned that further delays in deliveries would disrupt the market seriously.

Mr A.P. Keeve of the Scheepersnek Farmers’ Association in Northern Natal and Nampo officials, said last night that Natal farmers had already decided to go ahead with deliveries.
Big bread price rise likely in June

Mercury Correspondent
JOHANNESBURG—A substantial increase in the price of bread is likely from the beginning of June according to Pretoria sources.

Increased margins in the baking and milling industry a 7 percent rise in the price of flour from May 1 and the Government's unwillingness to raise the subsidy, have made a price adjustment virtually certain.

In his Budget speech in March, the Minister of Finance, Mr. Barend du Plessis, said the R200 million allocated to subsidise bread this year would not be increased.

Earlier this year the Minister of Agriculture, Mr. Greyling Wentzel, warned that a bread price increase was inevitable.

He emphasised that where there were no sound reasons for the maintenance of the subsidy, it would be phased out.

If the price of bread was held constant, the subsidy would be exhausted by the start of the new wheat season in October.

Currently, the subsidy, on brown and white wheat, bread was 17.3 c a loaf, bringing the consumer price down to 40 c.

Until May 1, unsubsidised white bread sold at 60 c a loaf.

However, the higher flour price has raised the total cost delivered to retailers to 62.2 c.

The additional 2.2 c is being met from the shrinking subsidy for the time being.

The bread price was last raised in October 1954.

A Wheat Board official said it was 'only realistic' to expect a bread price increase if the subsidy was not raised.

Last October millers and bakers' margins were cut.

At the time the Minister of Agriculture indicated the margins would be reviewed during the following six months.

In fact, the margins were raised from May, but nowhere near the extent justified by higher costs.

Meanwhile authorities warned yesterday that a second bread price rise was possible from the beginning of October, the start of the new wheat season, if the producer price of wheat was raised.

According to the Wheat Board, from the beginning of May a 5 kg pack of cake flour was increased by 6.5 percent to R4.20; a 5 kg pack of white bread flour by 7.1 percent to R3.76 and a 5 kg pack of brown bread meal by 7.9 percent to R3.11.
Chief Whip praises P.W. on maize price

African Affairs Correspondent

ULUNDU—The Chief Whip of the KwaZulu Legislative Assembly and Member for Ezueleni, Mr Simon Conco, has praised the 'courage' of President Botha for refusing to allow an increase in the producers' price of maize.

Speaking during a snap debate in the Assembly yesterday, Mr Conco said that on the eve of the Harrismith provincial by-election, President Botha had taken a calculated risk to incur the anger of his voters.

He said the President ought to withdraw the subsidy given to those farmers who were now hoarding maize in retaliation.

"They should not get relief from his coffers. This is our money," Mr Conco said.

"God be with the State President. Give him strength to deal with these 'political delinquents' who 'play marbles' with us."

Mr Conco said that, if by any misfortune, the Conservative Party came to power in South Africa and gave black people the treatment it had promised, the country would be reduced to ashes.

He said Mr Botha had heeded repeated requests from the KwaZulu Assembly that the price of maize should not be increased.

"The black people had contributed to the stand taken by the President by consuming 30 percent less maize products because of periodic price increases."

Mr Conco said the various control boards in South Africa were 'institutions of slavery.'
Price increases have started to filter through.

---

**Image Description:**
- A page with a table and various text sections, including a diagram of a price increase flowchart.
- The text is likely discussing economic changes and their impact on prices.

---

**Table Example:**
<table>
<thead>
<tr>
<th>Item</th>
<th>Current Price</th>
<th>Previous Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>$5.00</td>
<td>$4.50</td>
</tr>
<tr>
<td>Milk</td>
<td>$2.50</td>
<td>$2.25</td>
</tr>
<tr>
<td>Bread</td>
<td>$2.00</td>
<td>$1.75</td>
</tr>
</tbody>
</table>

---

**Diagram:**
- A flowchart illustrating the progression of price increases through various stages.
- Key stages may include: Market, Retailer, Consumer.

---

**Text Excerpt:**
- "Price increases have started to filter through."
CONSUMERS can expect more price increases on foodstuffs in the coming months.

Although the effect may have been realised following the fuel price and the General Sales Tax increases in the past months, the cycle of price hikes may not be concluded as yet.

This warning is carried in the latest paper on the Household Subsistence Level (HSL), a report based on the estimated income needed per month by an individual household if it is to maintain "a defined minimum level of health and decency."

The report, compiled by the University of Port Elizabeth's Institute for Planning Research, is based on a household consisting of six black family members and is updated every six months.

In the present six-month update a high increase of 7.8 percent in the cost of living was calculated for black households in five major urban areas, which included Johannesburg, Pretoria, Durban, Capetown, and East London, which were included in the survey.

"The survey revealed that house rentals for blacks remained unchanged in 17 of the 22 areas surveyed," says Professor Potgieter, head of the University's research unit, "although increases in service charges have been approved in various areas by their respective local authorities, these have not been implemented as yet because of unrest."

The survey also revealed that the cost of electricity and water increased in most areas over the past six months, due to a general hike in electricity and water tariffs.

Transport

Prof Potgieter adds: "After the spate of price increases and increases in the cost of living, this is generally expected.

"In the case of transport, the cost of living in all areas during the past six months increased in all areas during the past six months. In most cities the increase was between 10 and 25 percent, while in places such as Johannesburg and Springs, the hikes were as high as 40 percent."

The general hike in the cost of living during the past six months is not surprising, considering the officially announced fuel price increases (40 percent), GST (two percent), transport, and sugar (12.5 percent)," says Prof Potgieter. "Although the ripple effect on consumer goods may have been realised in the past months, its cycle may not be concluded yet, and will move up in the coming months."
Maize farmers end boycott and hold talks with the Govt.

Maize farmers and the Government have declared a truce and will begin discussions today on a possible new course for the maize industry.

The National Maize Producers Organisation (Nampo), headed by chairman Mr. Hennie de Jager, will meet the Minister of Agricultural Economics and Water Affairs, Mr. Greyling Westzel, in Pretoria to decide on an agenda for talks.

The meeting comes after yesterday’s announcement by Nampo that the maize boycott had ended and that farmers had been instructed to resume deliveries to silos from today.

Nampo’s general manager Dr. Piet Goos said today that his organization’s action against the Government had been highly successful. He dismissed suggestions that the boycott had been called off because of a division in the farmers’ ranks.

“We had 90 percent of the maize farmers behind us. We boycotted because we did not want to antagonize consumers,” he said.

Some analysts have claimed that there was considerable opposition from National Party member farmers to Nampo’s militant stance.
By Duncan Collings
Deputy Financial Editor

The drastic fall in the world sugar price is putting further pressure on the already beleaguered local industry and there is very little chance of any relief in the medium-term future, according to Mr. Peter Sale, general manager of the South African Sugar Association.

"In fact the world price seems destined to decline further," he told The Star in an interview.

Mr. Sale said it was extremely difficult to predict when world sugar producers were likely to come up with a workable solution to massive overproduction and large stocks.

This was because it was impossible to gauge the degree to which other producers were subsidised by government either through a direct production subsidy or for a high enough domestic price of sugar to cover the full cost of production of their total crops.

Many major producing areas -- including the very big European Economic Community (EEC) sugar beet producers -- did not feel the effects of the slump in world prices because their production was subsidised.

Consequently there was practically no pressure to bring the world market back into balance.

In countries like South Africa and Australia with no subsidy and exports at a heavy loss, the industries were being severely harmed.

Mr. Sale said he found an increasing awareness among other producers that something had to be done.

"Even in the EEC which traditionally has been fully subsidised, the subsidies are being cut back and pressure is building to take active steps to improve the world market by reducing production or holding back on exports."

Mr. Sale pointed out that surplus world stocks -- that is stocks in excess of safe and normal levels -- now total nearly 16 million tons. This compared with the total volume of sugar traded on the world export markets in an average year of 17 million tons.

"It will take many years to work this surplus off whatever agreement may be reached by producers," he said.

On the local front he said there were no plans to press the Government for a further increase in the domestic price of sugar after the recent increase announced in April.

But the fall in the world price meant "our income no longer matches up to the calculations we did to set the domestic price and we are starting to lose out."

To assist local producers and cut back on South African production, making the industry less reliant on the unprofitable export market, a two-tier marketing system was introduced this month.

The A pool of 1.8 million tons comprises 1.3 million tons for the domestic market -- where the price is set to cover both the cost of production and fair return on capital.

The balance of 500 000 tons is destined for the export market at world related prices.

"Thus even income from the A pool will be below the industry formula of cost of production and return on capital for farmers," Mr. Sale added.

From the B pool, which, based on the past season, would have a further 500 000 tons for export at market-related prices, producers would receive an amount which would not even cover basic cost of production.

The volume of deliveries to the A pool were fixed on a quota system for all producers, while deliveries to the B pool were at the discretion of producers.
Maize farmers end boycott and hold talks with the Govt

Maize farmers and the Government have declared a truce and will begin discussions today on a possible new course for the maize industry.

The National Maize Producers Organisation (Nampo), headed by chairman Mr Henne de Jager, will meet the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, in Pretoria to decide on an agenda for talks.

The meeting comes after yesterday's announcement by Nampo that the maize boycott had ended and that farmers had been instructed to resume deliveries to silos from today.

Nampo's general manager, Dr Piet Gona, said today that his organisation's action against the Government had been highly successful. He dismissed suggestions that the boycott had been called off because of a division in the farmers' ranks.

"We had 70 percent of the maize farmers behind us. The boycott was ended because we did not want to antagonise consumers," he said.

Some analysts have claimed that there was considerable opposition from National Party member farmers to Nampo's militant stance.
Maize men say: ‘We’re not unhappy’

The National Maize Producers’ Organisation (Nempo) says it is not unhappy with the outcome of talks in Pretoria yesterday with the Minister of Agricultural Economics and Water Affairs, Mr Greyling Westzel.

It adds that the Minister did not let the organisation go away empty-handed.

Organisation chairman Mr Henne de Jager said the talks had been conducted in a good spirit and they were hopeful about future negotiations.

He added that the recent maize boycott, now ended, effectively showed the Minister that farmers were unhappy.

Mr de Jager said his organisation was pleased with the Minister’s announcement of a change in regulations governing maize marketing, to be finalised by the end of September, and his concession of possible change in the Maize Board’s composition.

However, he said, he deplored the Minister’s refusal to reinstate the eight producer members who resigned from the Maize Board recently during a row over the fixing of the maize price for 1985/86.

Mr de Jager’s organisation held long discussions with the Minister yesterday and is understood to have asked for radical changes to be made in the Maize Board’s structure and function.

The Minister said after the meeting that although he had refused to reinstate the eight producer members, he had offered to appoint two of the organisation’s executive members to the Maize Board provided they were not among the eight who had resigned.

However, he added, the organisation had refused to accept this offer.
No increase in livestock prices

Livestock farmers, like their counterparts in the maize industry, can expect no increase in producer prices this year.

A statement released by the general manager of the Meat Board, Dr P H Coetzee, says the board has recommended to the Minister of Agriculture that floor prices of red meat remain unchanged this year.

This is the second year in which there has been no increase in the floor price of beef and mutton. In 1984 the floor price was actually reduced.

Dr Coetzee said that, in spite of a 10 percent increase in the consumer price of maize, the board had decided not to increase the floor price.

Dr Coetzee said meat producers deserved praise for their "understanding" in difficult financial times, brought about by prolonged droughts, high interest rates and the tight economic situation.

— Pretoria Bureau
Bread price set to rocket next week

by Trevor Walker

The price of white bread is to be raised by 10 cents next week and that of brown by eight cents after the Cabinet had decided not to increase the present R200 million bread subsidy.

Government sources said Agriculture Minister Mr Greyling Wentzel will probably announce the increases on Wednesday.

The current retail price of white bread is 84 cents a loaf and brown bread 40 cents. The wholesale price is 20 cents less.

Thus the price of a loaf of brown bread, a major part of the daily diet of millions of black families, will be 56 cents.

Last year the Government canalised R60 million special relief to the Wheat Board, and this will not be available this year.

An increase in the producer price of wheat was vetoed by the Cabinet last month and the same resolve to hold back on Government spending led to the latest decision that the consumer will have to bear the increase in the cost of bread production.

If the Government does decide to go ahead with this substantial price increase it is likely the whole question of Government subsidies will fall under the spotlight this year.

Ironically, many blacks for whom the artificially low brown bread price is aimed at prefer to buy unsubsidised white — while many of the white population tend to buy both for health reasons.

Overall Government spending has risen to 37 percent of gross domestic product, compared with 33 percent in 1981 and treasury officials are keen to see at least a return to this level in the next few years.

The country's foreign exchange and money markets are operating on a relatively free and competitive basis and this thinking is now percolating through to other areas.

Famine relief or cheap food is not best tackled by central Government subsidy. Huge sums like the present R200 million spent on brown bread do not necessarily reach the people for whom it is intended.

The disclosure that the price of bread is to be increased next week has been received with dismay by one of the main consumer organisations in the country.

The chairman of the Johannesburg branch of the Housewives League, Mrs Muriel Preller, said the 10 cents increase on white bread and the eight cents on brown bread were disgraceful.
Mr. Palmer, in his report to the shareholders of the company at the recent annual meeting, said that the increase in the cost of electricity to consumers had brought the cost of the new tariff a few months ago. This increase was due to the size of the new plant, which was larger than the old one.

The October increase also included a 5% increase in the cost of electricity, which was due to the increased power load and the increased use of electricity by consumers. Mr. Palmer said that the increase in electricity costs would be passed on to consumers in the form of higher rates. He also mentioned that the company was working on ways to reduce the costs of electricity, such as improving the efficiency of the plant and finding ways to reduce the amount of electricity used by consumers.

The company's Electrical Engineer, Mr. DC Palmer, has already undertaken a study to determine the cost of electricity and the amount of electricity used by consumers. He said that the study would help the company to make decisions on how to reduce the costs of electricity and improve the efficiency of the plant.

The company has also been working on ways to increase the amount of electricity used by consumers. Mr. Palmer said that the company was working on ways to encourage consumers to use more electricity, such as by offering discounts to consumers who use more electricity. He also mentioned that the company was working on ways to improve the reliability of the plant and reduce the amount of downtime.
Erosion of rural political power vital in Govt line on 1

How the provinces cast their votes

The table below reflects the approximate number of voters in rural constituencies and each province, indicating the average loading or de-loading in each case.

<table>
<thead>
<tr>
<th>Province</th>
<th>No of seats</th>
<th>Voters</th>
<th>Average votes per seat</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPE</td>
<td>23</td>
<td>292884</td>
<td>12734</td>
</tr>
<tr>
<td>Rural</td>
<td>55</td>
<td>831243</td>
<td>15113</td>
</tr>
<tr>
<td>Urban</td>
<td>32</td>
<td>538350</td>
<td>16624</td>
</tr>
<tr>
<td>TOTAL</td>
<td>85</td>
<td>1131134</td>
<td>13857</td>
</tr>
<tr>
<td>NATAL</td>
<td>6</td>
<td>99127</td>
<td>16523</td>
</tr>
<tr>
<td>Rural</td>
<td>14</td>
<td>251170</td>
<td>17941</td>
</tr>
<tr>
<td>Urban</td>
<td>20</td>
<td>341297</td>
<td>17064</td>
</tr>
<tr>
<td>TOTAL</td>
<td>34</td>
<td>600367</td>
<td>17605</td>
</tr>
<tr>
<td>FREE STATE</td>
<td>9</td>
<td>134963</td>
<td>14996</td>
</tr>
<tr>
<td>Rural</td>
<td>14</td>
<td>230231</td>
<td>16445</td>
</tr>
<tr>
<td>Urban</td>
<td>5</td>
<td>95298</td>
<td>19054</td>
</tr>
<tr>
<td>TOTAL</td>
<td>24</td>
<td>425227</td>
<td>17844</td>
</tr>
<tr>
<td>TRANSVAAL</td>
<td>20</td>
<td>379793</td>
<td>18990</td>
</tr>
<tr>
<td>Rural</td>
<td>56</td>
<td>1547478</td>
<td>28051</td>
</tr>
<tr>
<td>Urban</td>
<td>76</td>
<td>1547478</td>
<td>20561</td>
</tr>
<tr>
<td>TOTAL</td>
<td>132</td>
<td>3107271</td>
<td>23693</td>
</tr>
<tr>
<td>NATIONAL</td>
<td>58</td>
<td>897767</td>
<td>15479</td>
</tr>
<tr>
<td>Rural</td>
<td>165</td>
<td>2950249</td>
<td>17880</td>
</tr>
<tr>
<td>Urban</td>
<td>107</td>
<td>2950249</td>
<td>19182</td>
</tr>
<tr>
<td>TOTAL</td>
<td>262</td>
<td>5908016</td>
<td>22807</td>
</tr>
</tbody>
</table>

Walvis Bay, which has only 4,603 voters and is considered to be part of the Cape Province, has not been included in the above table because it is an obvious anomaly and is dealt with as a separate case in the Constitution.

The voters in the rural areas have tended to be more conservative than city dwellers, and the Conservative Party is attempting to repeat history by starting from a base in the rural areas.

The overwhelming strength of the rural areas has been slowly eroded over the years. Not only has the ratio in favour of the country areas dropped to 1:1.24, but the number of rural seats has dropped significantly to slightly more than half the number of urban seats.

The big loadings are now most noticeable in the Free State with a ratio of 1:1.27 and the Cape with 1:1.32. The disparity is now greater in provincial terms.

The reason for this has been the enormous growth of population in the cities caused by the drift from the rural areas and rising immigration.

The power base of the National Party is now in the urban and peri-urban areas, with most of its MPs representing urban voters. In making its decisions, the NP must now give more weight to this lobby than to the agricultural lobby.

This is not necessarily the only factor in the Government's refusal to budge on the price - but it must have played a part.

The reason for the loading in favour of the rural areas goes back to the National Convention of 1908.

The architects of the Union of South Africa followed the pattern in many democratic countries, writing the loading into the constitution.

The motivation for this was the poor communication works of the times and the distances that voters and their representatives had to cover.

Voting loads are worked out by delimitation committees within the parameters of the constitution.

Commissions have to take various circumstances into account when deciding the boundaries of constituencies. These include community interdependence of population and geographical features.

They can then increase even reduce the number of voters by 15 percent. In cases where a constituency is less than 25,000 sq km, the Commission may drop the loading by 30 percent.

Surprisingly these populations were written into the R...
How the provinces cast their votes

The table below reflects the approximate number of voters in rural constituencies and each province, indicating the average loading or de-loading in each case.

<table>
<thead>
<tr>
<th>No of seats</th>
<th>Voters</th>
<th>Average votes Per seat</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPE: Rural</td>
<td>22</td>
<td>292,864</td>
</tr>
<tr>
<td>Urban</td>
<td>32</td>
<td>538,359</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>831,223</td>
</tr>
<tr>
<td>NATAL: Rural</td>
<td>6</td>
<td>90,127</td>
</tr>
<tr>
<td>Urban</td>
<td>14</td>
<td>251,170</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>341,297</td>
</tr>
<tr>
<td>FREE STATE: Rural</td>
<td>9</td>
<td>134,963</td>
</tr>
<tr>
<td>Urban</td>
<td>5</td>
<td>95,268</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>230,231</td>
</tr>
<tr>
<td>TRANSVAAL: Rural</td>
<td>20</td>
<td>379,793</td>
</tr>
<tr>
<td>Urban</td>
<td>56</td>
<td>1,167,685</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>1,547,478</td>
</tr>
<tr>
<td>NATIONAL: Rural</td>
<td>58</td>
<td>697,767</td>
</tr>
<tr>
<td>Urban</td>
<td>107</td>
<td>2,052,482</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>2,750,249</td>
</tr>
</tbody>
</table>

The number of rural seats has dropped significantly to slightly more than half the number of urban seats. The lag loadings are now most noticeable in the Free State with a ratio of 1.27 and the Cape with 1.32. The disparity is now greater in provincial terms. The reason for this has been the enormous growth of population in the cities caused by the drift from the rural areas and rising immigration.

The power base of the National Party is now in the urban and peri-urban areas, with most of its MPs representing urban voters. In making its decisions, the NP must now give more weight to this lobby than to the agrarian lobby.

This is not necessarily the only factor in the Government's refusal to budge on the maize price - but it must have played a part.

The reason for the loading in favour of the rural areas goes back to the National Convention of 1908. The architects of the Union of South Africa followed the trend in many democratic countries in writing the loading into the constitution.

The motivation for this was the poor communication networks of the times and the long distances that voters and their public representatives had to cover.

Voting loads are worked out by delimitation commissions within the parameters of the constitution.

Commisions have to take various circumstances into account when deciding the boundaries of constituencies. These include community interests, density of population and geographical features.

They can then increase or even reduce the number of voters by 15 percent. In cases where a constituency is larger than 25,000 sq km, the commission may drop the loading by 10 percent.

Surprisingly these stipulations were written into the Republic constitution and again into the new tricameral constitution.

With the growth of the Conservative Party, National Party representatives are likely to present even fewer arguments in favour of loading rural constituencies at the next delimitation, which will sit between next year and 1989.

Mr Peter Soal MP (FFP, Johannesburg North) recently asked a question in Parliament about the number of voters in each constituency.

The replies given by Minister of Home Affairs, Mr P W de Klerk, revealed a major discrepancy. The Transvaal was under-represented by 11 seats - it should have 87 seats in the House of Assembly instead of the present 76.

By the same token the Cape was over-represented by nine seats, while Natal and the Free State were each over-represented by one seat.

In terms of the constitution, the number of voters in relation to the number of seats in each province should be the same.

But shortly before the last delimitation in 1980, the Government put through legislation freezing the provincial allocations of seats for 10 years.

In an interview, Mr Soal said that it was totally unfair that there should now be any loading, whether between provinces or on an urban/rural basis.

"How can anyone justify a situation where one person's vote is worth more than another person's? The reasons for this have long since gone," he said.

He added that a 15 percent margin either way was far too generous.
T. J. Booman, chairman of the Oilseeds Board.
Board warns on an inflationary practice

High import costs used as excuse for price rises

LOCAL manufacturers are using the rand's depreciation and consequent increases in the cost of imported goods as an excuse for increasing their own prices.

According to the Board of Trade and Industries, the practice became more common last year.

However, it warns that import-parity, as it is sometimes known, is inflationary and potentially further damaging to the rand's value.

The board highlights the danger in its latest annual report. It warns that the market may not be able to bear such price increases, leading to a decline in production volume and further unemployment.

"The practice has an upward influence upon price indices and this may, in turn, exercise a further downward influence upon the exchange value of the rand."

"The upward movement of domestic prices can easily entrench the accompanying higher cost structure so that when the rand again appreciates, downward adjustment of prices may be impeded by rigidities and calls for additional protection may ensue."

"Where prices are uniformly raised by all manufacturers in a particular industry, such as in the recent cases of tyres and fertilizers, the degree of competition present in the industrial structure may be called into question."

The board is at pains not to suggest a general tendency for prices to be raised out of keeping with actual production cost increases.

"However, in times of some adversity, there may well be a case for deliberate efforts to hold prices down — if necessary by some temporary under-recovery of fixed costs — in order to maintain production volume to the greatest possible extent, and in so doing minimize the retrenchment of workers."

The report reveals that the Board of Trade and Industries received 394 tariff applications last year. Just over a third — 38.9% — were granted, compared to 53.1% in 1983. Many applications were based upon the rand depreciation but the board points out that it is not the function of custom tariffs to offer shelter against exchange rate volatility. It also warned that such tariffs could undermine the short- or medium-term exchange rate policies of the Government.

The Board accuses some industries of using foreign competition as a smokescreen in order to raise prices.

"In many cases, applicants could not substantiate their claims of disruptive competition or dumping, which contributed to the large percentage of rejections."

The actual problem was often not disruptive competition from overseas but a decrease in capacity utilization and turnover resulting from the downturn in the economy.

The report says that because foreign competition has been blunted by the weakness of the rand, some import duties are now higher than necessary.

However, the board is cautious about tampering with the tariff, in the hope that the rand will soon stage a recovery.

The report says that despite the economic problems, industrial production did not suffer any major setback during 1984.

"In some industries that are notably sensitive to competition from imports, capacity utilisation actually increased markedly."

The board offers a note of optimism for the future of the South African economy.

"In spite of adverse developments, the price of gold in terms of the rand has reached record levels of around R700 an ounce so that gold mining revenue is at high figures and new mining development is being planned and commenced on a large scale. The same is now to a substantial extent true in branches of base metal mining and production."

"The consequent effect upon total internal demand for the gross domestic product will be considerable. It is misleading to evaluate the present position in terms solely of exchange rate changes or fluctuations."

"As to the future, free world economic growth will continue apace and, among other indications, total world consumption of gold in 1983 is currently estimated as exceeding total supplies by some 100 tons — equivalent to 15% of annual SA production — in contrast to the over-supplied market position of the recent past."

By DAVID FURLONGER
Industrial Editor
40% saving on some generic substitutes

By Maud Motanyane, Consumer Reporter

Consumers can save even more than 40 percent on some drugs with a generic substitute for a prescribed brand-name product.

But before a pharmacy can dispense a generic drug, conditions must be met.

Until last November, South African pharmacists were forbidden by law to substitute generics for brand-name drugs.

Generics are copies of the brand-name drugs with the same amount of the active ingredient.

They must be given in the same dosage as the brand-name drug originally prescribed by the doctor.

Generics can be produced only after the 20-year patent rights of the original drug have expired.

**AVERAGE SAVING**

For example, since the patent on aspirin expired more than 80 years ago, several copies have been produced.

A survey of 10 popular prescription drugs and five non-prescription drugs showed that generic drugs were between 15 percent and 42 percent cheaper than brand-name equivalents (see chart).

These prices do not include general sales tax or a dispensing fee charged by pharmacies.

Gout patients have a choice between Puricos 300 mg, which costs R16.52 for a packet of 30 tablets, and Zyrlosprin 300 mg at R25.82.

They would save 41.9 percent.

If they receive continuous treatment for a gout condition and had to take a tablet every day they would spend R330.44 a year on a brand-name drug as opposed to R199.44 on a generic.

They would save R131.00.

Generic drugs have been used for decades in most overseas countries and in South African provincial hospitals.

These drugs are cheaper because they do not incur the research costs of the original.

Research has shown that the use of cheaper drugs would save the South African public R24 million a year.

As part of the South African Government's plan to reduce the cost of medicine, particularly for the chronically ill, the Department of Health and Welfare recommended that pharmacies be allowed to supply cheaper drugs.

The South African Pharmacy Board amended its rules at the end of last year and authorised pharmacies to replace prescribed drugs with generic equivalents, under the following conditions:

- The patient or the person responsible for administering the drug must be told about the substitution.
- The replacement must be a registered drug, must contain the same amount of the same active ingredients, and must be in the same dosage form as the prescribed drug.
- The generic substitute should be cheaper than the brand-name drug.
- If a doctor prefers a brand-name drug and does not want a pharmacy to replace it he can indicate by writing "no alternative" on the prescription or saying so if the prescription is verbal.
Food could have cost more

By Frank Jeans

As the big maize price row simmers on, South Africans might take heart from the fact that their food bill in the past year would have been much more if producers of other main items had not held prices.

According to the latest figures from the South African Agricultural Union (SAAU), consumers paid 13.6 percent more for food last year, although the inflation rate up to January this year was 13.9 percent.

The union gives a breakdown, for example, on milk, which reveals that while the retail price has gone up regularly, the dairy farmer's share per rand spent went down.

In 1978, the producer received 56.6c out of each rand spent on milk. In 1984, he got 51.6c and in February this year only 48.2c.

"It is a fallacy, too, that meat is expensive," says Mr Gerrie Smit, secretary of media services of the SAAU.

"The floor price of meat - the minimum at which it can be bought - was lowered by 5 percent in 1984 and producers did not request any rise in 1985.

"In the first quarter of this year, the beef producer received on average R2.29 a kilogram for all grades of beef.

Mr Smit says the public can achieve substantial savings not only in bulk buying of meat but in the timing of purchases.

"The best time to buy meat is in June or the earlier months of the year," he says, "when meat prices are relatively cheap.

"In December and holiday months, when people have bonuses etc, the butchers are well aware that they can buy at any price for it is sure to sell."

South Africans spent nearly 25 percent of their income on food during the year.
Second rise in price of rice likely

By KIN BENTLEY

The cheapest form of rice available in South Africa is threatened with a 26% price increase – after a 30% increase earlier this year.

Port Elizabeth importers and packers of the processed rice have lodged objections.

An application by S Wamsten and Co (Pty) Ltd, published in last month's Government Gazette, if accepted, could see the import duty on milled, parboiled rice increased by about 400%.

A 500-gram packet of the rice would increase from 50c to 65c if the application succeeds.

The vice-president of the Eastern Cape Traders Association, Mr Shaun Pillay, said today that Wamsten's – the manufacturers of Tasty and Golden Crown Rice – applied last month to have the import duty on milled, parboiled rice increased from 4c to 20c or from 8c to 22c a kilogram, depending on the extent to which the rice had been processed.

While all rice was imported, he said, only raw rice was duty-free.

He said he believed the reason the company was taking this step was because it had just completed a new mill in Marseilles.

A Port Elizabeth importer, packer and distributor of rice, Mr John Keevill, managing director of Gem Packaging Company, said the effective increase in duty would be from R3.50 to R10.00 on 66 tons of rice.

A bag of rice would increase from R20 to about R25, which meant the end product to the consumer would increase from about 50c a 500-gram packet to 65c.

Mr Keevill said importers of milled rice got their produce from Taiwan, while the Tastic rice came from the US South Africa produced a negligible amount of rice.

At present, he said, the raw US rice processed in South Africa was considerably more expensive than the milled, parboiled rice – costing the trade R34.30 as opposed to R20 per bale.

Mr Keevill said the price of the Thai rice, which was "not the same as that from the US, but still very good", suited the black consumer who was finding the price of his staple foods increasing rapidly.

He feared that if the increases were granted, these consumers would be hard hit and a monopoly situation might develop in South Africa.

The Eastern Cape Traders' Association meeting on Sunday would be discussing the issue, Mr Pillay said. A possible boycott of the more expensive rice was possible.
Milk price increase of 5c/l expected next month

SOUTH AFRICA's milk producers expect the Minister of Agriculture, Mr. H. Vissering Wentzel, to announce an increase of about 5c a litre early next month.

The Dairy Board is due to meet in Pretoria on June 3, and the announcement is likely to be made after the meeting.

Producers claim that huge cost increases of the past 12 months — including the 40% fuel price rise earlier this year — have eroded their margins to a point where most of the big producers are farming at a loss.

They point out, too, that the increase of 10% in the consumer maize price will raise their production costs by an additional 30c/l.

In November last year the Milk Board rejected a demand from the National Dairy Committee of the SA Agricultural Union for a price hike of 4c/l.

It is understood, however, that this time round a recommendation for an increase of 5c/l has gone through to the Marketing Council — and has been approved by the council.

Consumer bodies pointed out yesterday that a higher milk price — together with the expected bread price hike in June — and the consumer maize price would deal a heavy blow to low-income groups and the many thousands of black families with unemployed bread-winnners.

The milk price increase is expected to include an agreed increase in the distributors' margins.

The retail price of milk was de-controlled last year.

Milk producers got their last increase in July last year — 3c/l, of which 2c had to be surrendered to meet the costs of disposing of surplus dairy products.

At the same time, distributors upped their price by a cent a litre.

In November, distributors added another 2c/l, and another 2c were added in February to meet the higher costs of cartons.
Mercury Reporter

TWO major liquor outlets launched an advertising campaign in Pretoria yesterday giving rise to speculation that a new price war was looming.

Liberty Liquors and One Up, which both have headquarters in Durban, advertised prices on wines, beer and spirits, in several cases, below cost.

"They went ahead in spite of a controversial and frequently ignored agreement between Natal liquor outlets not to advertise prices," said Mr Ken Henke, managing director of Liberty Liquors, said yesterday.

He believed in advertising as a way of "communicating with customers", as well as being part of the free market system.

"Advertising prices is nice for consumers as it generally leads to outlets trying to undercut one another and a tremendous drop in price. That is the problem, for how long can we sell at prices like that?"

A spokesman for One Up Liquor Stores said advertising was a "wonderful way to show the public who is cheapest", adding that his store would be in "Hammer and Tong" if anyone advertised in central Durban.

"We will not instigate it, but we will certainly meet any challenge from anyone else," he said.
Fuel price may go down, but...

Second power price increase expected

A POWER price increase — the second this year — is expected to be announced next month, Pretoria sources say.

The extent of any increase will be recommended to the Government by the Electricity Council, the body which will replace the Electricity Supply Commission.

Council members are expected to be appointed by Minister of Mineral and Energy Affairs Danie Steyn within the next two weeks.

Establishment of the council, as part of a two-tier control structure, was a recommendation of the De Villiers Commission, which submitted its report on Escom last year.

When Steyn announced a 10% increase in electricity charges in January, he referred to the likelihood of a mid-year increase.

He added the decision would be taken against a background of prevailing economic conditions.

A departmental source said yesterday Escom had asked for a substantially bigger increase than the 10% granted in January.

The Cabinet, however, decided to stagger the increase with an interim adjustment later in the year.

Meanwhile, the Department of Mineral and Energy Affairs is closely monitoring the performance of the rand against the dollar in relation to the fuel price.

When Steyn announced the 40c petrol price increase earlier this year, he said another 4c/l increase would be necessary in June if there were no marked improvement in the dollar/rand exchange rate of 46,5c to the dollar at the time.

With the strengthening of the rand, the threat of another increase has receded and there was a good possibility of a fuel price decrease if the rand remained fairly constant at about 53c to the dollar, a departmental source said.
Rice price may soar to protect importer

Argus Correspondent
DURBAN — The price of rice could soar as the result of moves by South Africa's largest rice company to protect its share of the market.

S Wainstein and Co, which imports large quantities of unmilled rice, has applied for a 300 percent increase in the import duty paid on milled and semi-milled rice. The increase, from 4c to 20c a kilogram, is being considered by the Board of Trade.

S Wainstein and Co market Tastic and Aunt Caroline rice.

The increase to the consumer would probably total 20 cents a kilogram on other rice brands in GST and increases in the profits of the traders and retailers, industry sources said.

High quality

If the duty is accepted it will cost the consumer anything from R15-million to R25-million and would put many independent rice traders out of business, but if it is refused the local rice-milling industry will be severely damaged and about 1 000 people will lose their jobs.

The issue arises out of the appearance of cheap high-quality rice from Thailand on the market in the past few years. The rice, which sells for about 90c a kilogram in supermarkets, almost half the price of rice from other sources, is rapidly becoming popular and, according to a spokesman for S Wainstein and Co, now has between 30 and 40 percent of the market with its popularity still growing.

The rice is only imported in its milled form, as Thailand charges only slightly less for unmilled rice in order to protect its own milling industry.

Other rice importers, many of whom entered the market in recent years as Thai rice became available in large quantities, have strongly condemned the application and they have taken the issue to various chambers of commerce and to Assoco.

Bread price

Mr Stanley Kaplan, the managing director of S Wainstein and Co, denied that his company wanted to establish a monopoly, but said they wanted to ensure the survival of the local rice-milling industry, where about 1 000 jobs were at stake.

The Argus Political Staff reports that the Department of Agricultural Economics confirmed today that a possible increase in the bread price was likely to be discussed by the Cabinet within the next two weeks.

It is understood that the main reason for an increase in the price of bread would be a reduction in the millions spent on food subsidies.

The Minister of Finance, Mr Bar-end du Plessis, has already committed the Government to a scaling down of subsidies.

The Department of Agriculture is also considering the introduction of a new type of bread which will have greater food value and the price of the new special loaf.

The announcement on the new bread will be made simultaneously with any bread price increase.
Power tariffs may rise again

Municipal Reporter

DURBAN'S electricity tariffs will probably increase for the second time this year if Escom raises its bulk price next month as predicted.

Mr Wilf Stone, senior deputy city treasurer, says that if the increase is substantial, it probably will be passed on to consumers.

"But we will have to wait and see what the increase is and then assess the financial position of Durban's electricity fund. If it can't be absorbed, it will have to be passed on," he said.

Durban's tariffs were increased by 10 percent in January to cover the 10 percent Escom price rise.

The consumer tariff for electricity covers the bulk price charged by Escom and the Durban Corporation's costs of reticulation throughout the greater city area.

Escom raised its bulk tariff by an average of 10 percent in January and said there would be another 'similar' mid-year increase.
Bread ban as shops hit back at bakeries

By MIKE LOEWE

ABOUT 450 shops in the Eastern Cape, mostly in the black and coloured areas, could be involved in a boycott of bread produced by five Port Elizabeth bakeries which began today.

This follows an announcement today by the Eastern Cape Traders Association (ECTA), which claims to have 200 member outlets, that they were joining the boycott called on Thursday by the Eastern Cape African Chamber of Commerce (ECACOC), which says it has 250 retail members.

The organisations listed reasons for the boycott as:

- Allegedly grimy bread baskets, uncovered and stale bread, and dirty delivery vans
- Delivery of loaves which traders claim are leftovers from major chain stores
- Delivery of confectionery which allegedly still carries price tags from major chain stores
- Delivery of allegedly dirty and damaged bread by untrained workers who handle bread "like bricks"
- Delivery vans used in the black and coloured areas which are "different" from those in the white areas and which are allegedly dirty

In a statement today the vice president of ECACOC, Mr Churchill Swassa, said the traders demanded:

- Delivery of bread fit for human consumption
- Delivery vans should be cleaned up
- Workers should be given clean overalls and should not smoke in the vans
- Outlets should be allowed to make some profit on the sale of bread
- Four bakeries were today unable to say whether they had been affected by the boycott

Mr Max Hoppe, secretary of the Master Bakers Association (MBA) comprising the five major PE bakeries, today rejected a number of the claims.

He said the association had heard grievances from the associations, but he doubted whether they were representative.

He blamed narrow profit margins on the Wheat Board controlled pricing and said traders should approach the board with their problems.

The MBA employed someone to conduct spot checks on delivery vans and to control conditions.

It was possible some workers wore dirty overalls and smoked in the back of vans and the issue had been discussed at meetings. It was regrettable that the retail organisations should feel nothing had been done.

He said complaints should be raised with the bakeries concerned.

Mr Hoppe denied that bakeries accepted bread back from large chain stores and then delivered it to smaller outlets.

The MBA could not lower its retail prices because "if we had accepted this for their organisations, we would have to be giving kick-backs and discount prices to the whole city at great cost."

Mr Hoppe believed the boycott did not have the support of all outlets Bread was a staple food and he did not believe the community could cut back on consumption.

Mr Ebrahim Soomar, president of ECTA, said the association had decided last night to join the boycott.

"At a meeting with the bakers last month we raised the question of the condition of the bread. We gave them a month to respond, but we have seen no improvement."

The MBA could not lower its retail prices because "if we had accepted this for their organisations, we would have to be giving kick-backs and discount prices to the whole city at great cost."

Mr Hoppe believed the boycott did not have the support of all outlets. Bread was a staple food and he did not believe the community could cut back on consumption.

Mr Ebrahim Soomar, president of ECTA, said the association had decided last night to join the boycott.

"At a meeting with the bakers last month we raised the question of the condition of the bread. We gave them a month to respond, but we have seen no improvement."
Schwarz warning on bread

By ANTHONY JOHNSON
Political Correspondent
A FAILURE by government to prevent an expected massive increase in the price of bread could have "highly dangerous" consequences under present conditions of spiralling unemployment, economic hardship and unrest, the PFP chief spokesman on finance, Mr Harry Schwarz, warned yesterday.

He was reacting to reports that the government's determination not to increase the current bread subsidy could lead to prices rocketing by 33 percent for brown and 49 percent for white in the next two weeks.

Undertaking

The Minister of Finance, Mr Barend du Plessis, told an Afrikaans Sunday newspaper that the government was not prepared to increase the present R200-million bread subsidy because it had given an undertaking to stick to its Budget - a measure that formed part of its overall plan to revive the economy.

Fears

The government was serious about bringing down interest rates and inflation and for this reason the subsidies for both the maize industry and bread had to remain constant, Mr Du Plessis said.

In consumer circles, the government's stand has sparked fears that the price of brown bread could jump by as much as 16 cents to 56 cents a loaf, while white loaves could soon cost 81 cents - a 21-cent increase.

Mr Schwarz said the PFP rejected the notion that if the government had to cut its expenditure, this principle should be applied across the board and thereby affect basic commodities such as bread.

He said the needs of each department should be justified separately, and that "to shelter behind the argument that increases in prices in highly sensitive areas like staple food are unavoidable is completely misleading".

Instability

Mr Schwarz said the government often failed to appreciate that its policies had significantly contributed to high unemployment and economic hardship and that these in turn had promoted instability and unrest.

By allowing a dramatic rise in the price of bread, the government "would be adding fuel to the flames of unrest" already sweeping the country.

"A massive increase in the price of bread at this time would be politically incorrect, economically short-sighted and highly dangerous in terms of the country's stability," he said.
Bread price hike now "dangerous", says PFP

Mercury Correspondent

CAPE TOWN—A failure by Government to prevent an expected massive increase in the price of bread could have "highly dangerous" consequences under present conditions of spiralling unemployment, economic hardship and unrest, the PFP chief spokesman on finance, Mr Harry Schwarz, warned yesterday.

He was reacting to reports that the Government's determination not to increase the current bread subsidy could lead to prices rocketing by 50 percent for brown and 40 percent for white in the next two weeks.

The Minister of Finance, Mr Barend du Plessis, told an Afrikaans Sunday paper the Government was not prepared to increase the present R200 million bread subsidy because it had given an undertaking to stick to its budget—a measure that formed part of its overall plan to remove the economy.

The Government was serious about bringing down interest rates and inflation and for this reason the subsidies for both the maize industry and bread had to remain constant, Mr du Plessis said.

Rejected

In consumer circles, the Government's stand has sparked fears that the price of brown bread could jump by as much as 16c to 56c a loaf, while white loaves could soon cost 81c—a 51c increase.

Mr Schwarz said the PFP rejected the notion that if government had to cut its expenditure that this principle should be applied across the board and thereby affect basic commodities like bread.

He said the needs of each department should be justified separately and that "to shelter behind the argument that increases in prices in highly sensitive areas like staple food is unavoidable is completely misleading."

Mr Schwarz said the Government often failed to appreciate that its policies had significantly contributed to high unemployment and economic hardship and that these in turn had promoted instability and unrest.

By allowing a dramatic hike in the price of bread, the Government "would be adding fuel to the flames of unrest' already sweeping the country.

"A massive increase in the price of bread at this time would be politically incorrect, economically shortsighted and highly dangerous in terms of the country's stability," he said.
Big stores rule out 3-month price war

Staff Reporter

COMPETITORS of the supermarket chain which is slashing prices for the next three months are determined not to start a price war.

Mr Raymond Ackerman, chairman of Pick 'n Pay yesterday announced that prices of a wide range of items in his stores would be reduced at a cost to the company and some major suppliers of R10-million.

A spokesman for Pick 'n Pay said today that the chain would reduce prices on more than 100 basic items by between 15 percent and 20 percent.

But the managing director of Checkers, Mr Clive Wiel, said that while he was looking at the situation he doubted he would enter a price war on such a large scale.

He said: "We will be looking at the situation and will take action which best affects Checkers."

Mr Jackie Suchar, managing director of Grand Bazaars, said: "We try not to get involved in price wars."

Mr Ackerman said that the counter-inflation measures, formulated after the Government's call for a more realistic attitude to fighting inflation, would begin immediately.

"The time for talking has stopped," he said.

ATHLONE KINGS MEAT PLATTER

ATHLONE MEAT PLATTER

BUTTOCK R79 2.99 kg

LAMB A3 R3.29 kg
make hearty dough

ends up with the crust

How the Big Boys

Commodity

Monopoly Products

Figures show industry

1978

Inflation

compared to 1974

Cost Actions in the Price of White Bread (6%) of:

the crust.

Your Load in the Hands

Weather

A special for your rights, edited by BOB MOLOG

Cape Times, Tuesday, May 21, 1965
I have also looked at increases in the rate of inflation in costs over the period 1981 to 1990.

**Table 1: Inflation in Costs over 1981-1990**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>0.5%</td>
</tr>
<tr>
<td>1982</td>
<td>4.3%</td>
</tr>
<tr>
<td>1983</td>
<td>11.1%</td>
</tr>
<tr>
<td>1984</td>
<td>14.5%</td>
</tr>
<tr>
<td>1985</td>
<td>17.8%</td>
</tr>
<tr>
<td>1986</td>
<td>15.2%</td>
</tr>
<tr>
<td>1987</td>
<td>10.5%</td>
</tr>
<tr>
<td>1988</td>
<td>7.2%</td>
</tr>
<tr>
<td>1989</td>
<td>4.5%</td>
</tr>
<tr>
<td>1990</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

**Wage Index**

Note that the interest received on the industry's fixed and floating interest-bearing accounts was the net amount, excluding interest paid on deposits. The net effect on costs was significant, particularly in the lower margins. If you are able to obtain these figures from your banks or other sources, you will see that the wage index has increased more than the overall CPI even in the recent past. Inflation, as the miller's real costs are concerned, the figures I have worked from do not include recent adjustments to the wheat miller's margin, such as:

**Increases**

You will appreciate that these increases are not just a reflection of inflation, but also include:

- **Labor**
- **Fuel**
- **Electricity**
- **Rent**
- **Supplies**

For the period October 1978 to March 1985, I have included a labor adjustment at the margin in the following table:

<table>
<thead>
<tr>
<th>Item</th>
<th>Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>10.5%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Fuel</td>
<td>5.5%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Rent</td>
<td>3.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Supplies</td>
<td>2.3%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

**Through the year**

I have expressed the increases in the miller's actual costs per ton milled as this is the economic method when estimating milling costs.

**Wheat**

(Bear in mind that cost increases are only adjusted annually in acres in both the milling and shipping industries. To this extent, the industries thus lose the full proportion of the increase weighted by the rate of increase through the year.)

I have expressed the increases in the miller's actual costs per ton milled as this is the economic method when estimating milling costs.

For the period October 1978 to March 1985, I have included a labor adjustment at the margin in the following table:

<table>
<thead>
<tr>
<th>Item</th>
<th>Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>10.5%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Fuel</td>
<td>5.5%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Rent</td>
<td>3.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Supplies</td>
<td>2.3%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

**Inflation**

It was concluded that the industries thus lose the full proportion of the increase weighted by the rate of increase through the year.

I have expressed the increases in the miller's actual costs per ton milled as this is the economic method when estimating milling costs.

**Production costs**

The production cost at a global figure made up of a number of decisions calculated for the period October 1978 to March 1985.

**Total**

The total cost, and the margin are the result of these calculations for the period 1981 to 1990.
Electricity is likely to cost more

JOHANNESBURG — A further increase in electricity tariffs was likely later this year, Escom chairman Mr Jan Smith said in his annual report tabled in Parliament yesterday.

"The 10% increase, which came into effect last January, will not cover expected increases in charges against revenue during the current year," Mr Smith said.

Demand for electricity was unexpectedly high during 1984, with total electricity sales increasing by 8.8%, compared with an average growth rate of 5.6% a year in the five-year period to 1984. However, with the cost of generating electricity continuing to rise faster than the price charged to the consumer, Escom's accumulated deficit increased to R250 million.

Mr Smith said electricity supplied by Escom last year was selling for 4.5% less than it cost to produce, despite considerable cost savings and productivity gains. However, the price of electricity had been rising more slowly than inflation.

In the last six years tariff increases averaged 12.5% a year, which was slightly below the inflation rate during the period as measured by the Consumer Price Index (CPI). In 1984, the 6.7% tariff increase was less than half the rate of increase of the CPI.

Under the terms of the Electricity Act, Escom is not allowed to have either a surplus or a deficit for an indeterminate period, so the accumulated deficit must be eliminated. The only source of funds for that purpose is revenue, or tariff income. Consequently, either revenue must be increased substantially or internal financing levels should be reduced.

He said the electricity tariff in South Africa was among the lowest in the world. At the same time, the level of capital expenditure financed from internal resources, mainly through the Capital Development Fund, was also among the lowest in the world and had been declining.

One of the major programmes underway was rural electrification. Last year a total of 5,920 new farm supplies were provided, 10% more than in 1983.

Mr Smith said the outlook for the South African economy and the electricity supply industry was healthy, despite the short-term problems, provided the major problem of spiralling costs could be contained — SAPA.
A MEETING between the Port Elizabeth Master Bakers’ Association and the executive of the East Cape African Chamber of Commerce got under way in PE this afternoon.

It is aimed at ending the four-day-old African traders’ bread boycott. But it now seems likely another bread boycott — by traders in the city’s northern areas — is possible.

The chairman of the Eastern Province Traders’ Association, Mr. Eliabah Sowomari, said it was “unfair” that the ECTA had not been invited to the discussions.

As early as January, the ECTA had notified the MBA of their complaints.

Mr. Sowomari said canvassing of traders had shown overwhelming support for a boycott in protest at the alleged provision of stale bread to black traders and the use of unsympathetic vans.

He added that the basic cause of the state of the bread industry, was a “cartel” system which had arisen since mid-1984 after the allocation by the Wheat Board of certain areas for certain bakeries.

The policy had been a “total failure” and had resulted in the loss of competition vital to the retention of good quality, because each bakery was certain of its quota.

He added that there was strong evidence of black traders having bread delivered later than white traders that competed with in the Hankey/Patensie area.

He said it was unfortunate that it took a boycott before the MBA would agree to discuss the issue with traders.
Wage, price restraints urged to relieve inflation pressures

PRETORIA — A voluntary restraint on wages and administered prices to combat inflation has been called for by the University of Pretoria's Bureau of Economic Policy and Analysis (Bepa).

According to the Bepa study of inflation and wages over the past few years, large wage increases for the rest of this year and early 1986 could prolong the inflationary pressures and postpone the recovery in economic activity and employment.

The Government-sponsored study calls on employers and wage negotiators to consider marginal wage increases.

At the same time, it calls on the Government to freeze or marginally increase prices for administered goods.

The report says inflation must be reduced to 4 percent or 5 percent by the end of next year.

Although productivity could be improved substantially to about 3 percent annually, this alone would not curb inflation.

The roots of the problem were on the side of over-expenditure and excessive rises in nominal wages.

More than 25 percent of the labour force outside agriculture was employed in the public sector, where nominal wage increases would be minimal this year.

If the monetary authorities persisted in restraining wages in the public sector and high rates of interest in the capital market, the CPI (inflation) growth rate was expected to drop to about 10.3 percent in 1985 and 1986.

VESTED INTERESTS

At the same time domestic real output would begin to expand, reaching an annualised real growth rate of 8.2 percent in the fourth quarter.

Inflation was a political phenomenon in which the pressure of vested interest groups and public opinion prevailed.

In such a political dispensation, even monetary and fiscal policies became subordinate to political pressure.

Although CPI (consumer price index) was a reasonable yardstick for wage bargaining, the report said the impact of GST should be removed to avoid an inflationary spiral in which sales tax was endlessly shifted forward.

The worker did not benefit by high nominal wage increases in this situation, because inflation eroded the purchasing power of his wages — Sapa.
Low rand is blamed for plight of textiles

By Phiscilla White

The weak rand is playing havoc with local textile and clothing manufacturers when spending on clothes is falling.

Textile Federation marketing economist Brian Drink blamed the weak rand for the steadily rising cost of local textile inputs.

Cotton, polyester and wool prices rose sharply last year because they were determined internationally in dollars. Cotton had risen 30%, polyester 15% and wool by up to 70%.

He said the 30% increase in the local price of raw cotton was contrary to international price trends and a world wide oversupply of between 5% and 10% had led to prices weakening in dollar terms.

Although turnover in the textile industry had increased from R2.1bn in 1981 to R2.5bn in 1984, this represented a considerable decline when taking inflation into account.

About 20% of the R2.5bn textile sales during 1984 were imports.

"Cost increases now facing the clothing industry are assuming serious dimensions in the face of declining market trends," said National Clothing Federation president Mike Gatz.

He said raw material price structures had moved up sharply.

"Fabrics of locally produced cotton and wool have risen in price by 25% and 35% respectively."

Gatz said the industry would be under pressure to maintain its historic performance of keeping price increases below price rises in the consumer price index.

Demand remained uncertain, with the postponing of orders and cutbacks a significant feature.
EAST LONDON — Mdantsane bus commuters face a fare hike next month.

The chairman of the combined transport committee, Mr. Mike Strong, announced yesterday that workers' weekly tickets from the CTC bus company would cost more from May 31 and cash fares would go up from Monday, June 3.

The transport committee comprises business and commuter bodies and Mr. Strong said meetings indicated that the proposed fare increases were acceptable to the public.

Bodies represented on the committee are the Border Chamber of Commerce, the Eastern London Chamber of Commerce, the Salvation Army, Mdantsane Chamber of Commerce, the Committee of Ten and the bus company.

"Officials of CTC also conducted a wide-ranging consultation programme to ensure the peaceful implementation of the proposed fare increases," Mr. Strong said.

A request from the commuters has led to an internal Mdantsane weekly feeder ticket system being investigated, he said.

Mdantsane is divided into two ticket areas, Zones 1-8 and Zones 9-16.

"Commuters have requested that these internal fare zones be changed to Zone 1-12 and Zone 13-16 instead," the bus company officials have promised to look into this in collaboration with the subsidising authorities although the proposed changes will not be possible until later this year," Mr. Strong said.

The increases vary widely and the following table lists some of the important changes:

### WORKERS TICKETS (10 RIDES)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Existing</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mdantsane — City/Chiselhurst</td>
<td>R2.50</td>
<td>R2.80</td>
</tr>
<tr>
<td>Enthundza — City/West Bank</td>
<td>R2.00</td>
<td>R2.15</td>
</tr>
<tr>
<td>Mdantsane — West Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beacon Bay/Nahlou</td>
<td>R2.80</td>
<td>R3.15</td>
</tr>
<tr>
<td>Mdantsane — Wilsonia</td>
<td>R2.00</td>
<td>R2.20</td>
</tr>
<tr>
<td>Bibi — Berlin</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>R1.95</td>
<td>R1.95</td>
</tr>
</tbody>
</table>

### CASH FARES

<table>
<thead>
<tr>
<th>Destination</th>
<th>Existing</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mdantsane — City</td>
<td>R0.50</td>
<td>R0.55</td>
</tr>
<tr>
<td>Mdantsane — West Bank</td>
<td>R0.65</td>
<td>R0.70</td>
</tr>
<tr>
<td>Mdantsane — Bonza Bay</td>
<td>R0.70</td>
<td>R0.80</td>
</tr>
<tr>
<td>Mdantsane — Wilsonia</td>
<td>R0.30</td>
<td>R0.35</td>
</tr>
<tr>
<td>City — Enthundza</td>
<td>R0.15</td>
<td>R0.20</td>
</tr>
<tr>
<td>Mdantsane — Chiselhurst</td>
<td>R0.40</td>
<td>R0.45</td>
</tr>
</tbody>
</table>
Rents, electricity, water up — more increase

City rates up 12% by Michael Morris Municipal Reporter

A SHOCK 12 percent rates increase, two electricity tariff increases this year and a rise in rents have been announced in a tough City Council budget.

And the city may face more increases during the year to meet the cost of municipal salary increases and the creation of regional services councils — neither of which is provided for in the budget.

- More city budget reports, Page 7

Milnerton keeps rates down to 2%

Staff Reporter

THE Milnerton Town Council has restricted its rates increase to two percent for the second successive year.

A capital expenditure budget of R7.2-million has been approved, of which R1-million will be spent on completion of the new library complex and R3.1-million on the reconstruction of roads in Table View.

Rates are due on July 1, and the payment deadline is September 30.

Presenting the R53.8-million budget for the 1985/86 financial year — "undoubtedly one of the most difficult the city has faced for many years" — the chairman of the executive committee Mr John Mur, said today he was unable to deliver a message of optimism.

The city had been "assailed by the slings and arrows of penal interest rates, soaring inflation and insatiable demands on its purse". It was impossible to provide services and facilities at no extra cost to the ratepayer.

Pruning

Fuel and GST increases, inflation, staff salary increases and expansion and maintenance of services had pushed the budget up 21 percent over this year's R704-million package, in spite of being "subjected to a succession of pruning processes", he said.

The R132.3-million needed from rates is 16 percent higher than this year’s requirement.

The general rate goes up from 2.28 to 2.89 cents in the Rand and, with last year’s 26 percent rebate on residential properties remaining unchanged, the residential rate is being increased from 1.91 to 2.14 cents in the Rand.

This 12 percent increase is the biggest since 1981. It was eight percent last year. Further rebates of 20, 30 and 40 percent to aid the elderly remain unchanged.

Rents up

Cape Flats housing rents will rise by about five percent, while spending to meet the growing housing crisis is being increased 38 percent, from this year’s R94.2-million to R130.6-million.

Electricity tariffs will rise by 10 percent this month and possibly a further 14 percent later in the year.

Water tariffs were increased by six percent in April and no further rise is envisaged at this stage.

Capital expenditure — excluding the R130.6-million for housing — amounts to R118-million, which is 14 percent more than this year.

Beach control

A key item of capital spending is the 50 percent increase for beach facilities and control measures.

Mr Mur said the extra expenditure was accommodated through cutbacks on capital allocations for other services, "a simple example of prioritising budgeting" which would become increasingly important in future.

He said capital spending was falling behind the city’s development requirements, but high interest rates were forcing deferral of major projects as well as long-term loans from the money market.

Some relieving features were that Government rates payments for the current year were about R1.3-million higher than expected and rates income for 1984/85 about R2-million more than estimated.

In addition, stricter control over filling vacancies and creating new posts had shaven about R3-million from last July’s estimated salary increase burden of R21.8-million.
Sisal prices to rise marginally

SISAL prices will be reviewed next month, says Peter Cunningham, chairman of the National Sisal Marketing Committee.

He says prices have risen by between 10% and 12% in the past two years and he predicts only a marginal increase when the industry sets a price on June 11.

Sisal prices have traditionally been set for 12 months at a time. In January, however, the industry sets a price structure for only six months because of uncertainty over fuel increases, GST and wage rises.

Present prices on the local sisal market range from R896 a ton to R970.
No end to PE bread boycott

Post Reporter

YESTERDAY'S meeting between the Port Elizabeth Master Bakers' Association and the East Cape African Chamber of Commerce failed to end the bread boycott started by ECACOC on May 18.

The boycott was called after shopkeepers claimed that some bakeries delivered stale bread to black traders and that vans were dirty.

The secretary of the MBA, Mr Max Hoppe, said today the discussions had been "fruitful".

The president of ECACOC, Mr Mzwabisi Mkasa, said the meeting was "constructive". The boycott remained in full swing, however.

There was agreement reached on some issues, he said, while on others they still disagreed.
No end to PE bread boycott

PORT REPORTER

YESTERDAY's meeting between the Port Elizabeth Master Bakers' Association and the East Cape African Chamber of Commerce failed to end the bread boycott started by ECACOC on May 18.

The boycott was called after shopkeepers claimed that some bakeries delivered stale bread to black traders and that vans were dirty.

The secretary of the MBA, Mr Max Hoppe, said today the discussions had been "frustrating".

The president of ECACOC, Mr Monwabisi Mkasa, said the meeting was "constructive". The boycott remained in full swing, however.

There was agreement reached on some issues, he said, while on others they still disagreed.
Dispatch Reporter

EAST LONDON — Bus fares in Ciskei would be increased in June, the CTC company announced yesterday.

Mr H G Kaiser, managing director of the CTC, appealed to employers to assist their employees to meet the increased fares by way of wage increases.

"The necessity for the increases have been fully explained to the public through a wide-ranging consultation programme."

"Between February 19 and April 30, CTC officials visited town council and tribal authorities in order to ensure the peaceful implementation of the proposed increases," Mr Kaiser said.

The routes affected are those which serve Berlin, King William's Town, Dimbaza, Alice, Peddie and central Ciskei area. Bus fares in the Heunis district will also increase.

Earlier this week it was announced that Mdantsane bus fares would increase next month.

Mr Mike Strong, chairman of the Combined Transport Committee, which comprises business and commuter bodies, said meetings had indicated that the proposed Mdantsane fare increases were acceptable to the public.

The increases are between 5c and 35c.

Some of the increases announced yesterday are:

<table>
<thead>
<tr>
<th>Route</th>
<th>Old Price</th>
<th>New Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>King William's Town — Dimbaza</td>
<td>R0.65</td>
<td>R0.70</td>
</tr>
<tr>
<td>King William's Town — Zwellitsa</td>
<td>R0.25</td>
<td>R0.30</td>
</tr>
<tr>
<td>King William's Town — Katlal</td>
<td>R1.55</td>
<td>R1.55</td>
</tr>
<tr>
<td>King William's Town — Alice</td>
<td>R1.55</td>
<td>R2.05</td>
</tr>
<tr>
<td>Peddie — Tyfu Irrigation Scheme</td>
<td>R1.10</td>
<td>R1.20</td>
</tr>
<tr>
<td>Alice — Fort Beaufort</td>
<td>R0.60</td>
<td>R0.65</td>
</tr>
<tr>
<td>Whittlesea — Queenstown</td>
<td>R1.50</td>
<td>R1.90</td>
</tr>
<tr>
<td>Tendersgate — Queenstown</td>
<td>R1.45</td>
<td>R1.95</td>
</tr>
</tbody>
</table>
Milk price to go up by 7c a litre

Staff Reporter

THE price of fresh milk in the Western Cape is to go up by seven cents a litre from the beginning of next month — an increase of 10.3 percent.

The Cape Dairy Products Association said in a statement yesterday that they had increased the average price of home-delivered milk by 3½ cents a litre.

This follows the increase of ¾ cents a litre awarded the farmersproducers by the Dairy Board.

The board also announced that the wholesale price of cheese would rise by 10 percent and that of butter by 14 percent at the same time.

The chairman of the Dairy Board, Mr Jan van Vuuren, said in Pretoria yesterday that the board would also be lifting control of the retail price of cheese and butter from next month.

He said the low profit margins of processors/ distributors had forced them to make this adjustment in the face of devastating inflation in almost every area of processing and distribution — particularly fuel, energy and labour costs as well as the costs of imported items — they had had no alternative, he said.

Mr Van Vuuren added there was no control over the retail price of milk and advised consumers to check milk prices carefully and to buy their milk where they could get it at the cheapest price.

He pointed out that while there was still over-production, the production of milk was dropping “at an unusual rate”.

In Cape Town, a spokesman for a large dairy said the price of milk to the consumer could increase by between six and seven cents a litre in the Western Cape.

The managing director of Dairyhome, Mr M Hennings, said he regarded the price increase as “reasonable”.

'Abduction': Man held

Staff Reporter

POLICE yesterday arrested a 56-year-old British-born man in connection with the alleged abduction of a 13-month-old baby to England last month.

The man, who had flown to Johannesburg from Heathrow was arrested minutes after landing at D F Malan Airport at 4:30pm yesterday.

A police liaison officer for the Western Cape said the man is expected to appear today in the Wynberg Magistrate's Court.
Milk is latest basic food hit by price rise

By GERALD REILLY

THE prices of basic foods such as maize, sugar and milk have all been raised substantially in the past two months.

The producer milk price increase of 3.4c/l to 49.13c/l in the Transvaal was announced yesterday by the Dairy Board.

The consumer price increase is likely to be at least 5c/l bringing the delivered price to about 78c.

And an announcement is expected soon on a bread price.

The Minister of Finance has stated there are no funds available to add to the R200m set aside in the budget for cheapening bread.

If the bread subsidy is not raised the price of brown bread — now subsidised by 17c a loaf — could rise as much as 50%.
Milk price rises

THE wholesale price of fresh milk will rise by an average of 5½ cents a litre from the first of next month — but consumers face a bigger increase as distributors “will also be adjusting their prices.”

The wholesale price of cheese will rise by 10 percent and that of butter by 14 percent at the same time.

This was announced by the chairman of the Dairy Board, Mr Jan van Vuuren, in Pretoria yesterday.

The board will also be lifting control of the retail price of cheese and butter from next month.

Mr van Vuuren said milk distributors would also be adjusting their prices and be advised consumers to check milk prices carefully and to buy their milk where they could get it at the cheapest price. The Dairy Board had no control over the retail price of milk, he added.

The Dairy Board would keep the price market “related” and ease the over-production at this stage, the production of milk was dropping “at an unusual rate” the drop at the moment was greater than the normal winter season fall-off in production.

Mrs Maggie Nkwe, matron of the Orlando Children Home, said “It is sad for the Government to allow this to happen. Many children are going to die because of this. What the Government should instead be doing is to subsidise milk as it is a basic necessity to life particularly to the children.”
Petrol price 'could be cut by 5 c'

The Government could afford to cut the fuel price by at least 5 c a litre with immediate effect, Mr Roger Holley (FPNP Constantia) said in the mineral and energy affairs budget vote.

He said the massive increase in the price of petrol announced in January this year had been because of the poor dollar-rand exchange rate.

The exchange rate and the landed price per barrel of fuel had improved since then and if South Africa had taken advantage of these factors, a saving of about 5 c a litre must have been effected.

Mr Holley said the Minister of Mineral and Energy Affairs, Mr Danie Steyn, had said in a statement in April that in spite of reduced costs, the Government was not prepared to pass on any saving to the public.

"What the minister's statement did not refer to is that the Government's receipts from GST on fuel sales have increased dramatically in terms of the new price.

"Under the new price and as a result of the increase in GST to 12 percent, I estimate that the Government's total annual receipts will rocket to more than R600 million, a year from GST on fuel."

Mr Holley said this massive increase was accruing to the Government at the expense of the consumer. The extra GST revenue would be applied towards reducing the fuel price.

I believe the Government could afford to reduce the fuel price by at least 5 c a litre with immediate effect," he said. (Sapa)
Inflation the bogeyman to beat

By AUDREY D’ANGELO

The dismantling of controls preventing real competition would help to bring down this country’s high rate of inflation says Mr Brian MacLeod, retiring director of the Cape Town Chamber of Commerce.

In an interview this week he said South Africa was in a Catch 22 situation because high unemployment was helping to cause unrest, which discouraged badly needed foreign investment.

But the Government could not relate the economy, providing more jobs, while the rate of inflation remained so far above that of major trading partners.

Refraining the economy at this stage would cause the inflation rate “to sky-rocket”.

It was already hampering exporters by pushing up their production costs so that they derived little benefit from the weakness of the rand.

“The length of time this recession lasts will depend on whether the Government takes more effective steps to deal with inflation”.

“The Government has been putting tax in this so far, acting as though it wants inflation to rise because it is an easy way of increasing revenue.”

“But we have to bring it down because it is preventing economic growth and affecting our exports.”

Mr MacLeod said the phasing out of influx control, which was costly, would help to reduce inflation.

So would the dismantling of controls which pushed up the price of essential foods, such as bread.

Restrictive licensing arrangements by the Wheat Board which limited the number of bakers were an example of this.

“The reasons the board gives for these controls show how little it knows of market forces.”

“It claims the number of baker’s licences is limited to prevent excessive and wasteful competition.”

“There is no such thing as ‘excessive competition’ — the market place sorts that out.”

The Competition Board was now carrying out a long overdue investigation into market sharing agreements and collusion in fixing prices between large firms.

“The way to bring inflation down is to maximise competition and move towards the operation of a free market system.”

During his 37 years with the chamber of commerce Mr MacLeod has been active in helping to formulate policies which have included repeated calls on the government to allow black people greater participation in the economy.

This resolution was first passed in 1948.

Now, preparing to retire at the end of this month, he said “I have had a very stimulating career in the chamber and I am certainly going to miss it.”

“I have been right in the middle of the action and I have made friends all over the world.”
More traders join bread boycott

By KIN BENTLEY

THE bread boycott by African traders, which started a week ago in Port Elizabeth, is to be supported by traders in Port Elizabeth's northern areas.

The secretary of the East Cape Traders' Association, Mr. Yoosus Amod, said the boycott would start soon and be done "without notice".

Attempts this week to resolve the African boycott, organised by the Eastern Cape African Chamber of Commerce, failed.

Mr. Amod said the boycott had arisen as a result of "pressure from the traders and the public".

Among reasons he gave for the boycott were:
- Badly baked, burnt, mouldy and damaged bread was delivered to black areas.
- Stale cakes and pies supplied to black areas often carried the price stickers of white chain stores.
- A certain bakery, which was the sole supplier to a particular area, had issued instructions to its staff to supply white shops first, although black shops were open earlier.
- Vessels delivering bread to white areas were loaded and dispatched first and, as a result, there were many late deliveries of bread in black areas.
- Vessels used for delivery in black areas were dirty and unhygienic.
- Bread was distributed to black areas in dirty cardboard boxes and baskets.
- Delivery staff were not issued clean overalls regularly.

Bread was handled unhygienically, creating a definite health hazard.

Bakers had refused to supply sliced bread to shops.

He said for the past three months the ECTA had negotiated with the Master Bakers' Association about its grievances:

"Despite a lot of promises, nothing has been done to rectify the problems.

"We feel very strongly that our people should not be treated as second-rate citizens." Mr. Amod said.
FARES GO UP AGAIN

... but there's little sign of a boycott

By BENITO PHILLIPS

THE CISKEI Transport Corporation has increased its fares again — but the increase is unlikely to revive the massive bus boycott which was called off three weeks ago.

The 20-month boycott is unlikely to be revived because the increases have already been accepted by the Committee of Ten, which represents commuters and spearheaded the boycott.

Committee chairman Mrwandle Mamunyce said workers accepted the increases at a recent mass meeting.

Combined Transport Committee chairman Mike Strong said workers' weekly tickets would cost more from May 31, while cash fares would increase from June 3.

A similar increase in July 1983 sparked off a massive bus boycott which lasted for 20 months. During the boycott, there were violent confrontations between workers, the Ciskei security police and Ciskei soldiers.

Several people were shot dead on August 4, 1983, for which the Ciskei Justice Department and Security Police are being sued for over R2-n.

The increases are as follows: Workers' tickets (10 rides) — Mdantsane-City/Chuburb R2.50 to R2.80; Ezaphumula-City/West Bank R2.00 to R2.15; Mdantsane-West Bank/Beacon Bay/Nahren R2.80 to R3.15; Mdantsane-Wiltonia R2.00 to R2.20 and Litha-Berlin R1.15 to R1.90.
EAST LONDON — Residents face an increase in municipal rates and tariffs from July 1.

This emerged last night when the leader of the city council’s finance portfolio, Mr Errol Spring, delivered the annual budget.

The city’s 12,000 ratepayers face a 4.5 per cent rate rise which will yield a total of R11,705,694. This represents 7,214c in the rand for residential properties and 9,619c on all other properties.

Tariffs to go up are water by 6 per cent, electricity by 1.5 per cent, sewerage by 20 per cent and cleansing by 20 per cent.

Municipal housing rentals are up as follows: white schemes from R1,10 to R1,154 a month, Indian schemes from 50c to R3,65 a month and coloured schemes from 50c to R3,59 a month.

Mr Spring explained that the deficit on the income and expenditure account for the 1985-86 financial year was estimated to be R2,593,160 and the increases recommended to balance the budget would yield amounts as follows: electricity R485,200, sewerage R3,19,900, water R448,600, cleansing R276,000, housing rentals R52,650 and general rates R507,341.

The R470,960 required to balance the budget after these increases would be transferred from the reserve fund which stood at approximately R8 million.

Mr Spring also recommended that council continued to grant the 20 to 40 per cent rebate to pensioners, depending on their income.

He said that severe cuts had been made in operating expenditure and ratepayers were warned to expect a lowering of standards in some sections of the municipal service.

Other points made by Mr Spring were:

- The projected deficit on the bus service is R1.4 million and Rhodes University will be asked to do a transport survey to enable the council to decide on the future of the service.
- The council may face a R900,000 liability over a Conciliation Board confrontation with the South African Association of Municipal Employees over a housing subsidy.
- The council will carefully have to scrutinise the introduction of the new regional services councils and guard the city’s assets.
- There is a gloomy picture over future municipal financing with the introduction of the councils.
- Despite severe pressures, the city’s financial position is sound.

More details P3.
Fiske says board has a great deal of Christ's passion for wheat makes him want to 'keep the flame burning'.

"We need to stay strong as a board," Fiske says. "I believe in the potential of wheat, and I believe in our company's future."

The Doughmakers

From Wheat Board
and Pike says a bundle

"The first time we saw him he asked the waiter for butter. The waiter said there was none. He said, 'That's Mr. Pike. He wants a bundle.'"

"And he said, 'I'm not going to order anything. I just want a bundle.'"
Milk price rise hailed

THE increase in the producers' price of fresh milk will alleviate the financial pressure on milk producers, though it will not compensate for the overall increase in costs, Dr J H Grey, chairman of the National Dairy Committee of the S A Agricultural Union, said in a statement yesterday.

He said milk producers — who had not been granted a rise in producers' price since June 1984 — had indicated in November last year that the production costs of milk justified an adjustment in producers' price.

"Since then, further cost increases, such as the consumer price of maize, fuel, transport, tyres, fertilisers and other inputs have occurred," Dr Grey said.

He regretted that no adjustments had been announced in the producers' price of industrial milk. He said this was because there were still surplus stocks of certain processed products of industrial milk.

The price adjustment for fresh milk includes a standardised coupling point for butter fat (3.5 percent). This coupling point now held long-term financial advantages for the milk producer, which should motivate farmers to produce a more nutritive milk composition, Dr Grey added.

Producers welcomed the planned price system for all types of industrial milk, as it talked with the milk producers' approach that their price should be based on the general quality of the milk, Dr Grey said.

Sapa
Milk price to go up 7c a litre

Mercury Reporter

Butter, cheese and milk prices will rise by between 10 percent and 14 percent from the end of the month, the Dairy Board announced yesterday.

The price of a litre of milk in Natal is expected to be pushed up by 7c and 75c off the supermarket shelf.

The wholesale price of cheese will rise by 10 percent and butter by 14 percent, according to the chairman of the Dairy Board, Mr Jan van Vuuren.

A spokesperson for the Consumer Council said consumers could not afford further increases at a time of rising unemployment and diminishing wages and salaries.
SOUTH African coffee growers are seeking a 25 percent increase in the production price of their crop.

Locally-grown coffee is currently sold by producers at R3 a kg, but according to the chairman of the South African Agricultural Union's National Coffee Committee (SAAUNCC), Mr Johan Cronje, the producer wants a price of R4 a kg.

He said the national committee was meeting on May 7 to compile a price agreement to go to the SAA Coffee and Chicory Association to determine a price.

Mr Peter Dowey, vice-chairman of the Natal Coffee Association, which falls under the SAAUNCC, said at the weekend the association was supporting the price increase.

He said the Natal growers were optimistic about the outcome but declined to speculate on the amount of the increase.

South African coffee growers supply about four percent of the country's annual coffee consumption, the bulk of it being grown in the Northern Transvaal.

Natal has nine growers, who produce about 20 percent of the locally-grown coffee, for most of them, growing coffee being a second crop to sugar-cane.

According to Mr Dowey, coffee is an expensive crop to grow compared with sugar with a long lead time of about four years and high production costs if grown under irrigation as in the Northern Transvaal.

He said Natal coffee was mostly grown under natural conditions, but production only yielded half of that grown under irrigation.

Mr Dowey said South African coffee is considered to be of excellent quality and superior to imports, which are often mixed with local coffee.

Current International Coffee Organisation (ICO) coffee prices, which South Africa is not a signatory to, is to the producer's advantage, thanks to the rand-dollar exchange rate, but the situation could easily be reversed, according to Mr Cronje.

He said producers had decided to bargain for a satisfactory price independent of the ICO price.

Mr Cronje said producers were making representations for the modification of guidelines regarding the growing and marketing of coffee.

A study report on the production of the crop in South Africa, compiled by the Industrial Development Corporation has been submitted to the Department of Commerce and industry for consideration and comment.
Tea prices drop to lowest level in 18 months

LONDON—Tea prices ended last week at their lowest level in 18 months, and traders reported they had no plans to reduce prices. Britain and Ireland are the largest tea consumers per capita in the developed world.

Major British tea retailers Brooke Bond said the average price of tea at the London landed auction fell to 170.84 pence per kg from 193.44 pence last week.

—(Saps-Reuter)
Petrol war could mean loss of 40,000 jobs

PORT ELIZABETH—Petrol companies did not want a price war as it would ultimately lead to monopolies and the possible loss of 40,000 petrol attendants' jobs, the Director-General of Mineral and Energy Affairs, Dr Louw Alberts, said yesterday.

He was delivering the keynote address at the Sectoral Motor Congress and said oil companies had put it to him directly that they did not want market-related price competition in South Africa.

'Refineries are operating at approximately 60 percent of capacity and a price war can easily be triggered which will leave only one or two strong survivors,' he said.

'The reason is that such competition will lead to cost-cutting efforts such as automatic self-service which, in turn, will threaten 40,000 petrol attendants with unemployment — something this country can least afford.'

A further development would be the elimination of small garages and filling stations from the competition between filling stations to other large undertakings such as chain stores. This would create further undesirable results.

Petrol would also become particularly expensive in remote areas.

The Motor Industries Federation's report on conditions in Europe also recommended that the status quo be maintained. 'The problems in certain European countries, where petrol is sold without any controls, are legion,' he said.

The reasons he had given could be respected but he hoped they were convincing enough to indicate that before one spoke too readily of state interference in the petrol industry, the well-meaning reasons for such interference needed to be considered.

'The Department of Mineral and Energy Affairs derives no pleasure from unnecessary control and officialdom.'

'Should certainly be achieved that the private sector's profit motive is coupled to a social conscience so as to serve the entire South African society — which after all ranges from third to first world culture — fairly and efficiently, then control can be removed with pleasure,' Dr Alberts said.

He believed this was the ideal to strive for — (Sapa)
Inflation up to 15.75%

Food price index set to soar in winter

THE food price index, which has been lagging behind the inflation rate, is set to soar in the winter months.

Already this month both the price of maize and milk have increased, exerting an upward pressure on the food price index.

Inflation as measured by the consumer price index rose on a year-on-year basis to 15.75% in April, while the food-only index was up by only 9.27% in the comparable period.

But the 7% GST charged on foodstuffs last April must be taken into account in a year-on-year comparison.

The exemption of this charge in June on certain foodstuffs would have helped keep the index down.

Economists predict the food price index will now move up faster than the indices for other goods – despite the fact many foodstuffs are exempt from GST.

An economist has predicted a hefty increase in the food price index. "There has been a slow movement of food prices, but in the next six months we will see a significant increase in prices, especially in imported goods."

The combined 10% increase in the maize price and the higher milk price are expected to raise the index by 9.64%.

The higher maize price is expected to affect other products.

However, Freek Tomlinson of the Meat Board, said there would be no increase in the floor price of meat, although the profitability of farmers using maize as livestock feed will be affected.

In the year to April the price of meat rose by 7%, according to figures provided by Central Statistical Services.

By KAY TURVEY

"The recent increase in the price of milk and maize is expected to stimulate the food index," said Barclays' economist Alan Doyle.

Generally, the food price index is now expected to catch up with, or catch up to, the rate of inflation. These predicted increases are viewed by economists as only partly seasonal.

A shortage of vegetables is expected to drive up the price because many farmers have reduced production over the past few years.

Vegetables showed a drop from 171.9 in April last year to 160.2 in April this year on the food price index.

"There is a lot of cost pressure where food is concerned," an economist said.

He cited the decontrol of various boards as a factor which would lead to price increases.

"As the Dairy Board is no longer subject to price control, we will now see a lot of catching up. They will use their new freedom to get their prices up and in line with general inflation," he said.

Although this would drive prices rapidly upwards in the next few months, he did not view this as particularly harmful in the long term as the overall effect would be to increase supply.

The bread price increase, imminent because of the lack of funds to raise the R280m subsidy, would not necessarily push up the food price index, said Barclays' economist Manuela Brando.

The price of grain products rose by one percentage point between March and April while the sugar price showed a nine-percentage-point increase.
Bread price rise ‘a severe blow’

Staff Reporter

Consumer organizations, local unions and the United Democratic Front last night criticized the increase in the price of bread as a severe blow to the consumer.

The price of white bread was yesterday increased by five cents a loaf and brown bread by four cents.

The UDF said the rise would cause “a further escalation in the scale of conflict in South Africa.”

A spokesman for the General Workers’ Union, Mr. David Lewis, said the rise showed again that workers could not live on the wages being paid.

Mrs. Paddy Polanczyk, honorary secretary of the Peninsula School Feeding Association, said the increase would cost the organization an extra R65,000 a year to feed the present number of 149,000 children.

Mr. John Barry, general manager of Pick n Pay in the Western Cape, said the price of bread for three months would remain at 38c a loaf of brown bread and 58c for white bread at a cost of R50,000.

The managing director of Checkers, Mr. Clive Weil, said his company would retail government-subsidized brown bread at the existing selling price of 38 cents a loaf until further notice.

The managing director of Shoprite, Mr. Wellwood Basset, said they would continue to sell bread at cost price and would donate 5,000 loaves of bread to the Peninsula School Feeding Association.
Brown, white bread up by 5c tomorrow

THE price of brown and white bread is to rise by 5c a loaf tomorrow. Government has appointed a commission to inquire into the effectiveness of the bread subsidy.

This was announced by Agricultural Economics Minister Greyling Wentzel at a Press conference in Cape Town yesterday.

The price of a brown loaf will rise from 45c to 45c—a 12,5% increase—while a white loaf goes up from 65c to 65c—an 8% increase.

Wentzel said government had provided a R200m subsidy during the slump but the total required was reaching unmanageable proportions. To hold prices at current levels would need nearly R400m.

Wentzel said “essential adjustments” had been made in millers’ and bakers’ margins.

Also, he said, the swing to brown bread—presently subsidised at 17c a loaf while white sold at one to two cents above cost—was continuing. The current ratio of brown to white consumption now stood at 75:25, he said.

Since government could provide only R200m to subsidise bread, this had “led inevitably to a moderate increase in price”.

Wentzel said he had frozen millers’ and bakers’ margins six months ago, effectively lopping R60m off their margins up to now and enabling government to hold the last price increase to 1c on brown and 4c on white.

Loaves now weigh 900g but a new loaf, to be introduced on July 1, would weigh only 800g and also be sold at the new white price.
Bread cost up 200% in five years

By RIN BENTLEY

SINCE January, 1980 — just over five years ago — the price of brown bread has gone up by 200%.

The price of white bread has risen by 170% over the same period.

Yesterday the Minister of Agricultural Economics, Mr Greyling Wentzel, announced that on Saturday the price of white bread would increase from 60c to 65c a loaf and brown bread from 40c to 45c a loaf.

In January, 1980, brown bread cost 15c a loaf. White bread cost 24c.

By September, 1982, brown bread had risen to 35c a loaf and white bread to 53c.

All prices exclude general sales tax which does not apply to bread.

The vice-chairman of the Eastern Cape Traders' Association, Mr Shum Pulley, said he was very sad about the price increase, "particularly when you think of the plight of the average man in the street."

He said the Government appeared to be "out of contact with the realities of the problems of the ordinary man, irrespective of colour."

The president of the East Cape African Chamber of Commerce, Mr Monwabisi Mkaza, said the timing of the increase was bad.

"We are in a recession. Wages aren't going up. The Government should have done better than that," he said.

Mr Mkaza added that many people might be forced to bake their own bread in future.

The cost of two weeks' supply of flour was about R9 while a family which ate four loaves a day would spend R12.60 a week on brown bread.
Bread price rises

The price of white and brown bread is to be increased by five cents a loaf from June 1.

Announcing this in Cape Town yesterday, the Minister of Agricultural Economics and Water Affairs, Mr. Greyling Wentzel, said another hopefully "moderate" increase was likely in October.

A loaf of white bread would cost 65c from June 1 and a brown loaf 45c, Mr. Wentzel said.

He told a Press conference that if current prices were maintained, the R200-million subsidy on bread would have been used up by October 1, the beginning of the new wheat season.

Mr. Wentzel announced the appointment of a commission to investigate the effectiveness of the bread subsidy system.

TOMORROW

<table>
<thead>
<tr>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>13</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

Full racing cards for tomorrow and Saturday at 12 noon.
Fears of further bread shock

Staff Reporter

SUPERMARKET bosses, critical of the bread-price rise, believe the Government is planning another major increase in October.

They have criticised the "ill-timed" action and have urged the Minister of Agriculture, Mr G W Wentzel, not to consider another rise in October.

Spokesmen for supermarkets, which say they will try to hold down the increase as long as possible, said pointers by the Government led them to believe that the new 5c increase on white and brown bread was an interim move and that the big shock would hit consumers in October.

They all warned that the increase in price of a basic food would have a devastating effect on the unemployed and poor of the country — an effect which could lead to further unrest.

All major store spokesmen said they welcomed the inquiry, which is to be set up to investigate bread subsidies and said they would take part fully in a bid to protect consumers.

Pick n Pay announced that it would keep bread prices as they were for the next three months at a cost to the company of about R500 000.

Checkers will increase the cost of white bread but would keep selling brown bread at cost for the foreseeable future.

Mr Wellwood Basson of Shoprite, which has given S 000 leaves to the Peninsula School Feeding Association, said his stores would continue to sell both breads at cost as long as they could afford it.

The Consumer Council has expressed appreciation for Mr Wentzel — "on behalf of all consumers of South Africa" — that the increase was limited to 5c a loaf.

"In view of the economic climate and the circumstances prevailing in the wheat industry, an increase in the bread price was expected," said council chairman Professor Leon Weyers.

The retail price of milk at cafés is increasing at an "alarming and unacceptable" rate, the Consumer Council has said in a warning against price exploitation.

The producer price of fresh milk will increase by 34c a litre from June 1.

Council director Mr Jan Cronje said that "according to information available" retail milk prices at cafés had escalated by as much as 9c a litre.
Bread price may rise again

ANOTHER bread price increase around the start of the new wheat season in October appears certain.

In Pretoria yesterday, Wheat Board GM Dennis van Aarde said the board would meet producers in Paarl on June 19 to review production cost increases for the current season. The producer price recommendation for the new season would be studied by the board at its meeting in Pretoria on July 23.

The board's own recommendation to the National Marketing Council would be made soon after. Van Aarde said farmers had to contend with recent fuel, fertiliser and machinery price increases and a price hike would therefore be justified. He also said that the wheat price was raised from R275 a ton to R329 for the 1984/85 season.

Last season, farmers had been refused an increase, he said.

Factors other than the wheat price, including the margins of millers and bakers, the state of the economy and the impact on consumers, will be taken into account when the decision on another bread price hike is made.

Another factor is the report of the commission appointed by Agricultural Minister Creelying Wentzel to investigate the bread subsidy system. It has been instructed to submit its report before the start of the new season.

The commission's main task, Van Aarde said, would be to find out whether the target of the subsidies — the lower income groups — were getting the full benefit. If not, the commission would recommend other ways of ensuring that they did.
GENERAL PRICE - 1985

JUNE — OCTOBER.
Car, house insurance premiums set to rise

Argus Correspondent

JOHANNESBURG — Sweeping increases in premiums on almost all private motor and household insurance can be expected.

Much of the blame is because of the R135-million mountain of claims lodged in the past 12 months to repair damage left by storms that lashed South Africa.

It is almost three times higher than total insurance claims in 1981 — the year of the Langsburg floods.

The lead in new motor rates may have been set by Santam Insurance, which has set premiums between 20 and 30 percent higher, and IGI Insurance with 25-percent increases for urban motorists.

Mr Rodney Schneeberger, general manager of the SA Insurance Association, advised homeowners and motorists to brace themselves for across-the-board rises in premiums as they came round for annual renewal.

One single hailstorm alone — the one that pounded Johannesburg through the night on November 19 — cost the insurance companies more than R20-million in repairs to thousands of cars battered by hailstones.

Two weeks earlier a storm that pounded Vereeniging on November 5 resulted in claims that soared to more than R4-million to mend the damage to cars from golfball-size hailstones and vehicles that were swept away in the torrents that rushed through the town and demolished roads and bridges.

The full-year toll of claims from natural catastrophes climbed by a further R110-million when account is taken of the damage left behind by storms that hit Pretoria, the Eastern Transvaal and the Cape, plus the havoc caused by Cyclone Domona and Cyclone Imbisa.

"There is little chance of escaping major increases in premiums on either business or private insurance," said Mr Schneeberger.

"What has made matters worse is the strong surge in the cost of motor components when the rand exchange rate sank so low and imports became dearer. There were also more road accidents than ever as repair costs rocketed.

"All in all, insurance claims in the fire and catastrophe classes alone jumped to a record R414-million — more than three times more than in 1980.

"On average insurance companies last year paid out R1,34 for every R1 income in premiums. There's no possible way that premiums can escape hefty increases."

No hope of early petrol price cuts

There were no immediate prospects of a reduction in the price of petrol, according to a Government spokesman. This was in spite of speculation at the time of the huge 44 percent hike in February that the price might be reduced towards the middle of the year if the rand-dollar exchange rate improved.

The Minister of Mineral and Energy Affairs, Mr Danie Steyn, had undertaken to adjust the price of petrol regularly — but there was "no new factor" which could lead to a price drop soon, said the department's Press spokesman, Mr Theuns Burger.

"Some people say the exchange rate has improved 10 percent since February, so why can't the price go down 10 percent? But it's not as simple as that," he said.

Although the landed cost of petrol, thanks to falling world prices, was "quite favourable", the poor rand-dollar exchange rate had negated this, he said.

Mr Burger said even after the February increase, there was still a substantial "under-recovery" — call it a subsidy if you will — on all petroleum products. The Government was losing 4c a litre on petrol.
Runaway price rises for footwear

THIS year's consumer price index for footwear is expected to increase at a faster rate than the average CPI for all commodities, says Dennis Linde, director of the Footwear Manufacturers' Federation of SA.

The reasons he says is that for a considerable time manufacturers have had to absorb cost increases because of the tremendous pressures caused by imports.

"An investigation recently completed by the National Productivity Institute found that the footwear manufacturing sector in 1983/84 absorbed costs of raw material inputs, which lead to a decline of 32% in profit margins," Linde says.

He points out that last year imports increased by 47% in spite of the weak rand. The greatest volume of footwear ever was imported worth R123m.

It is disconcerting that in 1981 imported footwear represented less than 20% of the local shoe market, but the share since then has consistently increased and in 1984 stood at 31.2%.

The federation was not opposed to imported footwear, very expensive fashion footwear from Europe or very cheap footwear from the Far East.

Of concern were imports which disrupt the local manufacturing industry such as importers who take locally made popular makes to Taiwan to be copied and then imported in large quantities.

"Of even greater concern are those importers, who are often retailers, who pocket the extra profit made without passing on any to the consumer," Linde says.

Linde says that local material inputs in most cases have higher cost structures than overseas. One of the biggest headaches was the continual cost increases of raw materials such as rubber of which a 14% increase this month brought about a total rise of 45% for the past 12 months.

Plastic material is at present twice the world price.

But both raw materials "For strategic reasons" have to be bought from local sources which contributes to the price disadvantage when the local producer is compared to overseas manufacturers.

— Supa.
Cheaper bread if go-ahead is given

Mercury Reporter

Consumers could pay anything between 5c and 8c less than the current price for a loaf of Government-subsidised bread if an application to the Wheat Board by Pick 'n Pay is approved.

General Manager of the Durban North Hypermarket Martin Rosen said the scheme — enabling bakers to sell bread at a cost less than their own standard bread — could see consumers paying between 37c and 60c for a loaf of white bread, and between 37c and 40c for a loaf of brown bread.

At the moment a loaf of subsidised white bread costs a maximum of 95c, while a loaf of brown bread costs 99c.

Just last month the price was increased by 5c with Minister of Agricultural Economics and Water Affairs Greyling Wentzel issuing a warning that another 'moderate hike could be expected in October.' The application, and the reply, could change the face of the bread industry.

Several other supermarket chains have said in the interim they would follow the lead if Pick 'n Pay was approved.

Yesterday Mr Rosen said the chain was hoping to get approval without 'unnecessary restrictions and handicaps', such as not being allowed to bake the bread in tins.

'We have the facilities and the right equipment, and really do not want to have to fiddle around with cardboard boxes and the like.'
Groceries have doubled in price

PETER FABRICIUS
Weekend-Argus Reporter

GROCERIES have almost doubled in price over the past five years. In 1980 a basic list of groceries would have cost R40 but today you would need R77 for the same trolley-load.

The price of these basics has risen by 91 percent since 1980, according to figures provided by the Housewives League. This is 11 percent higher than the rise in the official consumer food price index (CPI) over the same period.

The league surveyed 36 items found in the average shopping trolley. In 1980 this cost R41.01, in 1984 R68.33 and in May 1985 R77.17. These prices do not reflect a real average shopping bill for, say, a month, as they include only one of each item.

But they do provide dramatic evidence of the rapidly-rising cost of living for the average person.

*See Page 11*
Rising power, rail costs hurt metals

By Brendan Ryan

Continual increases in rail and electricity tariffs are seriously affecting the operations of some base-metal and ferroalloy producers.

Railage costs are affected by tariff changes introduced by SA Transport Services. Some users will be hit by railage increases of up to 20% this year instead of the average of 15% claimed by the Minister of Transport Affairs, Hendrik Schoeman.

The base-metal producers are worried that these and other price increases are removing their cost competitiveness in world markets.

Dollar boost

The adverse effects of rising costs on mineral exporters have been more than compensated for by the drop in the value of the rand which has boosted dollar-denominated earnings.

However, the rand appears to have bottomed and could strengthen. Inflation continues unabated and seems unlikely to drop below 12% in the next few years and most international mineral prices are either depressed or seem unlikely to improve.

Another blow for base-metal producers is the 15% tax surcharge on mining companies imposed in this year's Budget. There is also pressure from employees for wage increases.

Samancor chairman Steve Ellis said in his annual report that if South Africa's inflation rate remained high, the group's competitive position in world markets would be eroded unless the rand continued to fail.

Al Leroy, managing director of copper producer Palabora Mining (Palamin), says the competitive edge of SA mineral companies could have been eliminated already.

Mr Ellis says: "Of particular concern to the ferroalloy industry in the continuing high rate of increase in the cost of electric power."

"The ferroalloy industry in South Africa was to a large extent founded on the availability of relatively low-priced electric power which assisted in overcoming the disadvantage of being geographically remote from the markets and enabled the industry to compete internationally."

On average, electricity accounts for about 30% of the production costs of ferroalloys. Samancor's power bill last year was about R100-million.

Escom put up its rates by 10% on January 1, but the chairman, Jan Smith, said that would not cover Escom's expected costs in 1985.

Coal switch

Some mining industry executives believe tariffs will go up in July and again in January 1986 in spite of what the new Electricity Council now running Escom may try to achieve.

The fear is that electricity costs could rise by as much as 30% between January this year and January 1986. Such an increase would add R20-million to Samancor's power bill.

It is believed Samancor is looking at other methods of reducing ore to ferroalloys and is considering switching to coal.

Palamin's 1984 electricity bill was R15-million and for the first time exceeded its diesel bill of R12.7-million because of higher tariffs and power use by the trolley-axle system for its haul trucks.

A proposal under preliminary study is that the mine move to in-pit crushing and belt-conveyors in place of its truck fleet.

Mr Leroy says: "This would mean a heavy capital investment, but it would reduce operating costs which are affected by inflation."

"However, there is a lot of rhetoric to the contrary and it would take at least three years to set up any system.

"The decision by Sats to switch to railage rates a truck instead of a ton is criticized by the timber, cement and mining industries in particular.

The transition started in April last year and has not only increased tariffs but caused confusion.

One base-metal producer claims it is impossible to work out the tariff to be paid. It has serious implications for the company's ability to cost its exports.

Another says railage costs doubled between 1979 and 1982. Railage accounts for between 30% and 40% of the input costs to the company's treatment plants.

Branch lines

Sats has introduced a R2.5-a-ton surcharge on goods carried on branch lines, which are operating at a loss.

Some companies are considering switching to road transport. One mining company affected by the surcharge has calculated that it would cost R6.5 a ton to haul coal from one of its collieries by road compared with R9 a ton by rail.

Loss of this traffic on branch lines would make them less economic and put Sats back to square one.
Bulk cement price slashed by 24 percent

Property Editor

NATAL Portland Cement has slashed the price of bulk cement in Durban by 24 percent and bagged cement by 15 percent from today in a move that has rekindled the simmering price war after a brief fall.

"A statement by the company said a special discount of R20 a ton for bulk cement ex-factory has dropped the price to R63.40. It claims that in real terms, the price at R85.40 was lower than 25 years ago and the new price is said to be the lowest on record.

Bagged cement is down by R13.40 to R78.40 a ton or R3.82 a pocket.

In Pottermaritzburg, a pocket will now cost R4.41, a drop of 52 c. Cuts have also been made in other centres.

A spokesman for Cement Enterprises (ACE), NPC's rival in the price war, had no comment.

It was ACE's importation of Spanish cement last year that sparked a price-cutting fight for the Natal market.

The move comes as something of a surprise as prices rose only in April when previous discounts, instigated because of the battle over prices, were withdrawn.

Yesterday, Mr. Mike Doyle, general manager of NPC, warned that the new special discounts were temporary and might be withdrawn at any time. Customers have been advised not to enter into long-term contracts on the basis of the discounted price.

He said the discounts will help maintain market share and safeguard the substantial investment and employment in the industry.

"Sales of imported cement dropped substantially after the price rises in April and the importers have instituted price-cutting again," he alleged.
THE current policies of “economic overkill” could be relaxed if the Government was able to keep public sector wage and price increases to a minimum in 1986, Barclays Bank says in its June economic review.

Barclays says the Government has always had ample power to control the domestic inflation rate through the wages and prices it controls directly.

“Indeed it was largely through the control and influence by the Government which kept our average inflation rate at around the 15 percent level in recent years despite increases in bank credit and in the money supply well in excess of this level”

Barclays doubts that further falls in interest rates would significantly boost consumer demand for credit, and so increase inflation.

“It would accordingly be quite appropriate to reduce the considerable degree of ‘overkill’ in the economy by either relaxing monetary or fiscal policy or both, at least to the extent that the present overkill in the economy will be reversed.”

It says the Government must resist pressure to apply an increase of around 15 percent in public servants’ salaries and wages next year, and a similar increase in the mana price, or the effects of this year’s recession will be negated.
Power tariff rise shock

MABOPANE residents are angry about a R2 electricity fee increase which they claim came like a bolt from the blue.

According to them, they only became aware of the increase when they went to pay their monthly rents.

Some were told to go and get more money from their homes. No explanation was given for the decision, it is claimed.

Residents also complained that the local town council did not tell the community about matters affecting them in advance. Many people were unemployed and could not cope with the ever-rising tariffs, they argued.

"A year ago residents found themselves with increases ranging between R6 and R12 without being consulted. Even," council employees at various offices could not explain the escalations. That is why most of us will always be in arrears because there is lack of consideration among people said to be representing us," said an angry Mr Hilda Mokoena.

Residents said they failed to understand the reason for the increase in electricity tariffs while the supply remained poor.

A spokesman for the township manager's office confirmed that residents were not informed when increases were implemented. He would not take the matter further.
BY NEVILLE SPILLMAN
Weekend Argus Reporter

MEDICAL Aid Society members can expect an increase in monthly subscription rates soon.

Mr John Ernstzen, chairman of the Representative Association of Medical Aid Schemes, said that members of various societies can expect an increase of "somewhere in the region of 20 percent".

Mr Ernstzen said the increase was due to the rise in the cost of medicines and medical services.

Since July last year the cost of prescribed drugs has risen by 22 percent.

In February provincial hospitals increased their daily fees by 32 percent and private hospitals have been granted a 10 percent increase in their rates as from July 1.

Because of this, one medical aid society has been forced to increase its subscriptions by at least 14 percent with effect from next month.

A rise in the levy on all prescriptions can also be expected.

Mr Godson Barnard, managing director of Cape Medical Plan, said he does not believe the rise in prescribed drugs was caused only through the current economic situation, but that the over-generosity of doctors was also to blame.

Mr Barnard said the purpose for increasing monthly subscription rates was to strengthen accumulated funds.

"The Central Council of Medical Schemes has prescribed that medical aid societies' reserves should equal 25 percent of its annual subscription income. Currently our accumulation rates are at 13.3 percent.

"Some schemes have a negative figure while others' rates are between five to six percent.

"New members don't contribute to the reserve fund and if there is a fairly large influx of new members the ration can be distorted.

"We believe the accumulated fund is there to protect members in case of an emergency," Mr Barnard said.

In spite of the fact that there were no increases in scale of benefits there has been an increase in medical costs.

Members are making use of more services and there is no control over the issuing of prescribed medicine.

Although the current rand-dollar situation has affected the cost of prescribed drugs, Mr Barnard believes that "the finger must not be pointed at the medical aid scheme member, but at the doctor."

The deputy managing director of South African Druggists, Mr Tony Karis, defended Mr Barnard's statement when he said "The rise in prescribed drugs stems from the current economic climate and over-generous doctors."

"Although there has not been a dramatic increase in medicines in the past few years, the cost of a prescription has risen considerably because of more sophisticated medicines being used.

"The prescribing habits of doctors have become far more generous," he said.

Mr Karis said that doctors would prescribe a more expensive drug when a cheaper version would be the remedy. "It is a bit like using a bazooka where a pellet gun would be sufficient."

In view of the rand-dollar crises Mr Karis said "Many active ingredients are imported either in dollars or hard European currency and local manufacturers end up paying more for the material."

"There was a time when medicine was 10 percent of the medical aid costs - now its about 30 percent."

---

20 pc rise in subscriptions?
Bus boycott resumes

The spokesman for the Lenasia Residents' Association has resolved to continue the boycott of a local bus company after talks between the two parties reached an impasse at the weekend.

A spokesman for FRA, which is opposing the 20 percent fare rise introduced by the Lenasia Bus Service on June 1, told The SOWETAN yesterday that the company had refused to heed the residents' call to scrap the increase.

The bus company would not comment on the matter yesterday.

Apart from the latest increase, local commuters have complained of a "poor service" provided by the company. They also complained that the company's fleet failed to meet the demand in the Lenasia spo-to-johannesburg route.

"The Lenasia bus service can never improve!" FRA
can meet the virtually zero

demand of exporting South African meat, despite the

profound drought.

The report is the result of the prolonged drought over the

past years that has caused the decline in the local

special rinder, resulting in the decline in the local

market and it is no longer viable to sell the meat
directly to consumers.
Fertiliser price war a 'threat to competitors' 

CAPE TOWN — Omnia Holdings chairman Joachim Winkler says: "If the disastrous price war raging among fertiliser manufacturers continues, the smaller competitors could be eliminated."

Omnia has now secured 36% of the South African fertiliser market, after spending R56.9m on nitric acid and ammonium nitrate plants at Sasolburg. Winkler, however, admits that this year's interest burden will be R15m will be spent on these capital projects.

A loss

Last year Omnia ran up a loss of R6.6m compared with the previous year's profit of R6m. Turnover was lifted by 9.5% to R157.4m (R109.8m) and operating profit by 59% to R8.7m (R5.5m).

A sharply higher interest bill more than wiped out the healthy advance at the operating level — earnings a share crashed to a negative 4.6c from the previous year's positive 12.6c. No dividend was declared.

In spite of this year's heavy capital expansion programme and the high level of interest-bearing debt, Winkler says Omnia has sufficient liquidity to service its debt and there is no need for further outside finance.

Omnia's cash flow will be positive this year if the discounting of fertiliser prices abates. At worst, Omnia will break even, but under normal conditions profits will be turned in.

Drain

"The drain on the company is the price war rather than the interest bill in the first half of the year making a loss is normal in the fertiliser industry. Everything depends on the second half and we expect a shortage of fertiliser to develop this year," says Winkler.

The annual report indicates that fertiliser stocks are being built up in anticipation of a shortage. With stock at end-December rising to R20m (R13.1m). Traditionally, peak demand for fertiliser occurs in the second half of the year.

The fertiliser industry is running at between 60% to 70% of capacity utilisation in the first half of this year. Winkler maintains that Omnia's utilisation is much higher because of its strong export and trade sales.

One third of Omnia's fertiliser is committed to contracts with Sasol and Fedim. These contracts are due to lapse at the end of 1985 and 1986 respectively.

He says: "We are having no problem with our debtors' book because 90% is owed by co-operatives and companies. The farming side of the company will turn in profits this year of about R500 000 and overseas operations R200 000."

Investors hoping for dividends this year, like farmers, should be praying for rain.

The share has recovered from a 12 month low of 30c to currently stand at 18c. Investor interest in Omnia is now around its recovery potential and the outside possibility that it is a takeover target.
Sort out the red meat mess, say housewives

TOS WENTZEL
Political Correspondent

The Opposition today called for an urgent inquiry into the meat-marketing system in South Africa.

Following reports that there was a R100-million meat surplus which has created a financial nightmare for the Meat Board, Mr Errol Moorcroft, the Progressive Federal Party's spokesman on agriculture, said the board and the marketing system needed to be investigated.

A commission of inquiry should consist of outside independent economists and businessmen with no interests in the meat trade.

"ABSORBD"

The Argus correspondent in Pretoria reports that the Housewives' League has called for an urgent investigation into the marketing of red meat, describing the present system as "an absolute mess".

The R100-million surplus of beef was the result of the Meat Board's control policy, the league's president, Mrs Joy Hurwitz, said today.

"It is absurd for the Meat Board to tell consumers that they should buy more meat when they simply cannot afford it," she added.

The league was opposed to the board's plan to export 210,000 frozen carcasses.

"We would like to see the meat sold on the local market in a way that would benefit consumers, and not exported overseas at a loss."

Mrs Hurwitz rejected the board's claim that consumer prices of meat had dropped since February.

"Our survey shows that consumers are not benefiting from lower prices."
Sell surplus meat in SA,' Meat Board told

By AUDREY D'ANGELO

TWO major supermarket chains are putting pressure on the Meat Board to sell its surplus of 210,000 frozen beef carcasses to South African consumers at bargain prices.

The OK Bazaars regional director of operations, Mr Aubrey Coppens, said last night: "We are determined that the Meat Board shall not be allowed to export this meat at a loss when people in this country have been forced by inflation to cut back on their consumption." "We have put pressure on our supplier, Imperial Cold Storage, which is represented on the Meat Board, to force the board to release the surplus for sale in this country at cut prices. Sales of red meat have fallen in real terms - that is in tonnage rather than rand terms - by between five percent and seven percent in the past few months because people cannot afford it. It is absurd in the present circumstances for the Meat Board even to think of exporting it."

Mr M Simpson, head of Pick 'n Pay's butchery division, said: "We have tried in vain to persuade the Meat Board to sell some of the frozen carcasses at cut prices. The board said this would not solve the problem of the surplus, as it would just result in more fresh-ly-killed carcasses being put into cold store."

The Meat Board announced yesterday that it had a surplus of R100-million worth of beef carcasses in cold stores around the country and hoped to export them. Last year the board was criticized for selling surplus frozen meat at cut prices because this further reduced the demand for fresh meat at abattoir auctions.

Winnie Graham reports from Johannesburg that the R100-million beef surplus is destined for overseas markets. The general manager of the Meat Board, Dr Pieter Coetzee, said yesterday negotiations were under way to sell the meat at a profit to international buyers.

"When the drought started in 1982, the board wanted to sell meat at discount prices to South African consumers," he said.

There was such a rush for the "cheaper" meat, he added, that prices actually jumped by R1 a kilo at the auctions. The board then dropped the floor price of meat by 20 percent, hoping consumers would benefit, but again the scheme failed. "In 14 days we sold 46,000 beef carcasses, but abattoir workers were slaughtering at full capacity and by the end of the two-week period the meat sold had been replaced by 56,000 carcasses," he said.
Some bus fares may be increased again

Chief Reporter
CITY TRAMS WAYS which in February increased its fares to offset higher fuel costs has again applied to the Local Road Transportation Board for permission to amend its tariffs. If the application is granted there will be further fare increases or some routes with reductions on others.

In a statement yesterday the managing director of the company, Mr. N. Cronje said the application provided for “a complete rationalization of economic fares with a minimum fare of 40 cents.”

“Due to this rationalization certain economic fares will increase but at the same time a great many fares will be reduced.”

Mr. Cronje said it was inappropriate at this stage to discuss the details of the economic fares applied for. The merits of the case including a fully detailed motivation, would be made available to the media before the public hearing of the application.

“Sympathy”

No date had been set for the hearing and it was not yet known whether the Local Road Transportation Board or the National Transport Commission (NTC) would hear the application.

“As in the past,” Mr. Cronje said, “the company will approach the NTC and the Minister of Transport Affairs regarding passenger subsidies should the fares be approved. We are confident this approach will be viewed with the appropriate sympathy.”

Notice of City Trams Ways’ application was gazetted on Friday and in terms of the Road Transportation Act objections must be lodged within 21 days of publication of the notice. These must be addressed to The Secretary, Local Road Transportation Board Private Bag X9021 Cape Town 8000.

Meanwhile the proposed new tariffs are open for perusal at the board’s offices on the fourth floor of the Nedbank Building on the Cape Town Foreshore.
Bread price may jump by 20 cents in face of twin assault

June 1985

Own Correspondent

DURBAN — The price of bread could jump by as much as 20c a loaf before the end of the year unless the Government increases the bread subsidy which will run out by the end of September.

At the same time wheat farmers will be asking for an increase in the price paid for their crops, so the bread price faces a twin assault.

"Either the Government will have to put in more money or the consumer will have to pay a higher price for bread," said Mr Bill Lacey, of the Associated Chambers of Commerce.

"We do not know how much the Government will allocate for the bread subsidy, but considering that they are short for cash and reluctant to fund extraneous expenses, we will have to wait and see."

The allocated R200-million will be used up by early October and with the Government policy of limiting involvement in the economy in the stringent economic climate, many believe that the chances of a substantial subsidy boost look decidedly unlikely.

At the same time it appears likely that wheat may have to be imported. The Eastern Free State, which normally produces about half the country's wheat crop, is in a grim drought and in the Western Cape rains are also late.
Need for ceiling on prices and wages — economist

BLOEMFONTEIN — Even if the gold and foreign exchange reserves are restored to a satisfactory level in 1985, South Africa cannot allow a renewed upswing to take place next year unless the inflation rate is brought below 10 percent.

This was stated yesterday by Dr J Cloete, group economist for Barclays National Bank, when he addressed the Assocom’s Free State regional congress.

Otherwise any deceleration in the inflation rate achieved by the current “overkill” of the economy would soon cease and be transformed again into a renewed acceleration.

Dr Cloete said that whether or not the likely favourable impact of this year’s “overkill” of the economy would be translated into an inflation rate below 10 percent by early next year, would depend on the size of the administered price and wage increases that the government allowed to take place in the early part of next year.

If the severe damage done to the economy this year was not to be in vain, it was essential that the government should set, and should announce in advance, an appropriate ceiling for average increases in administered prices and public service salaries and wages that it would allow for 1985.

In the prevailing circumstances, the private sector would almost certainly follow the example set by the public sector in this respect.

If the government placed an appropriate ceiling on administered price and wage increases for 1985, a reduction in the inflation rate to below 10 percent was a real possibility. There would then be scope to allow a recovery to start.

The outcome on the balance of payments would have an important bearing on the general economic outlook.

The recession could be at its deepest in the third quarter of this year when the full impact of the government expenditure cutbacks and the tax increases in the March Budget were likely to come through to the economy.

Given likely trends in imports and exports a substantial current account surplus was likely to be realized for 1985, unless the gold price should fall again.

— Sapa
White bus fares to rise by 15 pc

Mercury Reporter

FARES on Durban’s Blue Line (white) buses will increase by an average 15 percent from Monday, July 1, pushing the cheapest bus ticket (Stage 1) from 70 c to 80 c.

Mr. M. Sampao, traffic manager for the Durban Transport Management Board, said the increases, applied for last month, had been granted by the Local Transportation Board yesterday.

He said the sole purpose of the rise was to allow the DTMB to meet inflation.

“We have had a 10 percent increase in fares in January this year but this was to offset the 50 percent rise in the fuel bill,” he said, adding that fuel comprised about 35 percent of the total expenditure.

The last time the DTMB increased its fares to meet inflation was in June last year when it put them up by 12 percent.

Mr. Sampao said most commuters on Blue Line buses used coupons, which was cheaper than paying cash. However, the price of coupons would also increase by an average of 15 percent.

Stage one tickets for adults will increase from 70 c to 80 c while three stages to Umbilo will rise from 85 c to R1.10.

The price for a one-stage coupon will increase from 50 c to 57 c while the coupon price for three stages to Umbilo will be increased from 89 c to 90 c.

A five-stage ticket trip to the Bluff will increase from R1.15 to R1.35 and the coupon price will rise from 87 c to R1.

“The price of school pupils’ coupons will go up accordingly, but pensioners’ concessions will remain the same.”
Pupils to pay R1 more for bus coupons

MERCURY REPORTER

SCHOOL pupils travelling on Durban’s Blue Line buses would have to pay R1 more—an increase of more than 30 percent—from July 23.

Mr Alan Bray, deputy general manager of the Durban Transport Management Board, announced yesterday that the coupon price for pupils would go up from R3.10 to R4.10 at the start of the third school term, and the weekly coupon fare for pensioners would go up from R1.50 to R2.50.

Mr Bray said the increase was caused by: the 9.5 percent hike granted last week by the Local Road Transportation Board because of increased costs of operation; coupled with the reduction of the council’s subsidy for pupils from 30 percent to 15 percent.

Mr Bray said the city council still subsidised pensioners’ coupons by 92 percent.

All other fares on Durban’s Blue Line buses would increase by an average 35 percent from July 1, he said.
Meat levy 'may push up prices'

Municipal Reporter

THE Cape Town City Council is to charge wholesalers a levy of three cents on every kilogram of meat handled at the Maitland abattoir in spite of a warning that it could push up meat prices by 10c to 15c a kilogram.

Councillors were told yesterday the levy was necessary to boost funds for improvements, but Mr Chris Joubert—a butcher—warned that it would lead to a price increase.

He said: "Thus little three-cent levy looks innocent.

"But, while slaughtering 8 000 sheep a day, 800 cattle and other livestock the daily levy total will be about R9 000.

"That works out at between R1.5-million and R2-million a year."

He said this would probably filter through to the consumer as an increase of between 10c and 15c.

Amenities and health committee chairman Mr Peter Muller said: "We are being put under extreme pressure to increase slaughtering facilities.

"I believe the levy is our only course of action. We will make a public appeal for the wholesale trade to absorb this increase."
LUYT/NAMPO DEAL

**Opposition fertiliser producers are saying little about Nampo's bid for control of Louis Luyt's Troonf Fertiliser. But behind the taciturn silence lies the fear that their products could be locked out of one of their biggest markets — the agricultural co-operatives in maize areas.**

However, there is still hope that the deal will be blocked after an investigation by the Competition Board. The FM understands that the board has already called for information on the grounds that it could constitute a "restrictive practice." There are also doubts about Nampo's legal rights, as a non-profit organisation representing maize farmers, to enter into a deal with Luyt.

Nambo has wide representation on some maize area co-ops, and the board might also look into the objectivity of co-ops in fertiliser deals. In 1980 the board effectively forced certain co-ops to shed their investments in Troonf because this was felt to be vertical integration.

Most farmers, hit by drought, rely on co-op credit. Without access to the co-ops and the maize growers' majority share of fertiliser purchases — some 70% — the four opposition fertiliser producers would find it difficult to survive in the already deeply troubled industry.

They are locked into a vicious price war, and plants are running well under half capacity at a time of falling fertiliser sales.

Deputy registrar of co-ops Louis du Toit says there is nothing to stop co-ops stocking only one brand of fertiliser. "They are business organisations acting in a free market. We are not banks and the Land Bank credit we administer is available only for the co-ops' stock." The R1 billion/year Sentral-Wes Kooperasie, operating in the Nambo stronghold of Bothaville, has "several" Nambo members on its board and already operates three fertiliser blending plants. Each has a capacity of 20,000 t/year.

"We buy basic fertiliser ingredients from the major producers and we intend to expand our blending operations considerably in the foreseeable future," says GM Uys Pienaar.

The opposition producers — Omnia, AECE's Kyneel, Sentram's Fedmus and Saspol Fertilisers — will not be drawn into public comment on the deal.

Some say their attendance at a hearing to explain the position should not be seen as an expression of approval, as a newspaper report suggested this week.

One company spokesman says that comment before the deal is through could upset business dealings with customers — co-ops and independent farmers. However, the four are clearly concerned about the long-term market implications. Their best hope, it seems, lies in Competition Board action.

Industry sources speculate that the deal does not involve a cash transaction but that Luyt will take a 7% kickback on annual profits over five years. "This must make the whole deal highly speculative because no one's making profits in the industry today," one executive tells the FM.

He also queries the attitude of Troonf's creditor banks to anything which will dilute their security. "The legal aspects concerning minority shareholders' rights also raise a major question mark."

He says that if the deal does eventually go through it could result in a worsening of the current price war.

This would be critical for the industry, where there are already fears that some producers are set for a fall (Business January 18).

The opposition companies feel that Troonf's own position is "delicate" at best. Apparently, its R40m DAP fertiliser production plant at Richards Bay, built for export production, is running at half capacity — and at a loss.

They also point out that, once the divorce from AECE, Troonf is entirely dependent on other producers — including rivals — for essential raw materials.

**Agriculture's Wentzel... looking at subsidies**

The drought is grim. And in the western Free State, it is now almost too late to plant. The western Cape is also suffering from late rains," says Wheat Board (WB) GM Dennis van Aarde.

Carry-over stocks of about 560,000 t from this year's 2,176 Mt crop should cover three months' use, but imports next year cannot be ruled out. And it's too early to guess the effect of this on 1986 prices.

The commission — due to report by September 15 — will investigate finance sources for a subsidy. It must also ensure the scheme is used most effectively "for the advantage of less privileged consumers."

The WB will decide on its recommended wheat price increase on July 24. This will go to Wentzel, who is expected to announce the new price by October 1, with a concomitant bread price hike.

Industry sources say there is little chance of an increased subsidy, and apparently the Finance Department is trying to pass the ball to Agriculture. The WB will have to throw its stabilisation fund into the gap, or the consumer will have to pay more.

"Our fund should stand at R70m by year-end — it grows by some R20m/year. But we gave government R40m last year to keep bread prices down, while in 1983 producers received a R40m agerskor in lieu of a wheat price hike. We cannot afford a repeat exercise this year," says Van Aarde.

The WB is sensitive to consumer reaction to bread price hikes after an 8.3% jump in wheat milled last year. This compares with average growth of 4%-5% in the last 30 years.
years

"Market share is growing, and urban blacks, in particular, are showing greater preference for bread. This is partly due to their dislike for yellow maize. We want to expand this market, and expect 5% growth this year," Van Aarde adds.

But with a likely price hike in October, this black market advantage could disappear "Substitutes like potatoes, rice and maize will move in if bread goes up — and we don’t want that," he says.

Blacks consume some 72% of all bread sold in SA, and coloureds and Indians take another 12%. Whites account for the rest. Heavily subsidised brown and wholewheat bread make up about 75% of total sales, showing that the subsidy is correctly aimed, he adds.

Government’s 1c/loaf increase last year was too low, and led to the recent sharp price jump, with another hike expected in October. "We need at least another R200m to keep bread prices pegged until March," Van Aarde says.

"The current subsidy is 12c/brown loaf
With a wheat price hike possible this year, the loss of the subsidy could mean an increase of at least 15c/loaf on brown bread," he adds.

Producers say they cannot reduce input costs, because they are subject to the same constraints as maize farmers

Losses of up to R150/t on the export of surplus production add further to industry overheads. "We expect a 2,176 Mt crop this year," says Van Aarde, "and some 140 000 t will be exported to Zaire, Zimbabwe, Zambia, Mozambique, Malawi and the Seychelles. We want to expand these markets, as losses are lower than on overseas sales"

Black states prefer SA wheat, because transport costs are lower. Because of poor storage facilities, they prefer a continuous, guaranteed flow of SA wheat to large shipments from the EEC or Australia.

But financing is a problem. Complains Van Aarde: "With some of these countries selling to Africa on 30-year, 2.5% credit lines, it’s hard to compete."
Paraffin up but no cut in fuel price

Johannesburg—The price of industrial illuminating paraffin was to be raised by 15c a litre from July 1, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, announced in Pretoria yesterday.

And 4½c of the increase will be levied for the fuel equalisation fund.

The price of domestic paraffin will be unchanged.

Mr Steyn emphasised exchange rates would largely determine future fuel prices.

From a price breakdown of 95 octane it was clear there was an over-recovery of 0.9c a litre.

This would be taken into account in the next price adjustment, Mr Steyn said, giving no hint as to when this would happen.

He also announced that the 2c reduction in the price of diesel, other than for agricultural and marine purposes, made possible by reasonable supply and prices of crude oil, would be channelled to the national road fund.

The price therefore would remain unchanged.

The chairman of the Federated Chamber of Industry's energy subcommittee, Mr Rudolph Pockema, said the FCI regretted the opportunity had not been taken to reduce the petrol price.

Mr Steyn said that after an investigation, the Government had decided there was no justification for a domestic price of paraffin and an industrial price.

Both prices were subsidised from the equalisation fund, funds derived from the sale of a small amount of stockfilled crude oil.

Since January this year, industrial users had had the advantage of an exceptionally low price.

On diesel fuel, Mr Steyn said the Government had decided the 2c a litre.
Fowl excess gives the Cape the bird

Argus Correspondent

JOHANNESBURG — Chicken prices are falling because of a glut in South Africa — except in the Cape.

As the recession cuts purchases and a mild winter brings a lower mortality rate among the birds, there are millions more chickens than usual wanting to make their debut on the dinner table.

The surplus appears to be concentrated in the Transvaal and Natal.

The good news for the consumer is that the chicken industry is free of controls and frozen chicken prices have tumbled.

The bad news is that prices are not expected to stay down as chicken producers adjust to meet demand and make up for any losses they may have incurred.

Frozen

Mr Richard Cohen, director of Pick'n Pay, said there was a chicken surplus in the Transvaal and in Natal but not in the Cape.

Frozen chickens were selling at R1.59 a kilogram at Pick'n Pay outlets in the Transvaal and at R1.55 a kilogram in Natal.

“If the price is right we can get rid of surpluses. Perhaps our friends in the Meat Board should take note and spread the surplus to as many people as possible,” he said.

Mr Nigel Smallridge, branch manager of ICS Foods which distributes festive chickens, said: “The chicken breeders have placed too many eggs and the chicken mortality rate is not as high as normal.”

“There seems to be a surplus of 2.5 to 3 million birds during a 10-week cycle on the Transvaal. We have to take a lower price to get rid of them.”

Expected

“Blacks, the biggest consumers of chicken, are suffering because of the recession and have not been buying as much chicken as normal.”

Mr Smallridge said the price of chicken was expected to rise.

Miss Peta Lomberg, public affairs manager of Checkers, said stores reduced frozen chicken prices from over R2 a kilogram.

She said: “We are selling chickens from R1.49 to R1.59 a kilogram depending on the type of store.”

Price rise rate shows a decline

Argus Correspondent

JOHANNESBURG — There has been a decline in the rate of price increases for domestic commodities in the past five months.

Consumer Council research shows

W Cape man new SA chief Scout

Argus Correspondent

PRETORIA — South Africa’s chief Scout for eight years, Mr Colin Inglis, who retired from the movement at the weekend, has been succeeded by Mr Garnet de la Hunt of the Western Cape.

Mr Inglis was born in Maritzburg and attended Maritzburg College and the University of Natal before going to Cambridge University in England, where he attained his MA in economics.

He served as a lieutenant in the South African Air Force between 1943 and 1945.

He has been a Scout for 50 years, having started in his home town where he also became a Scoutmaster in 1947.

Mr de la Hunt was born and
Tembisa faces rent hikes

By MOJALEFA MOSEKI

Tembisa residents are faced with yet another rent increase. The increase is estimated at R11 per permit. It will be effected soon after it has been gazetted.

Confirming the increase, acting Town Clerk Mr Anthony Relihan yesterday said: “We have published in the newspapers that tariffs are to go up. We will effect them after publication in the Government Gazette.”

Details

He declined to give any details and stated “all details will be contained in the publication.”

The last rent hike in Tembisa was effected in February. Residents were charged R4 a permit, and businessmen R20 a site. It was to have been effected in September but was delayed after the Tembisa Civic Association (TCA) sought legal aid.

An executive member of the TCA, Mr Leonard Mavuso, yesterday said they had submitted a formal objection against the intended increase.

He said: “If our objection is not noted we will do all in our power to get a hearing because the council publishes the notices in The Star knowing well that Tembisa people read The SOWETAN more than any other paper.”

Masterplan

The increases are reported for the electricity masterplan, sewerage, and refuse removal.

“The phasing out of the bucket system is the people’s priority and not the electricity masterplan. There are more than five sections in Tembisa each with more than 1 000 residents still using the bucket system,” said Mr Mavuso.

He accused the council of provoking violence in the township. Meanwhile, Tembisa is still tense with either police or SADF patrols at almost every corner.”
Price of mutton soars

Computer blamed for high meat cost

By Maud Motanyane and Jackie Unwin

The prices of mutton and lamb have soared in the past month and butchers claimed today that the increase was due to a faulty computer system.

The Meat Board had to step in yesterday to avert a crisis at the City Deep abattoir.

The board had to stop sales and call on the abattoir to revert to the catalogue system of selling when the Witwatersrand Retail Master Butchers' Association (WRMBA) called on it to intervene.

The Abattoir Corporation, which installed the computer early last month, denied that the increased prices were caused by the new system and said yesterday's incident was "an overreaction" by the chairman of the WRMBA, Mr Eddie Bielovich.

Meat buyers have claimed that the computer has led to delays during auction time.

With limited time to buy, butchers had to rush through their buying and accept inflated prices which they then had to pass on to the consumer.

A crisis was reached on Tuesday this week as only 50 percent of the 8 000 sheep carcasses were sold, said Mr Bielovich.

Mutton went up from R3,80 a kilo to R4,18, he said.

He blamed the Abattoir Corporation for installing a computer system which had not been proved to be efficient.

"And now the consumer has to pay for the Abattoir Corporation's experimentation," Mr Bielovich said.

'Not interested'

Mr Andre Fourie, development manager of the Abattoir Corporation, said the matter could have been amicably discussed between Mr Bielovich and the abattoir manager.

He said there was no bidding on 2 000 sheep carcasses on Friday and on 1 600 sheep on Monday. "Why were the buyers not interested then?" he asked.

He said "We admit we have had computer problems but you can get teething troubles in a computer as in a new car."

He said some computer software was being flown from America to solve the problem and, if all went well, the computer system should be in operation by tomorrow afternoon.

Urgent appeal

The South African Federation of Meat Traders has appealed urgently to relevant authorities not to implement the same computerised system at other abattoirs.

The association has also demanded that private enterprise take over the responsibility of the loading of meat and that the Abattoir Corporation "refrain from interfering with marketing functions that can have a bearing on the price of meat."

Further negotiations between the Meat Board and the association may bring a more reasonable meat price to the consumer, says Mr Bielovich.

Mrs Joy Hurwitz, president of the Housewives' League, said "We cannot have a situation in which a price is increased because of mistakes and errors."
Survey shows 22% rise

Lamb prices expected to drop after change to catalogue system

by

Maud Motanyane and Jackie Unwin

Beef and chicken are comparatively good buys at the moment. But lamb prices have skyrocketed. Butchers claim this is because of a malfunctioning computer system

This was reflected in the 22.05 percent increase in the cost of lamb chops in the Star survey. The computer system has been replaced by the catalogue system and prices of lamb are expected to drop soon.

Pork is also comparatively low in price.

‘Alternative meat’

Mr George McGregor of McGregor’s Meat Market recommends housewives look to alternative meat such as veal, which is less expensive, very tasty and can be used in dishes instead of lamb “It’s also healthier, being less fatty and has a lower cholesterol content,” he said.

Mr McGregor reports rabbit is increasing in popularity “You can feed a whole family with one rabbit at a cost of around R5,” he said.

But if you feel like spoiling your family or having a special dinner party and want to provide something different, have a chat to your butcher. Many have specialties.

Mr Barry Lockyer, butcher at Spar in Blackheath, does a rolled fore-rib which is popular with his customers “Topside can be dry in the middle I roll the meat with pieces of fat through it which improves the flavour and it does not dry out.”

Mr Nick Loots, butcher at the OK in Cresta, offers pan-roasted lamb with spices and Hollywood chops.

Many of the butchers offered Cordon Bleu sheets with beans and ham, egg and breadcrumbs, which just need to be popped in the pan.

The Fairland Meat Market offers butterfly legs of lamb which are deboned, marinated and can be either roasted or braised. They weigh around 2.5 kg and can feed between 10 and 12 people.

Some butchers vacuum-pack Mr Johnny Chidrawi of the Meat Counter, Florida, and vacuum-packed steak is extremely tender. It ages in the bag and rather than freeze it, the meat should be left in the bag for about two weeks to age. It can then be either frozen or eaten.

Mr Chidrawi puts suggestions on how to cook the meat on the price tags of the cuts in his shop

Mr Syd Reinhart, co-owner of Polony King makes over 100 items in his continental meat factory “They are convenient for the housewife to cook and inexpensive,” he said. “The man with a discerning palette who might turn his nose at a Vienna sausage would enjoy a good quality German backwurst and it is easy for the housewife. They are convenience foods of a high quality at a realistic cost.”

The bread bar

Only two supermarkets surveyed continue to sell bread below cost; the others are selling it at cost. Checkers and Pick ’n Pay are charging 38c for brown bread. Pick ’n Pay is also subsidising white bread and selling it at 38c.

The new loaf, which weighs 50g less than the old one, was introduced on Monday.

The new bread, which is made from purer flour,}

Backers for food subsidies

A decrease in spending on food subsidies would meet with considerable resistance from white urban South Africans.

In a recent Omnibell carried out by Market Research Africa, 1 700 000 adults thought spending should be increased, compared with only 400 000 who were for a decrease.

The call for increased spending comes from both the A household income group where monthly incomes exceed R3 000 and the D group where income is less than R700 per month (60 percent and 63 percent respectively being in favour in increased spending).

“Higher income people are generally better informed about the economy and can see the risks of a hungry population,” said a spokesman for Market Research Africa.

Kosher

The Commission of Erino Kosher Meat and Poultry completed its task of legal representation in the 1980s.

Mrs Doreen Benade, South African Kosher Organisaion, said that — a

of the commissioned
**Weekly Shopping Basket**

<table>
<thead>
<tr>
<th></th>
<th>PICKIN P IN PAY RAPID</th>
<th>CHECKERS</th>
<th>OIL BAZAARS</th>
<th>COPPER</th>
<th>SPAR</th>
<th>BLACKHEATH</th>
<th>AVERAGE PRICE</th>
<th>AVERAGE PRICE SURVEYED ON JUN 20 1 985</th>
<th>PERCENTAGE CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BREAD: Whole</strong></td>
<td></td>
<td>58c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>62c</td>
<td>61c</td>
<td>1,3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brown</td>
<td>38c</td>
<td>38c</td>
<td>43c</td>
<td>43c</td>
<td>41c</td>
<td>39c</td>
<td>5,</td>
<td></td>
</tr>
<tr>
<td><strong>MAIZE MEAL: 2,5 kg Impala</strong></td>
<td></td>
<td>71c</td>
<td>75c</td>
<td>79c</td>
<td>77c</td>
<td>75c</td>
<td>73c</td>
<td>2,4</td>
<td></td>
</tr>
<tr>
<td><strong>MARGARINE: 500 g Roma</strong></td>
<td></td>
<td>1,41</td>
<td>1,42</td>
<td>1,29</td>
<td>1,44</td>
<td>1,39</td>
<td>1,42</td>
<td>-1,2</td>
<td></td>
</tr>
<tr>
<td><strong>CHEESE: 1kg Elite Gouda</strong></td>
<td></td>
<td>6,37</td>
<td>6,37</td>
<td>6,37</td>
<td>6,37</td>
<td>R6,37</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>JAM: 500 g All Gold Superfine Smooth Apricot</strong></td>
<td></td>
<td>1,68</td>
<td>1,71</td>
<td>1,70</td>
<td>1,58</td>
<td>1,58</td>
<td>-</td>
<td>7,9</td>
<td></td>
</tr>
<tr>
<td><strong>SUGAR: 2,5 kg Hulett's</strong></td>
<td></td>
<td>1,99</td>
<td>2,09</td>
<td>2,04</td>
<td>2,04</td>
<td>2,04</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>TEA: 100 tagless teabags Joko</strong></td>
<td></td>
<td>2,89</td>
<td>2,79</td>
<td>2,75</td>
<td>2,89</td>
<td>2,83</td>
<td>2,86</td>
<td>-1,5</td>
<td></td>
</tr>
<tr>
<td><strong>COFFEE: 250 g Nescafe Classic</strong></td>
<td></td>
<td>5,29</td>
<td>5,49</td>
<td>4,95</td>
<td>5,95</td>
<td>5,42</td>
<td>5,18</td>
<td>4,3</td>
<td></td>
</tr>
<tr>
<td><strong>CEREAL: 500 g Kellogg's Cornflakes</strong></td>
<td></td>
<td>1,35</td>
<td>1,39</td>
<td>1,45</td>
<td>1,29</td>
<td>1,37</td>
<td>1,37</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>COOKING OIL: 750 ml Olé</strong></td>
<td></td>
<td>1,99</td>
<td>2,19</td>
<td>2,12</td>
<td>2,19</td>
<td>2,12</td>
<td>2,17</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td><strong>SALT: 1kg bag Buffalo</strong></td>
<td>52c</td>
<td>52c</td>
<td>53c</td>
<td>52c</td>
<td>52c</td>
<td>52c</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>MEAT: 1kg basket</strong></td>
<td>3,69</td>
<td>2,99</td>
<td>3,68</td>
<td>3,88</td>
<td>3,66</td>
<td>3,66</td>
<td>-</td>
<td>-2,3</td>
<td></td>
</tr>
<tr>
<td><strong>1kg porthouse</strong></td>
<td>6,58</td>
<td>7,99</td>
<td>7,98</td>
<td>7,98</td>
<td>7,63</td>
<td>7,99</td>
<td>-1,1</td>
<td>-4,1</td>
<td></td>
</tr>
<tr>
<td><strong>1kg lamb loin chops</strong></td>
<td>9,98</td>
<td>9,98</td>
<td>9,98</td>
<td>9,98</td>
<td>9,98</td>
<td>9,98</td>
<td>-</td>
<td>-2,5</td>
<td></td>
</tr>
<tr>
<td><strong>1kg fresh chicken</strong></td>
<td>1,99</td>
<td>2,38</td>
<td>2,35</td>
<td>2,49</td>
<td>2,30</td>
<td>2,34</td>
<td>-1</td>
<td>-1,1</td>
<td></td>
</tr>
<tr>
<td><strong>250g Eskort streaky bacon</strong></td>
<td>1,84</td>
<td>1,79</td>
<td>1,89</td>
<td>1,89</td>
<td>1,85</td>
<td>1,84</td>
<td>0,4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>1kg deep water hake fillets &amp;J</strong></td>
<td></td>
<td>3,25</td>
<td>3,59</td>
<td>3,59</td>
<td>3,48</td>
<td>3,41</td>
<td>2,6</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>VEGETABLES: 1kg potatoes</strong></td>
<td>69c</td>
<td>79c</td>
<td>59c</td>
<td>59c</td>
<td>67c</td>
<td>67c</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>1kg frozen peas</strong></td>
<td>99c</td>
<td>99c</td>
<td>87c</td>
<td>95c</td>
<td>99c</td>
<td>99c</td>
<td>-4,0</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>CANDLES: 450g Buffalo</strong></td>
<td>2,79</td>
<td>3,29</td>
<td>3,45</td>
<td>3,49</td>
<td>3,26</td>
<td>3,11</td>
<td>4.8</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>WASHING POWDER: 1kg Sunlight</strong></td>
<td></td>
<td>2,44</td>
<td>2,45</td>
<td>2,59</td>
<td>2,49</td>
<td>2,49</td>
<td>2,44</td>
<td>2,0b</td>
<td></td>
</tr>
</tbody>
</table>

**Survey:** July 2 1985

**Prices exclude GST.**

![Image of a newspaper page with text and tables](image-url)

---

**Little Rages on**

had a longer shelf life and did not crumble easily, a spokesman for the Wheat Beard said.

He said that although the new loaf weighed less it was the same volume as the old Government loaf and produced the same number of slices.

The brown loaf had more bran added to it.

The cost of extracting the new flour had been absorbed by the bakers who were producing more loaves than they did before, the spokesman said.

---

**Report in August**

Gary into their Industry basis, the wives' League of South Africa, had been co-opted as a member of the commission and would be involved in weighing up its findings and in issuing its report.

Mrs Anthony of the Kosher Consumers, had been consulted in the drafting up of the report.
Steel price set to be raised modestly soon

AN INCREASE in the steel price is expected to be announced by the Minister of Trade and Industries, Dawie de Villiers, within the next 10 days.

But that it will be a modest one is confirmed by Iscor's senior general manager (steel), Nels Oliver, who said in Pretoria yesterday an adjustment was unavoidable.

However, the increase would be limited against a background of the extraordinarily high 16.1% inflation rate, and other factors.

Oliver pointed out that Iscor's margins on export and local steel sales were under pressure.

"Sure the rand-dollar rate favours exports, but in recent months the price of steel on an over-supplied world market has sagged significantly," he pointed out.

That during the past five years increases in the price of steel had been kept four to five percent below the inflation rate.

"The coming adjustment was still being discussed but the increase would not seriously aggravate the inflation rate."

Iscor had always made strenuous efforts wherever possible to absorb costs and keep increases down to a minimum, but a point was eventually reached where an adjustment had to be made.
Marge and cooking oil prices rise

JOHANNESBURG—The prices of cooking and salad oil and margarine are poised to shoot up between 12 percent and 14 percent.

SAPA reports that Mr Lance Japhet, chairman of the S A Oil Expressers Association and the S A Margarine Manufacturers' Association, said the cost of oil for bottling and for the manufacture of margarine had increased by that percentage this year.

He appealed to manufacturers, not to pass the full increase on to consumers and to absorb as much as possible, but said a substantial increase is inevitable.

He has also appealed to the Minister of Finance, Mr Benade du Plessis, to reconsider appeals which have so far fallen on 'deaf ears', for salad and cooking oil to be included in a GST-free category.

He said that rice had been exempted from GST and that vegetable oils were a base and essential foodstuff for 'a very broad spectrum of the community'.

A Mercury Reporter writes that the price of mutton and lamb in Durban has shot up by more than 30 percent in the past month and butchers are recommending that people buy quality beef instead.

According to the chairman of the Durban and District Meat Traders' Association, Mr Dudley Thompson, the reason for the price hike is the acute shortage of lamb and mutton.

'Because of the rand dollar exchange rate the wool price is good and farmers are holding back their sheep rather than selling them for slaughter. Another reason is that farmers are still feeling the effects of the three-year drought,' Mr Thompson said.

'The price of super lamb and mutton rose from about R3.25 to R4 a kilogram at the Cato Ridge abattoir in one month. Butchers cannot mark up their prices too much otherwise nobody will buy.

'There are, however, sufficient supplies of beef. Quality beef — from first to super grade — is selling at about R2.40 a kilogram at the abattoir. This is the minimum price allowed by the Meat Board.'

'The price of lamb and mutton could remain high for a few months'. and I recommend that people buy quality beef instead,' Mr Thompson said.
Oil price goes up

By LEN MASEKO

Consumers will pay more for certain margarine, salad and cooking oil from today.

It is estimated that consumers will now pay at least 11 percent more for these commodities. In some cases the price rise may be more since the price of oil products is not controlled.

Mr Lance Japhet, chairman of the SA Oil Expressers Association, attributed the increase to the local crop shortfall - estimated at 130 000 tons - of vegetable oil seeds and sunflower seeds this year, as well as high import oil prices.

Mr Japhet said it was difficult to determine what consumers would eventually pay for these commodities, since there was no collusion among manufacturers.

Electricity costs

Drought was the major factor for this year's crop shortfall, Mr Japhet said. Oil expressers also had to pay higher prices for local oilseeds this season, including ralage and electricity costs.

Spokesmen for OK Bazaars and Pick 'n Pay supermarkets told The SOWETAN yesterday that they would hold their prices until old stocks cleared. Both had not received new price lists from their suppliers by yesterday.

Checkers supermarket said in a statement: "We are not satisfied with the reasons given for the increase in the price of margarine and oil. We will be conducting our own investigation into the situation. In the meantime, the price of these commodities will remain at current levels at our outlets."

Meanwhile Mr Japhet has appealed to the manufacturers to absorb the full increase "as much as possible". He said his organisation had made representations to the Minister of Finance, Mr Breda du Plessis, to have salad and cooking oil included in the list of GST-free commodities.

"If the Minister responds positively, consumers will buy oil products at old prices," Mr Japhet added.
Margarine oil prices may rise by 12pc

Consumers would pay 12 percent more for margarine and vegetable oil if manufacturers fail to absorb the latest increases in their production costs, the SA Oil Expressers' Association chairman said yesterday.

Mr Lance Japhet, who is also the chairman of the SA Margarine Manufacturers' Association, said price rises on imported oil and local oilseeds had resulted in increased production costs.

Producers were paying between 13 and 14 percent more for the bottling of oil and the production of margarine.

He said a large quantity of oil would have to be imported because this year's harvest had yielded only 270,000 of the expected 400,000 tons.

He said the association appealed to manufacturers not to pass the full increase on to the consumer.

Checkers and Pick 'n Pay spokesmen said they were not satisfied with the reasons given for the price increases.

"We will do our own investigation into the situation," the Checkers spokesman said.
Margarine, oils set for price rise

THE prices of cooking and salad oil and margarine are poised to shoot up by between 13% and 14%.

In the light of the expected increases the chairman of the SA Oil Manufacturers' Association and SA Margarine Manufacturers Association, Lance Japhet, yesterday appealed to government to consider exempting seed cooking oils from sales tax in order to dam- pen the increase.

He told a Press conference: "The combined effect of continuing high imported oil prices and local increases on oilseeds has increased the cost of these commodities by 13% to 14% so far this year."

Japhet said among the reasons for the likely increases was that the latest crop estimates for vegetable oilseeds and sunflower seed were disappointing.

"Last year, the sunflower seed harvest yielded almost 160,000 tons. This year we had expected about 400,000 tons which would have supplied a substantial proportion of our local needs for salad and cooking oil and for yellow margarine. We are now expecting only about 270,000 tons, which means that a significant quantity of oil is still having to be imported."

Imported oils are quoted in dollars, resulting in a high landed cost.

No specific date was given when the higher prices would reach the consumer.

"This depends on individual manufacturers, but we have appealed to them to attempt to absorb as much of the increases as possible," he said.
October bread price rise likely

Mercury Correspondent

PRETORIA—The bread price is likely to rise again in October—for the second time this year—by as much as 15c or 20c a loaf.

Among factors which will influence the extent of the increase are:

1. The Government subsidy of R200 million will run out before the start of the new wheat season in October.

2. The wheat price is sure to be raised, and millers' and bakers' margins are expected to be raised again.

If the subsidy is not increased—and authorities in Pretoria say it is not likely to be—then another 15c a brown loaf would have to be added to the adjustment calculated last month.

However, wheat farmers say that if an increase is decided on, it would probably be imposed in two stages, four of five months apart.

The bread price was raised in May by 5c a loaf—brown to 45c and white to 65c. Before a decision on the price is taken, however, Agriculture Minister Greyling Wentzel will have the report of the commission he appointed last month to investigate the bread subsidy and to advise him on whether it should be increased to compensate for rising production costs.

Farmers, he said, had a sound case for an increase.
By Michael Chester

New moves to flush out business rings that operate as "price fixers are imminent from Dr Dawie de Villiers, Minister of Trade and Industry.

A nationwide crackdown on cartels will be run by Dr Stef Naude, chairman of the Competition Board, which has been given sharper teeth and far wider powers to stamp out rackets that squeeze out smaller competitors and in the end hit consumers' pockets.

Businessmen who flout the new rulebook on price fixing may run the risk of five-year jail sentences and fines running as high as R100 000.

Details of the battle plan have already been spelled out to leaders of the Federated Chamber of Industries, the Afrikaanse Handelsinstituut and the Association of Chambers of Commerce and high-ranking executives from individual companies.

The proposals, designed by Dr Naude after exhaustive investigations, will be submitted to Dr de Villiers for formal approval and printed in the Government Gazette soon.

Dr Naude declines to name the industries and commodities most likely to be affected. But insiders say they are bound to include many producers and retailers of items such as cement, timber and tyres among a long list that has sporadically moved in and out of controversy.

The new rulebook will also cover several of the professions, including advocates and estate agencies.

Control boards and the medical profession will both escape the net because they are governed by separate legislation.

DRAGNET

But state corporations as well as businesses in the private sector have been drawn into the dragnet.

Rules that outlaw resale price maintenance—which are riddled with loopholes—will be tightened and come under stricter surveillance to break the price rings.

And under the hammer now will come:

● Collusion on setting prices each step up the ladder to the consumer
● Rackets laying down their own "condition of supply" laws.
● Schemes to work out patterns of how the market should be shared.
● Phone whispers between companies to fix price quotes when tenders are invited on supply contracts.
**Unskilled women traders prevalent**

ONE in eight of the world's entire labour force works in the informal sector, according to the State of the World’s Women report 1985. This sector is overwhelmingly occupied by women whose precarious living is threatened by factors and of modern urban development.

The report, prepared in the run-up to the United Nations World Conference on Women, goes on to characterize it as "the largest and most visible of the world's poor" as consisting of millions of people offering services and engaging in small-scale activities on the margins of official life.

"They do not carry briefcases or big cigar, but women traders have taken up a third of the wealth in Third World cities."

"They dudge on and out of traffic --- with trays of homestead sweets; make and sell leather sandals or in washing; sell rice cakes, mango in skis, and cups of murky brown beer."

Between 25 and 70 percent of the woman force in Third World cities are found in the informal sector, which is about 50 percent of the poor population in developing countries.

The report goes on to say that women traders are most prevalent in the Caribbean, West Africa, and South Asia where they still between 70 to 90 percent of all the farm and fishing produce.

This informal trading gives them an independent income and enables them to develop a flexible working schedule that allows them to combine business and domestic chores.

Their earnings are very low but it is the only chance these women who are often migrants, have to generate an income.

The report stresses that this sector is vulnerable because of the expansion of industry and will undermine their mode of employment. They cannot compete with the smart new shops because they are unlicensed, unskilled, illiterate and without capital.

"Going to market seems getting lost as a guide, but women, depending on transport, making contracts, adjusting contracts and doing deals. These activities are made easier for men and give them a head-start over women. Men are beginning to take over the only sector that is some parts of the world, women can be used to control."

"HEY DO not carry briefcases or smoke big cigars, but women traders create up to a third of the wealth in some Third World cities."
Day of sorrow

A YOUTH shows a blood-stained shirt which was found at the KwaThema Cinema yesterday morning.

...as four KwaThema unrest victims are buried.

A CAR set alight outside the KwaThema Stadium where a funeral service for four unrest victims was held.

WITH clenched fists a crowd, including young children, march to the KwaThema Cemetery carrying aloft the coffin of one of the victims.

MOURNERS march towards the KwaThema Stadium with the hearse carrying one of the four unrest victims who were buried yesterday.
The producer price index (PPI) took an ugly upward lurch in May, rising to 16.9% on a year-on-year basis, compared with an increase of 15.2% in April.

Figures produced by the Central Statistical Services show that the index (1993=100) showed a monthly rise of 2.13% to 177.7, after a 0.9% gain to 174.6 in April. A year ago the index stood at 152.6.

The performance of the index since the beginning of the year has been most disconcerting. Since the beginning of the year, the monthly year-on-year increases have been:

<table>
<thead>
<tr>
<th>Month</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>12.9%</td>
</tr>
<tr>
<td>February</td>
<td>14.9%</td>
</tr>
<tr>
<td>March</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

By HAROLD FRIDJHON

April 15.2%
May 16.9%

The index includes the prices not only of primary products and the wholesale prices of goods produced in SA but also the landed cost of imported products and components.

In the past five months the index for imported goods has risen faster than the local indices because of the weaker rand, compared with its value a year ago. The imported content of many products has given a nasty upward thrust to the cost of goods manufactured in this country, as well as to the prices of finished goods which come from abroad.
Shock at likely price rise of bread

Mercury Reporter

'SPECULATION EN ROUTE': The price of bread will rise by 15 c or 20 c a loaf in October is 'quite frightening', a spokesman for a major supermarket chain said.

'If the price does rise by that much it will be devastating,' the Pick 'n Pay spokesman said.

Several months ago Pick 'n Pay applied for a licence to make cheap Government standard-size bread but as yet have not received a reply.

The spokesman said it had already cost the group R50 000 to hold the bread price down since the last increase in June of 5 c a loaf.

If the expected increase does occur a loaf of white bread could cost as much as 85 c and brown bread 85 c.

'We would have to decide whether we could afford to absorb an increase such as this at the moment,' said the spokesman.

The likely increase is said to be a result of the Government subsidy of R200 million running out before October and an expected increase in the wheat price.

However, before a decision on the price is taken Agriculture Minister Greyling Wentzel will have the report of the commission he appointed last month to investigate the bread subsidy and to advise him on whether it should be continued.
Wheat Board holds grip on R70m fund

The Wheat Board is not likely to use any of its R70m stabilisation fund to mitigate the expected big increase in the bread-price from October 1.

The bread-price issue, as well as the board's recommendation for a wheat-price increase, are on the agenda for a meeting in Pretoria this month.

GM Dennis van Aarde said yesterday that last year the board gave the government R40m to keep bread prices down to a minimum.

Stressing the importance of keeping the R70m fund intact, Van Aarde said that if the board had a surplus in the 1986-87 season of, say 500 000 tons, and had to export under current market conditions, the loss could amount to R150 a ton or a total of R75m.

"It is clear, therefore, that we cannot under the circumstances risk depleting the fund further."

On the prospects for this season's crop and the possibility of supplementary imports, Van Aarde said that the drought had caused heavy damage in the Free State where about three-fifths of the total crop was normally harvested.

A shortfall next year was, therefore, likely and, in spite of the 500 000-ton carry-over — about three months' supply — wheat would probably have to be imported.

However, Van Aarde, back from a meeting of the International Wheat Council in London, said that world wheat surplus was enormous and prices had dropped. To reduce its surplus the US was selling at a discount of 25% to meet competition from EEC countries.

"If we do import next April or May at least the prices will be strongly in favour of the buyer," he said.
Minister replies to call from PFP member

Petrol price will not be cut

CAPE TOWN — The Minister of Mineral and Energy Affairs, Mr Danie Steyn, today said petrol prices would not be reduced at this stage, but an opposition spokesman said there was scope for a price cut.

Calling for an immediate reduction in petrol prices, Mr Brian Goodall, MP for Edenvale and Progressive Federal Party spokesman on mineral and energy affairs, said it was clear that economic factors affecting fuel prices had improved sufficiently to warrant such a decrease.

Indications were that oil prices would continue to decline and that South Africa’s balance of payments would continue to improve. This would have a beneficial effect on the rand-dollar exchange rate.

INFLATION

A fuel price reduction would help to reduce South Africa’s “unacceptably high” rate of inflation.
Oil firms cut many prices on Monday

TOM HOOD
Financial Staff

OIL companies are to cut prices of a wide range of oil and other petroleum products from Monday.

Petrol and most other price-controlled products will not be cheaper.

But the Government is allowing diesel used for road transport other than passenger buses, to be cut by 1.5c a litre at the coast and 1.6c on the Reef, depending on the rounding off of General Sales Tax.

The driver of a diesel-engine car with a 72-litre tank will save about R1.22 when he fills up.

The cuts follow an improvement in the rand-dollar exchange rate and if the rand continues to rise there is a chance of petrol and other prices being lowered.

There will also be a 5c a litre cut in the controlled price of diesel for some industrial and commercial uses.

An oil company source said today: "For the motorist the reductions will be minimal. Garages are not forced to pass on cuts in items that are not price-controlled," he said.

"But over a year, the lower prices make a difference running into millions of rands."

A 5 litre tin of SEA 50 engine oil, for example, will be 15c cheaper to the dealer. Other engine oils will be 2c a 500ml can cheaper.

FLYING IS CHEAPER

Lubricants such as oils and greases are not price-controlled. Prices of multigrade and monograde engine oils will be about 3,16c and 4,10c a litre cheaper but fuel prices will depend on transport costs, packs and brands.

The biggest reduction is in aviation fuel, down by 9c a litre to a saving of R18 on a 200 litre container. Liquid petroleum gas will be cheaper by 5c a litre or 9c a kg.

The Argus Political Staff reports that the Minister of Mineral and Energy Affairs, Mr Danie Steyn, made it clear today that a decrease in petrol prices was not imminent.

Mr Brian Goodall, MP for Edenvale and Progressive Federal Party spokesman on mineral and energy affairs, said however that factors had improved sufficiently to warrant an immediate decrease.

Indications were that oil prices would continue to decline and that the balance of payments would continue to improve.

Mr Steyn said the first objective was to strengthen the road fund.

- Examples of other price reductions a litre:
  - Heavy furnace oil: 3.5c
  - Bitumen: 3.5c
  - Aviation turbine fuel: 2c
  - Benzine: 3c
  - White spirits: 2c
  - Power paraffin: 3c
Call for petrol price review

by Gáy van Staden, Political Reporter

Pressure is mounting on the South African Government to probe the high cost of petrol and its pricing structure.

Opposition political parties, consumer organisations, the Automobile Association and the Association of Chambers of Commerce are requesting a review of the fuel price.

All the parties calling for a Government rethink on the price of petrol want the cost to come down and most believe the Government would be able to do this.

The AA led the call for a fuel price probe after a series of articles in The Star concerning the price structure of fuel and profits made by Sasol.

Sasol pointed out that it was no longer state-controlled and as a free enterprise organisation was entitled to make a profit.

Spokesmen for consumer organisations such as the Consumers Council and the Housewives' League, as well as the AA and Assoccom, have all supported the call for an investigation into the price and the pricing structure.

Dr Frans van Staden, the Conservative Party spokesman on mineral and energy affairs, said today the party would support any attempt to obtain cheaper fuel for the South African motorist.

FFP mineral and energy affairs spokesman Mr Brian Goodall said the petrol price should be reduced now.

"A price reduction would have a significant effect in helping to control inflation," he said.

"The price of crude oil is due to fall. South Africa has a balance of payments surplus, the US dollar is overvalued and is more likely to fall against the rand than improve. This is the ideal time to make the adjustment in the fuel price," Mr Goodall added.

He said that as the Transvaal's fuel requirements were now supplied by Sasol from inland plants, the extra 64 c/l for railage and pipeline costs should be scrapped.

"If there is a need to recover transport costs then they should be recovered from the whole country, not just the Transvaal," he said.

Sasol fuel is sold to the other oil companies operating in South Africa at an import parity price, which means oil companies such as Caltex, Mobil and Shell have to pay Sasol the same price in rand as that it would cost to import the fuel in US dollars.

Sasol have conceded the low value of the rand against the dollar meant good profits but pointed out that if the situation changed they could lose profits.

Structure

The Automobile Association at its recent annual general meeting urged the Competition Board to investigate the pricing and distribution structure of fuel in South Africa.

The president of the AA, Mr Peter Goodridge, described the 40 percent increase in the price of fuel and the increase in GST as "the biggest blow to motoring in the past decade."

Mr Ken Warren, Assoccom's legal adviser, said Assoccom would support the AA in its call for the pricing structure and distribution of fuel to be investigated by the Competition Board.

The Consumers Council feels that the free market system in South Africa is gaining more and more ground, the trend should also be promoted as far as the sale of petrol is concerned.

The corporal accepts that the rate of exchange is largely responsible for the current high price of fuel, but Consumer Council director Mr Jan Cronje says consumers are baffled by the high price of locally produced Sasol fuel.

Mrs Joa Hurwitz, president of the Housewives' League, said she would welcome a petrol probe by the Competition Board.

"I would like to see the price come down," she added.
Rush to rally round AA in plea for urgent fuel probe

Consumer groups and Assocon are supporting the Automobile Association's call for a probe of the petrol price.

"The AA urges the Competition Board to investigate the pricing and distribution structure of fuel," said Mr Ken Waterson, Assocon's legal adviser, said it would support the AA call for a price and distribution investigation.

He said in April, Assocon had made representations to the Minister of Mineral and Energy Affairs, Mr Danie Styn, suggesting the Competition Board be consulted on the clauses of the Bill enabling the Minister to intervene in the distribution and pricing mechanisms.

The Consumer Council feels the trend towards a free market system should be promoted as regards the sale of petrol.

The council accepts that the exchange rate is largely responsible for the present high fuel price, but Consumer Council director Mr Jan Cronje says consumers are baffled by the high price of locally-produced Sasol fuel.

"Why should Sasol shareholders gain from the extra in the price of petrol at the cost of the already hard-hit consumer, and why are petrol outlets refused permission to sell fuel at a lower price?"

Mrs Jenny Harwell, president of the Housewives League, said she would welcome a petrol probe by the Competition Board.

"I know petrol is a strategic commodity, but the last 40 percent increase has had a marked effect on our inflation rate."

Mr Raymond Ackerman of Pick 'n Pay, which sells discount petrol at its Boland Hypermarket, said: "We believe in the free enterprise system. We are selling discount petrol in one store only, and they are threatening to stop that."

"It is totally against what is right for the consumer in these tough times. This is to protect the big oil giants, who are big enough to stand on their own and don't need protection."

Dr Steff Neude, director of the Competition Board, said it had not yet been approached by the AA.

"The board can do anything on its own initiative. But there are so many things we have to attend to that we have not adopted a priority list. At this point we are conducting very important investigations — and petrol is not one of them"
OK’s OK
— now for the buses

By MUDINI MAIVHA

MAHWELERENG residents in the Northern Transvaal — fresh from a “victorious” boycott of Potgietersrus OK Bazaars — have launched another boycott on Lebowa Transport because of fare increases.

The OK boycott — because of “racist body searches” — started after a June 16 commemoration service organised by Azapo.

Residents claimed a new manager, Mr Wahl, had instructed security men to treat black customers, who were “treated like thieves.”

Parcels were left strewn on the floor and there were complaints of assaults, with about 60 people handed over to the police and released without being charged.

The boycott coordinating committee demanded that the OK stop the searches and racial segregation, introduce better customer service, dismiss manager Wahl and a security officer, Mr Piennar, and reinstate worker Paul Rametse.

Mr Rametse was dismissed during the boycott because he allegedly told a customer to beat up or stab a security officer at the OK.

He has since been reinstated.

OK Northern Tvl district manager Neville Stuart said.

Mr Wahl has been “transferred” to Pretoria and Mr Piennar “has left us.”

Meanwhile Lebowa police have come out in full force against the bow boycotters who refuse to pay the 20 to 30 percent fare hike that came into effect on July 1.

Youths were lashed with quirts and 17 were arrested — only to be released later.

Residents claim even preschool children were taken to the police station in town and accused of distributing boycott pamphlets. They were later taken back to the township.

Lebowa police chief Philip Moloto said his men had arrested no preschool children or youths.

Colonel Moloto and the only reports he had received from Mahwelereng were of stonings on Monday and Tuesday.

Police prevented a Sunday meeting to “re-evaluate, restructure and intensify” the partial boycott at Molati Hall.

Cops also stopped the launching of the Mahwelereng Youth Congress at the Lakalakal on Monday — saying the meeting was “banned” until next year.
Milk petition: 'Unfair price'

Staff Reporter

A GROUP of shopowners is to present a petition to the Dairy Board today calling for controls on the milk price, following what they believe are unfair differences in the price of milk sold in different areas.

Mr M Graca, Sea Point supermarket owner and spokesman for a group of about 50 shopowners from the Sea Point, Bakoven, Milnerton and Goodwood areas, said on Friday that milk was being sold to them for 78c a litre whereas it was being supplied in areas such as Athlone and Mitchell's Plain for 65c a litre.

"We would like to have a controlled price then we could buy from whoever is pleased at the controlled price. Milk is the same as bread, it is a general commodity and the price of bread is controlled. The price war among the dairies is killing us. We feel oppressed," he said.

He said the petition would be circulated amongst shopowners and presented to the Dairy Board today.

Mr Martin Henning, regional general manager of Dairy Belle, said his dairy offered milk at 65c a litre in Athlone, Mitchell's Plain and Bontheuwel as part of a specific promotion to increase milk sales in those areas.

"In these areas we do not have the facilities for promotion that we do at the big supermarkets and the only way to promote milk is to keep the prices low," he said.

He expected that the price would increase in these areas once the annual winter slump in milk sales was over.
Oil, diesel, spirit prices go down today

CAPE TOWN—Wholesale prices of a wide range of oil and other petroleum products will be cut from today, but petrol and other price-controlled products will not be cheaper.

The Government is allowing the price of diesel used for road transport other than passenger buses to be cut by 1.7 cts at the coast and 1.8 cts on the Reef.

The price of aviation fuel is to drop by 3 cts and the price of liquified petroleum gas will go down by 5 cts.

It is understood that the benefits to the motorist could be minimal as dealers are not compelled to pass on reduced prices on products which are not price controlled.

The cuts are attributed by oil industry spokesmen to the improving rand-dollar exchange rate.

The Minister of Minerals and Energy Affairs, Mr. Danie Steyn, said a decrease in the petrol price was not likely at this stage.

He said the first objective was to strengthen the road fund.

Examples of price reductions are:

- Heavy furnace oil — down 3.5 cts.
- Bitumen — down 3.5 cts.
- Aviation turbine fuel — down 2 cts.
- Engine — down 2 cts.
- White spirits — down 3 cts.
- Power paraffin — down 2 cts.

(Sapa)
Dental fees to increase

Dental technicians' fees increase by 25 percent from August 1, causing a further hike in dentists' bills. Shd 167785

The increase was announced in the Government Gazette and confirmed by the Registrar of the Dental Technicians' Council, Mr A D van der Merwe, today.

The rising cost of materials was one of the reasons for the increase, he said:

Dental technicians are responsible for the construction of dentures, bridges and a variety of other dental fixtures.

"This will affect the public to the extent that the public pays for our services," said Mr van der Merwe. — Pretoria Correspondent.
Petrol price hopes fade

BY PETER WALLINGTON

DESPITE the wholesale price reduction of a wide range of oil and petroleum products, the consumer may not benefit and there is no chance of a drop in the petrol price.

An oil company spokesman in Cape Town said the wholesale price cuts were in respect of non-price controlled products and retailers were not compelled to pass the benefit on to the consumer.

But government is allowing diesel used for road transport other than passenger buses to be cut by 1,7c a litre at the coast and 1,6c on the Reef.

The driver of a diesel-engined car with a 72l tank will save about R1,22 when filling up.

PFP finance spokesman Harry Schwarz said "On the face of it there is a strong case to bring down the price of petrol."

He added that it did not make sense to wait for the rand to strengthen further against the dollar because the exchange rate had stabilised well above the 0,47 January price and the indications were that it would continue to improve.

The company spokesman said the wholesale price on all petroleum products was increased in January when the rand was worth only 46 US cents.

"The exchange rate has improved since then to range just over 0,50. This has resulted in over-recoveries in terms of government's petroleum price formula and has enabled the price reductions."

Despite the improved exchange rate, a spokesman for the Department of Mineral and Energy Affairs said it was unlikely the petrol price would be adjusted.

He said that when the exchange rate reached 40 US cents, and remained stable for at least a month, then an adjustment might be considered.

He said that though the rate had improved recently it had for a time dropped as low as 42 US cents. The price of petrol was not increased because money was drawn from the Equalisation Fund and oil was obtained from the country's reserves.

Among the oil and petroleum products affected by the reductions are:

- Aviation fuel............. down 9c/1
- Liquid petroleum gas........ 5c/1
- Heavy furnace oil........... 3,5c/1
- Bitumen..................... 3,5c/1
- Aviation turbine fuel...... 2c/1
- Benzine .................. 2c/1
- White spirits ............. 3c/2
- Power paraffin .......... 2c/1
Reserve Bank rejects possibility of freezing wages and prices

Own Correspondent
DURBAN — The Reserve Bank had looked "very seriously" at the possibilities of a wage and price freeze policy, but had decided it was not likely to work in practice, Governor Dr Gerhard de Kock said in Durban this week.

In an interview after he addressed leading local businessmen at the Daily News, Dr de Kock said that price and wage restraints had been tried without real success through the centuries.

The most notable recent attempt had been that of President Nixon and George Shultz (US Treasury Secretary from 1972 to 1974) — and Mr Shultz later publicly conceded the policy had not worked.

THE TRUTH
Dr de Kock said such policies — which locally have been urged by a number of economists — initially usually are meant to supplement basic monetary and fiscal policies. However experience showed that, in practice, they became a substitute rather than a supplement for tight monetary controls.

"Once the policy is gazetted people tend to feel the problem of inflation has been addressed. "They don't worry too much whether money supply rises another 10 percent or so." This, he said, meant going back to "square one."

"The truth is that if you print too much money, you will have inflation. A price and wages policy will not save you then."

Dr de Kock said experience in Chile a few years ago had shown it was possible to bring inflation down very rapidly. Sudden and sharp monetarist policies adopted in that country had brought the rate of inflation dramatically down from enormous figures, showing that the theories outlined by leading monetarist economists Milton Friedman were correct.

However, the measures taken in Chile had been so dramatic they had caused great disruption and unemployment. The government changed and the country returned to its old ways.

"You can't just rush in and say we have only one objective in life — to cut the rate of inflation. The cost would be too high."

Think we are doing the right thing now. "Thus far the policy has been very successful in terms of government spending, money supply, the surplus on the balance of payments and in repaying short-term foreign debt. The next thing is to see a decline in the rate of inflation."

"Of course, if you allow inflation to run on too far, as we have done, and then you take proper steps, then those steps are painful. You have to sweat it out. You have to sit through a year or two of unemployment, low profits and low growth. It works in time — as it had in the US and UK."

GROWTH RATE
It was possible to go all-out to reduce the rate of inflation but the action taken would exacerbate unemployment and the recession — "we have to proceed cautiously — no bull in a china shop anti-inflationary approach."

But I believe that if we persist long enough we can get it down."

A lower inflation rate would, in the long run, lead to a higher growth rate and more job creation.
Shortage of beef forecast — and it could cost more

The price of beef is likely to rise and a shortage of beef will continue into next year, despite a growing mountain of carcasses in the Meat Board’s freezers.

A Meat Board spokesman said yesterday there was a shortage of third grade beef at the market, the first sign of a coming shortage. “When it will happen nobody wants to predict,” he said. “But it is expected before Christmas.”

If one considers the high percentage of female animals slaughtered in the last three years due to drought, it is not surprising that there will be a shortage of beef. There is also no incentive for farmers to venture into beef production. The Meat Board surplus now stands at more than 32,000 tons in Meat Board coolers throughout the country, and the board is still buying in 500 super-grade carcasses a week.

The board has been trying for some months to negotiate an export deal to get rid of the surplus carcases.

The secretary of the South African Feedlot Association, Mr. Tommy Thompson, said this week that the consumer could not afford to eat red meat anymore. This was seriously affecting the feedlots, which produced 35 percent of South Africa’s beef.

The recent increase in the Meat Board levy by 2c/kg to remove surplus meat from the market, as well as a two c/kg increase in abattoir cattle, was a further threat to the feedlots to suspend production. Twenty feedlots closed in the last year, leaving still more expected to shut, he said.

Increased price of maize, high interest increased marketing costs (R0.40 an animal) slaughtering meat prices would force feedlots to suspend production.

He added that in the end this would be bad for the consumer, who would be faced with poor quality meat at high prices.

A Meat Board spokesman said: “While the board knows consumers cut down on red meat in a recession, it will not admit there is a reduction in meat consumption. The commercial consumption of red meat has increased faster than the population growth.”

But figures show that the slaughter rate at the Pretoria abattoir in June dropped by at least 1,000 cattle compared to June last year. In the first week of this month, 246 less cattle were slaughtered, compared to the same period last year.

At the City Deep abattoir in Johannesburg, 662 less cattle were slaughtered in the first week of July compared to last year, and 1,050 less in the second week.

In the nine controlled areas across the country, a total of 12,660 less cattle were slaughtered last month compared to June 1984.
WCTA wants meat for the workforce

Staff Reporter

THE Western Cape Traders Association (WCTA) yesterday blamed the "rigid control" exercised by the Meat Board for pushing up prices "sky high".

The association, which represents 2,000 small local retailers including butchers, was reacting to an announcement by the board which said consumers faced a beef price increase. A shortage of meat was also predicted for later this year.

The WCTA referred to the mountain of carcasses being held by the board which has been trying to negotiate an export deal for several months. The surplus now stands at 42,000 tons.

"We say reduce the price of the meat to reach the ordinary man and the internal market is ready at our doorsteps."

It also called for butchers and consumers to have a say in the distribution of meat, not only farmers and producers.

"It is a government responsibility to build a strong and viable workforce. The only way they can be strong is by eating more meat at a reduced price. The workforce are the people."
### Shopping Basket

The SOWETAN's Shopping Basket team is still investigating with Pick 'n Pay, OK Bazaars and Checkers, the rise in the price of cooking oil and margarine.

We would like to hear your views. Write to The SOWETAN Woman's Department, Box 6633, Johannesburg, 2000.

<table>
<thead>
<tr>
<th>Foods</th>
<th>Pick 'n Pay</th>
<th>OK Bazaars</th>
<th>Checkers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tea</strong></td>
<td>2 kg</td>
<td>1 kg</td>
<td>2 kg</td>
</tr>
<tr>
<td>Brown</td>
<td>2.99</td>
<td>2.99</td>
<td>3.00</td>
</tr>
<tr>
<td>Leaf</td>
<td>2.99</td>
<td>2.99</td>
<td>3.00</td>
</tr>
<tr>
<td><strong>Fruits</strong></td>
<td>2 kg</td>
<td>1 kg</td>
<td>2 kg</td>
</tr>
<tr>
<td>Apple</td>
<td>2.65</td>
<td>2.65</td>
<td>2.68</td>
</tr>
<tr>
<td>Orange</td>
<td>2.45</td>
<td>2.45</td>
<td>2.46</td>
</tr>
<tr>
<td><strong>Biscuits</strong></td>
<td>2 kg</td>
<td>1 kg</td>
<td>2 kg</td>
</tr>
<tr>
<td>Cookies</td>
<td>1.29</td>
<td>1.29</td>
<td>1.35</td>
</tr>
<tr>
<td><strong>Bakery</strong></td>
<td>2 kg</td>
<td>1 kg</td>
<td>2 kg</td>
</tr>
<tr>
<td>Bread</td>
<td>1.19</td>
<td>1.19</td>
<td>1.19</td>
</tr>
<tr>
<td><strong>Medicine</strong></td>
<td>2 kg</td>
<td>1 kg</td>
<td>2 kg</td>
</tr>
<tr>
<td>Aspirin</td>
<td>1.19</td>
<td>1.19</td>
<td>1.19</td>
</tr>
<tr>
<td><strong>Household</strong></td>
<td>2 kg</td>
<td>1 kg</td>
<td>2 kg</td>
</tr>
<tr>
<td>Detergent</td>
<td>1.19</td>
<td>1.19</td>
<td>1.19</td>
</tr>
<tr>
<td><strong>Fuel</strong></td>
<td>2 kg</td>
<td>1 kg</td>
<td>2 kg</td>
</tr>
<tr>
<td>Gas</td>
<td>1.19</td>
<td>1.19</td>
<td>1.19</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th><strong>Pick 'n Pay</strong></th>
<th><strong>OK Bazaars</strong></th>
<th><strong>Checkers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$244</td>
<td>$241.78</td>
<td>$240.85</td>
</tr>
</tbody>
</table>

**Prices as of 24/7/85**
Prices of homes will plunge, say property agents

By Sue Leeman, Pretoria Bureau

Property prices, already depressed by the unrest during recent months and the economic slump, will plunge to new lows because of the state of emergency, say industry sources.

Some estate agents say home prices have already dropped by as much as 20 percent. They add that this is partly because of uncertainty about the country's political future.

Central Statistical Services figures show that soaring interest rates have discouraged borrowing, and the number of building society bonds granted in the first three months of this year for the construction of new houses was nearly 50 percent down on the same period in 1984.

Bonds for the purchase of existing homes and flats slumped by about 37 percent in the same period.

Johannesburg estate agent Mrs Ada Geffen said the government would wake people up. "We have lived like ostriches, hoping the country and the rand will recover."

Recession and unrest hit builders

Many builders are succumbing to the effects of the recession and unrest as prospective homeowners shelve their plans to build.

Director of the Master Builders Association in Johannesburg, Mr Bate Pretorus, confirmed that builders were suffering, saying he knew of "about 30" MBA members who had been forced to close up shop.

Most builders were now cutting their profit margins.

However, there was "some optimism" that things could pick up next year, in spite of the general feeling of gloom.

An executive of the United Building Society, Mr Mike de Blanche, said Central Statistical Services figures, which showed a substantial drop in building society bonds, indicated the Government's stringency measures aimed at curbing spending were working.

'It was inevitable the higher interest rates in the early part of the year had turned some borrowers away, he said.

But Mr de Blanche pointed out that there had been a recent softening in interest rates, particularly for new loans and said figures for May to July would probably paint a "different picture".

She said she expected many people to leave the country, selling their properties in a hurry at rock-bottom prices.

"Unless the Government can solve its problems, sellers will not get their prices, and there will be an increasing number of properties on the market."

Mrs Geffen said the prices of upmarket houses had dropped by about half in the past two years, while those of more modest homes were down by as much as 20 percent.

Another estate agent, Mr Wilf Isaacs, said he believed some people were talking of leaving the country because of the political situation. Those staying were prepared to pay high prices to live in flats with tight security.

He said flat rents had dropped 10 to 15 percent, but this was mainly because of the financial situation.

The senior general manager of the Permanent Building Society, Mr Brian Kemmey, said the recent Langa riots had caused a "marked up" drop in property prices.

"There is no doubt that there has been concern about the unrest. But he added that the recession was the strongest cause of the property slump.

According to CNS figures, 1,598 bonds for new houses valued at R76.2 million were granted in the first quarter of this year — a drop of just over 48 percent against 1984. Bonds for existing dwellings dropped by 37 percent — from 12,721 (R365 million) to 8,553 (R396 million)."
Consumer price of mutton up by 15 p.c

Pretoria

The consumer price of mutton has risen by up to 15 percent over the past two weeks and mutton passed the R5-a-kilogram mark at the Cato Ridge abattoir on Tuesday.

Although there was a slight drop in price on the abattoir yesterday, high prices for both mutton and lamb might last for another month or two.

A Meat Board spokesman in Durban said mutton B1 sold for between R4.20 and R5.00 a kilogram on Tuesday and super lamb from between R4.20 and R4.90/kg. Yesterday's highest prices for mutton B1 were R4.82 and for super lamb R4.49.

Mr Bill Delport, abattoir division manager of Stockowners attributed the short supply to the prolonged drought and the fact that farmers were about to shear their animals.

The national sheep herd had dropped from 33 million to slightly more than 27 million, he said.

The chairman of the Durban and District Meat Traders' Association, Mr Dudley Thompson, confirmed that mutton prices had 'risen everywhere'.

Some major supermarkets contacted yesterday said they had not yet found it necessary to put up their prices.

Chamber urges Sarmcol
MAROPANE and shack-dwellers train commuters are up in arms against “overcharging” ticket examiners whom they claim also refuse to issue tickets for the money they receive.

This problem dates back to when a direct bus service between two areas and Pretoria was stopped from operating. Thousands of people started complaining about disparities in what certain ticket examiners charged for particular distances. There were those whose tickets went as far as the new Belle Ombre Station but were forced to board trains to main local stations as a result of irregular services.

"There are times when we are forced to jump into any train arriving at the station because of problems we often encounter when trains are late. And on arrival at any of the stations, one has to pay the difference in cash. But surprisingly enough, ticket examiners do not issue tickets and also charge different amounts for the same distance," said Mr Jack Mokone, a commuter.

Mr Mokone added that those who tried to find out why they were not being issued with tickets were said to be interfering.

Mr J S Meyer, acting regional manager for the South African Transport Services (SATS), told The SOWETAN that he was not aware of such complaints. No verbal or written correspondence was made to the effect, he said.

When the matter was first reported in The SOWETAN, the SATS had promised to investigate. The spokesman had then said it was improper to receive money and not issue a ticket.
Fuel price decision is delayed

The Department of Min- eral and Energy Affairs has not yet taken any firm decision on whether to drop the price of petrol, although the rand exchange rate is being closely monitored to see if a reduction is viable.

A spokesman for the department, Mr Theuns Burger, said today that if the exchange rate stabilised at a reasonable level for a period, the price of petrol may be dropped.

However, he said, the amount of any decrease would be determined by a number of factors.

The National Road Fund, for example, was in need of a boost and it might be decided to allocate funds to this.

It may also be decided to channel some of the money to the Motor Vehicle Insurance Fund for third parties.
Steel product prices to rise

PRETORIA. — The South African steel industry was entering a "difficult phase" and its future profitability would largely be determined by the effect of a new tariff structure announced yesterday by government, Iscor's chairman, Mr. F. B. Kotzé, said yesterday.

Mr. Kotzé released a statement in Pretoria in reaction to the announcement by Trade and Industry Minister, Dr. D. J. de Villiers, abolishing quantitative import control on steel products, replacing it with a customs tariff system.

The new policy, which also abolished price control on basic steel products, will be effective from today.

Mr. Kotzé said the announcement was not unexpected.

"Owing to the exceptional conditions prevailing in the international steel industry for the past few years, and the consequent cutthroat competition, world steel prices in the export market are abnormally low at present," he said.

The position was aggravated by the increase of steel production in certain countries, as well as government subsidization, especially in EEC member countries.

"These abnormal conditions are expected to persist for a long time yet, which means that for some time to come there will not be any hope for normal market-orientated prices for steel in the international markets," Mr. Kotzé said while the new tariff system would offer "moderate protection" to the local industry, "the abolition of price control on primary steel products heralds a new era in the history of the South African steel industry."

Local steel prices among the country's nine independent steel producers would in future develop largely in keeping with market forces, without government interference, and in competition with imports, Mr. Kotzé said.

In his statement, Mr. Kotzé also said price increases on several steel products will be announced today, but said they would be below the current rate of inflation. — Sapa
Govt drops price control on steel

PRETORIA — Price control and quantitative import control on primary steel products is to be abolished with effect from today, the Minister of Trade and Industry, Dr Dawie de Villiers announced yesterday.

Dr De Villiers said price control on primary steel products dated back to 1941 when it was introduced as a war measure to curtail rising prices in a period of shortages.

He said that since then the government had been of the opinion that it would not have been advisable to expose the local industry to foreign competition without tariff protection.

"It is common knowledge that steel prices on the world markets are at unrealistically low levels on account of the imbalance existing between supply and demand. Consequently overseas steel producers are prepared to export primary steel products at marginal prices while the governments concerned are prepared to support their steel industries by means of export subsidies and other forms of assistance."

Dr De Villiers said these measures did not apply in the case of South Africa steel producers.

In view of these factors the government had decided that it was now opportune to abolish price control as well as quantitative import control on primary steel products.

He said the abolition would come into effect today when revised customs duties come into effect.

Dr De Villiers said the abolition of price control would have numerous advantages for the country because among other things it would result in greater competition between steel producers and more price flexibility. — Sapa

○ Steel product prices to rise, page 13
Steel pricing system to be changed

Financial Staff
South Africa's steel pricing system is to be remodelled.
The Minister of Trade and Industry, Dr Dawie de Villiers, announced yesterday that price controls on locally produced primary steel products and quantitative import controls over foreign primary steel imports are to be scrapped.
In place of the quantitative import controls "appropriate customs duties" will come into operation from today. Dr De Villiers said the extent and method of the customs duties are expected to be outlined in schedules to be published in the Government Gazette today.
But at the same time many local primary steel product manufacturers will also increase their prices from today.
Price control on primary steel products from Iscor and other South African rolled steel producers date back nearly 45 years, to 1941 when it was introduced as a war measure to curtail rising prices during a period of shortages.
In recent years though, the South African steel industry has come under severe pressure because of high internal production costs and the cheap price of "dumped" foreign steel, much of it produced with the aid of government subsidies.
Steel prices were "traditionally" reviewed—and increased—in July of each year after the go-ahead from the government.
Reef wine price war on the boil

Supermarkets say store's criticism is just sour grapes

by Mand Motanyane and Jackie Unwin

The wine price war has hotted up to the extent that a liquor store has broken with tradition and advertised its prices in the Press.

Benny Goldberg, which has accused supermarkets of immature marketing and selling wine at below cost, has launched an aggressive marketing campaign, and says it has reduced prices dramatically.

Supermarkets have welcomed the competition and claimed the criticism was a case of "sour grapes".

They have denied they are selling wine at a loss leader, but attributed their low prices to efficient marketing systems.

Although there was nothing preventing liquor stores from advertising, it was not common for them to do so, Mr Dave Botha of Benny Goldberg's said.

"It's a practice which we have decided to change because the supermarkets advertise "SWIPE AT GROCER'S"

"We are tired of them insinuating they are better wine merchants than we are and offering better prices," he said.

Mr Richard Cohen of Pick 'n Pay said the statements were a swipe at the grocer's wine licence segment because it was the only section in the marketplace showing growth.

"We tend to be the pariah of the industry because we discount and advertise prices," Mr Cohen said.

"We just happen to be particularly efficient in our distribution and are able to get the goods to the consumer at what appears to be better prices.

"We are often accused of loss leadering. This is incorrect because we have rentals to pay and we have to make a profit on our wine sales. Selling below cost would mean we would have to adjust prices elsewhere to cover costs and we have to compete on the grocery side as well."

Ms Peta Lomberg said Checkers marketed wine like any other product and called on bottle stores to work towards more aggressive marketing policies.

"There is a huge surplus of wine in the country. As it is becoming more difficult to market overseas, the only way we sell the wine is to encourage competition and sell it to the local people," Ms Lomberg said.
sunrise consumer

Cheese price hike in pipeline

Cheese is the only item which has not changed in price in The Star's basic foodstuffs survey during the past five months. But the bad news is that it is due to go up shortly.

Elite mature cheddar will go up from R6.99 a kg to R7.73 and Elite Gouda from R6.37 to R6.99.

Mr. Kevin Mervis, Transvaal foods buyer for Grand Bazaar's Ultra-market suggested consumers compare the prices of cheese at the delicatessen sections of supermarkets.

"The consumer pays extra for the vacuum packaging," he said. "First grade cheddar cheese bought from the delicatessen can be about R1 a kg cheaper."

OTHER RISES

Other price rises in the pipeline include about a 12 percent hike in the price of oil and margarine, which should hit the consumer soon.

"We have laid in stocks and the new price will not be passed on to the consumer until these run out," said Mr. Mervis.

One slight consolation is the dropping of GST on rice as from August 1. Pick 'n Pay dropped its "rich" price by 12 percent this week. It will revert to the old price at the beginning of August, but the consumer will not notice the difference as this will be made up by the 12 percent saving on GST.

The bread prices are being contained by the major supermarkets, which are selling this item at or below cost.

---

**BASIC FOODSTUFFS**

<table>
<thead>
<tr>
<th>Item</th>
<th>Pick 'n Pay</th>
<th>CHEKERS</th>
<th>CRESTA</th>
<th>OK BAZAAR</th>
<th>CRESTA</th>
<th>SPAR</th>
<th>BLACKBREATH</th>
<th>BLUEBIRD ROSETTENVILLE</th>
<th>Stan</th>
<th>28-7-1985</th>
<th>AVERAGE PRICE</th>
<th>AVERAGE CHANGE IN FIVE MONTHS</th>
<th>AVERAGE PERCENTAGE CHANGE IN FIVE MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD White</td>
<td>58c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>62c</td>
<td>59c</td>
<td>59c</td>
<td>63c</td>
<td>59c</td>
<td>+3c</td>
<td>+5.08%</td>
<td></td>
</tr>
<tr>
<td>Brown</td>
<td>38c</td>
<td>38c</td>
<td>38c</td>
<td>40c</td>
<td>44c</td>
<td>40c</td>
<td>38c</td>
<td>14c</td>
<td>40c</td>
<td>38c</td>
<td>+2c</td>
<td>+5.26%</td>
<td></td>
</tr>
<tr>
<td>MAIZE MEAL Swiss 5 kg</td>
<td>R2,90</td>
<td>R3,19</td>
<td>R3,19</td>
<td>R3,34</td>
<td>R3,09</td>
<td>R2,16</td>
<td>R2,91</td>
<td>R2,91</td>
<td>R2,91</td>
<td>R2,91</td>
<td>+35c</td>
<td>+8.59%</td>
<td></td>
</tr>
<tr>
<td>CAKE FLOUR Snowflake 2.5 kg</td>
<td>R1,95</td>
<td>R2,07</td>
<td>R1,99</td>
<td>R2,15</td>
<td>R2,15</td>
<td>R2,06</td>
<td>R1,90</td>
<td>R1,90</td>
<td>R1,90</td>
<td>R1,90</td>
<td>+14c</td>
<td>+7.6%</td>
<td></td>
</tr>
<tr>
<td>EGGGS 1/2 dozen large</td>
<td>66c</td>
<td>67c</td>
<td>68c</td>
<td>66c</td>
<td>66c</td>
<td>67c</td>
<td>65c</td>
<td>65c</td>
<td>65c</td>
<td>65c</td>
<td>+2c</td>
<td>+3.08%</td>
<td></td>
</tr>
<tr>
<td>BUTTER Elite 500 g</td>
<td>R2,32</td>
<td>R2,69</td>
<td></td>
<td>R2,51</td>
<td>R2,54</td>
<td>R2,76</td>
<td></td>
<td></td>
<td>R2,76</td>
<td>R2,76</td>
<td>+17c</td>
<td>+7.6%</td>
<td></td>
</tr>
<tr>
<td>MARGARINE Romen 500 g</td>
<td>R1,41</td>
<td>R1,42</td>
<td>R1,42</td>
<td>R1,44</td>
<td>R1,49</td>
<td>R1,44</td>
<td>R1,40</td>
<td>R1,40</td>
<td>R1,40</td>
<td>R1,40</td>
<td>+4c</td>
<td>+2.86%</td>
<td></td>
</tr>
<tr>
<td>MILK 1 litre</td>
<td>79c</td>
<td>72c</td>
<td>72c</td>
<td>77c</td>
<td>79c</td>
<td>80c</td>
<td>79c</td>
<td>77c</td>
<td>80c</td>
<td>77c</td>
<td>+7c</td>
<td>+10.00%</td>
<td></td>
</tr>
<tr>
<td>CHEESE Elite Mature Cheddar 1 kg</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Elite Gouda 1 kg</td>
<td>R6,37</td>
<td>R6,37</td>
<td>R6,37</td>
<td>R6,37</td>
<td>R6,37</td>
<td>R6,37</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>R6,99</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>COOKING OIL Nola 750 g</td>
<td>R2,09</td>
<td>R1,99</td>
<td>R2,25</td>
<td>R2,12</td>
<td>R2,12</td>
<td>R2,12</td>
<td>R2,12</td>
<td>R2,12</td>
<td>R2,12</td>
<td>R2,12</td>
<td>-1c</td>
<td>-0.47%</td>
<td></td>
</tr>
<tr>
<td>SUGAR Hulett's White 2.5 kg</td>
<td>R2,04</td>
<td>-</td>
<td>R2,09</td>
<td>-</td>
<td>R2,05</td>
<td>R2,06</td>
<td>R1,85</td>
<td>R2,05</td>
<td>R2,05</td>
<td>R2,05</td>
<td>+21c</td>
<td>+11.5%</td>
<td></td>
</tr>
<tr>
<td>SALT: Buffalo 1 kg box</td>
<td>55c</td>
<td>52c</td>
<td>52c</td>
<td>51c</td>
<td>53c</td>
<td>51c</td>
<td>51c</td>
<td>52c</td>
<td>52c</td>
<td>52c</td>
<td>+2c</td>
<td>+3.92%</td>
<td></td>
</tr>
<tr>
<td>RICE Tastic 2 kg</td>
<td>R2,62</td>
<td>R3,29</td>
<td>R2,99</td>
<td>R3,55</td>
<td>R3,59</td>
<td>R3,21</td>
<td>R2,75</td>
<td>R2,75</td>
<td>R2,75</td>
<td>R2,75</td>
<td>+46c</td>
<td>+16.1%</td>
<td></td>
</tr>
<tr>
<td>CEREAL: Kellogg's Cornflakes 500 g</td>
<td>R1,35</td>
<td>R1,39</td>
<td>R1,45</td>
<td>R1,35</td>
<td>R1,39</td>
<td>R1,39</td>
<td>R1,39</td>
<td>R1,39</td>
<td>R1,39</td>
<td>R1,39</td>
<td>+24c</td>
<td>+20.8%</td>
<td></td>
</tr>
<tr>
<td>JAM: Kee Smooth Apricot 900 g</td>
<td>R1,68</td>
<td>R1,65</td>
<td>R1,59</td>
<td>R1,65</td>
<td>R1,79</td>
<td>R1,67</td>
<td>R1,83</td>
<td>R1,79</td>
<td>R1,83</td>
<td>R1,83</td>
<td>+16c</td>
<td>-8.74%</td>
<td></td>
</tr>
<tr>
<td>PEANUT BUTTER Block Car 810 g</td>
<td>R2,49</td>
<td>R2,89</td>
<td>R2,99</td>
<td>-</td>
<td>R2,89</td>
<td>R2,82</td>
<td>R2,94</td>
<td>R2,82</td>
<td>R2,94</td>
<td>R2,82</td>
<td>-12c</td>
<td>-6.08%</td>
<td></td>
</tr>
<tr>
<td>HONEY: Safari 1 kg</td>
<td>R2,42</td>
<td>R4,99</td>
<td>-</td>
<td>R4,59</td>
<td>R5,00</td>
<td>R4,21</td>
<td>+7c</td>
<td>+17.7%</td>
<td>R4,21</td>
<td>R4,21</td>
<td>-3c</td>
<td>-5.75%</td>
<td></td>
</tr>
<tr>
<td>MARMALADE: All Gold Orange 900 g</td>
<td>R1,44</td>
<td>R1,45</td>
<td>R1,49</td>
<td>R1,45</td>
<td>R1,46</td>
<td>R1,46</td>
<td>R1,46</td>
<td>R1,46</td>
<td>R1,46</td>
<td>R1,46</td>
<td>-3c</td>
<td>-2.55%</td>
<td></td>
</tr>
<tr>
<td>CONDENSED MILK Nestle 397 g</td>
<td>95c</td>
<td>89c</td>
<td>95c</td>
<td>97c</td>
<td>92c</td>
<td>94c</td>
<td>95c</td>
<td>95c</td>
<td>95c</td>
<td>95c</td>
<td>+9c</td>
<td>+10.0%</td>
<td></td>
</tr>
<tr>
<td>JELLY Royal 80 g</td>
<td>29c</td>
<td>29c</td>
<td>31c</td>
<td>35c</td>
<td>28c</td>
<td>30c</td>
<td>31c</td>
<td>29c</td>
<td>29c</td>
<td>29c</td>
<td>-1c</td>
<td>-3.23%</td>
<td></td>
</tr>
<tr>
<td>CUSTARD POWDER Crosse and Blackwell 500 g</td>
<td>R1,52</td>
<td>R1,57</td>
<td>R1,39</td>
<td>R1,55</td>
<td>R1,49</td>
<td>R1,50</td>
<td>R1,31</td>
<td>R1,31</td>
<td>R1,31</td>
<td>R1,31</td>
<td>-19c</td>
<td>-14.1%</td>
<td></td>
</tr>
<tr>
<td>TEA Joke 100 Yeastex teabags</td>
<td>R2,70</td>
<td>R2,79</td>
<td>R2,75</td>
<td>R2,99</td>
<td>R2,95</td>
<td>R2,85</td>
<td>R2,90</td>
<td>R2,90</td>
<td>R2,90</td>
<td>R2,90</td>
<td>-5c</td>
<td>-1.72%</td>
<td></td>
</tr>
<tr>
<td>COFFEE Nescafe Classic 250 g</td>
<td>R5,29</td>
<td>R5,49</td>
<td>R4,95</td>
<td>R5,95</td>
<td>R5,49</td>
<td>R5,43</td>
<td>R5,33</td>
<td>R5,33</td>
<td>R5,33</td>
<td>R5,33</td>
<td>-10c</td>
<td>-3.22%</td>
<td></td>
</tr>
<tr>
<td>COFFEE CREAMER Cremoro 500 g</td>
<td>R2,19</td>
<td>R2,29</td>
<td>R2,09</td>
<td>R2,25</td>
<td>R2,29</td>
<td>R2,22</td>
<td>R2,33</td>
<td>R2,33</td>
<td>R2,33</td>
<td>R2,33</td>
<td>-11c</td>
<td>-4.72%</td>
<td></td>
</tr>
</tbody>
</table>

**PRICE EXCLUDE GST**

The survey was conducted on July 23.
<table>
<thead>
<tr>
<th>Item</th>
<th>Store</th>
<th>Price</th>
<th>Store</th>
<th>Price</th>
<th>Store</th>
<th>Price</th>
<th>Store</th>
<th>Price</th>
<th>Store</th>
<th>Price</th>
<th>Store</th>
<th>Price</th>
<th>Store</th>
<th>Price</th>
<th>Percent Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD: White</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brown</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EGGS: 1/2 doz large</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAIZE MEAL: 2.5 kg maize</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MARGARINE: 500 g Rama</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHEESE: 1 kg Elite Gouda</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JAM: 900 g Koo Smooth Apricot</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUGAR: 2.5 kg Huelts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TEA: 100 tagless teabags Joho</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COFFEE: 250 g Nescafe Classic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEREAL: 500 g Kellogg's Cornflakes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COOKING OIL: 750 ml Olé</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RICE: 1 kg Tastic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SALT: 1 kg bag Buffalo</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEAT: 1 kg brisket</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg porterhouse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg lamb loin chops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg fresh chicken</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>250 g Eskort streaky bacon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg deep water hake fillets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VEGETABLES: 1 kg potatoes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg frozen peas Table Top</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CANDLES: 450 g Buffalo</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WASHING POWDER: 1 kg Sunlight</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Survey:** July 23, 1985

**Prices Exclude GST**
Rent: More evictions expected in Atlantis

Tygerberg Bureau

MORE evictions are expected this week in Atlantis, where authorities say house- holders have misunderstood the terms of a temporary Government concession to residents unable to pay their rents.

Sixteen householders were put out of their rented homes last week and a community spokesman expects more evictions this week after residents refused to attend a discussion with authorities on the issue at the weekend.

Mr W R Vivier, secretary of the Divisional Council of the Cape, said residents misunderstood the temporary relief promised recently by the Department of Local Government, Housing and Agriculture.

Some householders in Atlantis have claimed the evictions contradicted the Government's promise to give six months' grace to tenants unable to pay rent because of the recession.

Mr Vivier said postponement on payment of rent or interest and redemption applied only to tenants or home-owners who had lost their income or received reduced income because of circumstances beyond their control.

He said the Atlantis residents who had been evicted still had heads of household who were employed or received an income, while arrear rents ranged from R128.93 (for three months) to R681.25 (for five months).

Mr Noel Williams, chairman of the Atlantis Residents' Association, said hundreds of tenants were served with notices last Friday to discuss their arrear rent with officials of the council's rent office on Saturday.

"As a form of protest no one attended," he said. He expected "many more" evictions this week, probably from tomorrow.
Cheese price hike in pipeline

Cheese is the only item which has not changed in price in the Star basic foodstuffs survey during the past five months. But the bad news is that it is due to go up shortly.

Elite mature cheddar will go up from R6.99 a kg to R7.73 and Elite Gouda from R5.37 to R6.02.

Mr Bevin Mervis, Transvaal foods buyer for Grand Bazaars Ultrimark suggested consumers compare the prices of cheese at the delicatessen sections of supermarkets. "The consumer pays extra for the vacuum packing," he said. "First grade cheddar cheese bought from the delicatessen can be about R1 a kg cheaper!"

OTHER RISES

Other price rises in the pipeline include: about a 12 percent hike in the price of oil and margarine, which should hit the consumer soon. "We have laid in stocks and the new price will not be passed on to the consumer until these run out," said Mr Mervis. "One slight consolation is the dropping of GST on rice as from August 1."

Pick n Pay dropped its rice price by 12 percent this week. It will revert to the old price at the beginning of August, but the consumer will not notice the difference as this will be made up by the 12 percent saving on GST.

The bread prices are being contained by the major supermarkets, which are selling this item at or below cost.
Meat prices soar

PORT ELIZABETH — Meat prices in Port Elizabeth especially lamb have soared over the past few days and the backlog caused by the strike at the abattoir has added to the problem, say butchers in the city.

However, the hiring of white workers to replace 240 black workers dismissed on Thursday and an auction today — Tuesday’s and Wednesday’s were cancelled — could see the meat market begin to stabilise next week.

But while butchers say there is a shortage of meat as a result of the two-day strike yesterday, there is no demand from the buying public.

Mutton offered and sold inclusive of lamb yesterday totalled 1 657 carcasses, with a top price of R5 29 for a kilogram of super lamb. Last Monday, mutton offered was 2 501 carcasses with the price for super lamb being R3.37 — CDC.

EL prices up P8

INSIDE

TV........ 5
Business aircraft..... 8
Weather mild........ 12
Radio, ships, tides.... 12
Classified ........ 13-18
Govt urged to control wage, price rises

Finance Reporter
The Government was urged yesterday to exercise direct control over sequential increases in wages and prices in a bid to halt the excessively high inflation rate.

Dr J J Cloete, group economist of Barclays Bank, addressing a luncheon of the Durban branch of the Institute of Chartered Secretaries and Administrators on 'Our Inflation Problem,' said if the government placed an appropriate ceiling for average annual increases on administrative prices and wages it would be in a position to exert a powerful influence on annual increases in general price levels.

Ceilings
Dr Cloete said if the private sector also extended these ceilings on wages and price increases to their own employees it would hold down the inflation rate to a very considerable extent.

In this way, it should be possible to achieve a steadily lower inflation rate each year without the authorities having to apply very restrictive monetary or fiscal measures and so having to create a recession in the economy in order to force the necessary cutbacks in wages and prices through unemployment and depressed sales.

Dr Cloete said monetary policy and the setting of targets for annual increases in money supply, as the de Kock Commission has now recommended, can then be used to reinforce the restrictive impact on the inflation rate of the Government imposed ceiling on the annual increases in administered prices and wages.
War over wine lice
Supermarket tactics hit local products, say liquor retailers

Anger is mounting among liquor retailers about the issuing of grocers' wine licences which, they claim, are being abused by supermarkets.

The president of Federated Hotel, Liquor and Catering Association of South Africa (Fedhasa), Mr Stanley Hoffman, alleges supermarkets are promoting imported wine. This defeated the object of issuing grocers wine licences which was to promote the sale of South African wines.

It has also been alleged supermarkets sell wine as a loss leader and below the listed cost.

Case prices

This has been vehemently denied by the supermarkets.

Last week, one of the major liquor retailers, Benny Goldberg's, cut its prices of cases of wine and launched an aggressive marketing campaign, advertising its prices, which is not common practice among liquor stores.

One of the supermarkets, Checkers, retaliated by complaining about the advertisement — on technical grounds — to the National Press Union (NPU). The full-page advertisement was withdrawn by Benny Goldberg's and replaced by a blank page with a small 10-line black box explaining why.

Other major liquor stores said they were not embarking on a "wine war", and would continue their marketing as usual. But all contacted by The Star were opposed to the "grocers wine licence".

Mr Hoffman said "Fedhasa had gone on record as being opposed to the grocers' wine licence facility and understood, in many instances, that this facility was used to generate business by using wine as a loss leader."

He said the original intention of the grocers' wine licence was to promote the sale of South African wines.

"But this objective has been disregarded by the supermarkets and many of them are handling the promotion and sale of imported wines on a scale equal to that of local wine. This must affect the South African products' market share."

Visits to major super and hypermarkets where wine is sold show approximately 50 percent of the available shelf space is occupied by imported wine products, which, in many instances, are being sold below the listed cost which Fedhasa views as being irresponsible.

Mr Hoffman said "Fedhasa views as being irresponsible. It is a potentially harmful product, which, when sold at a price which encourages consumption and possible abuse."

Mr Richard Dimitri, development and marketing director of Solly Kramer's, said "We do not mind competition. But supermarkets have a competitive edge on us. They can sell other products, while we are restricted to liquor."

He was concerned that supermarkets might not be controlled as stringently as liquor stores.

Mr Trevor Pearman, managing director of the Rebel Group, said he had always worried about the grocers' wine licence from a moral point of view, not a commercial one.

"I believe that a member of the public has to make a specific decision to buy liquor when he goes to a bottle store. In a grocery store, where he goes to buy groceries and clothing and comes across liquor, it is an impulse purchase. It is a product which has potential problems."

Mr Brian Sacks, a spokesman for Checkers, said the percentage of imported wine sales compared to locally made wines was negligible.

"Fedhasa was basically opposed to competition," he said. He added that this was a pity because in a free-enterprise system, competition should be welcomed.

He pointed out that the licensing of supermarkets had created more awareness among consumers and helped to stimulate the market.

Supermarkets were limited to 36 licences per chain.

"I do not understand why liquor stores should feel so threatened because our market share is in fact growing by the limited number of licences we are allowed to have," Mr Sacks added.

Mr Peter Dove, of Pick 'n Pay, said "We definitely do not give 50 percent of our shelf space to imported wines. It is totally incorrect."

"We do not use any category as a loss leader. We negotiate, like we do on any other product, as strongly as possible to get the most advantageous price and pass it on to the customer."
It's back to age-old war on who will tipple whom

The age-old fight between liquor stores and supermarkets has again erupted, 13 years after amendment of the Liquor Act to allow applications for grocer's wine licences.

The licences were granted after a Government commission's recommendation to improve drinking habits by encouraging the consumption of natural alcoholic beverages in conjunction with food.

The first wine war broke out at the beginning of 1987 with some grocery stores slashing their prices by 10 percent. Later that year the Cape Wine and Spirits Institute, headed by Mr. J. van Maartens, appealed to the Government to suspend the issuing of licences to supermarkets.

The institute was supported by the Federated Hotels Association of Southern Africa (Fedhas) in its claim that supermarkets would lower the status of wine.

INDIGNITY

"We do not want to see wine being subjected to the indignity of being used as a loss leader by supermarkets primarily interested in increasing sales of detergents and baked beans," the institute said.

It expressed fears that supermarkets would sell inferior wines under "own brand names."

Grocery and supermarket chains hit back strongly at the accusations. They felt South Africa was lagging behind in the matter of grocery wine licences, which had been part and parcel of supermarket trade throughout Europe, Rhodesia and Zambia.
<table>
<thead>
<tr>
<th>Item</th>
<th>PICK 'N PAY</th>
<th>CHECKERS</th>
<th>CRESTA</th>
<th>OK BAZAAR</th>
<th>SPAR</th>
<th>BLOEMHEATH</th>
<th>AVERAGE</th>
<th>PERCENTAGE DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bread: White</strong></td>
<td>58c</td>
<td>63c</td>
<td>63c</td>
<td>58c</td>
<td>61c</td>
<td>62c</td>
<td>61c</td>
<td>-1,61</td>
</tr>
<tr>
<td><strong>Brown</strong></td>
<td>38c</td>
<td>38c</td>
<td>38c</td>
<td>38c</td>
<td>38c</td>
<td>39c</td>
<td>38c</td>
<td>+2,96</td>
</tr>
<tr>
<td><strong>Milk: 1 l</strong></td>
<td>79c</td>
<td>72c</td>
<td>79c</td>
<td>77c</td>
<td>77c</td>
<td>77c</td>
<td>77c</td>
<td></td>
</tr>
<tr>
<td><strong>Eggs: 1/2 dz large</strong></td>
<td>58c</td>
<td>58c</td>
<td>58c</td>
<td>68c</td>
<td>61c</td>
<td>67c</td>
<td>67c</td>
<td>-8,96</td>
</tr>
<tr>
<td><strong>Maize Meal: 2.5 kg Impala</strong></td>
<td>R1,25</td>
<td>R1,37</td>
<td>R1,39</td>
<td>R1,34</td>
<td></td>
<td></td>
<td>R1,34</td>
<td></td>
</tr>
<tr>
<td><strong>Margarine: 500 g Rama</strong></td>
<td>—</td>
<td>R1,42</td>
<td>R1,42</td>
<td>R1,41</td>
<td>R1,42</td>
<td>R1,42</td>
<td>R1,42</td>
<td></td>
</tr>
<tr>
<td><strong>Cheese: 1 kg Elite Gouda</strong></td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,37</td>
<td>R6,92</td>
<td>R6,78</td>
<td>R6,37</td>
<td>R6,78</td>
<td>6,44</td>
</tr>
<tr>
<td><strong>Jam: 900 g All Gold Superfine Smooth Apricot</strong></td>
<td>R1,54</td>
<td>R1,59</td>
<td>R1,65</td>
<td>—</td>
<td>R1,59</td>
<td>—</td>
<td>R1,59</td>
<td></td>
</tr>
<tr>
<td><strong>Sugar: 2.5 kg Hulets</strong></td>
<td>R2,07</td>
<td>R2,05</td>
<td>R2,00</td>
<td>—</td>
<td>R2,04</td>
<td>R2,07</td>
<td>R2,07</td>
<td>-1,45</td>
</tr>
<tr>
<td><strong>Tea: 100 tagless teabags Joko</strong></td>
<td>R2,79</td>
<td>R3,05</td>
<td>R2,89</td>
<td>R2,79</td>
<td>R2,88</td>
<td>R2,87</td>
<td>R2,87</td>
<td>0,35</td>
</tr>
<tr>
<td><strong>Coffee: 250 g Nescafe Classic</strong></td>
<td>R5,29</td>
<td>R5,49</td>
<td>R4,95</td>
<td>R5,29</td>
<td>R5,26</td>
<td>R5,42</td>
<td>R5,42</td>
<td>-2,95</td>
</tr>
<tr>
<td><strong>Cereal: 500 g Kellogg’s Cornflakes</strong></td>
<td>R1,35</td>
<td>R1,39</td>
<td>—</td>
<td>R1,37</td>
<td>R1,39</td>
<td>—</td>
<td>R1,39</td>
<td>-1,44</td>
</tr>
<tr>
<td><strong>Cooking Oil: 750 ml Olé</strong></td>
<td>R1,99</td>
<td>R2,19</td>
<td>R2,12</td>
<td>R1,99</td>
<td>R2,07</td>
<td>R2,12</td>
<td>R2,12</td>
<td>-2,36</td>
</tr>
<tr>
<td><strong>Rice: 1 kg Tastic</strong></td>
<td>R1,48</td>
<td>R1,75</td>
<td>R1,75</td>
<td>R1,69</td>
<td>R1,67</td>
<td>R1,72</td>
<td>R1,72</td>
<td>-3,47</td>
</tr>
<tr>
<td><strong>Salt: 1 kg bag Buffalo</strong></td>
<td>54c</td>
<td>52c</td>
<td>47c</td>
<td>52c</td>
<td>51c</td>
<td>52c</td>
<td>52c</td>
<td>-1,92</td>
</tr>
<tr>
<td><strong>1 kg porkerhouse</strong></td>
<td>R6,58</td>
<td>R6,99</td>
<td>R7,98</td>
<td>R6,59</td>
<td>R7,04</td>
<td>R7,29</td>
<td>R7,29</td>
<td>-3,43</td>
</tr>
<tr>
<td><strong>1 kg lamb loin chops</strong></td>
<td>R6,88</td>
<td>R6,99</td>
<td>R6,98</td>
<td>R6,96</td>
<td>R6,96</td>
<td>R7,23</td>
<td>R7,23</td>
<td>-3,73</td>
</tr>
<tr>
<td><strong>1 kg fresh chicken</strong></td>
<td>R2,45</td>
<td>R2,38</td>
<td>R2,38</td>
<td>R2,29</td>
<td>R2,38</td>
<td>R2,26</td>
<td>R2,26</td>
<td>5,31</td>
</tr>
<tr>
<td><strong>250 g Eskort streaky bacon</strong></td>
<td>R1,84</td>
<td>R1,79</td>
<td>R1,79</td>
<td>R1,64</td>
<td>R1,82</td>
<td>R1,83</td>
<td>R1,83</td>
<td>-0,55</td>
</tr>
<tr>
<td><strong>1 kg deep water hake fillets I&amp;J</strong></td>
<td>R3,45</td>
<td>R3,59</td>
<td>R3,85</td>
<td>—</td>
<td>R3,63</td>
<td>R3,42</td>
<td>R3,42</td>
<td>6,14</td>
</tr>
<tr>
<td><strong>Vegetables: 1 kg potatoes</strong></td>
<td>29c</td>
<td>69c</td>
<td>39c</td>
<td>39c</td>
<td>44c</td>
<td>52c</td>
<td>52c</td>
<td>-15,36</td>
</tr>
<tr>
<td><strong>1 kg frozen peas Table Top</strong></td>
<td>R3,35</td>
<td>R2,95</td>
<td>R2,89</td>
<td>R2,89</td>
<td>R3,02</td>
<td>R3,16</td>
<td>R3,16</td>
<td>-4,43</td>
</tr>
<tr>
<td><strong>Candles: 450 g Buffalo</strong></td>
<td>99c</td>
<td>99c</td>
<td>95c</td>
<td>98c</td>
<td>98c</td>
<td>R1,00</td>
<td>R1,00</td>
<td>-2,00</td>
</tr>
<tr>
<td><strong>Washing Powder: 1 kg Sunlight</strong></td>
<td>R2,44</td>
<td>R2,45</td>
<td>R2,59</td>
<td>R2,44</td>
<td>R2,48</td>
<td>R2,43</td>
<td>R2,43</td>
<td>-2,06</td>
</tr>
</tbody>
</table>

Survey: July 30, 1985
Prices Exclude GST
THE SOWETAN Shopping Basket team again brings you the prices of various products available at the OK Bazaars, Roodepoort, and Pick 'n Pay in Florida.

We would like you to write to us and tell us what you would like the basket to contain and which areas you would like us to cover.

Write to the Sowetan Women's Department, P.O. Box 6663, Johannesburg, 2000.

---

<table>
<thead>
<tr>
<th>Foodstuff</th>
<th>Pick 'n Pay Florida</th>
<th>OK Bazaars Roodepoort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar</td>
<td>12.5 kg</td>
<td>10.35</td>
</tr>
<tr>
<td>Nuts</td>
<td>2.5 kg</td>
<td>10.35</td>
</tr>
<tr>
<td>Salt</td>
<td>2.5 kg</td>
<td>14.42</td>
</tr>
<tr>
<td>Flour</td>
<td>2.5 kg</td>
<td>2.69</td>
</tr>
<tr>
<td>Snowflake</td>
<td>12.5 kg</td>
<td>10.02</td>
</tr>
<tr>
<td>Sake</td>
<td>2.5 kg</td>
<td>10.16</td>
</tr>
<tr>
<td>Pasta &amp; Macaroni</td>
<td>4.09</td>
<td>4.19</td>
</tr>
<tr>
<td>Meat Meal</td>
<td>2.16</td>
<td></td>
</tr>
<tr>
<td>Indirecta</td>
<td>2.75</td>
<td></td>
</tr>
<tr>
<td>Ketans</td>
<td>2.5 kg</td>
<td>2.99</td>
</tr>
<tr>
<td>Bale 12.5 kg</td>
<td>2.16</td>
<td></td>
</tr>
<tr>
<td>Bale 2.5 kg</td>
<td>2.85</td>
<td></td>
</tr>
<tr>
<td>Bale 2.5 kg</td>
<td>3.19</td>
<td>2.50</td>
</tr>
<tr>
<td>Bale 2.5 kg</td>
<td>1.02</td>
<td></td>
</tr>
<tr>
<td>A1</td>
<td>2.5 kg</td>
<td>1.62</td>
</tr>
<tr>
<td>5 kg</td>
<td>3.19</td>
<td></td>
</tr>
<tr>
<td>2.5 kg</td>
<td>1.82</td>
<td></td>
</tr>
<tr>
<td>Impala</td>
<td>12.5 kg</td>
<td>2.16</td>
</tr>
<tr>
<td>2.5 kg</td>
<td>6.15</td>
<td></td>
</tr>
<tr>
<td>2.5 kg</td>
<td>3.19</td>
<td></td>
</tr>
<tr>
<td>Tea</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Juko</td>
<td>500 g</td>
<td>6.95</td>
</tr>
<tr>
<td>250 g</td>
<td>3.87</td>
<td>2.75</td>
</tr>
<tr>
<td>Pilsen</td>
<td>500 g</td>
<td>2.60</td>
</tr>
<tr>
<td>250 g</td>
<td>3.10</td>
<td>2.25</td>
</tr>
<tr>
<td>Three Tons</td>
<td>500 g</td>
<td>2.20</td>
</tr>
<tr>
<td>250 g</td>
<td>2.75</td>
<td>2.09</td>
</tr>
<tr>
<td>Five Roses</td>
<td>500 g</td>
<td>6.85</td>
</tr>
<tr>
<td>250 g</td>
<td>4.39</td>
<td>4.09</td>
</tr>
<tr>
<td>Glen</td>
<td>600 g</td>
<td>4.69</td>
</tr>
<tr>
<td>250 g</td>
<td>2.16</td>
<td>2.99</td>
</tr>
<tr>
<td>Milo</td>
<td>1 kg</td>
<td>5.09</td>
</tr>
<tr>
<td>500 g</td>
<td>3.29</td>
<td>2.89</td>
</tr>
<tr>
<td>Rotofyll</td>
<td>4.29</td>
<td>4.49</td>
</tr>
<tr>
<td>250 ml</td>
<td>2.59</td>
<td>2.09</td>
</tr>
<tr>
<td>Van Riebeek</td>
<td>750 ml</td>
<td>3.90</td>
</tr>
<tr>
<td>250 ml</td>
<td>1.96</td>
<td>1.75</td>
</tr>
<tr>
<td>Koffieshuif</td>
<td>750 ml</td>
<td>3.05</td>
</tr>
<tr>
<td>250 ml</td>
<td>2.05</td>
<td>2.10</td>
</tr>
<tr>
<td>Friesco</td>
<td>750 ml</td>
<td>4.12</td>
</tr>
<tr>
<td>250 ml</td>
<td>2.09</td>
<td></td>
</tr>
<tr>
<td>Milk</td>
<td>2.59</td>
<td></td>
</tr>
<tr>
<td>KoppieEX</td>
<td>3.29</td>
<td>3.09</td>
</tr>
<tr>
<td>Glamex</td>
<td>3.29</td>
<td>3.29</td>
</tr>
<tr>
<td>Coffee Mate</td>
<td>2.95</td>
<td>3.29</td>
</tr>
<tr>
<td>Gold C1</td>
<td>1.85</td>
<td>2.10</td>
</tr>
<tr>
<td>Cleaning Powder</td>
<td>2.5 kg</td>
<td>4.45</td>
</tr>
<tr>
<td>Detergenti</td>
<td>2 kg</td>
<td>2.29</td>
</tr>
<tr>
<td>1 kg</td>
<td>2.89</td>
<td></td>
</tr>
<tr>
<td>Surf</td>
<td>1 kg</td>
<td>4.59</td>
</tr>
<tr>
<td>2 kg</td>
<td>4.29</td>
<td>4.79</td>
</tr>
<tr>
<td>Detergenti</td>
<td>1 kg</td>
<td>2.09</td>
</tr>
<tr>
<td>Persil</td>
<td>1 kg</td>
<td>2.09</td>
</tr>
<tr>
<td>White Giant</td>
<td>1 kg</td>
<td>1.85</td>
</tr>
<tr>
<td>Good &amp; Clean &amp; Fresh</td>
<td>2.14</td>
<td>1.99</td>
</tr>
<tr>
<td>Skip</td>
<td>1 kg</td>
<td>2.15</td>
</tr>
<tr>
<td>2 kg</td>
<td>4.69</td>
<td>4.69</td>
</tr>
<tr>
<td>Bleach</td>
<td>2.5 ltr</td>
<td>1.79</td>
</tr>
<tr>
<td>Jik</td>
<td>2.25 ltr</td>
<td>1.59</td>
</tr>
<tr>
<td>25 ltr</td>
<td>3.48</td>
<td>3.29</td>
</tr>
</tbody>
</table>

---
East London CPI rises

Dispatch Reporter

EAST LONDON — The consumer price index for the city has risen by 9.2 per cent since the base year in 1960, according to the latest Government Gazette.

The figures released by the Central Statistical Services were for the month of June, and indicated an average increase of 9.2 per cent for 12 areas.

The highest increases were at Durban and the Free State goldfields, which reflected 97 per cent hikes. Figures for other centres were Cape Town 9.9 per cent, Fort Elizabeth 9.9, Kimberley 9.7, Pietermaritzburg 9.1, Pretoria 9.6, Witwatersrand 9.9, Klerksdorp 9.2, Vaal Triangle 96.1, and Bloemfontein 94.1.

The indices did not make it possible to compare price levels and living costs between the centres. "They do not indicate whether it is more expensive to live in one city than in another."

"They indicate for each urban area, independently, the price changes that have taken place," the notice said.
Dispatch Correspondent

PORT ELIZABETH — The South African Federation of Meat Traders yesterday rejected an appeal by the Meat Board to accept only a marginal profit in an effort to assist the board in getting rid of its surplus red meat.

After a closed meeting of the executive committee of the federation at the annual congress here a resolution was passed requesting the board to revise the book price of the frozen surplus to bring it more in line with current prices.

At the beginning of the congress, the Meat Board chairman, Dr Pieter Coetsee, rejected a request by the traders for a 25 per cent discount on surplus meat and appealed to them to reconsider their request.

When announcing the outcome of the deliberations of the closed meeting, Mr Eddie Bicknell, the federation's chairman, said traders were concerned about a possible meat shortage.

He appealed to the Meat Board to adopt a responsible attitude in connection with the surplus.

"We are of the opinion that surplus red meat should be made available when the shortage appears," he said.

"If, for example, 800 carcasses are usually slaughtered at a certain centre and there are only 400 available on the specific day, the board should make available the equivalent to the shortfall in frozen meat.

"This should be auctioned with a reserve of the revised book price because frozen meat does not have the same consumer appeal as fresh meat."
If subsidy goes, brown bread price hike of 17c?

Dispatch Correspondent
PORT ELIZABETH — The national president of the Housewives League, Mrs. Joy Hurwitz, has warned consumers of a possible 17c increase in the price of brown bread if a rumoured removal of the government subsidy is affected.

She said that while the subsidy on white bread had been dropped, subsidy on brown and whole wheat bread had increased yearly to around R200 million. It was now rumoured that the subsidy would be removed next month — pushing the price of a loaf of bread up by at least 17 cents.

The league, she said, was totally in favour of retaining the subsidy until the economy lifted and she had written a paper to the Department of Agriculture in this regard.

"It would be deplorable to remove it (the subsidy), and I believe with enough persuasion not only from the Housewives League but from other bodies the subsidy will be retained."

She said she was delighted that the government was considering making surplus meat available to South Africans instead of exporting it. She would be more pleased if it was sold direct to the public at no profit.

"Consumers need something, a goodwill, to give them a boost in these difficult times. Some are simply fed up with red meat and have changed their eating habits. But I am sure if frozen meat is sold to them at half price they will buy it."

Mrs. Hurwitz also said she believed the double-digit inflation was the biggest threat facing consumers.

"Inflation is the public enemy number one, more than what is happening overseas. We must starve or feed it. We must counter it from all angles. Many families are living on the breadline and others are making sacrifices to keep up. If inflation is not down, there is no hope of recovery," she said.
Higher S A sucrose prices expected this season

Finance Editor

South African sucrose prices are expected to be up slightly this season, the chairman, Mr J F Gillatt, of Crookes Brothers said at the annual meeting yesterday.

Provisional sucrose prices for the guaranteed price A pool sugar will be R200,24 a ton while the B pool price will be R70,00 a ton — plus R4,07 a ton for cane transport refunds.

The A pool is expected to cover about 75 percent of the industry's production while the B pool will be sold, at the best price, on the export market.

Mr Gillatt expects that the average price for the group will be R232,28 a ton compared with R219,89 a ton for last season — an improvement of 5.8 percent.

The Swaziland price is expected to fall to R187,49 a ton from R219.44 last season.

Rain has fallen at Renishaw but not elsewhere on the company's properties and the drought remains. Normal spring rains, at the right time, should provide the estimated 270,000 tons of cane. With a higher-than-expected sucrose content this season any drop in cane volume should be offset.

Record prices are being achieved for citrus sales as a result of the rand's exchange rate drop and the industry having a good 'quality' year, Mr Gillatt reported.

The downturn in the tourist industry has seen a 24 percent drop in expected attendance at the Crocworld complex at Scottburgh.

Mr Gillatt expected they would receive a dividend on their investment in Farm-Ag this year and that total dividend income would be higher than in 1984/85.
SA in top three for water rate rises

Johannesburg—Average water rates in the three main centres of South Africa have risen once again, according to an annual survey by National Utility Services.

Although in the year ending July 31, 1985, the increase was a modest 9.6 percent compared with the average rate of inflation of 10.5 percent, this means water has increased in price by more than two-and-a-half times in three years (73.9 percent in 1983 and 34.91 percent in 1984).

Durban increase

The survey shows that South Africa has the third highest percentage increase of the 13 Western countries surveyed. Highest percentage increase was Eire at 12.3 percent, followed by the United States at 10.2 percent.

Lowest was Australia, which dropped by 7.3 percent, followed by Germany with no increase.

Lowest water costs of the three centres was Cape Town, 48.4 c/m³, showing an increase of a mere 0.27 percent over the year. Durban price was 75 c, an increase of 17.2, while outside Durban the price was 53.8 c, an increase of 37.30 percent. Johannesburg remained unchanged at 73 c. (Sapa)
Others join liquor war

Mercury Reporter

THREE more liquor stores joined the liquor price war yesterday — two of them big chain stores.

Consumers will be in for a bumper weekend with five liquor stores already having placed advertisements in tomorrow’s Mercury advertising discount prices, some as low as cost.

Yesterday a spokesman for Liquor Town said he had no comment to make on the price war except “wait and see.”

And Mr John Brockway, senior regional manager of Rebel Discount Liquor Store, said he was still sticking to his earlier comment that “we have a responsibility to our customers and we will keep them happy.”

Meanwhile, Mr Frank Jason, owner of One-Up Liquors which advertised in yesterday’s Mercury, said he could assure customers that he was selling beer at ‘genuine cost price’ while other brands were selling at a very competitive price.

As an independent liquor store it is our duty to look after the consumer and we have been advertising in other parts of Natal for some time,” said Mr Jason.

He added that the price war had been brewing for some time and “now was the time to do something positive in the consumers’ interests.”

The Pick ‘n Pay Hypermarket general manager, Mr Martin Rosen, said yesterday “We have carried huge wine advertising campaigns in the media and we will continue to do so.”

He welcomed the price war because it would give the consumer more chance to compare prices and get the best deal.

Mr Ian Walshe, a director of Booths Bottle Store which was the first Durban store to advertise its prices since 1993, said sales were “steady” after Tuesday’s advertisement in the Mercury.
By Stan Kennedy

The price of low density polyethylene (LDPE), the major component in plastic packaging, is to go up by nine percent later this month.

It will be the third price increase this year, and will bring the total increase to 20.75 percent, raising the average price from R1 474 to R1 780 a ton.

In January it went up by four percent from R1 474 a ton — a price which had been maintained since March 1983 — to R1 549 a ton and again by six percent in March to R1 630 a ton.

Mr Donald Grant, director (polyolefines and feedstocks), Chlor-Alkali & Plastics, a subsidiary of AECl, told The Star that although there had been some pressure from Sasol to get the LDPE prices up, this was not entirely the real reason for the increase.

“Our profitability gets progressively squeezed by holding back increases. We have to take advantage of the situation when the overseas prices are high and the rand rate is low and try to recover some of what we have lost during the period of stabil-

ty,” he said.

“The market sees just these increases over a short space of time and it looks bad, but they really need to be seen in the perspective of pricing over a long period. For instance, there was a three percent decrease in March 1983 and a six percent decrease in September the same year.”

It was possible that import control could disappear as government wanted to move to a more freer, open market-related economy. The only protection for local industry would then be modest tariffs.

Part of the reason for the plastics division’s low profitability was that one of the two plants at Sasolburg was working at 33 percent capacity.

Mr Grant said it had enough capacity to look after South Africa’s needs for the next 10 years, which were growing at six percent a year.

“That is our dilemma. We have put up a world-scale plant which is costing us a lot of money in the early stages and, hopefully, as we build up to full capacity, we may get some returns for our capital investment of almost R230 million,” said Mr Grant.

Even with the latest increases, the plastics division was not doing as well as the rest of the group and there would still not be a good return on capital.

The price of ethylene in Europe is about R1 200 a ton, and when the latest proposed increase goes into effect, the price at Sasol will still be well below at R1 000 a ton.

Mr Grant pointed out that the increase due this month was based on the rand exchange rate of 48.75 to the dollar, which made the price of LDPE from Europe R1 935 a ton, reflecting some element of dumping.

The price from the US was R2 877 a ton, which was still considerably higher than local prices.

Despite the fact that the rand had dropped to just over 44c, the group would resist taking advantage of the situation to push up the price again.

“We compete with high density polyethylene, paper and glass. And if we get out of line with these products, it would jeopardise our place in the market,” he said.
Egg price
reduction
on cards

Pietrettorrburg

THE Natal Commercial Poultry Producers' Assocaion has recommended that the price of eggs be reduced by up to 10c a dozen from Monday.

The chairman of the association, Mr Warwick Barnard, said the recommendation had been made at a committee meeting on Thursday in view of the "flush" of eggs at this time.

"The days are getting longer and warmer and fowls tend to lay a little better in the early spring period. Our committee has, therefore, recommended that the price of eggs be reduced by up to 10c a dozen until further notice."
<table>
<thead>
<tr>
<th>Item</th>
<th>PICK 'N PAY</th>
<th>RANZI PAK</th>
<th>CHECKERS</th>
<th>CRISTA</th>
<th>ON BAZARS</th>
<th>CRISTA</th>
<th>SPAR</th>
<th>BLACKBREAD</th>
<th>AVERAGE PRICE</th>
<th>SURVEYED ON</th>
<th>JULY 30</th>
<th>PRICE</th>
<th>PERCENTAGE DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BREAD:</strong> White</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>58c</td>
<td>62c</td>
<td>61c</td>
<td>+1.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brown</td>
<td>43c</td>
<td>38c</td>
<td>38c</td>
<td>39c</td>
<td>30c</td>
<td>30c</td>
<td>+2.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MILK:</strong> 1 l</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>77c</td>
<td>79c</td>
<td>77c</td>
<td>+2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EGGS:</strong> ½ doz large</td>
<td>66c</td>
<td>58c</td>
<td>58c</td>
<td>68c</td>
<td>63c</td>
<td>61c</td>
<td>+3.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MAIZE MEAL:</strong> 2.5 kg Iwiza</td>
<td>R1,59</td>
<td>R1,62</td>
<td>R1,62</td>
<td>R1,60</td>
<td>R1,61</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MARGARINE:</strong> 500 g Rama</td>
<td>R1,41</td>
<td>R1,42</td>
<td>R1,42</td>
<td>R1,41</td>
<td>R1,42</td>
<td>R1,42</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CHEESE:</strong> 1 kg Elite Gouda</td>
<td>R6,37</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,78</td>
<td>R6,78</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>JAM:</strong> 900 g Koo Smooth Apricot</td>
<td>R1,59</td>
<td>R1,59</td>
<td>R1,59</td>
<td>R1,54</td>
<td>R1,58</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUGAR:</strong> 2.5 kg Hulett's</td>
<td>R2,07</td>
<td>—</td>
<td>R2,09</td>
<td>—</td>
<td>R2,08</td>
<td>R2,04</td>
<td>+2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TEA:</strong> 100 tagless teabags Jako</td>
<td>R2,79</td>
<td>R3,05</td>
<td>R2,89</td>
<td>R2,79</td>
<td>R2,88</td>
<td>R2,88</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COFFEE:</strong> 250 g Nescafe Classic</td>
<td>R5,29</td>
<td>R5,49</td>
<td>R5,59</td>
<td>R5,29</td>
<td>R5,42</td>
<td>R5,26</td>
<td>+3.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CEREAL:</strong> 500 g Kellogg's Cornflakes</td>
<td>R1,49</td>
<td>R1,39</td>
<td>R1,45</td>
<td>R1,35</td>
<td>R1,42</td>
<td>R1,37</td>
<td>+3.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COOKING OIL:</strong> 750 ml Olí</td>
<td>R2,09</td>
<td>R2,19</td>
<td>R2,12</td>
<td>R1,99</td>
<td>R2,10</td>
<td>R2,07</td>
<td>+1.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RICE:</strong> 1 kg Tastic</td>
<td>R1,69</td>
<td>R1,75</td>
<td>R1,75</td>
<td>R1,48</td>
<td>R1,67</td>
<td>R1,67</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SALT:</strong> 1 kg bag Buffalo</td>
<td>46c</td>
<td>52c</td>
<td>53c</td>
<td>52c</td>
<td>51c</td>
<td>51c</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MEAT:</strong> 1 kg brisket</td>
<td>R3,29</td>
<td>R3,69</td>
<td>R3,68</td>
<td>R3,67</td>
<td>R3,58</td>
<td>R3,58</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg porterhouse</td>
<td>R7,99</td>
<td>R6,99</td>
<td>R7,98</td>
<td>R6,59</td>
<td>R7,29</td>
<td>R7,04</td>
<td>+5.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg lamb loin chops</td>
<td>R6,88</td>
<td>R6,99</td>
<td>R6,98</td>
<td>R6,98</td>
<td>R6,96</td>
<td>R6,96</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg fresh chicken</td>
<td>R2,29</td>
<td>R2,38</td>
<td>R1,89</td>
<td>R2,29</td>
<td>R2,21</td>
<td>R2,38</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>250 g Eskort streaky bezan</td>
<td>R1,79</td>
<td>R1,79</td>
<td>R1,79</td>
<td>R1,84</td>
<td>R1,80</td>
<td>R1,82</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1 kg deep water lake filets I&amp;B</strong></td>
<td>R3,45</td>
<td>R3,19</td>
<td>R3,59</td>
<td>R3,19</td>
<td>R3,36</td>
<td>R3,63</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>VEGETABLES:</strong> 1 kg potatoes</td>
<td>50c</td>
<td>69c</td>
<td>39c</td>
<td>49c</td>
<td>54c</td>
<td>44c</td>
<td>+2.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg frozen peas</td>
<td>R3,20</td>
<td>R2,95</td>
<td>R2,89</td>
<td>R2,89</td>
<td>R3,00</td>
<td>R3,02</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CANDLES:</strong> 450 g Buffalo</td>
<td>99c</td>
<td>99c</td>
<td>95c</td>
<td>98c</td>
<td>98c</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WASHING POWDER:</strong> 1 kg Sunlight</td>
<td>R2,44</td>
<td>R2,45</td>
<td>R2,59</td>
<td>R2,44</td>
<td>R2,48</td>
<td>R2,48</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SURVEY:** AUGUST 6 1985  **PRICES EXCLUDE GST**
Alfa Romeo price cuts boost sales

Motoring Reporter

A NATIONAL campaign by Alfa Romeo S A, in which the company reduced the prices of its new cars to 1983 levels, resulted in the company selling almost 1 000 units in July from a low of 400-odd a month earlier this year.

But Toyota S A, still riding the crest of the wave, again topped the list by selling more than 4 170 new cars, with the Corolla range alone selling 3 000 units, more than any other manufacturer's entire range.

Second behind Toyota was Volkswagen with 2 276 sales, while Samcor's Mazda/Mitsubishi/Peugeot line-up topped the 2 000 mark to make third place.

Commenting on sales, the director of the National Association of Automobile Manufacturers of South Africa (Namasa), Mr Nico Vermeulen, said the gradual recovery in sales of new motor vehicles, particularly cars, was most welcome.

"However, the improvement must be viewed against the background of the exceptionally low level of new vehicle sales experienced during the past few months," said Mr Vermeulen.

The resurgence of replacement demand, the continuing stimulus provided by recent new model introductions and aggressive marketing by manufacturers are factors which have contributed to the improvement of 14.1 percent, or 2184 units, in new car sales which totalled 17 856 units.

He said July car sales were, however, down by 12.2 percent compared with the corresponding month last year.

Mr Vermeulen said new car sales in the year to date confirmed the severe impact of the recession on the South African motor industry and reflected a decline of 35.1 percent compared to the corresponding period last year.

"Sales of new light commercial vehicles during July, 1985, showed a marginal improvement of 554 units or 6.2 percent compared with June.

"At 7 238 units, the July light commercial vehicle sales reflect a decline of 21.7 percent compared with the corresponding month last year," said Mr Vermeulen.

He said July sales of medium commercial vehicles recorded a fall of 1.5 percent compared with the previous month and a drop of 16.09 percent compared with the corresponding month last year.

"Sales of trucks and buses during July amounted to 867 units, a marginal increase of 71 units or 8.9 percent compared with June.

"While the problems facing the motor industry are far from over, it is clear that the market for new motor vehicles bottomed during the second quarter and Namasa remains cautiously optimistic that vehicle sales will continue to improve, albeit gradually, during the months ahead," concluded Mr Vermeulen.
# Shopping Basket

THE Shopping Basket this week visited the Blackchain and Maponya supermarkets in Soweto. A spokesman for Blackchain said it is important that consumers realise that meat is very cheap in the townships, not only in the supermarkets, but also in the butchers. A spokesman for Maponya Supermarket said the price of meat fluctuates like the price of vegetables. She said meat prices have been very low for the past three weeks, but prices are going up again.

<table>
<thead>
<tr>
<th>Foodstuff</th>
<th>Blackchain</th>
<th>Maponya</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Snowflake</td>
<td>12.5 kg</td>
<td>10.35</td>
</tr>
<tr>
<td>5 kg</td>
<td>3.60</td>
<td>3.69</td>
</tr>
<tr>
<td>2.5 kg</td>
<td>1.09</td>
<td>2.05</td>
</tr>
<tr>
<td>Sauce</td>
<td>15.5 kg</td>
<td>8.09</td>
</tr>
<tr>
<td>5 kg</td>
<td>2.59</td>
<td></td>
</tr>
<tr>
<td>2.5 kg</td>
<td>2.09</td>
<td></td>
</tr>
<tr>
<td>Meals Meal</td>
<td>12.5 kg</td>
<td>7.89</td>
</tr>
<tr>
<td>5 kg</td>
<td>3.06</td>
<td>7.14</td>
</tr>
<tr>
<td>2.5 kg</td>
<td>1.59</td>
<td>1.62</td>
</tr>
<tr>
<td>Ase</td>
<td>12.5 kg</td>
<td>7.89</td>
</tr>
<tr>
<td>5 kg</td>
<td>1.59</td>
<td></td>
</tr>
<tr>
<td>A1</td>
<td>15.5 kg</td>
<td>6.83</td>
</tr>
<tr>
<td>5 kg</td>
<td>2.60</td>
<td>2.40</td>
</tr>
<tr>
<td>2.5 kg</td>
<td>1.36</td>
<td>1.29</td>
</tr>
<tr>
<td>Esugo</td>
<td>12.5 kg</td>
<td>6.99</td>
</tr>
<tr>
<td>5 kg</td>
<td>6.99</td>
<td></td>
</tr>
<tr>
<td>2.5 kg</td>
<td>1.29</td>
<td></td>
</tr>
<tr>
<td>Induana</td>
<td>5.5 kg</td>
<td>1.30</td>
</tr>
<tr>
<td>Sugar</td>
<td>10.5 kg</td>
<td>10.59</td>
</tr>
<tr>
<td>2.5 kg</td>
<td>3.05</td>
<td></td>
</tr>
<tr>
<td>Salti</td>
<td>2.5 kg</td>
<td>2.17</td>
</tr>
<tr>
<td>2.5 kg</td>
<td>2.50</td>
<td></td>
</tr>
<tr>
<td>Cascade</td>
<td>13.5 kg</td>
<td>10.65</td>
</tr>
<tr>
<td>Ool</td>
<td>10.65</td>
<td></td>
</tr>
<tr>
<td>Solo</td>
<td>750 ml</td>
<td>2.29</td>
</tr>
<tr>
<td>1.05</td>
<td>1.69</td>
<td></td>
</tr>
<tr>
<td>Sunel</td>
<td>750 ml</td>
<td>2.39</td>
</tr>
<tr>
<td>Ool</td>
<td>2.75</td>
<td></td>
</tr>
<tr>
<td>Coomet</td>
<td>750 ml</td>
<td>2.29</td>
</tr>
<tr>
<td>2.50</td>
<td>2.29</td>
<td></td>
</tr>
<tr>
<td>Ton</td>
<td>500 g</td>
<td>6.84</td>
</tr>
<tr>
<td>250 g</td>
<td>3.58</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200 g</td>
<td>7.05</td>
<td></td>
</tr>
<tr>
<td>250 g</td>
<td>3.99</td>
<td></td>
</tr>
<tr>
<td>Three trees</td>
<td>3.00</td>
<td></td>
</tr>
<tr>
<td>250 g</td>
<td>3.00</td>
<td></td>
</tr>
<tr>
<td>Five Roses</td>
<td>3.88</td>
<td></td>
</tr>
<tr>
<td>250 g</td>
<td>3.79</td>
<td></td>
</tr>
<tr>
<td>Chon</td>
<td>2.78</td>
<td></td>
</tr>
<tr>
<td>200 g</td>
<td>2.19</td>
<td></td>
</tr>
<tr>
<td>Teaspoon Type</td>
<td>250 g</td>
<td>5.89</td>
</tr>
<tr>
<td>200 g</td>
<td>2.19</td>
<td></td>
</tr>
<tr>
<td>Coffee</td>
<td>200 g</td>
<td>2.08</td>
</tr>
<tr>
<td>Breezy</td>
<td>250 g</td>
<td>2.08</td>
</tr>
<tr>
<td>200 g</td>
<td>2.08</td>
<td></td>
</tr>
<tr>
<td>Van Riebeeck</td>
<td>250 g</td>
<td>1.99</td>
</tr>
<tr>
<td>200 g</td>
<td>1.99</td>
<td></td>
</tr>
<tr>
<td>Koffeesen</td>
<td>250 g</td>
<td>4.69</td>
</tr>
<tr>
<td>200 g</td>
<td>4.69</td>
<td></td>
</tr>
<tr>
<td>Yebro</td>
<td>200 g</td>
<td>4.94</td>
</tr>
<tr>
<td>250 g</td>
<td>4.94</td>
<td></td>
</tr>
<tr>
<td>Mills</td>
<td>200 g</td>
<td>2.11</td>
</tr>
<tr>
<td>250 g</td>
<td>2.29</td>
<td></td>
</tr>
<tr>
<td>Detergents</td>
<td>1 kg</td>
<td>3.93</td>
</tr>
<tr>
<td>Gosh</td>
<td>2.59</td>
<td></td>
</tr>
<tr>
<td>2 kg</td>
<td>3.95</td>
<td></td>
</tr>
<tr>
<td>Surf</td>
<td>1 kg</td>
<td>2.59</td>
</tr>
<tr>
<td>2 kg</td>
<td>4.80</td>
<td></td>
</tr>
<tr>
<td>Skip</td>
<td>1 kg</td>
<td>2.59</td>
</tr>
<tr>
<td>2 kg</td>
<td>4.77</td>
<td></td>
</tr>
<tr>
<td>Punch</td>
<td>1 kg</td>
<td>2.59</td>
</tr>
<tr>
<td>2 kg</td>
<td>4.54</td>
<td></td>
</tr>
<tr>
<td>Sunlight</td>
<td>1 kg</td>
<td>2.77</td>
</tr>
<tr>
<td>Good &amp; Clean &amp; Fresh</td>
<td>2.17</td>
<td></td>
</tr>
<tr>
<td>1 kg</td>
<td>2.17</td>
<td></td>
</tr>
<tr>
<td>2 kg</td>
<td>4.26</td>
<td></td>
</tr>
<tr>
<td>Softener</td>
<td>1 litre</td>
<td>1.45</td>
</tr>
<tr>
<td>2 litre</td>
<td>1.45</td>
<td></td>
</tr>
<tr>
<td>Sunlight</td>
<td>3 litre</td>
<td>3.32</td>
</tr>
<tr>
<td>1.5 litre</td>
<td>1.62</td>
<td></td>
</tr>
<tr>
<td>Comfort</td>
<td>5 litres</td>
<td>5.85</td>
</tr>
<tr>
<td>2 litre</td>
<td>2.51</td>
<td></td>
</tr>
<tr>
<td>Toilet</td>
<td>10c</td>
<td>25c</td>
</tr>
<tr>
<td>50c</td>
<td>60c</td>
<td></td>
</tr>
<tr>
<td>Breese</td>
<td>50c</td>
<td>55c</td>
</tr>
<tr>
<td>Palmolive</td>
<td>60c</td>
<td></td>
</tr>
<tr>
<td>Sunlight</td>
<td>55c</td>
<td></td>
</tr>
<tr>
<td>Shield</td>
<td>50c</td>
<td></td>
</tr>
<tr>
<td>Nextel</td>
<td>50c</td>
<td></td>
</tr>
<tr>
<td>Lifesave</td>
<td>50c</td>
<td></td>
</tr>
<tr>
<td>Dee M</td>
<td>50c</td>
<td></td>
</tr>
<tr>
<td>Saxton</td>
<td>3.69</td>
<td></td>
</tr>
<tr>
<td>2.5 litre</td>
<td>6.55</td>
<td></td>
</tr>
<tr>
<td>Doral</td>
<td>2.29</td>
<td></td>
</tr>
<tr>
<td>2.5 litre</td>
<td>2.29</td>
<td></td>
</tr>
<tr>
<td>Meridion P</td>
<td>1.35</td>
<td></td>
</tr>
<tr>
<td>Mucinex</td>
<td>1.35</td>
<td></td>
</tr>
<tr>
<td>Clear Up</td>
<td>1.35</td>
<td></td>
</tr>
<tr>
<td>Colgate</td>
<td>1.35</td>
<td></td>
</tr>
<tr>
<td>Aquifresh</td>
<td>1.35</td>
<td></td>
</tr>
</tbody>
</table>
Getting tougher every year

Average pay rises far outstripped by bonds, rents, food and drink

by Jackie Unwin

A comparison between what the consumer used to pay for products in 1977 and 1982 and what they cost now makes interesting but rather depressing reading.

And average salaries have not gone up — in almost all cases — to the same extent.

The chart indicates how house prices soared between 1977 and 1982, but have not increased much in value between 1982 and now. In fact with the inflation rate taken into account, house values have dropped.

But this does not help the householder who is having to dig deeper into his pocket to pay off his bond as the rates have increased over the years.

Monthly repayments on a Rand 4000 bond paid over a 20-year period in 1977 were Rand 490. Now a similar bond costs Rand 664 a month.

House and flat rentals have remained approximately the same for the past three and a half years.

Prices of fresh produce have risen incredibly, but these are seasonal and the prices recorded in the years 1982 and 1977 were in January and thus year’s were surveyed in August.

Rice has shot up by a massive 458 percent during the past 8½ years.

Bacon has also increased by 385 percent and margarine by 348 percent.

Chicken has increased in price the least of the items surveyed, but there has been in glut and prices have dropped recently.

Meat does not appear to have increased very much in price when compared with 1982.

Liquor price increases were on the whole lower than increases in other items surveyed. Beer drinkers should be saying cheers, for their favourite tipple has only increased by 112 percent since 1977.

Senior librarians will be finding the going tough though — their percentage increase in average salaries of 74 percent during the last 8½ years is way below the percentage increase of most items surveyed.

The average salaries of company secretaries and marketing managers have increased rather more, but again not to the same extent as most products.

The 1982 figures include the four percent GST and the 1985 figures 12 percent GST.

Grocery prices were obtained from a supermarket, the liquor prices from a liquor chain, house prices and rentals from estate agents.

Now you need scissors to open your supper

by Jackie Unwin

The latest method of food packaging — a flexible pouch — has come to South Africa.

Called a "flexitainer", it gives unrefrigerated food products a conservable shelf life of about six months.

Mr Ian Willis, managing director of Kohler, which manufactures the container, said the principle was the same as in the tin canning process.

The pouch is sealed in a vacuum condition, then heated and all the bacteria killed.

"The beauty of the pouch, as opposed to a tin can, is that you can open it with a pair of scissors," he said. The housewife can put the pouch in water to cool if she wishes.

Cooking time is reduced because the pouch is flat and the heat gets to the centre quicker.

The inner ply of the pouch is manufactured in a complex process and secured at high temperatures for several days.

The polypropylene layer, which is in contact with the packed food, is absolutely neutral and cannot affect taste.

The process was developed in Japan and approved by the Food and Drug Administration (FDA) in the United States two years ago.

The first food to appear in South Africa in the new package are potato chips — sliced and oven cooked. They take two minutes to fry.

Mr Willis said he thought it would be some time before the new packaging system really took off because of the economic situation, and because manufacturers are geared to canning lines.

"But the advantages are so great that I cannot see it not succeeding," he added.
### WEEKLY SHOPPING BASKET

| Item                  | Pick 'n' Pay | Randpark | Checkers | Cresta | CV Bazaars | Cresta | Spar | Blackheath | Average Price | Average Price | August 6, 1985 | August 6, 1985 | Percentage Difference |
|-----------------------|--------------|----------|----------|--------|------------|--------|------|------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| Bread, White          | 58c          | 63c      | 63c      | 58c    | 61c         | 62c    | 62c  | 62c        | 61c            | 62c            | -1.6           | -2.6           |                     |
| Brown                 | 38c          | 38c      | 38c      | 38c    | 38c         | 39c    |      |            |                |                |                |                |                     |
| Milk, 1 l             | 79c          | 79c      | 79c      | 77c    | 79c         | 79c    |      |            |                |                |                |                |                     |
| Egg, 1/2 dz large     | 66c          | 67c      | 68c      | 68c    | 67c         | 63c    |      |            |                |                | +6.3           |                |                     |
| Maize Meal, 2.5 kg   | R1.59        | R1.62    | R1.62    | R1.60  | R1.61       | R1.61  |      |            |                |                |                |                |                     |
| Margarine, 500 g Rama | R1.41        | R1.42    | R1.42    | R1.41  | R1.42       | R1.42  |      |            |                |                |                |                |                     |
| Cheese, 1 kg Elite Gouda | R6.92      | R6.92    | R6.92    | R6.92  | R6.78       |        |      |            |                |                | +2.1           |                |                     |
| Jam, 900 g Koo Smooth Apricot | R1.59  | R1.59    | R1.59    | R1.54  | R1.58       |        |      |            |                |                |                |                |                     |
| Sugar, 2.5 kg Hulett's | R2.07        |          |          | R2.08  | R2.08       |        |      |            |                |                |                |                |                     |
| Tea, 100 tagless teabags Joko | R2.79    | R3.05    | R2.89    | R2.79  | R2.88       |        |      |            |                |                |                |                |                     |
| Coffee, 250 g Nescafe Classic | R5.39       | R5.69    |          | R5.29  | R5.46       | R5.42  |      |            |                |                | +0.7            |                |                     |
| Cereal, 500 g Kellogg's Cornflakes | R1.35     | R1.39    | R1.45    | R1.35  | R1.39       | R1.42  |      |            |                |                | -2.1           |                |                     |
| Cooking Oil, 750 ml Olé | R2.09        | R2.19    | R2.12    | R1.99  | R2.10       | R2.10  |      |            |                |                |                |                |                     |
| Rice, 1 kg Tastic     | R1.69        | R1.69    | R1.75    | R1.48  | R1.65       | R1.67  |      |            |                |                | -1.2           |                |                     |
| Salt, 1 kg bag Buffalo | 46c          | 52c      | 53c      | 52c    | 51c         | 51c    |      |            |                |                |                |                |                     |
| Meat, 1 kg brisket    | R3.29        | R3.69    | R3.68    | R3.67  | R3.58       | R3.58  |      |            |                |                |                |                |                     |
| Lamb loin chops       | R6.78        | R6.99    | R6.98    | R6.98  | R6.93       | R6.96  |      |            |                |                | -0.4           |                |                     |
| Fresh chicken         | R2.29        | R2.49    | R1.89    | R2.24  | R2.23       | R2.21  |      |            |                |                | +1.0           |                |                     |
| 250 g Eskort streaky bacon | R1.89       | R1.79    | R1.79    | R1.79  | R1.82       | R1.80  |      |            |                |                | +1.1           |                |                     |
| Deep water hake fillets & J | R3.43       | R3.19    | R3.49    | R3.19  | R3.33       | R3.36  |      |            |                |                | -0.9           |                |                     |
| Vegetables, 1 kg potatoes | 59c          | 69c      | 39c      | 49c    | 54c         | 54c    |      |            |                |                |                |                |                     |
| 1 kg frozen peas Table Top | R3.29        | R2.95    | R2.89    | R2.89  | R3.01       | R3.00  |      |            |                |                | -0.3           |                |                     |
| Candies, 450 g Buffalo | 95c          | 99c      |          | 94c    | 96c         | 98c    |      |            |                |                | -2.0           |                |                     |
| Washing Powder, 1 kg Sunlight | R2.44        | R2.45    | R2.59    | R2.44  | R2.48       | R2.48  |      |            |                |                |                |                |                     |

**Survey shows drop in meat prices**

Supermarkets still involved in price wars are trying to give the consumer the best deal by keeping prices down.

This week The Star survey found that all four north-western stores surveyed were selling brown bread at 38c.

Several other items also cost the same at several stores.

Three stores marked jam at R1.50, milk at 79c and bacon at R1.79. Cheese now costs R6.92 per kilo at all stores.

Bargains this week were rice at Spar, Blackheath, costing R1.48 per kilo and salt at 46c at Pick n' Pay, Randpark.

### MEAT

Meat prices were down. Porterhouse steak dropped by 8.5 percent and lamb loin chops by 0.4 percent. The cheapest price for porterhouse was R6.50 and R6.78 for lamb loin chops at Pick n' Pay, Randpark.

Rainbow chickens were a bargain at OK Bazaars, Cresta, costing R1.89 per kilo. At Spar, Blackheath, twin-packed chickens cost R2.29 per kilo, less than the single chicken price of R2.24.

Spar's butchery manager, Mr Barry Lockyer, said this price strategy encouraged consumers to buy in bulk and save money.

Prices stabilised on various products — milk, maize meal, magazine, salt, cooking oil, tea and sugar.

Eggs were marked up by 6.3 percent as supermarkets were no longer offering last week's special of 86c.

All prices in the survey exclude the 12 percent GST payable on some.
New fuel price rise threatens

PRETORIA—Another increase in the price of fuel — it would be the second this year — threatens if there is no substantial improvement soon in the exchange value of the rand, according to sources here.

Earlier this year, when he announced the 40 per cent petrol price hike, the Minister of Mineral and Energy Affairs, Mr Dane Steyn, warned of the threat of another fuel price hike later in the year.

In Pretoria yesterday the Director General of Mineral and Energy Affairs, Mr Louw Alberts, said the price increase announced in February had been based on a rand-dollar exchange rate of 50.5c.

However, 'for quite a few months' the rate had hovered around 55 and 56c.

'The result was we were able to build up our 'slate' fund in the interests of the motorist,' he said.

At this stage motorists had been paying a little more than they strictly should have been paying, but the excess had gone into the fund for their ultimate benefit.

'At present the fund is being used to support and maintain the current price and the motorist is actually now paying less than he should be paying for his petrol.'

However, when the fund was empty and there was no indication of a substantial strengthening of the rand, 'we will have to look at the situation again — we will have no choice,' Mr Alberts said.

Other sources pointed out that last month and earlier this month, when the rand was steady above 50c, there was strong speculation that the petrol price would be cut.

The Government, according to departmental sources, had been eager to drop the price as soon as there was a reasonable possibility of the rand holding steady above 50c.

However, 'the roof fell in' after President Botha's address in Durban last week.

The rand plunged below 58c following strong adverse international reaction to his speech. Although it had recovered somewhat, if it continued at this low level the high dollar costs of crude would make an upward adjustment of the price unavoidable, the sources said.
Fuel prices rise in the balance

then was 46.5 cents

"In other words the prices were being carried to an extent of 4 cents," he said

For quite a few months now the rate had hovered between 52 and 53 US cents, resulting in a "slate fund" having been built up for motorists.

At that stage motorists were paying more than they should have been, but the excess went into the fund for their ultimate benefit.

Last week, after President P W Botha's "let-down" speech at the Natal National Party congress in Durban, the rand plunged to below 38 cents, and has since recovered to just above 40 cents, which is way below the 50.5 cents set as a base in February.

"The amounts we used (in the 'slate fund') are obviously now being used up and if there is no indication of a substantial strengthening of the rand, we will have to look at the situation again.

"We may be talking not of years, but of a period in the order of months," Dr Alberts warned today.
Dispatch Correspondent

PRETORIA — Another increase in the price of fuel — it would be the second this year — is threatened if there is no substantial improvement soon in the exchange value of the rand.

Earlier this year, when he announced the 40 per cent petrol price hike, the Minister of Mineral and Energy affairs, Mr. Danie Steyn, warned of the threat of another fuel price hike later in the year.

Yesterday, the director general of mineral and energy affairs, Mr. Louw Alberts, said the price increase announced in February was based on a rand-dollar exchange rate of 56.5c and "for quite a few months" the rate hovered around 56c and 53c.

"The fund was able to build up our "state" fund in the interests of the motorists," Alberts said.

"At present the fund is being used to support and maintain the current price and the motorist is actually now paying less than he should be paying."

However, when the fund was empty and there was an indication of a "slump," strengthening of the rand, "we will have to look at the situation again," Mr. Alberts said.

• The rand fell yesterday to a low of 58.6 US cents in a thin, nervous market but closed at 49 US cents.
Petrol: Same price

There is to be no immediate rise in the petrol price following the sharp drop in the exchange rate of the rand against the dollar, but the Government is watching the position carefully.

The Minister of Mineral and Energy Affairs, Mr Dane Steyn, is expected to issue a statement to the effect that within the next few days, the price will remain stable at $1.85 per gallon.

The South African petrolium price is based on a calculation assuming that the rand is worth 35 US cents.

Oil supplies are paid for in dollars. — SOWETA. TAN Correspondent.
Johannesburg — Bread prices may go up from October 1, according to reports here.

A Cabinet decision is due to be taken within the next few weeks on whether prices are to be increased from October 1 when the new season's wheat price takes effect.

Reports say that the probable increase in the consumer price of bread is causing anxiety in Government circles because of the political repercussions during the present unrest and other social consequences during a time of recession and unemployment.

Earlier this year, the Minister of Finance, Mr. Barend du Plessis, warned that there would be no subsidy increase.

The result was an increase of 5c a loaf from June 1, with another increase due on October 1 in order to "stretch" the R200-million subsidy through the 1985-86 financial year.

Without Cabinet approval for a larger bread subsidy, prices will have to rise and the unrest has made this a possible political issue.

Earlier, the Minister of Agricultural Economics, Mr. Greyling Wentzel, said the Government was fully aware of the economic situation of the ordinary man and of unemployment and did not want the bread price to increase drastically.

He added "We are hoping to keep to a moderate increase in October."
AA discounts fuel price reports

Dispatch Bureau

JOHANNESBURG — The Automobile Association has discounted reports that the price of petrol will be increased unless there is a substantial improvement in the rand’s exchange rate.

The AA predicts the price of petrol will come down before it goes up.

Mr Gideon van Oudtshoorn, manager of the public relations division of the AA, said yesterday that when the price of petrol jumped by 40 percent in January this year, the Minister of Mineral and Energy Affairs had promised to cut the price of fuel “the moment the rand-dollar price stabilised.”

“We are holding the minister to his promise,” he said. “We may not be financiers but we do not believe the rand-dollar exchange rates will stay as low as they are for long.”

The exchange rate is still hovering at 49 US cents to the rand.

The director-general of mineral and energy affairs, Dr Louw Alberts, said in Pretoria this week the price increase in petrol announced earlier this year was based on a rand/dollar exchange rate of 60.5c.

And while the motorist, for several months, was paying slightly more for fuel, it had been possible to build up a “slate fund” in his interests.

The situation had now been reversed and the motorist was paying less than he should for petrol. The fund, he said, was being used to support and maintain the current fuel prices until the rand strengthened.

But while some sources speculate that the price of fuel will rise if the Rand runs dry before the exchange rates improve, Mr Van Oudtshoorn believes political consideration will not influence exchange rates for long.

Petrol will come down by about 10 percent a litre, he says.

“However, we will support a move to pay an extra two cents a litre for petrol if the government decides to abolish third party insurance and levy fuel instead,” Mr Van Oudtshoorn added. “We believe a fuel tax will be fairer than increased third party insurance charges.”

The volatility of the rand on foreign exchange markets was again evident yesterday, with thin trading further aggravating movements of the currency, reports Sapa.

The rand, which hit a low of 39.60 US cents on Wednesday dropped further yesterday to a low of 39.80, before closing at 40.50.

Editorial opinion P17
<table>
<thead>
<tr>
<th>Item</th>
<th>24/7/85 (22)</th>
<th>21/7/85</th>
<th>PERCENTAGE DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD: White</td>
<td>58c</td>
<td>63c</td>
<td></td>
</tr>
<tr>
<td>BREAD: Brown</td>
<td>38c</td>
<td>38c</td>
<td></td>
</tr>
<tr>
<td>MILK: 1 l</td>
<td>79c</td>
<td>79c</td>
<td></td>
</tr>
<tr>
<td>EGGS: 1 doz large</td>
<td>66c</td>
<td>67c</td>
<td></td>
</tr>
<tr>
<td>MAIZE MEAL: 2.5 kg lwaza</td>
<td>R1.59</td>
<td>R1.62</td>
<td></td>
</tr>
<tr>
<td>MARGARINE: 500 g Rama</td>
<td>R1.41</td>
<td>R1.35</td>
<td></td>
</tr>
<tr>
<td>CHEESE: 1 kg Elite Gouda</td>
<td>R6.92</td>
<td>R6.92</td>
<td></td>
</tr>
<tr>
<td>JAM: 900 g Koo Smooth Apricot</td>
<td>R1.59</td>
<td>R1.59</td>
<td></td>
</tr>
<tr>
<td>SUGAR: 2.5 kg Hulets</td>
<td>R2.07</td>
<td>R2.09</td>
<td></td>
</tr>
<tr>
<td>TEA: 100 tagless teabags Joko</td>
<td>R2.79</td>
<td>R3.05</td>
<td></td>
</tr>
<tr>
<td>COFFEE: 250 g Nescafe Classic</td>
<td>R5.39</td>
<td>R5.69</td>
<td>+0.5</td>
</tr>
<tr>
<td>CEREAL: 500 g Kellogg’s Cornflakes</td>
<td>R1.35</td>
<td>R1.25</td>
<td></td>
</tr>
<tr>
<td>COOKING OIL: 750 ml Olà</td>
<td>R2.09</td>
<td>R2.19</td>
<td></td>
</tr>
<tr>
<td>RICE: 1 kg Tastic</td>
<td>R1.69</td>
<td>R1.69</td>
<td></td>
</tr>
<tr>
<td>SALT: 1 kg big Buffalo</td>
<td>46c</td>
<td>52c</td>
<td></td>
</tr>
<tr>
<td>MEAT: 1 kg Chuck</td>
<td>R3.98</td>
<td>R3.59</td>
<td></td>
</tr>
<tr>
<td>MEAT: 1 kg Lamb Breast Chops</td>
<td>R7.99</td>
<td>R6.99</td>
<td></td>
</tr>
<tr>
<td>MEAT: 1 kg fresh chicken</td>
<td>R2.29</td>
<td>R2.49</td>
<td>+6.3</td>
</tr>
<tr>
<td>MEAT: 250 g Eskor streaky Bacon</td>
<td>R1.79</td>
<td>R1.79</td>
<td></td>
</tr>
<tr>
<td>MEAT: 1 kg Deep Water Hake Fillets &amp; J</td>
<td>R2.99</td>
<td>R3.19</td>
<td></td>
</tr>
<tr>
<td>VEGETABLES: 1 kg Potatoes</td>
<td>59c</td>
<td>69c</td>
<td></td>
</tr>
<tr>
<td>VEGETABLES: 1 kg frozen Peas</td>
<td>59c</td>
<td>69c</td>
<td></td>
</tr>
<tr>
<td>CANDLES: 450 g Buffalo</td>
<td>95c</td>
<td>99c</td>
<td></td>
</tr>
<tr>
<td>WASHING POWDER: 1 kg Surf</td>
<td>R2.29</td>
<td>R2.29</td>
<td></td>
</tr>
</tbody>
</table>

**Survey:** August 20 1985  
**Prices Exclude GST**
Meat prices average out

by

Kashvina Jaga

Different meat cuts were highlighted in this week's Star shopping basket survey, part of a spot-price check. The owner of the Spar, Blackheath, Mr. Nick Savvides, said spot checks encouraged price competition among stores which resulted in a lower price for the consumer.

FOUR STORES

The survey found that meat prices at four north-western stores were on average the same. Chuck at R3.38 was on a special at Pick n Pay, Randpark. The best rump steak price of R8.89 at Checkers, Cresta, and lamb braai chops at R5.48 at OK Bazaars, Cresta.

SUNFLOWER OIL

Another spot check was done on oil prices in some stores. House brands of 750 ml of sunflower oil were cheapest.

- OK Bazaars, Cresta:
  - Pot o' Gold oil R1.75
  - Nola sunflower oil R1.69
  - Solo R1.99, and Epic R2.09
- Checkers, Cresta:
  - Sunflower Yellowband R1.99, Nola sunflower oil R2.29, and Cardin R2.39

The price of margarine dropped by 1.4 percent and cereal by 2.2 percent because of Checkers bargain prices this week of R1.35 for margarine and R1.25 for cereal. Bacon and frozen peas also decreased and all stores charged the same price on these items.

Coffee had increased very slightly and fresh chicken increased by 6.3 percent.

Eighteen other survey items remained static in price. All prices exclude the 12 percent GST payable on some items.
Price of white goods rising by 15% to 30%

CHERILYN IRETON

The price of white goods — stoves, refrigerators, washing machines — will rise by 15% to 30% in the next two months.

The price of imported goods is to increase by 50% and the price of locally made products by 15%, says Domestic Appliances Manufacturers' Association chairman Owen Dundale.

Manufacturers say the increase is unavoidable because they are struggling to keep production at cost-efficient levels. Sales of white goods are down 30% to 40% Barlow's predicts that unit sales will total only 500,000 this year — 23% less than in 1984.

But the value of sales, cushioned by the price increases, is expected to drop by 10%.

Manufacturers have had to trim their operations and Dundale says most factors are running at half-capacity.

Working hours have been reduced and 2,000 jobs axed.

Adding to the manufacturers' misery is the refusal of government to ease stringent credit regulations laid down last year.

To buy appliances on credit, customers must put down a 15% deposit and pay the balance within 18 months.

TEK sales director Brian Cape has called for new ground rules because many appliances are basic household necessities.

He says government granted relief to the furniture industry earlier this year, with credit rules stipulating a 15% deposit and 24 months to pay.

"We feel very bitter. The government is reducing its support for our industry at a time when we desperately need its help," says Cape.
'Prices must go up as the dollar price increases'

Fertiliser giants may rationalise — AECI

RATIONALISATION could be imminent for the over-traded fertiliser industry, says AECI director Chris von Solms.

He says some fertiliser companies may consider rationalising their operations — but adds he is happy with subsidiary Kynoch’s present size.

Five manufacturers are competing for the depressed fertiliser business — Kynoch, Sasol, Triomf, Fedmus and Omnia. Von Solms says the industry is oversubscribed and the continuing overcapacity will ensure competitive prices.

"Consumers are squeezing manufacturers, but if they squeeze too much they will end up dependent on imported fertilisers.”

Industry observers agree Omnia and Fedmus are the two companies most threatened. Omnia’s resurgent share price in the past few weeks — despite heavy interim losses — has given rise to speculation that it is in line for a take-over.

Triomf — one of the troubled manufacturers — was thrown a lifeline in June by Nampo, the National Maize Producers’ Organisation, which said it wanted to prevent the industry being dominated by Sasol and Kynoch.

While Von Solms expects demand for fertiliser to grow 12% this year, he points to the rand’s depreciation as cause for concern.

"Prices will have to go up as the dollar price of raw materials rises.”

The impact of rising raw material cost will be felt most by those companies without access to locally-produced nitrogen — which represents “a significant cost.”

Again, it is Omnia, Fedmus and Triomf which must rely on imported supplies of nitrogen, although Fedmus has a limited local supply. Sasol and AECI provide their own production requirements.
Retread price rise throws tyre trade off balance

THE price of retread rubber is increasing today for the second time this year amid industry confusion over the actual percentage rise.

Previously, manufacturers had agreed on a maximum rise, but there now appears to be a split.

When the cost of rubber rose by 9.25% in May, new tyre prices went up by the same amount.

Firestone announced over the weekend its maximum increase for retread rubber was 8.6%, but General Tyres, the other major supplier, has yet to declare its hand.

Last Thursday, the chairman of the 330-member National Retreaders and Tyre Dealers' Association, John Sharwood, announced a 12% increase from today, based, he said this weekend, on information from the retread rubber company representatives.

"We were originally advised by representatives that retread rubber prices were going up on Monday, August 18, and to lay in stocks in advance of the announcement. We didn't because investigation showed that from 1984 the price had gone up 38%," Sharwood said.

"Subsequently, we discovered — through the offices of Business Day this weekend — that one company was increasing its retread rubber price by a maximum 6.6%, and not 12% as we were originally told. There is an element of confusion here."

Firestone's deputy MD and marketing director Bill Taylor said at the weekend his company's maximum increase had been "6.6% for tyres."

Firestone's tempertread and cure tread prices would remain static, and, for material for one particular wheel size, it would go down 5.9%, Taylor said. In the period June 27, 1984 to August 23, 1985, the company had increased its prices on retread materials twice. For basic retread rubber it was 8.17% on December 21 and 9.25% in May.

Thus, the increase for the period on basic retread rubber (not vulcanising system) was 18.1%. Firestone's price increase was uniform for the three main ranges of tyre retreads, being passenger (car), medium tyres and heavy tyres.

For precured rubber (only truck tyres), the increase was 31.7%. In this field, Firestone was the most competitive of all suppliers. For other retread materials, its increases had been between 7% and 7.5%.

General Tyres' MD Richard Nicholson, who is also chairman of the SA Tyre Manufacturers' Conference, said on Thursday night that they (the company and the conference) did not conduct negotiations on business or labour in the media.

Sharwood said at the weekend that the retreaders were in the dark.

"It is not right that we should just accept an increase without being told what's happening," he said.

The increases are thought to result from a rise in the retread rubber manufacturers' raw material inputs, synthetic rubber from Karibochem, nylon cord from SA Nylon Spinners, and carbon black (an extender material), from Phillips Carbon Black.
Rubber price rises, so retreads up 10 percent

Motor Industry Reporter 24-4-

The price of retread rubber supplied by two major tyre manufacturers has been increased by between 5.5 percent and 12 percent.

A Firestone spokesman said his company's increase of between 5.5 percent and 6.6 percent was related to an increase in the price of raw materials.

A spokesman from General Tyre would only confirm that his company's prices had been increased by 12 percent from last Monday.

Meanwhile, the Motor Industry Federation yesterday sent a circular to retread retailers advising them that the recommended price of retreads was being increased by 10 percent.

There is no control over the price of retread tyres.
Bread price to rise when wheat goes up 10%

WHEAT producers expect a price increase of about 10% from the beginning of October. Housewives can brace themselves for a hefty increase in the bread price from the same date.

Last year the wheat price was raised by 8.7%, well below the inflation rate. There was no increase in 1983.

Since 1983 farmers’ costs are estimated to have rocketed by more than 25%.

Wheat Board GM Dennis van Aarde says there are sound reasons for the price increase but Agriculture Minister Greyling Wentzel has said nothing about the expected price hike.

Meanwhile the commission appointed by Wentzel to advise him on whether the bread subsidy policy should be continued is still at work. It has been instructed to report before mid-September.

The current financial year’s subsidy of about R300m runs out at the end of next month. If it is decided the subsidy should be dropped — a distinct possibility according to government sources here — the bread price rise from October 1 will be a big one.

It is reliably understood that the Wheat Board is unlikely to agree to any of its R70m strong stabilisation fund being used to minimise the bread price rise.

Van Aarde points out that two years ago the board paid R40m from the fund to strengthen the government bread subsidy account.

Against this background the bread price rise could be as much as 20c a loaf. However, Van Aarde said, if such a big an increase were unavoidable it would probably be introduced in stages.

Other sources say this could mean an increase from October 1 and staggered increases in January and April.

Meanwhile, prospects for the current crop indicate that more than 300,000 tons will have to be imported at more than R180m but, because of oversupplied world markets, the landed price of imported wheat may not differ greatly from the local price, especially after the expected local price increase.
Bread prices may increase next month

The price of bread could increase again in October if the Government accepts a request from the Wheat Board for a "moderate" producer price increase.

Sources in the industry say the board has asked for a 10 percent increase in the producer price of wheat for the 1985/6 season.

It will be the second bread price rise this year the price was increased by 5c on June 1 to 45c for brown and 6c for white bread because of a shortfall in the Government's bread subsidy.

The general manager of the Wheat Board, Mr Dennis van Aarde, confirmed today that a request for a higher price had been made through the National Marketing Council.

"REASONABLE TO EXPECT HIGHER PRICE"

"Two years ago producers were granted no increase and last season received only 8,7 percent I think it is reasonable to expect that there would be a recommendation for a higher price because of the high rate of inflation.

"But the board has taken the economic situation into account and the fact that there is a surplus of wheat on overseas markets. We are wary of pricing ourselves out of the market," Mr van Aarde added.

A Government-appointed commission of inquiry is expected to complete its investigation into the bread subsidy system at the end of September. The study group was asked to establish whether low-income groups benefited from the State subsidy. In line with Government policy the R200 million-a-year subsidy is likely to be phased out.
The Department of Mineral and Energy Affairs today repeated its warning that it cannot continue to stave off a petrol-price rise in the face of a consistently weak rand.

Indications are that a price increase is imminent after the rand's increasingly poor showing, particularly in the light of its drop yesterday to around 35 US cents.

The Cabinet is expected to make a decision at its weekly meeting today on how much longer the Government can delay passing the increased imported cost of fuel on to the consumer.

Mr Theuns Burger, spokesman for the Department of Mineral and Energy Affairs, said the dwindling value of South Africa's currency put the authorities in "a very precarious position".

He indicated that an increase would become unavoidable if the rand continued to flag after the Johannesburg Stock Exchange resumed trading on Monday.

The authorities, he said, would be watching the situation closely and if it continued at present levels, there would be no option but to raise the fuel price.

However, Mr Burger declined to comment on how big the increase could be. There has been speculation that it may be as much as 10c a litre.

Earlier this year, motorists had to budget for a 40 percent rise in the petrol price.

When that came into effect, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, warned that another increase might be necessary this year.

However, just last month there were reports that a firming of the rand meant the price could be cut.

These hopes appear now to have been dashed.
# Shopping Basket

**THE SHOPPING BASKET** this week sailed two supermarkets in Soweto, Maponya in Dube and Blackhein in Pimville.

We found the prices fairly competitive.

Write to us and tell us your views about the basket: The SOWETAN, Women's Department, P.O. Box 6683, JOHANNESBURG 2000

<table>
<thead>
<tr>
<th>Foodstuff</th>
<th>Maponya</th>
<th>Blackhein</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tea</td>
<td>Dube</td>
<td>Pimville</td>
</tr>
<tr>
<td>50 g</td>
<td>6,35</td>
<td>6,35</td>
</tr>
<tr>
<td>250 g</td>
<td>7,15</td>
<td>5,50</td>
</tr>
<tr>
<td>Glen</td>
<td>50 g</td>
<td>5,47</td>
</tr>
<tr>
<td>250 g</td>
<td>5,50</td>
<td>2,76</td>
</tr>
<tr>
<td>Picco</td>
<td>600 g</td>
<td>7,05</td>
</tr>
<tr>
<td>250 g</td>
<td>3,50</td>
<td>2,76</td>
</tr>
<tr>
<td>Three Trees</td>
<td>2,29</td>
<td>2,29</td>
</tr>
<tr>
<td>Five Roses</td>
<td>3,50</td>
<td>5,68</td>
</tr>
<tr>
<td>Rice</td>
<td>4,19</td>
<td>5,68</td>
</tr>
<tr>
<td>Frico</td>
<td>750 m</td>
<td>6,49</td>
</tr>
<tr>
<td>250 ml</td>
<td>2,15</td>
<td>2,11</td>
</tr>
<tr>
<td>Van Rebeek</td>
<td>750 ml</td>
<td>2,11</td>
</tr>
<tr>
<td>250 ml</td>
<td>2,15</td>
<td>2,11</td>
</tr>
<tr>
<td>Koffiehuis</td>
<td>750 ml</td>
<td>4,93</td>
</tr>
<tr>
<td>250 ml</td>
<td>5,50</td>
<td>4,93</td>
</tr>
<tr>
<td>Pilsner</td>
<td>1,48</td>
<td>3,49</td>
</tr>
<tr>
<td>250 ml</td>
<td>3,49</td>
<td>3,49</td>
</tr>
<tr>
<td>Sugar</td>
<td>12,5 kg</td>
<td>2,05</td>
</tr>
<tr>
<td>2,5 kg</td>
<td>2,05</td>
<td>2,05</td>
</tr>
<tr>
<td>Sadati</td>
<td>2,54</td>
<td>2,17</td>
</tr>
<tr>
<td>Cascade</td>
<td>10,69</td>
<td>10,69</td>
</tr>
<tr>
<td>Flour</td>
<td>Snowflake</td>
<td>12,5 kg</td>
</tr>
<tr>
<td></td>
<td>6,99</td>
<td>6,99</td>
</tr>
<tr>
<td></td>
<td>3,90</td>
<td>3,90</td>
</tr>
<tr>
<td></td>
<td>1,09</td>
<td>1,09</td>
</tr>
<tr>
<td>Mealie Meal</td>
<td>1,45</td>
<td>1,45</td>
</tr>
<tr>
<td>5 kg</td>
<td>8,99</td>
<td>8,99</td>
</tr>
<tr>
<td>2,5 kg</td>
<td>2,89</td>
<td>2,89</td>
</tr>
<tr>
<td>Ace</td>
<td>7,19</td>
<td>7,19</td>
</tr>
<tr>
<td>2,5 kg</td>
<td>1,45</td>
<td>1,45</td>
</tr>
<tr>
<td>Impala</td>
<td>1,29</td>
<td>1,29</td>
</tr>
<tr>
<td>Rice</td>
<td>Taste</td>
<td></td>
</tr>
<tr>
<td>5 kg</td>
<td>8,69</td>
<td>9,79</td>
</tr>
<tr>
<td>2 kg</td>
<td>3,65</td>
<td>3,65</td>
</tr>
<tr>
<td>1 kg</td>
<td>1,85</td>
<td>1,85</td>
</tr>
<tr>
<td>Surprise Rice</td>
<td>2 kg</td>
<td>2,59</td>
</tr>
<tr>
<td>1 kg</td>
<td>1,49</td>
<td>1,49</td>
</tr>
<tr>
<td>Oil</td>
<td>Sunflower</td>
<td>750 ml</td>
</tr>
<tr>
<td>750 ml</td>
<td>1,99</td>
<td>1,99</td>
</tr>
<tr>
<td>Solo</td>
<td>780 ml</td>
<td>2,11</td>
</tr>
<tr>
<td>Sunol</td>
<td>750 ml</td>
<td>2,11</td>
</tr>
<tr>
<td>Cotona</td>
<td>780 ml</td>
<td>2,29</td>
</tr>
<tr>
<td>21t</td>
<td>7,29</td>
<td>7,29</td>
</tr>
<tr>
<td>750 ml</td>
<td>2,29</td>
<td>2,29</td>
</tr>
<tr>
<td>Detergents</td>
<td>Omo</td>
<td></td>
</tr>
<tr>
<td>2 kg</td>
<td>4,55</td>
<td>5,07</td>
</tr>
<tr>
<td>1 kg</td>
<td>2,55</td>
<td>2,55</td>
</tr>
<tr>
<td>Surf</td>
<td>4,39</td>
<td>4,99</td>
</tr>
<tr>
<td>1 kg</td>
<td>2,45</td>
<td>2,53</td>
</tr>
<tr>
<td>Punch</td>
<td>4,85</td>
<td>4,85</td>
</tr>
<tr>
<td>1 kg</td>
<td>2,49</td>
<td>2,49</td>
</tr>
<tr>
<td>Good &amp; Clean &amp; Fresh</td>
<td>1 kg</td>
<td>2,09</td>
</tr>
<tr>
<td>1 kg</td>
<td>2,55</td>
<td>2,65</td>
</tr>
<tr>
<td>Javel</td>
<td>75c</td>
<td>75c</td>
</tr>
</tbody>
</table>
THE Automobile Association was being inundated by phone calls from motorists who were up in arms at the possibility of a further increase in the price of petrol, a spokesman for the AA said yesterday.

He was commenting on a statement by the director-general of Mineral and Energy Affairs, Dr Louw Alberts, that an increase would become necessary when the stabilisation fund was exhausted.

This fund had been strengthened by the improved rand/dollar exchange rate until recently, when the rand began dropping. Dr Alberts said, "The 40 percent increase in the price of petrol in January this year, followed by a further two percent increase in GST shortly afterwards, shocked and dismayed motorists," the spokesman said.

"The Minister of Mineral and Energy Affairs, Mr Dane Steyn, said at the time that the increase was an interim measure that would be reviewed when the rand/dollar exchange rate stabilised. When this happened recently, he repeated his promise but did not reduce the price." "If the pipeline charge was reduced now, it would serve to cushion the effects of the fuel price related to the rand/dollar exchange rate and the possibility of a further increase mentioned by Dr Alberts."
Funeral
levies
shocker

THE massive increase in
funeral levies, from R30
to R150 — a 500 percent
increase — which has
been imposed on undertak-ers from outside So-
weto, will hit the resi-
dents even harder than
the undertakers.

This is the view raised
by a manager of one of
the largest such opera-
tions outside Soweto —
City Funeral Undertak-
ers. Mr Tony Gunness, a
manager at City Under-
take, said yesterday
they were shocked at the
levy and believed it was
aimed at their business
specifically. SOWETAN

"We have to be realis-
tic. We are innovators in
this business. We inher-
ited it and we believe
we have become the
professionals that has
made us so popular. We
were first to introduce a
package deal for be-
reaved families, by giv-
ing out tents, chairs and
so on. Many others cop-
ied our innovations."" SOWETAN

Mr Nico Malan, the
Soweto Town Clerk told
The SOWETAN that the
increase on levies for In-
dian and white under-
takers was unavoidable
because they did not pay
taxes and rates as locals
did.
Escom tariffs up 10pc from September

The projected mid-year increase had been deferred for two months to enable the newly-appointed Electricity Council and Escom's management board to give due consideration to the utility's financial needs. The delay in implementing this new price had saved consumers nearly R100 million.

Mr Maree said all the main electricity consumer groups were represented on the Electricity Council and were party to the decision.

Electricity Council and the management board were taking a hard look at Escom's capital programme and its financing needs in the context of the rapidly changing financial environment, which is affecting the whole of South Africa at present, he said.

With the risk of more restricted access to overseas sources of capital, and therefore greater pressure for funds in the local capital market, Escom has to generate higher levels of income to cover its expenses and the cost of servicing its borrowing, and to create a cash source to contribute towards financing its expansion.

"It is essential that Escom contributes from its own cash resources some of the money needed to finance its already committed capital projects," Mr Maree said.

"Escom is a large foreign borrower, and in the current climate, we have to hedge against the risk of overseas sources of funds running dry, as also the increasing cost of those funds. Up to now we have not had serious problems, but we have to take a long-term view," he said.

Mr Maree said Escom's management was busy with a major efficiency drive and would shortly be embarking on a campaign to persuade electricity consumers to conserve their usage.

"In all-out planning we have to be able to meet the growth in the demand for electricity," he said.

Farmers reassured P14
puts up prices

Mr. Pulser and the fact

Electra and the fact
due to come into effect
tomorrow, is unlikely to

The contacts, various

was considered intro-
ducing a uniform
rate of electricity.
However, because

to suit the area. It has to apply
to the Electricity

It can re-
Council agrees to capital bus fare increases

Pretoria Bureau

The city council here has approved fare increases of 7 c on cash fares and 3 c on clipcard fares from September 30.

The council has applied for an increase in Government subsidy on the city's black service and has decided to restrict the increase to not more than 7 c on cash fares and 3 c on clipcard fares.

Adult cash fares on the general service (white areas) will go up from 63 c to 70 c, adult clipcard fare will go up from 56 c to 59 c, children's fares from 48 c to 50 c and scholars' fares from 40 c to 42 c.

Cash fares for services in the Coloured and Indian areas will go up from 48 c to 55 c, adult clipcard fares will go up from 43 c to 46 c, children's fares from 33 c to 40 c and pupils' fares from 31 c to 34 c.

During debate on the recommendation yesterday, the chairman of the Indian Affairs Committee, Mr. E.V. Mohamned, said his committee objected to the increases and added that if implemented, they would result in more illegal minibus taxis on the road.

Councillor Leslie Simon was strongly opposed to any increase during the present climate, saying that if fares went up there would be 'a bloody revolution in the city.'
10 p.c. electricity rise is not inflationary.

Mercury Correspondent

JOHANNESBURG—Escom has announced an average increase of 10 percent in electricity charges with effect from tomorrow, September 1.

Escom estimates that together with the increase announced in January this year, the price increase for the year will be about 15 percent and, as such, will not further increase the present rate of inflation.

Mr John Maree, Escom’s new chairman, said the need for a further 10 percent increase in the middle of 1985 had been foreseen when the last rise was announced in January.

The projected mid-year increase had been deferred for two months to enable the newly-appointed Electricity Council and Escom’s management board to give consideration to the utility’s financial needs.

The delay in implementing the new price had saved consumers close to R100 million.

Mr Maree said that all the main electricity consumer groups were represented on the Electricity Council and were party to the decision.

The Electricity Council and the management board were taking a hard look at Escom’s capital programme and its financing needs in the context of the rapidly changing financial environment, which is affecting the whole of South Africa at present.

With the risk of more restricted access to overseas capital, and therefore greater pressure for funds in the local market, Escom had to generate higher levels of income to cover its expenses and the cost of servicing its borrowings, and to create a cash source to contribute towards financing its expansion.
<table>
<thead>
<tr>
<th>Item</th>
<th>Pick 'n Pay Randpark</th>
<th>Checkers Cresta</th>
<th>OK Bazaars CRESTA</th>
<th>Ste Victorian supermarkets</th>
<th>Average Price</th>
<th>Average Price Surveyed on August 20, 1985</th>
<th>Percentage Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD: White</td>
<td>58c</td>
<td>63c</td>
<td>63c</td>
<td>58c</td>
<td>61c</td>
<td>61c</td>
<td>2.6</td>
</tr>
<tr>
<td>Brown</td>
<td>38c</td>
<td>38c</td>
<td>43c</td>
<td>38c</td>
<td>39c</td>
<td>38c</td>
<td>-2.6</td>
</tr>
<tr>
<td>MILK: 1 l</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>77c</td>
<td>79c</td>
<td>79c</td>
<td>—</td>
</tr>
<tr>
<td>EGGS: ½ dozen large</td>
<td>66c</td>
<td>67c</td>
<td>68c</td>
<td>66c</td>
<td>67c</td>
<td>67c</td>
<td>—</td>
</tr>
<tr>
<td>MAIZE MEAL: 2.5 kg Iwiza</td>
<td>R1,59</td>
<td>R1,62</td>
<td>R1,62</td>
<td>R1,60</td>
<td>R1,61</td>
<td>R1,61</td>
<td>—</td>
</tr>
<tr>
<td>MARGARINE: 500 g Rama</td>
<td>R1,41</td>
<td>R1,35</td>
<td>R1,42</td>
<td>R1,41</td>
<td>R1,40</td>
<td>R1,40</td>
<td>—</td>
</tr>
<tr>
<td>CHEESE: 1 kg Elite Gouda</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>—</td>
</tr>
<tr>
<td>JAM: 900 g Koo Smooth Apricot</td>
<td>R1,49</td>
<td>R1,59</td>
<td>R1,59</td>
<td>R1,54</td>
<td>R1,55</td>
<td>R1,58</td>
<td>-1.9</td>
</tr>
<tr>
<td>SUGAR: 2.5 kg Hulets</td>
<td>R2,07</td>
<td>—</td>
<td>R2,09</td>
<td>—</td>
<td>R2,08</td>
<td>R2,08</td>
<td>—</td>
</tr>
<tr>
<td>TEA: 100 tagless teabags Joko</td>
<td>R2,79</td>
<td>—</td>
<td>R2,99</td>
<td>R2,79</td>
<td>R2,87</td>
<td>R2,88</td>
<td>-0.3</td>
</tr>
<tr>
<td>COFFEE: 250 g Nescafe Classic</td>
<td>R5,39</td>
<td>R5,69</td>
<td>R5,59</td>
<td>R5,29</td>
<td>R5,49</td>
<td>R5,49</td>
<td>—</td>
</tr>
<tr>
<td>CEREAL: 500 g Kellogg's Cornflakes</td>
<td>R1,24</td>
<td>R1,25</td>
<td>R1,45</td>
<td>R1,35</td>
<td>R1,32</td>
<td>R1,35</td>
<td>-2.2</td>
</tr>
<tr>
<td>COOKING OIL: 750 ml Olé</td>
<td>R1,99</td>
<td>R2,15</td>
<td>R2,12</td>
<td>R2,29</td>
<td>R2,14</td>
<td>R2,10</td>
<td>+3.6</td>
</tr>
<tr>
<td>RICE: 1 kg Tastic</td>
<td>R1,69</td>
<td>R1,69</td>
<td>R1,75</td>
<td>R1,69</td>
<td>R1,71</td>
<td>R1,65</td>
<td>+0.3</td>
</tr>
<tr>
<td>SALT: 1/4 lb bag Buffalo</td>
<td>46c</td>
<td>52c</td>
<td>53c</td>
<td>46c</td>
<td>49c</td>
<td>51c</td>
<td>—</td>
</tr>
<tr>
<td>MEAT: 1 kg Chuck</td>
<td>R4,08</td>
<td>R4,59</td>
<td>R4,59</td>
<td>R3,98</td>
<td>R4,31</td>
<td>R4,34</td>
<td>-0.7</td>
</tr>
<tr>
<td>1 kg Rump Steak</td>
<td>R6,38</td>
<td>R6,99</td>
<td>R6,45</td>
<td>R7,88</td>
<td>R7,43</td>
<td>R7,88</td>
<td>+4.9</td>
</tr>
<tr>
<td>1 kg Lamb Braai Chops</td>
<td>R6,88</td>
<td>R6,89</td>
<td>R6,98</td>
<td>R6,98</td>
<td>R6,89</td>
<td>R6,98</td>
<td>+0.9</td>
</tr>
<tr>
<td>1 kg fresh Chicken</td>
<td>R2,29</td>
<td>R2,09</td>
<td>R2,09</td>
<td>R2,24</td>
<td>R2,18</td>
<td>R2,37</td>
<td>-8.0</td>
</tr>
<tr>
<td>250 g Eskort smokky Bacon</td>
<td>R1,79</td>
<td>—</td>
<td>R1,79</td>
<td>R1,79</td>
<td>R1,82</td>
<td>R1,79</td>
<td>+1.7</td>
</tr>
<tr>
<td>VEGETABLES: 1 kg Potatoes</td>
<td>29c</td>
<td>69c</td>
<td>49c</td>
<td>49c</td>
<td>54c</td>
<td>54c</td>
<td>-9.3</td>
</tr>
<tr>
<td>1 kg frozen Peas Table Top</td>
<td>R2,89</td>
<td>R2,89</td>
<td>R3,59</td>
<td>R2,89</td>
<td>R3,07</td>
<td>R2,89</td>
<td>+6.2</td>
</tr>
<tr>
<td>CANDLES: 450 g Buffalo</td>
<td>95c</td>
<td>99c</td>
<td>95c</td>
<td>94c</td>
<td>96c</td>
<td>96c</td>
<td>—</td>
</tr>
<tr>
<td>WASHING POWDER: 1 kg Surf</td>
<td>R2,24</td>
<td>R2,29</td>
<td>R2,25</td>
<td>R2,23</td>
<td>R2,25</td>
<td>R2,35</td>
<td>+4.3</td>
</tr>
</tbody>
</table>

SURVEY: AUGUST 27 1985
PRICES EXCLUDE GST
The Automobile Association opposes any petrol price increases.

AA firmly against燃料 rise

The Automobile Association Opposes any petrol price increases. The fuel system (244)

1. The AA proposed a levy on the resale fund as a cushion. If the current costs of fuel were raised, the fund should not be able to absorb the full cost of fuel because of the high price of fuel. The levies, in substance, would be increased in the short term.

2. The Automobile Association does no objection to a levy on the resale fund as a cushion. However, if the levy was paid into the fund, it would not be paid into the fund.

3. The Automobile Association opposes any petrol price increases. The fuel system (244)

AA firmly against fuel rise

The Automobile Association Opposes any petrol price increases.

AA firmly against fuel rise

The Automobile Association Opposes any petrol price increases. The fuel system (244)

AA firmly against fuel rise

The Automobile Association Opposes any petrol price increases. The fuel system (244)
Depended meat at cut prices

Housewives Leagues Loses Cheaper

Meet Challenge
15c a litre more for petrol if rand rescue bid fails

By Don Robertson

An increase of between 15c and 16c a litre in the price of petrol is certain unless the rescue package being negotiated by Dr de Kock guarantees a stable rand of more than 45 US cents per litre.

Petrol sold inland would then cost more than R1 a litre.

Nearly dry

Petrol company executives are adamant that a rand-dollar exchange rate of above 45 US cents will be required to prevent an immediate price increase because of South Africa's purchases of crude oil are negotiated in dollars.

Because of South Africa's continuing currency crisis, the Government-managed fuel equalisation fund, which is used to smooth out fluctuations in the rand-dollar exchange rate, is again almost dry.

When petrol was increased by 40c in January to 86.5c a litre, the price was based on an exchange rate of 46.5 US cents. The price has since risen to 90.1c a litre on the reef because of the increase in GST to 12%.

The fund received a boost when the rand rallied to 50 US cents and more.

However, the decline in the rand to 55.00 US cents before exchange markets were closed on Wednesday and the need to subsidise the price of agricultural diesel have almost emptied the fund. No cash is available to support the present price.

Crisis to crisis

Bernard Lafitte, managing director of Total, says that if the weekend announcement the rand opens at below 45 US, the price will have to be increased immediately, possibly by as much as 16c a litre.

A Caltex spokesman says that whatever happens the Government will have to take a longer-term view of the petrol price "instead of going from crisis to crisis.'

Pipeline

The Automobile Association and the Motor Industries Federation have suggested a cut in the 8.5c a litre pipeline charge on the transport of petrol from Durban to the Reef as a means of avoiding the full impact of a price rise. They say that the pipeline charge is well above the actual cost.

However, this is unlikely as SA Transport Services, which benefits from the pipeline charge, is facing a R400-million loss in its financial year to March. It would be unable to sacrifice this income.
THOUSANDS of people in the Transvaal face death and chronic illness after choosing to stay away from hospitals since the fees were increased last year.

"We’re going to have a situation where people are simply going to be dying," said Soweto's Dr Nhlanhla Motlana.

"Fewer people are taking treatment from provincial hospitals.

Their numbers have dropped markedly since last April when the latest tariff hike was announced.

Over 260 000 people chose not to use the provincial hospitals’ out-patients section after March 31 to September 30 last year.

The figure soared to over a million in the three months from September to December of the same year.

These facts emerged from figures supplied in a reply to Progressive Federal Party health spokesperson Irene Meisell by Transvaal MEC Dan Kirsten.

Dr Motlana, who was alarmed by the drop in numbers of people attending hospitals, said "For the elderly, the sick and the destitute it will be one way to the cemetery."

The drop is particularly high in hospitals and clinics serving blacks.

In some cases, like Daveyton Clinic, more than 13 000 people were treated between October 1993 and March 1994 but the number has fallen to 4 700 for the next six months up to December.

Baragwanath (including its 10 clinics) saw the number of its out-patients vastly drop. By over half from 670 000 to 280 000 in the same period.

"The clerks who admit patients insist that all should pay the required tariffs," Dr Motlana said.

Dr Kirsten also supplied figures which showed that less than 200 patients have applied to have their income status reconsidered.

Hospitals such as those in Natalpruit and Laudium, and clinics including those at Sengase and Pimville in Soweto, had not received requests for lower fees, he added.

People drift back to traditional healers

HOSPITAL costs are soaring—so many people have resorted to sangomas and traditional healers.

Many would-be hospital patients are flocking to herbalists, says African Skilled Herbalsists' Association head Galaza Mabi.

"More people have lately resorted to sangomas and traditional healers in the wake of soaring hospital costs and inflation," he said.

"Sangomas have special mixtures which clean their patients' bodies easily, as well as other inexpensive concoctions."

"It's really cheap. One can easily get treatment for less than R3."

Sats to fight claim

The SA Transport Services this week said it will defend the R2 000 action brought against it by a Natalpruit man who claims he was assaulted by the railways early this year.

Mr Nhlapo's lawyer M A Mukupe said he had received a letter from SATS indicating it was going to defend the matter.

And a 25-year-old teacher, Sylva Mathaha of Taung in Bophuthatswana won a R32 134 lawsuit against SATS this month for loss of support.

Her taxi-driver husband was crippled and later died after he was shot in the chest by railways cop Sanwell Kukuye.
Escom’s tariffs up by 10%.

Escom yesterday increased its electricity tariffs by 10%.

This, together with an earlier rise in January, brings the price increase for the year to 15%. However, Escom said there would be no increase in the rate of inflation because of it.

Escom chairman John Maree said in the statement the need for another increase had been foreseen when the January increase was announced.

The projected mid-year increase had been deferred for two months to enable the newly-appointed Electricity Council and Escom’s management board to consider the utility’s financial needs.

The delay in implementing the new tariffs had saved consumers close on R100m, Maree said.

Explaining the need for the increase, Maree said the rate of inflation had risen to 16%, the cost of new projects had become exorbitant and interest rates had climbed.

Escom had incurred increasing expenditure because of pollution control projects and a “much-needed” price rise of 18% in 1984 was cut to 6,6% in the national interest last year, he said.

In terms of the income cover test recommended by the De Villiers Commission, Escom’s failure to obtain this increase last year had resulted in a revenue shortfall of R275m.

— Sapa.
FARES on buses run by Trans-Umzimkulu Transport in the Port Shepstone and Margate areas will increase by from 1,5 percent to 10 percent today.

This was said yesterday by the managing director of KwaZulu Transport, Mr E Marshall. He said single-journey fares on buses operated by Ilanga Transport in an area north of Durban have been increased by an average of 5,5 percent.

Meanwhile, cash bus fares in Pietermaritzburg go up by 7 c from September 30, the City Council has decided.

The council has applied for an increase in Government subsidy on the black bus service.

Adult cash fares on the general service (white areas) increase from 63 c to 70 c, adult clipcards from 36 c to 59 c, children's fares from 48 c to 50 c and scholars' from 40 c to 42 c.

Cash fares for services in the Coloured and Indian areas will go up from 48 c to 55 c, adult clipcards from 43 c to 46 c, children's fares from 33 c to 40 c and scholars' from 31 c to 34 c.
'Marketeers' slated for price rise

Rooibos tea "marketeers" are coming under fire for increasing prices excessively under cover of the expense of the irradiating process.

Mr Peet J Wessels of the Directorate of Agricultural Product Standards stated in a paper presented to SAAFOST '83 that it seemed some "marketeers" had used the necessity for irradiation (irradiation) to "add to the profits beyond any reasonable limits and this was finally explained to the consumer as irradiation costs."

He said he had discovered that in some cases the cost of transport and irradiation accounted for an increase of about eight percent while the increase at the stage of reintroduction of the tea was in the vicinity of 36 percent.

Dr Andre Plessis, managing director of Iso-Ster, the company which irradiated the tea, said the cost of the irradiating process plus the additional transport involved in transporting the tea to the Transvaal was about 47c/kg. The price of rooibos tea to the consumer went up by about R2,50/kg.

It has been alleged there has been little drop in the cost to the consumer of the tea which is no longer irradiated. But a statement issued by the Rooibos Tea Control Board says twice-monthly price surveys at 17 supermarkets indicated prices had fallen by an average 1,6c to 1.6c for a 200g packet of tea.
Going up... new-car prices

By BRIAN GROBBLER
Motoring Editor

NEW-CAR prices are rising again this week, as most of South Africa's motor manufacturers have made an across-the-board increase of about four percent in the 1986 last quarter adjustment.

Ford Motor Company, Nissan SA and Renault-Africa all announced price increases this week and at least six other manufacturers are expected to follow suit.

With the quarterly adjustments this year, prices of new cars have risen by between 16 and 20 percent. By the end of 1985 it is expected there will be no or extremely few new cars which cost under R10 000 — there are only about five at present and an increase will push the price over the barrier.

Twelve years ago a VW Beetle cost R1 499 and 10 years ago R1 999. Today the lowest-priced VW Citi Golf is just under R10 000, which represents a 500-600 percent increase in a decade.

But worse is apparently to come next year. Executives of motor companies say components now being ordered from Europe, and Japan are being paid for at the lower rand rate.

Orders take about six to seven months to reach South Africa and as soon as they start being fitted to new cars on the assembly line prices will have to go up again and will keep going up.

Ten years ago the managing director of a German manufacturer predicted that a large luxury model would cost R10 000 in South Africa by the year 2 000. In 1985 some top-priced German models need only a price adjustment or two and they will be there 14 years ahead of schedule.
Hospital fees set to jump by 30 per cent

PROVINCIAL hospital fees were set to increase by an average of 30 percent from November 1, increasing the cost of a MEC alone from R50 to R70 a day, the local doctor, Mr. Clarke, announced here yesterday.

"The increased fees are a direct result of the current economic climate," Mr. Clarke said.

The proposed fee increases are expected to generate an additional R17 million a year for the hospital. The fees will apply to all patients, including those covered by medical aid schemes.

Mr. Clarke said the increases were necessary to cover the costs of providing high-quality healthcare.

"We have been running at a loss for some time," he said.

The fee increases will affect all hospital services, including inpatient care, outpatient care, and diagnostic services.

"We are committed to providing the best possible care for our patients," Mr. Clarke said.

"The increased fees will be used to improve the quality of care and ensure the sustainability of our hospital."

The increased fees will take effect from November 1 and will apply to all patients, regardless of their medical aid scheme.
Doctors urged to charge almost double

Mercury Reporter

The Medical Association has recommended that doctors charge fees nearly double those which medical aid societies are prepared to pay.

But most Durban doctors are reluctant to do so because of the present financial climate.

Rates for a room consultation charged by general practitioners canvassed yesterday ranged from the approved medical aid fee of R9.50 to R15. Masa recommends a fee of R18.90.

'I still charge the old amount, R9.50,' said one doctor.

'If you charge more than that people don't pay. The account can't be submitted directly to the medical aid society and you have to get the money from the patient, who reclaims a portion from medical aid.'

'Your bad debts just go up and you can't afford that.'

Another doctor said: 'We feel people can't afford to pay more, so we're sticking to charging the medical aid fees.'

'But our overheads are going higher and higher. Medical aids should increase their scale of benefits.'

The head of Masa in Natal, Dr Margaret Barlow, said most doctors wanted to charge a fair price to their patients because they were aware of the problems.

'But I think the Masa-recommended fees are very reasonable.'

She said they had been calculated by accountants.

On the other hand she thought it unlikely that medical aid rates would ever rise to those levels.

But she praised the present year-old system which allowed doctors to set fees at will and to discuss them with patients.

A number of doctors said they charged considerably less than their normal fees to poor patients.

A spokesman for a medical aid society said even though the fees Masa was suggesting might be reasonable from a doctor's point of view, rising medical costs like these would eventually 'price medical aid out of the market.'

'It was possible medical aid rates would rise at the beginning of next year,' but the general state of the economy is not conducive to an across-the-board increase.'

The medical aid scale of benefits fee for a house call was R19 (Masa R31.80) and for an after-hours call R23.20 (Masa R46).
PRETORIA — The price of petrol would have to go up soon if the dollar-rand exchange rate did not improve, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, said today.

Speaking to reporters after a meeting in Pretoria of Energy Ministers of the Transkei, Bophuthatswana, Venda and Ciskei states, he said funds the Government had available to "cushion" the impact of a price increase to the consumer were exhausted.

"If the dollar-rand exchange rate does not improve soon, there will have to be a price increase," he said.

Mr Steyn declined to say specifically what exchange rate would be required to prevent an increase, but pointed out that the present price of fuel was based on a rate of 50 US cents to the rand.

This is a figure the rand has not seen for a long time.

Mr Steyn emphasised that any change in the price of petrol had to be approved by the Cabinet, which is scheduled to hold its next meeting on Wednesday.

He declined to comment on speculation that a price rise could be announced next week.

Sapa
PRETORIA — An increase in the petrol price would be announced this weekend, but the increase might not come into effect for several days, Government sources said today.

They said the rise was likely to be as little as 5c or 6c a litre, but it could be the first of a series of fuel price increases in the coming months. Sources said this would minimise disruption and avoid a rush by motorists.

Thus the announcement would be far less spectacular than the one earlier this year, when fuel prices jumped by nearly 40%. — Sapa
Petrol likely to cost R1 a litre

"Pretoria Bureau"

A long-expected increase in the petrol price will almost certainly be announced in the next few days and motorists may find themselves paying in the region of R1 for a litre of premium petrol.

There is speculation that the increase will be the first of several small price rises to be staggered over the coming months depending on the performance of the rand.

The Department of Mineral and Energy Affairs will issue a statement on the fuel situation this afternoon but, as the authorities are being cautious over the matter, the statement will be embargoed for 2 pm tomorrow.

The Government has made repeated warnings recently to the effect that, if the rand/dollar exchange rate did not stabilise at about 50 US cents, a petrol price rise would be unavoidable.

That rate has now plummeted to an average of about 38 US cents.

The Cabinet is understood to have approved a price increase at its weekly meeting on Wednesday and the department has since been working out the details.

The petrol stabilisation fund — which is intended to cushion the consumer against the effects of import price fluctuations — has been depleted in recent months with the steady weakening of the rand to below 40 US cents.
Fuel price increase ‘inevitable’

Motoring Editor

OIL COMPANY spokesman in Cape Town yesterday said it was inevitable that the price of petrol would go up because of the rand/dollar exchange rate.

Speculation is that the price will jump by about 14 cents from 96 cents to more than R1 a litre. It will be the first time in South Africa that the price has gone over the R1/litre mark and will put this country in line with most other countries in the world.

Only 10 years ago petrol cost 10 cents/litre. If the price does go above R1 this week it will mean a 1,000 percent increase in the past decade — certainly the most expensive commodity which the public has to buy on a weekly basis.

Service station operators were in the dark yesterday as to when the increase would occur. However, they said they had contacted their bank managers on their overdraft facilities and had placed orders with the oil companies to fill their tanks as soon as possible.

The average petrol load is 25,000 litres, so full tanks at the old price at the time of the increase can mean a considerable profit to the operator.

Sapa reports from Pretoria that the Minister of Mineral and Energy Affairs, Mr. Danie Steyn, yesterday said the price of petrol would have to go up soon if the dollar/rand exchange rate did not improve.

‘Cushion’ funds exhausted

Speaking to reporters after a meeting in Pretoria of energy ministers of Transkei, Bophuthatswana, Venda and Orange Free State, he said funds the government had available to “cushion” the impact of a price hike on the consumer were exhausted.

Mr. Steyn declined to say specifically what exchange rate would be required to prevent an increase, but pointed out that the present price of fuel was based on a rate of 50 US cents to the rand, a figure the rand has not seen for a long time.

Mr. Steyn emphasized that any change in the price of petrol had to be approved by the Cabinet, which is scheduled to hold its next meeting on Wednesday.

The minister declined to comment on speculation that a price hike could be announced next week.

Replying to another question, he emphasized that the by-elections on October 30 would not delay the announcement of any increase.
Producers join battle
Chicken price war as

Producers Supermarkets

Chairman Pete Darrow, president of

The National Mercury, Friday, September 6, 1957
30 Highway doctors increase fees

The Mail Mercury, Friday, September 6, 1965
Petrol price expected to hit R1 a litre next week

Minister of Mineral and Energy Affairs Danie Steyn said last week that funds to hold the price at the current level were limited and a price rise would have to be considered if the rand remained low.

Around June, when the exchange rate stabilized to more than 50 cents, a small price reduction became possible.

However, it was decided instead to increase the contribution to the National Road Fund to R5 a litre on petrol.

The Government, Mr Steyn said, had learnt a costly lesson earlier this year in delaying a price rise.

Government sources said that even before foreign exchange dealings were blocked, a decision had been taken to raise the petrol price.

However, it was decided to delay an announcement until the impact on the rand of the loan repayment freeze could be measured.

It seems clear now that no spectacular recovery of the rand can be expected.

PPP finance spokesman Harry Schwarz said any increase would be a serious blow to the anti-inflation campaign.
**WEEKLY SHOPPING BASKET**

<table>
<thead>
<tr>
<th>Item</th>
<th>PICK A PAY 98 G</th>
<th>CHEKIER 99 G</th>
<th>CREME 95 G</th>
<th>OLIVE 85 G</th>
<th>SUPERIOR 80 G</th>
<th>AVERAGE PRICE</th>
<th>PERCENTAGE CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD</td>
<td>63c</td>
<td>65c</td>
<td>63c</td>
<td>58c</td>
<td>62c</td>
<td>61c</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Brown</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>41c</td>
<td>39c</td>
<td>-5.1%</td>
</tr>
<tr>
<td>MILK 1 l</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>77c</td>
<td>79c</td>
<td>76c</td>
<td>-1%</td>
</tr>
<tr>
<td>1½ pints large</td>
<td>66c</td>
<td>67c</td>
<td>66c</td>
<td>66c</td>
<td>67c</td>
<td>67c</td>
<td>-</td>
</tr>
<tr>
<td>MAIZE MEAL 2.5 kg bulk</td>
<td>R1.59</td>
<td>R1.62</td>
<td>R1.59</td>
<td>R1.60</td>
<td>R1.61</td>
<td>2.5%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>MARGARINE 500 g Barilla</td>
<td>R1.41</td>
<td>R1.42</td>
<td>R1.42</td>
<td>R1.29</td>
<td>R1.40</td>
<td>2.6%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>CHEESE 1 kg Emmental</td>
<td>R6.92</td>
<td>R6.92</td>
<td>R6.92</td>
<td>R6.92</td>
<td>R6.92</td>
<td>2.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>JAM 900 g</td>
<td>R1.49</td>
<td>R1.59</td>
<td>R1.45</td>
<td>R1.49</td>
<td>R1.51</td>
<td>2.5%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>JAM 900 g Koo Smooth</td>
<td>R1.49</td>
<td>R1.59</td>
<td>R1.45</td>
<td>R1.49</td>
<td>R1.51</td>
<td>2.5%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>SUGAR 2.5 kg Rulizes</td>
<td>R2.07</td>
<td>R2.09</td>
<td>R2.09</td>
<td>R2.08</td>
<td>R2.08</td>
<td>2.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>TEA 100 loose Leafings Alice</td>
<td>R3.79</td>
<td>R3.79</td>
<td>R3.79</td>
<td>R3.79</td>
<td>R3.79</td>
<td>2.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>COFFEE 250 g Nescafe Classic</td>
<td>R5.29</td>
<td>R5.49</td>
<td>R5.39</td>
<td>R5.33</td>
<td>R5.46</td>
<td>2.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>CEREAL 500 g Kelloggs</td>
<td>R1.24</td>
<td>R1.25</td>
<td>R1.45</td>
<td>R1.22</td>
<td>R1.32</td>
<td>2.5%</td>
<td>-2.3%</td>
</tr>
<tr>
<td>COOKING OIL 1L 100%</td>
<td>R2.09</td>
<td>R2.09</td>
<td>R2.09</td>
<td>R2.09</td>
<td>R2.09</td>
<td>2.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>RICE 1 kg</td>
<td>R3.69</td>
<td>R3.59</td>
<td>R3.75</td>
<td>R3.69</td>
<td>R3.71</td>
<td>2.5%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>SALT 1 kg block Salt</td>
<td>R1.99</td>
<td>R1.99</td>
<td>R1.99</td>
<td>R1.99</td>
<td>R1.99</td>
<td>2.5%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>MUSCAT 1 L 1</td>
<td>R4.08</td>
<td>R4.59</td>
<td>R4.59</td>
<td>R4.31</td>
<td>R4.31</td>
<td>2.5%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>1 kg Beef Steak</td>
<td>R8.38</td>
<td>R8.99</td>
<td>R8.45</td>
<td>R7.88</td>
<td>R7.43</td>
<td>2.5%</td>
<td>-12%</td>
</tr>
<tr>
<td>9 kg Lamb Bridal Chops</td>
<td>R7.58</td>
<td>R7.99</td>
<td>R7.99</td>
<td>R6.98</td>
<td>R7.71</td>
<td>2.5%</td>
<td>-12%</td>
</tr>
<tr>
<td>1 kg fresh Chicken</td>
<td>R2.29</td>
<td>R2.09</td>
<td>R2.75</td>
<td>R2.29</td>
<td>R2.18</td>
<td>2.5%</td>
<td>-8.3%</td>
</tr>
<tr>
<td>250 g Baked shenky Bacon</td>
<td>R1.79</td>
<td>R1.84</td>
<td>R1.89</td>
<td>R1.79</td>
<td>R1.83</td>
<td>2.5%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>1 kg Deep Fried Haloicana 18.2</td>
<td>R2.94</td>
<td>R3.59</td>
<td>R3.69</td>
<td>R3.99</td>
<td>R3.32</td>
<td>2.5%</td>
<td>-3.2%</td>
</tr>
<tr>
<td>VEGETABLES 1 kg Patatoes</td>
<td>50c</td>
<td>60c</td>
<td>50c</td>
<td>50c</td>
<td>40c</td>
<td>2.5%</td>
<td>-10%</td>
</tr>
<tr>
<td>1 kg Frozen Peach Toffee</td>
<td>R2.89</td>
<td>R2.89</td>
<td>R2.89</td>
<td>R2.89</td>
<td>R2.87</td>
<td>2.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>CANDLES 450 g Buffalo</td>
<td>R5.96</td>
<td>R9.96</td>
<td>R9.96</td>
<td>R9.96</td>
<td>R9.96</td>
<td>2.5%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>WASHING POWDER 1 kg Surf</td>
<td>R2.29</td>
<td>R2.59</td>
<td>R2.25</td>
<td>R2.23</td>
<td>R2.25</td>
<td>2.5%</td>
<td>-0.9%</td>
</tr>
</tbody>
</table>

**PRICE CUTS bringing chance to stock up on supplies**

by: 2.4/4 Kashmira Jagw 7/9/85

Prices of several basic foodstuffs were down this week—giving the consumer a chance to stock up on supplies at reduced prices, this week's shopping basket survey found.

The survey, at four northwestern stores, excludes the 12 percent GST payable on some products.

Decreases were noted on many meal, margarine, jam, tea, coffee, cereal and cooking oil. Magazine was a special at Steve's Spurs, Blackheath, selling at R1.29.

Stores also dropped their jam and cereal prices in line with one another. Three stores sold cereal at similar prices and jam was R1.49 at two stores.

Maze meal, tea, coffee, and cooking oil was down 6.6, 0.3, 0.3, and 0.3 percent respectively.

Meat and fresh chicken prices shot up this week with increases of 12 percent, on lamb braai chops and 8.3 percent on fresh chicken. The best price for lamb braai was R6.98, with R2.60 for fresh chickens.

Prices of rump steak and chuck remained static. Bacon increased by 0.3 percent and R1.79 was the cheapest price. Although salt increased by 2.0 percent, two stores were selling salt at a bargain 46c.

Potatoes increased 10 percent with the highest price at 69c per kilo and the lowest at 39c per kilo.

Other prices in the survey remained static.
Fuel price rise is forecast

Department of Mineral and Energy Affairs is expected to announce a fuel price increase this weekend. The increase is to help in losses incurred by the depressed rand.

It is understood the Cabinet approved the rise earlier this week.

But sources in Pretoria said the expected increase might simply be the first in a series of rises in coming months.

They said the authorities wanted to minimise disruption and avoid a rush to the fuel pumps.

One source said: ‘We want to give people ample time to adjust.’
Government expected to announce increase of about 5c a litre

Price of petrol to go up?

By Sue Leeman, Pretoria Bureau

The Government is expected to announce an increase of around 5c a litre in the price of petrol this weekend.

The new prices — about 95c a litre for premium and 83c a litre for regular — will probably come into effect early next week.

Although the expected increase, just under five percent, can be considered modest, it may well be followed by further hikes if the rand continues its weak performance of recent weeks.

This weekend's announcement will bring to an end weeks of speculation about an increase.

Government officials have repeatedly warned that a price rise was unavoidable due to the falling rand. Unless the rand/dollar exchange rate stabilised at about 50 US cents per rand, they said, a petrol price hike would be inevitable. The exchange rate is now averaging about 38 US cents.

All fuel transactions in South Africa, including those involving Sasol, are conducted in dollars and the falling rand has increased the wholesale price of fuel by an average of 12 US cents a litre in recent weeks.

The petrol stabilisation fund — intended to cushion the consumer against the effects of import price fluctuations — has become depleted in recent months as the rand has steadily weakened and dropped below 40c.

The Cabinet is known to have approved a price increase at its weekly meeting on Wednesday, and the department has since been working out the details.
Petrol price goes up 4.5c a litre from today

Pretoria Bureau

Motorists, already hit by other travel cost increases, will pay 4.5c a litre more for all grades of petrol and diesel sold at the pumps from today.

The Department of Mineral and Energy Affairs has warned that further rises can be expected if the rand fails to recover.

It is feared that these increases, coupled with price rises for other consumer items, could further retard any decline in the inflation rate.

From today the price of premium petrol will be 94.6c a litre while regular petrol will sell at 92.2c a litre.

The rise comprises a wholesale price increase of 4c a litre plus GST of 0.5c a litre.

The wholesale price of diesel to bulk buyers has been raised by 3.8c a litre and diesel bought for agricultural purposes is up by 2.9c a litre. Bus transport companies will pay 6.9c a litre more for diesel.

The Director-General of Mineral and Energy Affairs, Dr Louw Alberts, said that after January's 40 percent price increase it had been decided increases should be implemented more regularly.

He said the increase had been kept to a minimum -- only 5 percent despite a 21.3 percent increase in the rand price of crude oil since January.

An AA spokesman said that although the increase looked modest it had to be seen against the background of rising motoring costs.

The price of bread could increase again in October. The Wheat Board is understood to have asked for a 10 percent increase in the producer price of wheat.

See Page 6
Forex must improve, says Alberts

Petrol price will affect cost of living experts

TODAY'S fuel price increases will unleash a spate of cost-of-living hikes, and more could follow unless there is a spectacular and sustained improvement in the rand-dollar rate, according to government, business and consumer bodies.

Mineral and Energy Affairs director-general Leon Alberts announced the rises at the weekend.

Should there be no significant improvement in the foreign exchange rate, a further price adjustment would be necessary, he said.

From today:

☐ Petrol and diesel rises by 4.5c a litre, including 0.5c GST, for road users.
☐ There is no increase in the diesel price for the agricultural and fishing industries. However, the wholesale price of industrial diesel goes up by 2.5c a litre, and for bus transport companies by 4.5c a litre.
☐ The illuminating kerosene price, for industrial use only, has been lifted by 6.5c a litre.

Economists fear the fuel price hike and the expected increase in the wheat and bread prices later this month will halt the slowdown in the consumer price index.

Director of the Consumer Council Johan Cronje said all consumer commodities would be affected as the increase was loaded onto prices.

An AA spokesman said the price hike would add to the long list of woes of motorists.

AHI executive director Fritz Stockenstroog said the motor industry, already hit by the decline in vehicle sales, would be put under further pressure by the increase.

Transport operators would be forced to pass the fuel price rise on to clients, said Public Carriers Association deputy chief executive Gert Grobler.

But RAU Department of Transport Economics spokesman Jackie Walters felt efficiency of industrial transport operations left a lot to be desired.

"There is scope for better management," he said.

"Our high inflation rate is already making SA products unattractive," said PCI information services director Jan de Jager. "And as transport is one of the basic costs in the economy, it is bound to have an effect."

Alberts said the 40% price hike in January this year was calculated at an exchange rate of $0.5015 to the rand. In reality, however, the rand had been $0.455 then and the difference was absorbed by the sale of a small quantity of the country's oil reserves.

The only subsidies now operating - which would remain until the end of the year - were 3.5c a litre on diesel for agricultural and fishing industries and 12.5c a litre for household kerosene.

Alberts denied Sasa was making exorbitant profits. Government had an agreement with industry that its total profit on investment would average 15% after tax and interest.

The present increase reflected the effect of the exchange rate, and the profit margin of service stations remained unchanged on petrol sales, although an additional 0.25c a litre was allowed on diesel pump sales.

In South West Africa the petrol and diesel price was raised by 4.4c a litre.
Big run on petrol pumps

Mercury Reporter

SPE Columbus. Boree that a petrol price rise was imminent
caused a run on pumps
from Friday evening till at least one garage’s
pumps dry by Sunday.

But an irate Bluff resi
dent has alleged that the
service station owner closed his
pumps at the weekend to
avoid on the 4.5 cts
price rise effective from
today.

Yesterday, the resident,
who does not wish to be
named, described how he
had gone to the Bluff Ser
vice Station to fill his car,
only to find three of the
four pumps covered with
signs saying the pumps
had run dry.

A spokesman for the
garage has denied the al
legations, pointing out
that the pumps ran out on
Saturday evening ‘after
we had served queues
and queues of cars
throughout the night’.

Yesterday morning
only one pump was still
operative.

The average increase of
4.5 cts was announced at
the weekend in spite of
the fact that the last pet
rol increase was only sev
months ago.

Dr Louw Albert, Direc
tor General of the De
artment of Mineral and
Energy Affairs, said the
increase largely reflects
the effect of the exchange
rate.

The increase in the
petrols is inclusive of
sales tax.

Diesel fuel for road us
ers will also increase by
4.5 cts and by 2.9 cts for
industrial purposes while
for bus transport pur
poses the increase is
4.7 cts.

Meanwhile, Mr Dave
McNaught, an independ
ent candidate for the
Port Natal by-election,
has labelled the price
rise ‘alarming’ and called
for an immediate inquiry
into the Government’s
Sasol production plans.

They were originally
designed to buffer South
Africa from the fluctu
ations on the foreign mar
ket and should by now be
producing some 60 per
cent of the country’s fuel
needs from coal, he said.

He challenged the Gov
ernment to justify the
current increase and pre
dicted that South Afri
cans were in for further
shocks.

The signs at the centre of a controversy.
Power hike stalled

The Soweto City Council is unlikely to raise the monthly electricity levy in the near future, town clerk Mr. Nico Malan disclosed yesterday. The controversial levy, due to have been increased from R12 to R17 in July this year, is currently being reviewed by a committee appointed by the three Greater Soweto council chairmen.

The council has "frozen" further electricity-levy hikes pending a Government decision on the matter. The local authorities have notified the Department of Co-operation and Development of their intention to investigate alternative methods for the repayment of loans financing the complex's electrification scheme.

The whole scheme, which involved the electrification of about 105,000 houses, was financed with loans obtained from the Post Office and a consortium of overseas banks.

In Soweto the levy was to have been raised in phases, from R17 to R23 in July 1985, from R23 to R29 in July 1986. But the repayment programmes were changed after the Soweto Council persuaded the financial climate in the country and the confusion it (levy) created among residents," suspended further hikes.

Mr. Malan said yesterday: "We are among other things looking at the possibility of asking for the extension of the loan repayment period. We are required to pay one of the loans over a 20-year period, but may consider pressing for a 25-year repayment period."
Dispatch Correspondent

PORT ELIZABETH — The Meat Board is to sell its surplus meat directly to the public at below cost price from tomorrow.

Announcing this in a statement from Pretoria yesterday, the general manager of the Meat Board, Dr Pieter Coetzee, said the deboned portion of the surplus — about 37,000 tons — would be made available to the domestic market.

He also gave details of how people could order the meat by telephone.

Consumers who want to benefit from the scheme must order meat from depots in Cape Town, Durban and Johannesburg.

Orders for Port Elizabeth, Pretoria, Kimberley, Bloemfontein and East London will be executed at least a week after they have been placed.

Dr Coetzee said no price difference would apply to meat orders from centres without depots, provided orders justified full truckloads (at least 800 cartons of 25 kg each).

A certain portion of the supply would be made available at a discount of 10 per cent to the meat trade so that the fresh meat market was not disrupted by the scheme, Dr Coetzee said.

Dr Coetzee said the Meat Board was anxious that there should be no rush for frozen meat.

Fairly large supplies of deboned beef were available and it was proposed to release these supplies onto the market gradually and as a supplement to fresh beef supplies.

To prevent the public from waiting unnecessarily to be served at the depots, the Meat Board suggests they place their orders by telephone at the following three Johannesburg numbers: 883-1010, 863-1011 and 883-1012. The code is 611.

Everyone who phones will be allocated an order number and will be advised where and when to collect the order. The public must purchase a minimum of one carton (25 kg) and a maximum of two cartons at a time. Each carton consists of one type of cut only. Payment will be on delivery and strictly in cash.

The surplus was ascribed to the lengthy drought and poor economic conditions, which led to an oversupply of beef and emergency purchases of meat by the Meat Board.

Dr Coetzee said no restriction would be placed on the trade's charges to the public for surplus supplies.

Sales to the public will consist of these cuts and will be sold at book value (less than cost price).

1. Blue cartons (i.e., A and B grading) basket: R2.50/kg., creek, deboned forequarter: R2.64/kg., fillet: R7.52/kg., thick flank: R3.53/kg., rump: R6.75/kg., strap loin: R5.79/kg., silverside: R3.90/kg., topside: R3.67/kg.

2. Red cartons (c grading) topside: R3.49/kg., sirloin: R5.14/kg., rump: R6.15/kg., silverside: R3.52/kg.
Transkei and Ciskei increase price of fuel

EAST LONDON — Ciskei and Transkei have also increased the price of fuel.

In a statement from Umtata, the Transkeian Minister of Works and Energy, Mr G T Vika, said the increase was because of the rand/dollar exchange rate, which was at present 38c to the dollar.

Mr Vika, who issued the statement on behalf of Transkei's Minister for Planning, Commerce, Industry and Tourism, Mr Ramsey Madikizela, who is on a European tour, said the hike followed a similar move in South Africa.

He said the future price would depend entirely on the strength of the rand against the dollar.

He explained that 98 octane petrol had increased from 86,76c per litre to 91c a litre. 93 octane petrol would go up from 83,40c per litre to 87,76c per litre.

He said diesel, which had cost 84c a litre, would now cost 88,30c a litre.

In Bisho the Director of Communications, Mr Headman Somlunzi, said that with the exclusion of the general sales tax in the fuel price structure the increase in all Ciskei outlets was 4c a litre for petrol and diesel.

He said he hoped Ciskeian fuel users would view the increase as an unavoidable measure and would not lose sight of the government's endeavours to probe ways and means to neutralise the ever-rising cost of fuel acquisition.
EL consumers to pay more for electricity

EAST, LONDON — The city's 56,000 electricity consumers can expect a nine per cent hike in power they have used from September 1.

Last night the action committee gave the go-ahead to apply to the Electricity Control Board to implement the hike.

This was confirmed by the chairman of the action committee, Mr. Donald Card.

The hike follows a 10 per cent increase announced by Escom. It came into effect on September 1.

Mr. Card said the nine per cent hike would be effected by means of an increase of the present surcharge from six per cent to 15.5 per cent.

He said the Escom announcement had meant an additional R2.5 million had to be found for the 10-month period of the present financial year.

It had to be passed on to the consumer.

"Obviously we don't like burdening the already over-burdened consumer more, but as you can see, we had no alternative," Mr. Card said.

The Escom increase followed an increase in January. The new hike brought the increases for this year to 15 per cent.

Escom said a hard look was being taken at its capital programme and its financial needs in the context of the rapidly changing financial environment which was affecting the whole of South Africa.

Before the January increase, the city council said the scheduled increases following the Escom hike would be less than five per cent.

Two amendments to the electricity tariffs made this possible. The first amendment came with the amalgamation of the Border and Orange River Escom undertakings and the second through Escom's announcement of various increases for different parts of the country.
Bread set to rise soon

A PRODUCER wheat price increase is expected this week, followed soon after by a bread price hike from October 1.

Informed sources in Pretoria say that because the wheat price has been increased only once - by 9.7% in 1984 - since 1982, the Cabinet will not reject producers' demand for an increase.

However, it is expected to be well inside the 15% inflation rate.

The wheat price is one of three factors which Cabinet will take into account when fixing the bread price.

The others are the extent to which millers and bakers are to get raised margins, and whether the bread subsidy is to be continued or reduced.
Bread price expected to rise again in October

CONSUMERS can expect to pay between 3c and 10c more for a loaf of bread from October 1 as a result of anticipated increases in the price of wheat and the millers' and bakers' profit margins.

Speculation of a massive 15 to 20 cents increase, the second within four months, was scotched yesterday by informed sources within the trade although no official announcement has yet been made.

"But there is no doubt that a major increase is on the cards with a deficit of R78 million in the R200 million Government subsidy and several warnings by Minister of Finance Barend du Plessis that no funds will be available to bolster the inadequate subsidy," Mercury Reporter.

Yesterday the general manager of the wheat board, Mr Dennis van Aarde, said he 'personally expected' an increase.

He said the board had asked the Government to stagger the increase over a few months because it was worried about possible consumer resistance if the increase was not introduced slowly.

"If it would be tragic if the increases are introduced to consumers in one lump sum," he said.

Meanwhile, sources have said that an increase of only 3c in brown bread would be a direct result of Government's sensitivity to the current township violence and the fact that the bread price is regarded as being a 'political tool'.

On June 1 this year the price of both white and brown bread went up by five cents, pushing white bread to 65c a loaf and brown to 45c.

Store gets go-ahead to bake a super-loaf

THE Government's go-ahead to Pick 'n Pay Middleburg to bake a super bread in pans is seen as the first phase in de-regulating the conditions imposed on the baking of the standardised loaf.

The super bread, being sold at the supermarket on a one-year trial basis, is baked in a pan and can be sliced but must be wrapped, and must contain a minimum amount of protein.

At about 85c a loaf it is an expensive bread.

Mr Dennis van Aarde, general manager of the Wheat Board, said the board would treat future applications to bake the super bread with 'skepticism'.

By being baked in a pan, previously forbidden in terms of Government regulations -- the bread is regarded as a 'classy Government bread'.

But the ingredients used in the bread are still controlled and prevent supermarkets from using their own formulas which they claim could undercut the current price of Government bread by as much as 10c.
Surplus meat at cut prices

Johannesburg — The Meat Board is to sell its surplus meat directly to the public at below cost price from tomorrow.

Announcing the move in a statement from Pretoria yesterday, the general manager of the Meat Board, Dr Pieter Coetzee, said the deboned portion of the surplus — about 37,000 kg tons — would be made available in the ad interim market. — Sapa
Putco fares to go up

Transport Reporter
Putco is to increase bus fares following the 4.7 c/l increase in the price of diesel fuel on yesterday. This news will come as a blow to passengers as Putco has already applied for a 14.1 percent revenue increase from November 1.

In a statement released today, Putco said it had no option but to pass on the fuel increase as every 1 c/l increase in

The company could not say what the fare increase would be or when it would be introduced, but said the increase was likely to be introduced at the same time as the revenue increase.

Putco would, meanwhile, seek increased subsidies to absorb as much as possible of any increase, the company statement said.
Increase in PE's power tariff likely

Municipal Reporter

PORT ELIZABETH consumers may pay more for electricity from next month.

A 5.1% tariff increase was accepted by the City Council's Works and Traffic Committee at its monthly meeting yesterday.

And if the Administrator approves a further increase, consumers can expect to pay an overall 6% more for electricity in the next few months.

In a report, the City Electrical Engineer, Mr. Charles Adams, said Escom had announced a 16% increase in the electricity tariff on August 30 and he recommended that a surcharge of 8% be applied.

The committee chairman, Mr. Frikke Kotze, said the local economic situation had deteriorated and instead of a 2% sale increase, a 2% sale decrease could be expected.

The municipality was not permitted to go over the 5.1% surcharge without the approval of the Administrator, he said. A decision on the price increase will be made by the City Council before the end of October.
Mercury Reporter

Bus fares are to go up in Durban by as much as 10 percent following the fuel price rise.

The Durban Transport Management Board and Putco have announced that they have no option but to pass on the 4.7 c/l diesel fuel price to commuters.

Mr Marshall Cuthbert, DTMB's general manager, and a spokesman for Putco said no decision had been taken on the new increases, but con-

formed adjustments would be made shortly.

Mr Cuthbert said the DTMB would adjust all bus fares by next week.

Indian bus owners warned that all fares would go up by at least 10 percent.

Bus Owners' Association chairman Mahmood Bux said the last rise in fares was in March this year following a massive increase in the fuel price.

"We have no choice but to put them up again," he said, adding that Indian bus owners were unable to absorb the new fuel price rise because of the lack of any Government subsidy.

Mr Bux said the recent rise in tyre prices and other costs had been absorbed by Indian bus owners.

Putco said it had no option but to put up the fares because every 1 c/l increase in fuel cost the company nearly R1 000 000 a year.

"The company cannot say at this stage what the fare increase will be, nor when it will be introduced," the spokesman said.

However, it is believed that this will be at the same time as the 14.1 percent revenue increase already applied for in November, the spokesman said.

This application has been heard, but no decision has been announced.

He said Putco would, in the meantime, make representations on behalf of its passengers to the Department of Transport for as much as possible of any increase to be absorbed by subsidy.

Our Pietermaritzburg Bureau writes that Mr Harry Dyason, chairman of Pietermaritzburg's transportation committee, and the city council had not yet decided whether to put up its bus fares.

He said he was expecting a report soon from the municipal transport department on the implications of the fuel price increase.
Hotels get warning on 'suicidal' price-cutting

Hotels are cutting rates to 'suicidal' levels after 44 consecutive months of declining occupancy, says the Federated Hotels, liquor and catering association.

In a statement issued in Johannesburg this week, the association advised members to be as competitive as possible in the current business climate but emphasised the need to retain a level of returns on sales which will ensure financial viability and a healthy future for the industry.

"Many hoteliers are selling room occupancy at below cost in the hope of generating additional bar and restaurant sales as an 'equaliser,'" the statement said.

"In the short term, the public will benefit from drastic price cuts. But in the long term, the hotel infrastructure of the country could suffer and this is not in the interests of the consumer and tourism in general."
Fuel costs push up Putco fares

PUTCO said to increase fares countrywide because of the higher fuel prices.

It said yesterday it had no option but to pass on the increase of 4,6c per litre. It claimed every fuel price increase of a cent a litre cost it nearly R1m a year.

In February, Putco applied to the National Transport Commission for a 14,1% revenue increase to be introduced from November 1.

"Putco cannot say at this stage what the fare increase will be or when it will be introduced," a spokesman for the company’s public relations office said yesterday.

However, it will probably be at the same time as the 14,1% revenue increase already applied for.

"This application has been heard, but no decision has yet been made known."

He said Putco would in the meantime make representations "on behalf of its passengers to the Department of Transport for as much as possible of any increase to be absorbed by subsidy."

Putco increased fares by up to 10% earlier this year.

The SA Bus Operators' Association (Sabo) is considering the increases and will make its decision known next week.

The Sabo assistant executive director, A Jong, said yesterday: "We as an association for the bus industries countrywide are looking into the matter and we are having discussions with the Department of Transport. We will decide whether to pass the increase on to the passenger."

## Shopping Basket

THE Shopping Basket this week visited supermarkets in Phiri, Soweto. We found vast differences in prices although we were in the same area.

<table>
<thead>
<tr>
<th>Foodstuff</th>
<th>Phiri Supermarket</th>
<th>Pilgrims Phiri Supermarket</th>
<th>Bloomom 500g</th>
<th>200g</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar</td>
<td>12.5 kg 19.80</td>
<td>2.49</td>
<td>1.78</td>
<td>0.70</td>
</tr>
<tr>
<td>Sugar</td>
<td>2.5 kg 2.50</td>
<td>1.15</td>
<td>0.70</td>
<td>0.70</td>
</tr>
<tr>
<td>Salt</td>
<td>1 kg 80c</td>
<td>2.50</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Flour</td>
<td>Snowflake 2.5 kg 2.50</td>
<td>4.41</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Sausage</td>
<td>12.5 kg 4.50</td>
<td>2.26</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Sausage</td>
<td>2.5 kg 2.26</td>
<td>1.15</td>
<td>0.70</td>
<td>0.70</td>
</tr>
<tr>
<td>Maize Rice</td>
<td>1 kg 79c</td>
<td>2.50</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Maize Rice</td>
<td>2 kg 4.88</td>
<td>2.50</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Tissue</td>
<td>2 kg 3.85</td>
<td>2.50</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Fries</td>
<td>5 kg 6.91</td>
<td>2.50</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Make a Meal</td>
<td>12.5 kg 3.27</td>
<td>8.65</td>
<td>2.50</td>
<td>0.70</td>
</tr>
<tr>
<td>Make a Meal</td>
<td>2 kg 8.65</td>
<td>2.50</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Tomato</td>
<td>2 kg 3.55</td>
<td>2.50</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Cooking Oil</td>
<td>750 ml 2.00</td>
<td>2.59</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Sunflower</td>
<td>2.5 litre 8.71</td>
<td>2.50</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Rama</td>
<td>500 g 1.75</td>
<td>1.98</td>
<td>1.15</td>
<td>0.70</td>
</tr>
<tr>
<td>Broom</td>
<td>500 g 1.70</td>
<td>1.98</td>
<td>1.15</td>
<td>0.70</td>
</tr>
</tbody>
</table>
Electricity price rise

Mercury Reporter
DURBAN'S Management Committee yesterday approved electricity tariff increases of 10 percent on the surcharge as recommended by the City Treasurer and City Engineer. The increases have still to be approved by council before coming into effect.

Tyre firm to increase prices

Motoring Editor
GOODYEAR Tyre and Rubber Company have broken away from the uniform national tyre price 'cartel' and increased their prices of new tyres by 4.5 percent.

The increase is effective from September 26.

However, the other manufacturers, Dunlop, Firestone, General, Kelly and India, are still working off the national list.

The last price rise was 9 percent in May.

The companies all discount to dealers off a uniform price list negotiated by them through the S.A. Tyre Manufacturers' Conference (TMC).

Asked for comment on the Goodyear move, Mr. Michael Waterson of TMC said 'They appear to have put up their price' He would not comment on how this affected the TMC.

A Goodyear spokesman said 'We have decided to set prices individually from now on. It's been in the pipeline for some time and we decided and advised the TMC at the last conference.'
### Weekly Shopping Basket

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD: White</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>58c</td>
<td>62c</td>
<td>62c</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>BREAD: Brown</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>38c</td>
<td>42c</td>
<td>41c</td>
<td>+2.4</td>
<td>—</td>
</tr>
<tr>
<td>MILK: 1 l</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>EGGS: 1/2 dozen large</td>
<td>66c</td>
<td>67c</td>
<td>68c</td>
<td>68c</td>
<td>67c</td>
<td>67c</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>MAIZE MEAL 2.5 kg Iwisa</td>
<td>R1.59</td>
<td>R1.62</td>
<td>R1.62</td>
<td>R1.59</td>
<td>R1.61</td>
<td>R1.60</td>
<td>+0.6</td>
<td>—</td>
</tr>
<tr>
<td>MARGARINE 500 g Karna</td>
<td>R1.29</td>
<td>R1.42</td>
<td>R1.42</td>
<td>R1.39</td>
<td>R1.38</td>
<td>R1.39</td>
<td>-0.7</td>
<td>—</td>
</tr>
<tr>
<td>CHEESE 1 kg Elite Gouda</td>
<td>R6.79</td>
<td>R6.92</td>
<td>R6.92</td>
<td>R6.92</td>
<td>R6.89</td>
<td>R6.92</td>
<td>-0.4</td>
<td>—</td>
</tr>
<tr>
<td>JAM 900 g Koo Smooth Apricot</td>
<td>R1.39</td>
<td>R1.59</td>
<td>R1.45</td>
<td>R1.59</td>
<td>R1.51</td>
<td>R1.51</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>SUGAR 2.5 kg Hulett's</td>
<td>R1.99</td>
<td>—</td>
<td>R2.09</td>
<td>—</td>
<td>R2.04</td>
<td>R2.08</td>
<td>-1.9</td>
<td>—</td>
</tr>
<tr>
<td>TEA: 100 tagless tea bags Jako</td>
<td>R2.79</td>
<td>R3.05</td>
<td>R2.99</td>
<td>R2.79</td>
<td>R2.91</td>
<td>R2.86</td>
<td>+1.7</td>
<td>—</td>
</tr>
<tr>
<td>COFFEE: 250 g Nescafe Classic</td>
<td>R5.39</td>
<td>R5.69</td>
<td>R5.59</td>
<td>R5.35</td>
<td>R5.81</td>
<td>R5.46</td>
<td>+0.9</td>
<td>—</td>
</tr>
<tr>
<td>CEREAL 500 g Kellogg's Cornflakes</td>
<td>R1.22</td>
<td>R1.25</td>
<td>R1.45</td>
<td>R1.35</td>
<td>R1.32</td>
<td>R1.29</td>
<td>+2.3</td>
<td>—</td>
</tr>
<tr>
<td>COOKING OIL 750 ml Olie</td>
<td>R1.99</td>
<td>R2.09</td>
<td>R2.29</td>
<td>R1.99</td>
<td>R2.09</td>
<td>R2.12</td>
<td>-1.4</td>
<td>—</td>
</tr>
<tr>
<td>RICE 1 kg Tastic</td>
<td>R1.69</td>
<td>R1.69</td>
<td>R1.75</td>
<td>R1.69</td>
<td>R1.71</td>
<td>R1.71</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>SALT 1 kg bag Buffalo</td>
<td>46c</td>
<td>52c</td>
<td>53c</td>
<td>46c</td>
<td>49c</td>
<td>50c</td>
<td>-2</td>
<td>—</td>
</tr>
<tr>
<td>MEAT 1 kg Chuk</td>
<td>R4.09</td>
<td>R4.59</td>
<td>R4.59</td>
<td>R3.98</td>
<td>R4.31</td>
<td>R4.31</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1 kg Rump Steak</td>
<td>R8.38</td>
<td>R8.48</td>
<td>R6.45</td>
<td>R7.88</td>
<td>R7.80</td>
<td>R7.43</td>
<td>+5.0</td>
<td>—</td>
</tr>
<tr>
<td>1 kg Lamb Braai Chops</td>
<td>R7.88</td>
<td>R6.89</td>
<td>R6.98</td>
<td>R6.98</td>
<td>R7.18</td>
<td>R7.71</td>
<td>-6.9</td>
<td>—</td>
</tr>
<tr>
<td>1 kg fresh Chicken</td>
<td>R2.29</td>
<td>R2.39</td>
<td>R1.95</td>
<td>R2.29</td>
<td>R2.23</td>
<td>R2.36</td>
<td>-5.5</td>
<td>—</td>
</tr>
<tr>
<td>250 g Eskort streaky Bacon</td>
<td>R1.79</td>
<td>R1.84</td>
<td>R1.89</td>
<td>R1.79</td>
<td>R1.83</td>
<td>R1.83</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1 kg Deep Water Hake Fillets &amp; J</td>
<td>R2.99</td>
<td>R3.59</td>
<td>R3.69</td>
<td>R2.99</td>
<td>R3.32</td>
<td>R3.32</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>VEGETABLES 1 kg Potatoes</td>
<td>39c</td>
<td>69c</td>
<td>39c</td>
<td>49c</td>
<td>49c</td>
<td>54c</td>
<td>-9.3</td>
<td>—</td>
</tr>
<tr>
<td>1 kg frozen Peas Table Top</td>
<td>R3.39</td>
<td>R2.89</td>
<td>R3.59</td>
<td>R2.89</td>
<td>R3.19</td>
<td>R3.07</td>
<td>+3.9</td>
<td>—</td>
</tr>
<tr>
<td>CANDLES 450 g Buffalo</td>
<td>92c</td>
<td>99c</td>
<td>95c</td>
<td>94c</td>
<td>95c</td>
<td>96c</td>
<td>-1.0</td>
<td>—</td>
</tr>
<tr>
<td>WASHING POWDER 1 kg Surf</td>
<td>R2.19</td>
<td>R2.29</td>
<td>R2.25</td>
<td>R2.23</td>
<td>R2.24</td>
<td>R2.27</td>
<td>-1.3</td>
<td>—</td>
</tr>
</tbody>
</table>

**SURVEY: SEPT 10 1985**

**PRICES EXCLUDE GST**

---

**Kashmira Jaga**

This week's Star article establishes that meat bargains were unchanged at four north-western supermarkets. The stores were not buying and selling the Meat Board's surplus meat mountain.

Reports say the three biggest supermarkets are not buying the Meat Board's surplus frozen beef.

One of the reasons given is that supermarkets are not prepared to sell sub-standard meat.

**Meat bargains**

- **Pick 'n Pay, Randpark** — lamb leg chops R5 89, silvermine roast R4 99, budget braai R2.59, regular ground beef R2.39, pork shoulder chops R3 89
- **Checkers, Cresta** — chicken livers R3.27, pork ribs and rashers R4.44, leg of pork R3 48, pork chops R3.89, bulk braai pack R4 28
- **O K Bazaars, Cresta** — lamb braai chops R5.98, bulk lamb chops R4.96, breakfast rashers R3.29

**DECREASES**

- **Steve's Spar, Blackheath** — beef stewing beef R2.78, pork packs R2.98, beef mince R2.99, prime rib and cheek roast R3.29

The price of rump steak increased this week by 8 percent while lamb braai chops went down by 6.5 percent. Chicken decreased by 5.5 percent.

The bargain price for rump steak was R6.45 at O K Bazaars, Cresta and R6.89 for lamb braai chops at Checkers, Cresta.

Margarine was a real bargain with two stores selling it at special prices of R1.29 and R1.39.

Sugar was also down with Pick 'n Pay offering R1.99.

Potatoes were a bargain with two stores selling them at 38c a kilo.

Other items which decreased in price were cooking oil, potatoes, candies and washing powder.

Frozen peas, brown bread and cereal shot up by 3.9 percent, 2.4 percent and 2.3 percent respectively.

All survey items exclude the 12 percent GST unless otherwise stated.
League calls for higher bread subsidy

Mercury Reporter

THE Housewives’ League has attacked the planned bread price increase as “exceedingly shortsighted in a time of recession and unrest” and it has called for the Government bread subsidy to be retained or even increased.

The national president of the league, Mrs Joy Durwita, said it was not only the man in the street who should be cutting back in this time of severe austerity and ever-rising cost of living.

“Business, commerce, industry and agriculture should contain their costs and not pass them on to us. We simply cannot afford any price increases. As an interim measure, the bread subsidy must be retained or even increased,” she said.

“The money simply must be found.”

She said wheat farmers and millers should consider the plight of the consumer.

“Why should selective administered price increases be allowed when many consumers are literally living below the bread line?”

“To increase the cost of a basic food such as bread and place it beyond the reach of consumers who are at the lower end of the wage scale is exceedingly shortsighted in a time of recession and unrest.”
Economic revival will bring big rent increases

By Frank Jeans

While the office oversupply situation will persist for about another 18 months, the eventual economic revival must force the businessman to expand, with the result that rent increases will be sharp.

Mr Nick Hill, commercial leasing manager of Landmark Real Estate, believes prime Johannesburg CBD office space at present commanding rents of R13 a sq m, could go as high as R20 to R27 a sq m by 1987.

"The local businessman has geared himself up to economic recovery and cannot afford not to expand himself and his share of the market, despite the fact that certain multi-nationals with South African interests may have put brakes on their own expansion," he says.

Johannesburg's vacancy factor, Landmark believes, is far from critical compared with some American cities, even allowing for their greater population densities.

While Johannesburg's estimated surplus for next year is about 3.5 percent, the figure in San Francisco is currently 24 percent, Dallas is 21 percent, Los Angeles 14 percent and Boston 12 percent.

Nat Mutual drive

In the past nine months, Cape-based life assurer National Mutual has pushed up the value of its property portfolio by a further R23 million.

"Property will never be as cheap as it is now," says NM property manager, Mr David Martin.

Recent investments include the headquarters for Sky Couriers at DF Malan Airport and the 500-car Parkade in Commissioner Street, Johannesburg.

"We are now at the bottom of the cost cycle and we will never again have the opportunities that exist now," says Mr Martin.

"When the upswing comes and the oversupply in office, commercial and industrial property is taken up we are going to see a round of the most horrendous increases in construction costs."

Grand Central

Three stands in Grand Central Commercial Park township at Midrand have been sold to Gold Fields Property Company for R750 000, bringing to more than R25 million the value of sites taken up in the township in the past six months.

"Grand Central Commercial Park is an ideally-located township to serve the growing number of new industries being established along the Beek Schoeman highway," says Mr Harold Kimmel, of the industrial division of JH Isaacs, who handled the latest sale.
Local coffee price set to soar

Finance Editor

LOCAL coffee prices are set to soar due to a combination of factors. The most serious one being the fall of the rand against the dollar, which has shaved up the landed price of beans considerably.

Nearly half of local tea needs are grown locally and the price of a ‘cuppa’ is not expected to perform as erratically.

South Africa no longer enjoys a discount on its imported coffee prices as local coffee growers and buyers have failed to reach agreement on price and the coffee nations started negotiations on a new coffee treaty this week.

Stability

Their talks will most likely continue the commodities price and supply stability — but the talks should lead to a price rise.

In London, coffee importing and exporting nations said they were optimistic they could negotiate a new agreement to stabilise volatile coffee prices and supplies for the next 12 months.

The International Coffee Agreement (ICA), which aims at keeping world coffee prices within an agreed price range through an export quota system, is often regarded as the most successful of all inter-governmental commodity pacts.

But the agreement, which must be re-negotiated before the start of the new coffee year on October 1 has come under fire.

Producers want tighter quotas to limit supply and boost prices while importers seek more flexible quotas to ensure ready supplies and avoid wide price fluctuations.

Delegates from 75 nations meeting for their annual two weeks of talks at the International Coffee Organisation (ICO) say they nevertheless hope they can balance the interests of producers and consumers by adjusting the quota-setting mechanism.

Coffee-exporting countries may propose that the size of the global quota be reduced from its current level of 58.2 million 60 kg bags while importers are likely to want it increased to 60 million bags or more delegates said.

Pressure

Mr Jan Robbertse, chairman of T W Beckett (which covers Ciro's Ellis Brown and Koffiehuis) notes that pressure from European and American coffee importers led to the slashing of the discount which South Africa had enjoyed as a non-member of the ICO.

This action, with a natural shortage of Robusta, beans — the principal source of coffee in this country — aggravated the situation.

Coffee costs have escalated sharply especially for Robusta beans he said, noting that Arabica beans are in plentiful supply from traditional sources.

There is a theoretical world over-supply of coffee but, says Mr Robbertse, says it is unlikely that reduced costs would be passed on to local roasters.

Also local growers failed to confirm an agreement regarding the price of locally grown coffee.

Another factor that will affect the local industries will be a report from the Industrial Development Corporation on the viability of local coffee growing.

Mr Robbertse notes what he calls a disturbing trend — the swing from traditional packeted teas and ground coffee to the more modern convenience variants of teabags and instant coffee continues.
Are Soweto residents being ripped-off?

SCORES of Soweto residents pay exorbitant water and electricity bills because of the wrong information fed into the computers at Jubilee Centre, a source close to the Soweto City Council's arrangements committee said yesterday.

By MANDLA NDLAZI

This was discovered shortly after Mr Jerry Mokotong, head of the council's transport and cleansing department, had indicated about a month ago, that he wished the department could pull out of the computer system at Jubilee.

Mr Mokotong, the source said, had indicated his wish to Mr L. Meyitjes, the West Rand Development Board's deputy director of the data processing department.

The source said it had been discovered that information fed into the computers by the punch card operators in Jubilee Centre was wrong.

As a result, said the source, a committee comprising of the council and board officials was set up to investigate. Mr John Knoetze, the board's chairman, and Mr Letsatsi Radebe, chairman of the council's management committee, are ex-officio members of the committee.

The committee was set up a day before the council's treasurer, Mr Irvin Florence, resigned, said the source.

Mr Knoetze said there was something wrong with the information collected by meter readers and this is why the punch card operators fed the computers with wrong information.
BREAD PRICE SET TO INCREASE NEXT MONTH

CONSUMERS should brace themselves for a new bread price hike, likely to come into effect on October 2.

The Minister of Agricultural Economics, Mr. Greyling Wentzel, is expected to announce a price rise of about five cents a loaf soon — the same as the increase on June 1.

This means, if the price hike is approved by the Cabinet, con-

sumers will pay 50 cents for brown bread and 70 cents for white bread.

A 12 percent wheat price rise to be announced by the Minister of Agricultural Economics necessitated the new bread price, according to sources.

Spokesmen of the SA Consumer Council and Black Consumer Union (BCU) — the bodies which served on a commission of inquiry looking into the subsi-
dation of bread — told The SOWETAN yesterday that they had asked the Government to in-
crease the bread subsidy.

The BCU said it had asked — through the commission — the Gov-
ernment to increase the subsidy for brown bread, which is preferred by most of South Africa’s black popula-

tion.

However, the BCU added, the Government appeared set to phase out the bread subsidy over the next five years.

BCU president Mr. 

Ellen Khuzwayo said “We tried to argue against the increase but, naturally, could not get anywhere as we are helpless. The bread price increase worries us, considering the high rate of unemployment and the low wages generally paid to blacks.”
GOVERNMENT FINANCE

Pretoria’s tax bonanza

The significant gap between government revenue and expenditure in the 1985-1986 tax year has been confirmed by figures for August. They show that if taxes continue to come in at the rate they have done in the first five months of the fiscal year, the tax take will be up R7.4 billion on 1984-1985.

Put another way, total revenues for the fiscal year would be R31.2 billion, almost spending seems set to exceed budget.

In particular, the costs of financing the recent unrest and what Finance Minister Barend du Plessis calls "strategic costs" are unknown factors in the spending equation. Although of little comfort to taxpayers, revenue figures more than cover the spending overruns — and the "tax harvest" months are yet to come.

Certainly, if Pretoria has any confidence in its undertaking to control its increases in spending, the time for a tax cut announcement is overdue. Du Plessis recently suggested relief for top marginal taxpayers, but told the FM that tax cuts could be addressed only in the 1986 Budget.

There is also a suggestion that unbudgeted amounts will have to be found for massive losses incurred by the Reserve Bank in the recent foreign exchange and banking debacles.

Then there are the costs of financing government debt, which Du Plessis says may exceed projections.

Nevertheless, Inland Revenue's contribution to the revenue bonanza is growing. Its 58% July-July increase slowed covering projected spending of R31.5 billion and making the Budget deficit before borrowing largely academic.

The latest stats show that, year-on-year, August revenues increased 21% (32% in July). At the same time, spending slowed to 19% against July's 33%. For the first five months of the 1985-1986 fiscal year, revenues have increased 31% against a budgeted 19%, while spending has risen 23% (11%).

Most encouraging, perhaps, is the lower rate of government spending in August, although the average overspend for the year remains critically above estimates. The latest statistics show therefore that revenue estimates have been wildly underestimated and, also, that government to 28% in August — partly due to the smaller gap in the gas rate for the respective months.

But overall Inland Revenue's increase for the year as a whole is up 39% on a year ago, more than double the budgeted 19%.

The encouraging fall in August's spending is in line with Pretoria's commitment to improve expenditure monitoring in the 1985-1986 fiscal year. The purpose of the control system is to create an early warning mechanism for possible overspending.

But government has a safety valve in that it may “consider the priority and other implications of unavoidable but justified additional expenditure.”

And clearly, expenditure to finance the foreign exchange, banking and township unrest disasters is unavoidable. So despite the taxpayers' gift to government, they can expect very little in return.

PETROL PRICES

Future fall?

The idea that petrol could once again return to 70c/l may seem like something out of wonderland. But then, so would a statement in 1973 that oil would cost over 1800% more in just seven year's time.

But that's what happened. By late 1989, crude had peaked at $40 a barrel, having climbed from a mere $2.08 in 1973. Yet the price is now back down to $27 and heading to as low as $20 a barrel, according to many energy economists.

That the price of petrol was increased by 4.5c/l recently was not unexpected. Nor will it do much to confirm the suggested downward trend in the inflation rate. With Reef 93 Octane at 94.6c/l, it is certain that inflation will resume its upward spiral.

The latest figure for the petrol-year-on-year rate dropped to 15.9% for July, after a peak of 16.4% for the month before. It had been the first petrol price increase — by a massive 40% in January from 63.5c/l to 88.5c/l — followed by another in March when gas was raised to 12%, that gave the inflation rate its sharp boost from the beginning of the year. It rose from 13.9% in January to 16.4% in June.

Considering its weighting in the inflation index and accounting for indirect effects, inflation could be pushed up to as much as 17.5% over the next six months. Meanwhile, petrol pump specialists are adapting equipment for the R1 litre of fuel. It all looks very gloomy.

So perhaps a more cheerful outlook can be gleaned if one looks further ahead. A more favourable picture for domestic fuel depends primarily on two factors: the cost of crude oil and the dollar-exchange rate. One cannot ask for more elusive imponderables.

Nevertheless, there is a distinct possibility that crude could fall to as low as $20 a barrel! The rand is expected to improve towards the end of this year, to, say, US$0.65. Put the two together and that suggests a pump price of 75c/l. A further improvement in the rand, even if crude peaks up back to, say, $25 a barrel could still justify the authorities here setting a pump price of 90.5c/l by the end of 1986.

Those from the dismal science will dismiss

Financial Mail September 20 1985
such guesswork as a mere "flight of fancy." So, what are the arguments?

Since 1979 consumption of crude oil has shrivelled by 10m barrels a day to 44m, a drop of 20%, according to various reports. And while non-Opec producers increased their output by some 4m barrels a day during this period, the 13 Opec countries had to slash their production by over 50%. Current estimates put their production at only 15m barrels a day. This welcome reduction in the bargaining position of the cartel has naturally brought about a gradual decrease in world prices from their peaks of about $40 a barrel in 1980, according to Econometrica to $34 in 1981, $29 (1983), $28 (1984) and around $27 currently.

Saudi Arabia is producing only 2.5m barrels a day at present — considerably below its quota. Since it was producing over four times this in 1980, there is a deal of wrangling still being exchanged among cartel members, wrangling that can only send crude prices down further.

Meanwhile, according to the Econometrica publication, Revi, a new Iraqi pipeline system will be fully operational next year, several new producers have recently completed refining plants, while there has been a recent proposal to disband the British National Oil Commission, opening the way for more market-related pricing of North Sea Brent crude.

As far as the SA pump prices are concerned, the recent domestic increases have been entirely attributable to the fall in the value of the rand (see graph). While the crude oil price in dollar terms fell some 32% to around $27, the rand cost per barrel started to rise slowly from 1981, although it was not until towards the end of last year that deterioration in the currency finally swamped the benefits of falling crude oil prices.

By mid-1984, crude cost around R35 a barrel. Last week the cost hit R65. Yet it is not the economics of the country that has driven the rand to the wall, at least according to the Governor of the Reserve Bank, Gerhard de Kock.

As he said at a press conference last week "Overseas perceptions of SA have deteriorated enormously over the last six to eight weeks. The political and economic situation could not have changed so dramatically, only marginally." He said that, if anything, the economic fundamentals had improved. So it could only be one thing: people's perceptions had changed. He added that these perceptions were, of course, wrong, but we nevertheless had to live with them.

As one overseas banker has suggested, if the political perceptions could deteriorate so quickly, they might recover as quickly if a few steps were taken on the political front that would satisfy lobbyists. Such moves needed toward political reform are well-documented. The recent announcement regarding citizenship for all blacks may be a precursor of more meaningful reform and a more healthy exchange rate.

This could mean cheaper prices in the foreseeable future as always, however, there is a catch. Cheaper world crude oil prices have disadvantages for SA too. According to Tony Twine, economist consultant to Econometrics, this would depress two of SA's largest foreign revenue earners: gold and coal.

"If the price of oil falls below present levels, the disinflationary sentiment would have a negative effect on the gold price," he says.

He adds that international coal consumption would be hurt by cheaper residual fuel oils which would be reinstated as the main energy source. "Decreasing export revenue would obviously reduce the flow of dollars, reduce the value of the rand and therefore push up the costs of imports, including oil," says Twine.

He adds that gold would become attractive if and when the dollar loses its impetus. "But this is likely to be accompanied by a move to other commodities too, including oil. Thus the dollar price of oil would also likely to increase."

It sounds like a no-win situation — but only if the politicians here fail to act swiftly on the reform front. It is remarkable how quickly sentiment can change. And if SA does its spring cleaning efficiently and puts its house in order, overseas perceptions will become favourable and the rand will "normalise" once again. Then, a litre of petrol at 70c won't look so much a part of wonderland.

TAXATION

The Lifo loop

Another round has been played in the potential multi-million rand dispute between inland Revenue and companies which disagree with its Lifo rulings (FM September 13). Revenue has now issued, for only the third time in 70 years, a practice note which it hopes will clear the uncertainties surrounding valuation of stock (see box). The policy of issuing practice notes is designed to clarify how Revenue treats the application of tax law.

With the Income Tax Act's numerous discretionary provisions and uncertainties, there is justification for more "secrets" to be Kassel Feinstein's Fine... agrees up to a point.

Financial Mail September 20 1985
<table>
<thead>
<tr>
<th>Item</th>
<th>Pick 'n Pay</th>
<th>Checkers</th>
<th>OK Bazaars</th>
<th>Cresta</th>
<th>Spar Blackheath</th>
<th>Average Price</th>
<th>Average Price on Sep 10, 1985</th>
<th>Percentage Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD: White</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>58c</td>
<td>62c</td>
<td>62c</td>
<td>62c</td>
<td>0%</td>
</tr>
<tr>
<td>BREAD: Brown</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>38c</td>
<td>42c</td>
<td>42c</td>
<td>42c</td>
<td>0%</td>
</tr>
<tr>
<td>MILK: 1L</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>77c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>0%</td>
</tr>
<tr>
<td>EGGS: 1 dozen</td>
<td>66c</td>
<td>67c</td>
<td>68c</td>
<td>68c</td>
<td>67c</td>
<td>67c</td>
<td>67c</td>
<td>0%</td>
</tr>
<tr>
<td>MAIZE MEAL: 2.5 kg Ibisco</td>
<td>R1,59</td>
<td>R1,62</td>
<td>R1,62</td>
<td>R1,59</td>
<td>R1,61</td>
<td>R1,61</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>MARGARINE: 500g Sunshine D</td>
<td>R1,39</td>
<td>R1,35</td>
<td>R1,35</td>
<td>R1,39</td>
<td>R1,37</td>
<td>R1,37</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>CHEESE: 1kg Ellis Gouda</td>
<td>R6,79</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,89</td>
<td>R6,89</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>JAM: 900g Koo Smooth Apricot</td>
<td>R1,29</td>
<td>R1,56</td>
<td>R1,45</td>
<td>R1,49</td>
<td>R1,48</td>
<td>R1,51</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>SUGAR: 2.5 kg Hulets</td>
<td>R1,99</td>
<td></td>
<td>R2,07</td>
<td></td>
<td>R2,03</td>
<td>R2,08</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>TEA: 100 tagless teabags</td>
<td>R2,99</td>
<td>R2,99</td>
<td>R3,19</td>
<td>R3,19</td>
<td>R3,09</td>
<td>R3,09</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>COFFEE: 750g Ricoffy</td>
<td>R4,45</td>
<td>R4,49</td>
<td>R4,49</td>
<td>R4,39</td>
<td>R4,46</td>
<td>R4,46</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>CEREAL: 500g Kellogg’s Cornflakes</td>
<td>R1,22</td>
<td>R1,25</td>
<td>R1,45</td>
<td>R1,23</td>
<td>R1,29</td>
<td>R1,29</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>COOKING OIL: 750ml Olé</td>
<td>R1,99</td>
<td>R2,09</td>
<td>R2,20</td>
<td>R1,90</td>
<td>R2,09</td>
<td>R2,12</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>RICE: 1kg Tastic</td>
<td>R1,69</td>
<td>R1,69</td>
<td>R1,75</td>
<td>R1,69</td>
<td>R1,71</td>
<td>R1,71</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>SALT: 1kg bag Buffalo</td>
<td>46c</td>
<td>52c</td>
<td>53c</td>
<td>46c</td>
<td>49c</td>
<td>50c</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>MEAT: 1kg Chuck</td>
<td>R4,08</td>
<td>R4,59</td>
<td>R4,59</td>
<td>R3,98</td>
<td>R4,31</td>
<td>R4,31</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>1kg Rump Steak</td>
<td>R8,38</td>
<td>R8,48</td>
<td>R7,66</td>
<td>R7,88</td>
<td>R8,26</td>
<td>R7,43</td>
<td>+13%</td>
<td></td>
</tr>
<tr>
<td>1kg Lamb Braai Chops</td>
<td>R7,88</td>
<td>R5,99</td>
<td>R7,99</td>
<td>R6,98</td>
<td>R7,21</td>
<td>R7,71</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>1kg fresh Chicken</td>
<td>R2,29</td>
<td>R2,39</td>
<td>R2,59</td>
<td>R2,29</td>
<td>R2,39</td>
<td>R2,36</td>
<td>+1%</td>
<td></td>
</tr>
<tr>
<td>250g Eckert Rindless back bacon</td>
<td>R1,79</td>
<td>R1,95</td>
<td>R1,99</td>
<td>R1,89</td>
<td>R1,91</td>
<td>R1,91</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>1kg &amp;J Yankee Clippers</td>
<td>R1,49</td>
<td>R1,49</td>
<td>R1,65</td>
<td></td>
<td>R1,54</td>
<td>R1,54</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>VEGETABLES: 1kg Potatoes</td>
<td>69c</td>
<td>69c</td>
<td>59c</td>
<td>59c</td>
<td>63c</td>
<td>54c</td>
<td>+17%</td>
<td></td>
</tr>
<tr>
<td>CANDLES: 450g Buffalo</td>
<td>92c</td>
<td>99c</td>
<td>95c</td>
<td>91c</td>
<td>94c</td>
<td>96c</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>WASHING POWDER: 1kg Surf</td>
<td>R2,19</td>
<td>R2,29</td>
<td>R2,25</td>
<td>R2,18</td>
<td>R2,23</td>
<td>R2,27</td>
<td>-2%</td>
<td></td>
</tr>
</tbody>
</table>

Survey: Sept 17, 1985
Prices exclude GST
Steyn hints at further increase in petrol price

It was impossible to reduce the petrol price, Mr. Minister of Mineral and Energy Affairs, Mr. Dain Steyn, said yesterday. In fact, it would have to be increased if the dollar/rand exchange rate did not improve.

At the National Party's Transvaal congress in Pretoria, Mr. Steyn said that there was a 5.4c a litre deficit in the price of petrol landed in South Africa.

This was being carried by the oil companies but, if the current low exchange rate of the rand continued, this deficit would have to be passed on to the consumer.

Replying to a congress resolution calling for a reduction in the petrol price, he said "It's impossible."

Although Mr. Steyn gave the assurance that the Government would not maintain the price of petrol if it could be lowered, delegates unanimously ap-
Big Three cut Reef cement price

By Don Robertson

The Big Three cement producers have cut the price by R3 a ton on the Reef in an effort to stimulate sales.

The industry is suffering from a sharp decline in demand which has reduced production to about 65% of nationwide capacity.

Pretoia Portland Cement announced this week that its huge Dwaalboom factory in the North Western Transvaal would be put on a care and maintenance basis for possibly as long as two years.

Alpha, the largest producer, announced yesterday that its plant near Benoni, East Rand, has been closed for a month for modifications. Loss of production will be about 100,000 tons of cement.

Increase ahead

Although Reef customers will benefit from the price reduction, they will be hit by a nationwide price increase of up to 15% which is in the pipeline.

The price reduction will save the construction and building industries on the Witwatersrand about R6 million in a year.

The decision to reduce prices follows a switch in Reef customers' ordering patterns, which resulted in a decline in offtake from cement factories in the area. They are working at only 35% of capacity.

The factories belong to Anglo Alpha, Pretoria Portland Cement (PPC) and Blue Circle.

For cost reasons, customers have been buying cement from plants in the Lichtenburg area of the Western Transvaal and have put pressure on their ability to meet demand. Unused road transport cement can be delivered from these factories to the Reef at a lower price than charged by factories on the Witwatersrand.

Railage

Factories at Roodepoort, Witpoort near Brakpan, Jupiter, Herencia near Pretoria and Industria, Johannesburg, have been charging R75.60 for a ton of bulk cement. It is based on the selling price at the Lichtenburg Plants, plus the railage rate to the Reef.

An additional R6 a ton is charged for transport to the construction site, depending on distance.

To counter this, Reef factories have cut their prices to R72.60 a ton from R75.60.

Ronnie Searle, deputy managing director of Anglo Alpha.

Cement cuts

is sufficient to counter an 8% rise in the price of bagged cement, also announced this week. Bagged cement on the Reef will now cost R4.17 compared with R4.34 previously.

Anglo Alpha has also announced the introduction of a cement product called PC155E, which incorporates a slag extender. It will sell for about 10% less than ordinary cement at R7.1 a ton, or R3.95 a bag.
AMERICAN Fuel and Gas Corporation said yesterday that it was taking steps to "be ready" for the announcement of the next round of natural gas price increases. A conference call of the company's executive vice president, Mr. McCall, was held to discuss the company's position in the energy market and its plans to compete in the price increases.

Delays in the development of new gas fields are expected to delay the increase in natural gas prices. The company's officials indicated that the delay was due to regulatory and legal issues, as well as technical difficulties in the exploration of new fields. They also mentioned that the company was working on plans to increase production from existing fields to meet the demand for gas.

Debt service payments for refinancing of debt instruments, including the 10-year, 6.5% bond, are now due. The company reported that it has made payments on these obligations and expects to continue to do so. They also mentioned that their focus is on ensuring that the refinancing of debt instruments is completed in a timely manner, and they are working closely with their creditors to achieve this goal.

The company's officials emphasized that they are committed to maintaining a strong financial position and that they are confident in their ability to manage through the current challenges. They also noted that they are monitoring the market closely and are prepared to take action as needed to ensure the company's continued success.
All eyes on bread subsidy

Cabinet to meet next week over bread price rise

WHEAT and bread price increases will be announced next week after the Cabinet meeting on Wednesday, according to Pretoria sources.

The price of white bread is expected to rise from 65c to at least 70c a loaf and brown and wholewheat bread from 45c to 50c.

A price rise of 20c a loaf could be justified if the R200m subsidy which runs out at the end of October is not extended.

Agriculture Minster Greyling Wenzel is studying the recommendations of the Davin Commission on whether the bread subsidy should be continued and, if so, in what form.

It is understood the Cabinet will be prepared to extend the subsidy at least until the end of the year to ensure a moderate price increase of about 5c a loaf.

Sources in Pretoria said Cabinet members were aware that a drastic increase in the bread price could spark an angry reaction from blacks and that this could have an impact on levels of unrest.

A continuation of the subsidy would therefore be an investment in security, the sources said.

Brown bread is now subsidised to the extent of 11,4c a loaf.

Removal of the subsidy and a price rise of 12c would cause "consumer shock", the Wheat Board has warned.

However, the price increase could be bigger than 12c if the higher margins expected by millers and bakers and the increased wheat price were taken into account.

Such an increase would result in a sharp, short-term drop in the sale of brown bread, sources said.

Latest figures show that of the 1,8-billion loaves sold annually 75% are brown or wholewheat bread.
Fuel levy insurance system welcomed

Transport Reporter

The Automobile Association has welcomed an announcement by the Minister of Transport, Mr Hendrik Schoeman, that the third party insurance disc is to be scrapped and replaced by a 1 cent/litre levy on fuel.

Mr Schoeman said at the weekend that the Third Party Insurance Act would be amended at the next session of Parliament. The fuel levy, he said, would generate R180 million each year and this would automatically cover all motorists.

The AA deputy director-general, Mr Peter Elliot, said the association had supported the fuel levy system in principle because of the ease of collection. About R14 million a year would be saved in administration costs.

Insurance coverage, he said, would be universal. It would, for example, cover motorists from the independent homelands using South African roads.

"It is on a user-pays basis. Motorists who use the roads more, and thus have a greater risk of being involved in accidents, will pay more."

The AA would be opposed to a workmen's compensation-type scheme in which set sums would be computed for injury or death. "If we are going to establish a large bureaucracy to handle claims the savings in administration costs will disappear like Irish mist."

Mr Elliot said the AA favoured the legal award system.
Whisky to cost more this week

From this week Transvaal suppliers can expect to pay more for imported whisky in bottle stores, restaurants and hotels, due to the low value of the rand, which has pushed up import prices. There have been two increases in the wholesale price since March, totalling 13 percent.

But according to Fedhasa Transvaal, (the Federated Hotel, Liquor and Catering Association — Transvaal Region) the retail price need not go up by the full 13 percent.

"The recommended retail price on the Witwatersrand is now R13.99 per bottle," said Mr Andy Murray, chairman of Fedhasa Transvaal. — Sapa
Consumers will be hit hard by surcharge

Consumers must brace themselves for price increases on goods containing imported components, which will far exceed the 70 percent surcharge announced this week.

The surcharge is expected to raise additional revenue of $500 million over the next 10 months and will be used to help the poor and the unemployed.

Although retailers supported the principle of helping the poor and generating employment, they felt the move was inflationary.

"Surely the right method would be to free the economy more to stimulate employment, not to slap on additional taxes," Mr. Bill Chambers, general manager (finance) at OK Bazaars, said.

"Coupled with the bad exchange rate, it does not augur well for prices to the consumer in general. It will lead to higher imports," Mr. Chambers said.

"This would help local industry, but was doubtful whether local industry could meet the country's demands."

FALLING BAND

Mr. Clive Weel, managing director of Checkers, said that, "imported" goods would probably go up by more than 10 percent as the full impact of the fall in the rand had not yet been felt.

The tariff increase would affect several supermarket categories, including fast chocolate and cheese. Major cars, appliances, footwear, chemical and paper products would also be affected.

Mr. Weel said the move would be inflationary.

Mr. Paul Roos, public relations officer of the Consumer Council, said: "We welcome the tariff increase, as much as it is intended to protect existing employment, stimulate the economy and create more jobs."

"It will definitely affect the inflation rate."

[Insert]
Tyre prices likely to be increased

ALAN PEAT

Tyre prices are likely to jump — with a price rise due for locally-produced synthetic rubber and the effect of the newly introduced 10% import duty surcharge. Sentrachem subsidiary Karbochem intends to push up its synthetic rubber price by an unspecified amount in November to absorb the effect of the exchange rate on its raw material prices. This will directly influence the cost of some of the raw materials used for tyres, according to tyre manufacturers, and follows Karbochem's previous increases estimated at 45% for the year ending in May.

The 10% import duty surcharge imposed by Government Gazette on Monday also directly affects tyres. Some 49% of the raw material used by the industry is natural rubber.

"This 10% surcharge on our raw material imports can be translated to a further 5% increase in our price," said Sentrachem MD Dave Marlow. "We do not consider that a major impact, although our customers might think differently."

The tyre industry, which absorbs some 70% of Karbochem's output of synthetic rubber, certainly does think differently.

"The impact of the 10% surcharge on our natural rubber imports — already faced with a 25% penalty duty to protect Karbochem as a local producer of a strategic material — would need about a 2% price increase to cover the higher cost to us," said Firestone MD Peter Moram.

"The effect of the artificial rubber price increase cannot be assessed until we know how much it will be. But it is all very disturbing to our industry which is already fighting for a dead market."
Milk's pricing under fire

Dispatch Correspondent

PRETORIA — Dairy milk's price adjustment pattern was an important contributory factor to recurrent shortages and surpluses in the dairy industry, Mr H. D. Dewel of the West Cape Agricultural Union, told the National Dairy Producers' conference here yesterday.

During surplus conditions, he pointed out, price increases were small. This discouraged production causing surpluses. He claimed it would be better for the producer, the manufacturer and the consumer if there were small realistic price adjustments rather than wildly fluctuating prices.

Another speaker said the decision to decontrol the retail price of milk was a blunder. Policy should be directed at ensuring there were no large surpluses and not shortages.

He was critical too of the structure of the Dairy Board with its eight producer members, two distributors, two manufacturers and a consumer member. He recommended the board should consist entirely of producer members with representatives of distributors, industrialists and consumers as non-voting members.
Surcharge shock for shoppers

Barlows chief warns of massive price rises

A MAJOR manufacturer warns that household appliance prices will rocket next month.

Barlows Manufacturing MD Owen Dinsdale predicts that the 10% import surcharge, plus the foreign exchange burden, will result in a 30% average increase from October 1.

Government imposed a 10% surcharge on Monday on a wide range of imports.

Dinsdale says brown goods—hi-fis, TVs, videos and microwave ovens—will bear the brunt of the surcharge with white goods least affected because of high local content. Old stock should be out of the system by December.

To absorb the surcharge, says Dinsdale, would be impossible.

The good news is that people can still sip imported whisky while contemplating the bad news.

By FRED STIGLINGH

The 10% surcharge applies to the fob price, says Solly Kramer’s director Neil Schoonraad, so the effective increase to the consumer on imported spirits will be only 6%. Existing imported stocks will still be available at old prices.

SA Philips chairman Joop van Tilburg says about 90% of the company’s imports will be affected and the additional burden “will run into millions”.

The surcharge, he says, will reduce off-take volume, putting even more pressure on bottom lines.

Textile producers are particularly hard hit because almost 70% of inputs—synthetic fibres and yarns—are imported.

Textile Federation marketing economist Brian Brink says that absorbing the surcharge seems impossible and passing it on will “destroy what little market there is”.

The food processing industry will be affected mainly through capital equipment such as imported production machinery.

Table Top Foods MD Gert Schoonraad is not concerned with the effect of the surcharge on his company, because no products are imported for local sale, and the company is strong on exports.

Bayer-Miles MD Wilhelm Koenig feels inclusion of pharmaceutical products is “contrary to government’s wish to bring down cost of medicine” because his company will have to pass on the surcharge in the form of price increases.

Art gallery owner Dennis Hotz says serious collectors will still buy international art but the man in the street will now find it more difficult and should look to the buoyant local art market instead.
'Don't pay more for electricity'

MR. NICO Malan, Chief Executive Officer of the Soweto City Council, yesterday reiterated earlier advice to Soweto residents that they must insist on paying a maximum of R20 for electricity consumption.

He comes amidst widespread dissatisfaction over exorbitant electricity bills which many Soweto residents are receiving every month.

Mrs. Malan said that yesterday that consumers who are charged more than R20 for water consumption a month, must only pay R20, and query the rest.

He admitted that the council was experiencing problems with the handling of electricity accounts, but promised that this would soon be a thing of the past.

The problems are not mechanical, but lie in the processing of electricity accounts.

"If residents feel that their electricity and water meters are faulty, they must pay a deposit of R30. If the meter is found to be not functioning well, the deposit will be refunded and a new meter installed," Mr. Malan said.

Meanwhile, an inspection on water and electricity meters conducted by the council's internal auditors, has been launched. One of the issues that is being investigated is the delay in sending out accounts to new consumers.

Many residents have not yet received their bills since they were connected to the new Greater Soweto electrification project almost two years ago. They feel that they will pay very high bills when the accounts are finally sent.
Council under fire over Duduza fares

THE Nigel Town Council has come under fire for operating "an expensive bus service" in Duduza Township.

But the municipality has defended its fare structure, saying it was doing "our utmost best to render a reliable and cheap bus service" to Duduza residents.

Local residents have compared the Nigel bus fares to Brakpan, putting the municipality's flat-rate system, which is fixed at 50 cents a trip irrespective of the distance travelled, against Brakpan's tiered fares used by the two municipalities.

Mr. Kobus Enslin, the SOWETAN's transport correspondent, said this week that "there must be emphasis that the Brakpan tariff structure is only cheaper in respect of trips exceeding 15 km, whereas each ticket is concerned. In every other field the Nigel bus service proves to be considerably cheaper than that of Brakpan."

As far as weekly tickets are concerned, the cheapest weekly ticket being sold at R2.10 and the most expensive ticket over a distance of 20 km and further, at R4.60, he says.
SAA domestic air fares to go up

South African Airways is increasing its domestic fares by 10 percent from October 1st, Minister of Transport Affairs Mr. Hendrik Schoeman said today.

He said the increase could not be prevented because the rand had weakened 31 percent against the dollar since February. This had cost SAA an extra R30 million for fuel.

The discount fares introduced on domestic routes last year still offered a cheap alternative, he added.

The president of the Association of South African Travel Agents said the increases were a bitter pill for the hard-pressed tourism industry. "But we know the underlying reason — our rand is worth nothing."
The butcher's hill out at meat board prices up despite surplus

From left: Johnny Chivers, George McGregor.

"I'm going on an important mission of honor." "I'll not fail for the meal board to compare with the"
Airfare price increase shocks businessmen

By ROGER WILLIAMS
Chief Reporter

THE business community in Cape Town reacted with shock yesterday to the announcement of a 10 percent increase in SAA domestic fares from October 1.

With a further petrol price hike expected soon, the hotel and tourist industry at the Cape is being dealt another staggering blow.

A relatively lean Christmas holiday season is foreseen in this area as a result of these and other cost increases resulting from the poor performance of the rand against the dollar.

Announcing the airfare increase yesterday, the Minister of Transport Affairs, Mr Hendrik Schoeman, attributed the rise to an additional fuel bill for SAA of R30 million a year as a result of a 31 percent decrease in the value of the rand against the dollar since February.

Fuel bill

Businessmen make up an estimated 65 percent of SAA's domestic passenger traffic, and the fare increase will be introduced less than two months after the airline made drastic cuts in its domestic services.

Thirty flights a week were cancelled on the Johannesburg-Cape Town route alone, and only a few of these, at peak periods, are being restored in response to representations on behalf of the business community at the Cape.

Mr Albert Schutmaker, business affairs manager of the Cape Town Chamber of Commerce, said when SAA recently curtailed its domestic services "the chamber was made to believe that the reduction in flights would stave off an increase in fares for an appreciable period".

"We certainly did not expect a fare increase as early as October. "As for the reason given for the increase, we feel that this once again highlights the urgent need to address the problems facing this country and to come up with solutions that will restore international confidence in the rand."

'Attractive packages'

Mr John Robert, managing director of Captour, said there could be no doubt the airfare increase would adversely affect the inflow from up-country tourists and holiday-makers to the Cape — tourism here already having been severely knocked by the drastic drop in the number of visitors from overseas.

"But there is no point in talking ourselves into a state of gloom over these developments. Difficult times always act as a spur to inventiveness and innovation, and we must accept what is happening as a strong challenge to our tourist industry."

"We must look closer to home and come up with attractive packages for people in our own surrounding areas to enable them to spend relatively inexpensive holidays here in the Peninsula, with mutual benefit to themselves and to the many in this area who depend on tourism."
LOCAL GOVERNMENT

Tariffs up again
As black councils battle to balance their books to pay for water and electricity services, they seem to have thrown caution to the wind and are raising tariffs. It should be recalled that attempts to increase service charges in September last year sparked the violence now sweeping the townships.

In Greater Soweto, the three councils have "frozen further hikes and are investigating alternative methods for the repayment of loans" which finance the complex's electrification scheme. But eight councils have "adjusted" water and electricity tariffs.

They are Daveyton, KwaThema, Vosloorus, Tembisa, Tokora—all in the East Rand, scene of most of the violence in the Reef; Ikageng (Potchefstroom), Jouberton (Klerksdorp) and Galeshewe (Kimberley). Tembisa near Kempton Park is the only council that has also increased rents.

The new tariffs, already approved and gazetted by Co-operation and Development Deputy Minister Sam de Beer on Friday August 30, became effective at the beginning of the month.

Although tariffs for Lekoa are also stipulated in the gazette, town clerk Nic Louw explains that his council has in fact not increased charges and is still asking residents to pay the tariffs stipulated in 1983.

The monthly charges are R31 minimum for a metered household and R39.30 unmetered plus R12.50 minimum for electricity.

Rent arrears in Lekoa townships run into millions of rands because of the residents' objections to paying any hikes.

On September 3 last year, unrest erupted in Sharpeville, one of the Lekoa townships, because of opposition to increased rental and service charges.

Several administration offices have since been destroyed and pressure put by residents on councillors to resign. Many did, while others have been murdered.

In KwaThema, the tariffs have gone up from 4.65c/unit to 5.4c for electricity and water from 30c/k/ to 37c. A spokesman for KwaThema council tells the FM that service charges have not been increased since 1983 while Escom and the Rand Water Board have twice raised tariffs: "This means even our new increased charges are outdated. We are running the township at a loss of approximately R20 000 every month for electricity and R10 000 for water."

In Daveyton, charges have been raised from 24.3c/k/ to 65c for water where meters have been installed and a flat R6 charge for households without meters. New electricity charges stand at 10c/unit for the first 75 units plus 5.5c a unit thereafter, with a R7 minimum per month.

"We have raised services charges only because those are essential...and we don't want to break-down in services," says Tom Boya, chairman of the Daveyton Council.

How will residents react?
Students face big increase in book prices

By Susan Pleming, Education Reporter

University students can expect an increase of more than 50 percent in the price of textbooks next year and if the rand/dollar exchange rate does not improve the increase is likely to be larger still.

SURCHARGE

The poor exchange rate and the Government's recent announcement that a 10 percent import surcharge will have to be paid on books has forced booksellers to increase their prices, according to several Johannesburg bookshop owners.

Mr Andre Nylee of L.J Armstrong Booksellers, which supplies books to Unisa students, said the real impact of the devalued rand would be felt in about December and students could then expect to pay at least 50 percent more.

For book prices to drop, South African publishers would have to print more books locally, Mr Nylee said.

Mr John Savage, managing director of McGraw-Hill Book Company, said print orders were so small it was often not economical for his company to print overseas books.

He said many students had resorted to photocopying books.

"The form of pirating has affected our business terribly," he said.

Mr Chris Wolf, managing director of Literacy Services, which provides most Wits students with textbooks, said sales of expensive books had dropped dramatically. There had been a noticeable price rise in the R50-R55 bracket.

"When we know that a book will be very expensive, we inform the lecturers before we order it. For example, a first-year psychology textbook at R70 is hardly a proposition," Mr Wolf said.

Mr Marcus de Jong of De Jong's Booksellers said he was ordering fewer books than before.

Mr de Jong said the price of local books had also increased. "For example, an Afrikaans poetry book which cost R7.50 at the beginning of the year now costs about R12.50," he said.

EXCESSIVE

The president of the Wits Student Representative Council, Miss Claire Wright, said books had been marked up excessively in the past.

She said it was important to note that the price of local books had also increased dramatically. "I hope that the rand/dollar rate is not used as an excuse by booksellers to increase their prices irresponsibly," she said.
Lamb at ‘cut-throat’ price as other meat goes up

by Ksavina Jaga

The price of lamb dropped by 19 percent this week — while other meat prices went up, The Star shopping-basket survey at four northwestern stores found.

All prices in the survey exclude the 12 percent GST payable on some items.

The drop in price can be attributed to the inclusion in calculations of the low price marked at Pick ’n Pay, Randpark Centre — R4.99 a kilogram for lamb braai chops. Butcher managers at other supermarkets claimed that this price was unusual, as the cost price of lamb was more than R4.

The butchery manager of O’K Bazaars, Cresta, Mr Brian Barnes, said he did not understand how lamb could be marked so low as the cost price of lamb was R4.45 a kilogram.

SPOT CHECK.

To sell super or first-grade lamb at R4.99 would mean a very low profit margin," he said.

A spot check of another lamb price revealed that the prices at the four stores were similar.

Leg of lamb at Pick ’n Pay, Randpark — R0.28; Checkers, Cresta — R6.59; O’K Bazaars, Cresta — R6.59, and Steve’s Spar, Blackheath — R6.58.

The price for chuck increased by 3.2 percent and rump steak 2 percent. Chuck’s best price was R4.05, and rump steak R0.28, at Steve’s Spar.

Other items which dropped in price included eggs, margarine, jam, tea, coffee, and cereal.

Significant price decreases were fresh chicken — 6.3 percent, tea 2.6 percent, and margarine 2.2 percent. The cheapest price for fresh chicken was that of the Rainbow brand, selling at R1.89 a kilogram, the best tea
GOVTS urged to keep bread price down

(Amanda Motanyane)

Amid wide speculation of a 1c bread price rise next week consumer bodies and retailers have urged the Government to retain the bread subsidy or even increase it.

Increased bread and wheat prices are expected to be announced by the Minister of Agriculture, Mr Greyling Wentzel, on October 2.

Consumer bodies have expressed fears that if the increase in the price of bread came through and the R200 million subsidy reduced, malnutrition and hunger would increase.

"Consumers are literally living below the bread line," said Mrs Joy Hurwitz, president of the Housewives League.

"To place bread beyond the reach of consumers at the lower end of the wage scale is exceedingly shortsighted in a time of recession and unrest," she said.

Mr Clive Weil, Checkers' managing director, said the Government was handing out huge amounts to counter the food shortage. It was foolhardy to withdraw the bread subsidy and increase malnutrition.

He reiterated a call by Checkers to the Government in July to increase the bread subsidy.

**EXAMPLES**

In a report handed to the bread commission Checkers said there had been many examples where consumers had swiftly change consumption patterns in reaction to price changes.

The report said that in 1974, when the subsidy was split between white and brown bread and the price difference was only three cents, more loaves of white bread were consumed than brown ones.

White bread had 65 percent of the market while brown had only 35 percent.

But as the price gap widened brown bread consumption shot up while that of white bread plummeted.

In 1978 the subsidy had kept the price of brown bread at 16 cents while white bread rose from 20 cents to 25 cents.

In 1962/3 a R200 million subsidy was set for brown bread brown bread took 75 percent of the market and white bread only 25 percent.

Today brown bread at 43 cents holds 78 percent of the market and white bread, at 63 cents...
Union questions medical aid increases

by Jackie Unwin

General replacement, medical aid schemes, price fixing, flexible shopping hours, the testing of donated blood for Acquired Immune Deficiency Syndrome and the abolition of transport regulations were topics discussed by the South African National Consumer Union yesterday.

Resolutions included:
- A commendation of the Government's action in allowing generic replacements as a means of reducing the high costs of prescribed medicines.
- A request that the authorities investigate the desirability of the introduction of a form of "no claim bonus" as a means of containing medical aid increases.
- The union said it was aware of the burden upon younger members and single contributors and urged that immediate attention be given to keeping increases in contributions to the minimum.
- The union fully supported the Competition Board report which recommended a tight discipline being applied to undesirable practices in the economy such as price fixing and collusion.
- It urged the introduction of more flexible shopping hours in all provinces.
- Restaurants and eating houses would be asked to advertise their menus and prices outside their premises as was done overseas.
- The union was concerned at the incidence of AIDS and would urge the Government to make the testing of all donated blood compulsory although it would mean a minimal increase in the cost of blood transfusions.
<table>
<thead>
<tr>
<th>Item</th>
<th>Pick n Pay</th>
<th>Randpark</th>
<th>Checkers</th>
<th>Cresta</th>
<th>OK Bazaars</th>
<th>Cresta</th>
<th>Spar Blackmeh</th>
<th>Average Price</th>
<th>Average Price Surveyed on Sep 17, 1985</th>
<th>Percentage Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread: White</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>58c</td>
<td>62c</td>
<td>62c</td>
<td>62c</td>
<td>62c</td>
<td>62c</td>
<td>-</td>
</tr>
<tr>
<td>Milk: 1 l</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>77c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>-</td>
</tr>
<tr>
<td>Eggs: ½ dozen large</td>
<td>59c</td>
<td>67c</td>
<td>68c</td>
<td>68c</td>
<td>66c</td>
<td>67c</td>
<td>66c</td>
<td>67c</td>
<td>67c</td>
<td>-1.5</td>
</tr>
<tr>
<td>Maize meal: 2.5 kg Iwisa</td>
<td>R1,59</td>
<td>R1,62</td>
<td>R1,62</td>
<td>R1,59</td>
<td>R1,61</td>
<td>R1,61</td>
<td>R1,61</td>
<td>R1,61</td>
<td>R1,61</td>
<td>-</td>
</tr>
<tr>
<td>Margarine: 500g Sunshine D</td>
<td>R1,39</td>
<td>R1,39</td>
<td>R1,39</td>
<td>R1,39</td>
<td>R1,34</td>
<td>R1,37</td>
<td>R1,37</td>
<td>R1,37</td>
<td>R1,37</td>
<td>-2.2</td>
</tr>
<tr>
<td>Cheese: 1 kg Elite Gouda</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,89</td>
<td>R6,89</td>
<td>R6,89</td>
<td>R6,89</td>
<td>R6,89</td>
<td>+0.4</td>
</tr>
<tr>
<td>Jam: 900g Koa Smooth Apricot</td>
<td>R1,39</td>
<td>R1,59</td>
<td>R1,49</td>
<td>R1,39</td>
<td>R1,47</td>
<td>R1,48</td>
<td>R1,48</td>
<td>R1,48</td>
<td>R1,48</td>
<td>-0.7</td>
</tr>
<tr>
<td>Sugar: 2.5 kg Hulett</td>
<td>R1,99</td>
<td>2,07</td>
<td>2,03</td>
<td>2,03</td>
<td>R2,03</td>
<td>2,03</td>
<td>2,03</td>
<td>2,03</td>
<td>2,03</td>
<td>-</td>
</tr>
<tr>
<td>Tea: 100 tagless Tea bags/ Five Roses</td>
<td>R2,95</td>
<td>R3,09</td>
<td>R3,19</td>
<td>R2,79</td>
<td>R3,01</td>
<td>R3,09</td>
<td>R2,79</td>
<td>R3,01</td>
<td>R3,09</td>
<td>-2.6</td>
</tr>
<tr>
<td>Coffee: 750g Ricoffy</td>
<td>R4,45</td>
<td>R4,49</td>
<td>R4,29</td>
<td>R4,39</td>
<td>R4,41</td>
<td>R4,46</td>
<td>R4,46</td>
<td>R4,46</td>
<td>R4,46</td>
<td>-1.1</td>
</tr>
<tr>
<td>Cereal: 500g Kellogg's Cornflakes</td>
<td>R1,22</td>
<td>R1,25</td>
<td>R1,45</td>
<td>R1,21</td>
<td>R1,28</td>
<td>R1,29</td>
<td>R1,28</td>
<td>R1,28</td>
<td>R1,29</td>
<td>-0.8</td>
</tr>
<tr>
<td>Cooking oil: 750ml Oile</td>
<td>R1,99</td>
<td>R2,15</td>
<td>R2,29</td>
<td>R1,99</td>
<td>R2,11</td>
<td>R2,09</td>
<td>R2,09</td>
<td>R2,09</td>
<td>R2,09</td>
<td>+1.0</td>
</tr>
<tr>
<td>Rice: 1.4 kg Tastic</td>
<td>R1,69</td>
<td>R1,69</td>
<td>R1,75</td>
<td>R1,68</td>
<td>R1,70</td>
<td>R1,71</td>
<td>R1,71</td>
<td>R1,71</td>
<td>R1,71</td>
<td>-0.6</td>
</tr>
<tr>
<td>Salt: 1 kg bag Buffalo</td>
<td>46c</td>
<td>52c</td>
<td>53c</td>
<td>45c</td>
<td>49c</td>
<td>49c</td>
<td>49c</td>
<td>49c</td>
<td>49c</td>
<td>-</td>
</tr>
<tr>
<td>Meat: 1 kg Chuck</td>
<td>R4,28</td>
<td>R4,79</td>
<td>R4,69</td>
<td>R4,05</td>
<td>R4,45</td>
<td>R4,31</td>
<td>R4,31</td>
<td>R4,31</td>
<td>R4,31</td>
<td>+3.2</td>
</tr>
<tr>
<td>1 kg Rump steak</td>
<td>R8,38</td>
<td>R8,68</td>
<td>R8,78</td>
<td>R8,28</td>
<td>R8,53</td>
<td>R8,36</td>
<td>R8,36</td>
<td>R8,36</td>
<td>R8,36</td>
<td>+2.0</td>
</tr>
<tr>
<td>1 kg Lamb Braai/Chops</td>
<td>R4,99</td>
<td>R5,99</td>
<td>R7,99</td>
<td>R6,98</td>
<td>R6,49</td>
<td>R7,21</td>
<td>R7,21</td>
<td>R7,21</td>
<td>R7,21</td>
<td>-10</td>
</tr>
<tr>
<td>1 kg fresh Chicken</td>
<td>R2,29</td>
<td>R2,49</td>
<td>R1,89</td>
<td>R2,29</td>
<td>R2,24</td>
<td>R2,39</td>
<td>R2,39</td>
<td>R2,39</td>
<td>R2,39</td>
<td>-6.3</td>
</tr>
<tr>
<td>250g Eskort meatless back bacon</td>
<td>R1,79</td>
<td>R1,95</td>
<td>R1,99</td>
<td>R1,79</td>
<td>R1,88</td>
<td>R1,91</td>
<td>R1,91</td>
<td>R1,91</td>
<td>R1,91</td>
<td>-1.6</td>
</tr>
<tr>
<td>1 kg &amp; J Yankee Clippers</td>
<td>R1,49</td>
<td>R1,49</td>
<td>R1,65</td>
<td>R1,49</td>
<td>R1,53</td>
<td>R1,54</td>
<td>R1,54</td>
<td>R1,54</td>
<td>R1,54</td>
<td>-0.6</td>
</tr>
<tr>
<td>Vegetables: 1 kg Potatoes</td>
<td>69c</td>
<td>69c</td>
<td>69c</td>
<td>59c</td>
<td>67c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>+6.3</td>
</tr>
<tr>
<td>Candles: 450g Buffalo</td>
<td>92c</td>
<td>99c</td>
<td>95c</td>
<td>91c</td>
<td>94c</td>
<td>94c</td>
<td>94c</td>
<td>94c</td>
<td>94c</td>
<td>-</td>
</tr>
<tr>
<td>Washing powder: 1 kg Surf</td>
<td>R2,19</td>
<td>R2,29</td>
<td>R2,25</td>
<td>R2,57</td>
<td>R2,33</td>
<td>R2,23</td>
<td>R2,23</td>
<td>R2,23</td>
<td>R2,23</td>
<td>+4.5</td>
</tr>
</tbody>
</table>

*Farely Sept 24, 1985 Prices exclude GST
PRETORIA — A new wheat and bread price is expected to be announced this week.

The report of the Deven Commission of Inquiry into the bread subsidy system, which was handed to the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, earlier this month, and the expected new wheat price will play a major role in determining the new bread price.

The Wheat Board has presented its recommendations concerning a new wheat price to the Government for approval and Mr Wentzel has already indicated the new price will be retroactive from October 1. Indications are that both the wheat and the bread price will be increased. — Sapa
Bus fare rise shelved

Pietermaritzburg

THE City Council has decided to shelve its proposed bus fare increase until early next year in spite of the heavy burden the delay will place on the ratepayers of Pietermaritzburg.

The vice-chairman of the Transportation Committee, Mr. George de Beer, said the increases due to have come into effect at the end of September should be implemented on November 1.

He pointed out that commuters faced another fare increase in April 1996.

Councillor Lionel Bennet suggested that the department, which is expected to lose about R1 000 000 this year, should either work within its budget or put the bus service up for sale.

The deputy mayor, Mr. Mark Cornell, said steps had been taken to cut costs and these included reducing certain services and not buying new buses.
Prices will rise again — car makers

Pretoria Correspondent

Car prices may rise again this year in an attempt to stave off the R1 billion losses projected for the motor industry in 1985.

This was said yesterday by Nissan's managing director, Mr John Newbury.

And prices might rise as high as 20 percent by the end of next year, depending on what the foreign exchange situation was like, he added.

While Mr Newbury expected motor vehicle sales to stay at about the same level in 1986 — a figure of 200 000 new cars has been projected for this year — others disagreed.

Mr Nico Vermeulen, director of the National Association of Automobile Manufacturers (NAAMSA), said sales would "probably rise higher than is generally expected for the rest of 1985". Mr Vermeulen is also expecting sales to rise by 10 percent next year over the 1985 figures, which are 30 percent down on the overall vehicle sales figures of 1984.

NAAMSA is predicting losses of R450 million for the manufacturing industry and R442 million for the automotive components industry, slightly less than the losses projected for the industry as a whole by Nissan.

Mr Newbury said that a tragedy of the industry's slump was the 15 000 jobs which had been lost since the slump began 18 months ago.
Soweto prices ‘favourable’

By Masi Motanyane

Prices in two of Soweto’s largest supermarkets compare favourably with those of supermarkets in town, a Black Consumer Association (BCA) survey done last month has found.

The BCA did the survey after complaints from consumers that Blackchain was overcharging. The complaints came after the consumer boycott of white businesses in Johannesburg was launched limiting where residents could buy supplies.

A selection of 40 items was made at two Soweto supermarkets, Blackchain and Maponya’s Discount Stores and at Checkers Eastgate, OK Eastgate and Pick ‘n Pay, Kempton Park.

BCA’s director Mr Eldridge Mathebula said yesterday the Soweto prices were competitive.

ACCUSED

But smaller Soweto traders, who were also accused of taking advantage of the boycott and overcharging, had not been included in the survey. That would have been unfair because the larger supermarkets had bigger buying muscle and warehouse facilities and could not be compared to the small traders.

Mr Mathebula said it was a myth that Soweto supermarkets were more expensive than those in town.

Whereas some products were found to be more expensive in Soweto, others were found to be cheaper or the same price.

POWER

A Blackchain spokesman, Mr Mtholo Nkuna, said it was an uphill battle for his company to keep prices down as it did not have the same buying power and storage facilities as Checkers, Pick ‘n Pay, and OK.

"But we negotiate the best deals possible, and pass the benefits on to the consumer," he said.

The Greater Soweto Chamber of Commerce and Industries executive director, Mr M D Maloane, said small traders were faced with enormous problems and the chamber was extremely worried about their image.

As a result, the chamber would soon launch a campaign to change that negative image and encourage consumers to buy in Soweto.

Minimum standards and guidelines on pricing and customer services would be given to the chamber’s members.
City butchers will be unable to follow country butchers in offering a discount of 5 percent on 6 kg or more of fresh meat purchased in October. This is because the auction cost of beef at the controlled abattoirs has risen so high, while the plainland butchers work on an "entirely different ball game," said Mr. Estien Bielovich, chairman of the South African Federation of Meat Traders.

He said the country butchers bought their cattle live and slaughtered on their own account, whereas city butchers bought through controlled abattoirs.

The price of beef in controlled areas has risen by about 20 percent during the past four weeks due to a shortage of cattle being sent to the abattoirs, claim the butchers.

The country butchers announced their discount scheme at a recent Press conference, when they called for the resignation of the general manager of the Meat Board, Dr. Pieter Coetzee, following the launch of the discount scheme to sell frozen surplus beef in bulk direct to the consumer.

They claimed the scheme was in unfair competi-

tion with the trade and benefited only the more affluent consumer.

Mr. Willem Boshoff, of the Federation of South African Retail Meat Traders, representing about 5,000 plainland butchers, said, "We want to promote red meat. It is our livelihood. The fact that the Meat Board is selling direct to the public in direct competition to us is wrong."

Mr. Bielovich said, "With the price currently ruling in the controlled market, there is no way the consumer is going to be able to buy fresh meat cheaper when the market has risen more than 20 percent."

He blamed the frozen meat discount scheme for the fresh meat price rise but pointed out the Minister of Agricultural Economics and Water Affairs, Mr. Greyling Wentez, had said he would let the scheme run for three weeks before reviewing the situation.

The trial period ended yesterday.

"We are waiting in anticipation," said Mr. Bielovich.

The controlled meat areas are Cape Town, Port Elizabeth, East London, Bloemfontein, Kimberley, Durban (including Mantisburg and Pinetown) and the Witwatersrand, which includes Pretoria.
PORT ELIZABETH — The price of bread and maize is likely to go up today.

An announcement about price increases is expected later today in Pretoria from the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, after a cabinet meeting. — DDC.
Proposed rise in the price of bread 'a disgrace'

Argus Correspondent

PRETORIA — The Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, is expected to announce increases in the prices of wheat and bread today.

Bread will probably go up about 5c — raising the cost of a brown loaf to 50c and white bread to 70c.

The senior president of the United Democratic Front in the Western Cape, Mr Christmas Tinto, described the proposed rise as "more than a disgrace" and the PFP spokesman on Finance, Mr Harry Schwarz, said it was undesirable from a socio-economic and a political point of view.

It seems likely that the Cabinet will grant the Wheat Board something close on the 10 percent producer increase it has requested for the 1984/5 season.

The chairman of the board, Mr Dennis van Aarde, has pointed out that two years ago producers were granted no increase and last season they got only 8.7 percent.

"But the board has taken the economic situation into account and the fact that there is a surplus of wheat on overseas markets," he said.

Mr Tinto said the proposed price increase was a "disgrace" at a time of unemployment and social instability in South Africa.

Mr Schwarz said that in the present unstable situation which existed in South Africa, a bread price increase was undesirable from a socio-economic and a political point of view.

SAPA reports that the price of fertiliser has been increased by between six percent and eight percent with immediate effect — the second increase this year following a 17 percent rise in January.

Fertilisers go up by 6% to 8% immediately

FERTILISER prices have been increased for the second time this year. The rises, of 6%-8%, are immediate.

The decision could raise farmers' total fertiliser bill by as much as R60m a year, according to agricultural sources in Pretoria.

The National Maize Producers' Organisation estimates that maize farmers last summer spent up to R225m on fertilisers — or about 28% of total inputs.

The Department of Agriculture estimates that in the 1984-85 financial year the total spent on fertilisers increased to more than R600m.

Increases are not expected to vary significantly between the main producers — Trioem, Omna, Kynoch, Felnis and Sasa.

However, those varieties with a high imported content could rise far higher than 8%.

Kynoch MD J Skeen said that, although prices were raised 17% in January, heavy discounting kept the actual price low.

Throughout the year discounting, some of it heavy, had taken place in various regions, said Skeen.

Greater stability, however, reigned now because of the normal big demand for fertilisers for early summer planting. This tended to dampen down some of the discounting.

Skeen said the rand exchange rate had played havoc with profits. The latest increases would help shave off some of the losses caused by the depreciated rand, as well as modify the effect of the discounts.
Bread to cost more on Monday

Pretoria Bureau

The price of brown bread will rise on Monday by 5c a loaf to 50c, and a white loaf will cost 70c, Agriculture Minister Greyling Wentzel announced at a Press conference in Pretoria yesterday.

This is the second rise this year. The bread price was increased by 5c a loaf in June.

The wheat price has also been increased, by 6.7% or R26 to R326 a ton.

Wentzel said that besides the R360m subsidy, which had already run out, another R45m had to be found to limit the price rise to 5c a loaf.

The additional R45m would last until March next year, when prices would again be reviewed.

However, taking into account the massive unemployment in the country and increasing hunger, Finance Minister Barend du Plessis would probably find additional funds to bolster the price, he said.

He added that government had accepted the Davin Commission recommendation that the milling and baking industries contribute R4m to the R45m subsidy.

The Wheat Board, which last year contributed R44m from its wheat fund, would contribute another R14m.

This left a subsidy deficit which would come from the taxpayer.

The Davin Commission, Wentzel said, had also recommended the gradual abolition of the bread-subsidy system, a move still being considered by government. — Sapa.
Bread

to go
ung 5c

DISPATCH 09/10/85

Dispatch Bureau

JOHANNESBURG — The price of bread will be increased by 5c a loaf from Monday.

Brown bread goes up to 30c a loaf and white to 70c.

In addition, the government is considering recommending by the Dawn Commission that the bread subsidy system "gradually be abolished."

Speaking at a press conference in Pretoria yesterday, the Minister of Agricultural Economics, Mr Greyling Wentzel, said it would have "too much of a shock" to have dropped the subsidy immediately, particularly at a time when unemployment was rife and hunger a major factor in South Africa.

He added, however, that the bread subsidy was the highest in the world. Brown bread, he said, was subsidised by 12c a loaf, 20.5 per cent.

The R200 million the government had set aside to subsidise bread, he said, would be exhausted by the end of the month and an additional R45 million would have to be found to limit the increase in the price of bread during the rest of the financial year — up to March 1986.

The minister has also approved an 8.7 per cent increase in the price of wheat. This is to be raised by R25 a ton to R25 a ton for the best grade of wheat. The landed cost of imported wheat is 850 a ton.

Mr Wentzel said urgent attention was being given to a total food strategy and alternative methods of combating effectively with physical hunger.

He added: "One of the recommendations we are looking at is the possibility of subsidising the raw product rather than bread."

The Trades Union Council of South Africa, which represents more than 500,000 workers of all races, said yesterday it was "horribly by, and totally opposed to", the increase, which was "another example of the government's complete inability to understand the plight of workers."

The national president of the Housewives' League of South Africa, Mrs Joy Hurwitz, said: "This increase will have a negative effect on bread sales as the man in the street simply cannot afford it."

Three major supermarket chains have indicated they will continue selling bread at the old prices for as long as possible.

Mr John Barry, general manager of Pick 'n Pay, said: "We deplore this increase which should not have been allowed at this critical time."
Tucsa, stores angry at bread price increases

The 300 000-strong Trades Union Council of South Africa (Tucsa) and supermarket chains have expressed anger at yesterday’s bread price increase.

And major supermarkets pledged to keep the price of bread at present levels as long as possible.

Tucsa said it was “horrified by and totally opposed to” the increase in bread prices.

It said the increase was “yet another example of the Government’s complete inability to understand the plight of ordinary workers.”

Checkers’ managing director Mr Clive Weil said “we don’t believe there should be any bread price increase, particularly in the light of the Government’s decision to spend R500 million creating jobs.”

“There is no sense in planning to spend that amount of money and not subsidise the bread price.”

“You don’t promote subsidies for the sake of subsidies, but there is a real crisis here, with thousands of people literally starving,” Mr Weil said.

“Why didn’t the Government put up the price of white bread and keep brown at the old level?”

He said Checkers would hold its prices at 63c for white bread and 61c for brown “as long as possible.”

OK Bazaars’ director and general manager Mr Ralph Horwitz said his supermarkets would also hold bread prices “until further notice.”

He said in present economic circumstances with unemployment at a high level and disposable income being constantly eroded, it was “horrendous” that the price of bread was increased at all.

“Five cents’ increase was the figure bandied about and expected. We would have been horrified if the increase had gone above that, but we would much have preferred to see no increases at all,” Mr Horwitz said.

He said absorbing the bread increase would cost his company “something like R100 000 to R120 000 a month.”

Pick n Pay co-managing director Mr Raymond Ackerman, who served on the bread commission, said “we tried our best to keep the bread increase to nil or a maximum of 5c. There was talk of it going up much higher because of the wheat price and the millers and bakers’ margins.

“At least the millers, bakers and the board have put in some money from their reserve funds to help keep the increases at 5c and the subsidy has been increased.”

Mr Ackerman said his supermarkets would hold the bread price down for “possibly three months.”
Brown bread price up 284 percent in 10 years

- Staff Reporter

THE latest price increase means the price of brown bread has shot up a staggering 284 percent and the price of white bread 337 percent in 10 years.

In 1975 brown bread sold for 13c and white bread for 16c.

From Monday brown bread will cost 50c and white bread 70c a loaf. The 5c-a-loaf increase was announced by the Minister of Agricultural Economics, Mr Greyling Westeel, in Pretoria yesterday.

It is the second increase this year. The bread price rose 3c a loaf in June when the Government said the R200-million a year subsidy was running out.

"UNAVOIDABLE"

The price increase was unavoidable, the Consumer Council said in a statement in Pretoria yesterday.

Though the increase would "undoubtedly come as a severe blow to consumers" the amount budgeted by the Government to make a bread subsidy possible had been depleted, said Consumer Council director Mr Jan Crome.

"The country's baking and milling industry and especially the Wheat Board should be lauded for their financial support in assisting the State to uphold the subsidy until at least March next year."

He added that in the past some supermarkets sold bread to consumers at a lower price. This should serve as an example to all dealers and this would not only generate a lot of goodwill, but would also help to keep the price of bread down to a minimum.

Bakers of standard loaves were making an estimated profit of 10c a loaf, it has been claimed by the national grocery buyer for a large supermarket chain.

"Although they claim to make no profit on their bread operation, I believe the Government bread subsidy is partly profit to them," said Mr Peter Doyle of Pick'n Pay.

Pick'n Pay would be selling bread at the old price for "a minimum" of 30 days. This was 63c a loaf for white and 48c for brown.

He said bread production was controlled by a few large milling firms — who were also licensed to bake loaves. They were "very reluctant" to relinquish control.
Consumer will have to reach deeper into purse

By Kavvana Jaga

Consumers now face two cranking price increases of basic foods—bread and margarine. Brown and white bread have increased by 5c—and with brown now costing 50c and white 70c. The margarine increase is around 12 percent. Consumers can also expect another increase in margarine at the end of this month if the 10 percent surcharge on oil is not exempted.

This week’s Star shopping basket survey found these prices had not come into effect, as they were announced only this week.

“The 30 percent increase in bread over the last five months is disgraceful,” said Mr. Richard Cohen of Pick ‘n Pay.

The latest increase was the third in recent months as the new loaf had dropped in weight from 900g to 800g, he said.

The new bread price will not take effect in hypermarkets and supermarkets for at least a month, and that of margarine only after a month or possibly longer, Mr. Cohen said.

Shoppers should look for the lowest price and not buy by brand name.

This week’s survey found that rump steak had shot up in price to R9,15 a kilo.

The survey found that the prices of chuck, bacon, fish and potatoes had increased by 1.3 percent, 9.6 percent, 8.5 percent and 3 percent respectively. Margarine, jam, cereals, lambs braai chops, fresh chicken and detergent had decreased in price.

Other items in the survey remained the same. All items exclude GST.

<table>
<thead>
<tr>
<th>Item</th>
<th>PICK N PAY</th>
<th>CRESCIA</th>
<th>OK BAZAAR</th>
<th>STEVES</th>
<th>SPAR</th>
<th>BLACKHEATH</th>
<th>AVERAGE</th>
<th>AVERAGE SURVEYED ON</th>
<th>PERCENTAGE DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD: White</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>58c</td>
<td>62c</td>
<td>62c</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brown</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>38c</td>
<td>42c</td>
<td>42c</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MILK: 1 l</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>77c</td>
<td>79c</td>
<td>79c</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EGG: ½ doz large</td>
<td>59c</td>
<td>67c</td>
<td>68c</td>
<td>68c</td>
<td>66c</td>
<td>66c</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAIZE MEAL: 2.5 kg</td>
<td>R1,59</td>
<td>R1,62</td>
<td>R1,62</td>
<td>R1,59</td>
<td>R1,61</td>
<td>R1,61</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MARGARINE: 500 g</td>
<td>R1,28</td>
<td>R1,29</td>
<td>R1,28</td>
<td>R1,39</td>
<td>R1,31</td>
<td>R1,34</td>
<td>-2.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHEESE: Elite Gouda</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JAM: 900 g Koo Smooth Apricot</td>
<td>R1,39</td>
<td>R1,59</td>
<td>R1,45</td>
<td>R1,39</td>
<td>R1,46</td>
<td>R1,47</td>
<td>-0.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUGAR: 2.5 kg Huletts</td>
<td>R1,99</td>
<td></td>
<td></td>
<td>R2,07</td>
<td></td>
<td>R2,03</td>
<td></td>
<td>R2,03</td>
<td></td>
</tr>
<tr>
<td>TEA: 100 tagless Teabags Five Roses</td>
<td>R2,95</td>
<td>R3,09</td>
<td>R3,19</td>
<td>R2,79</td>
<td>R3,01</td>
<td>R3,01</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COFFEE: 750 g Ricoffy</td>
<td>R4,48</td>
<td>R4,49</td>
<td>R4,29</td>
<td>R4,39</td>
<td>R4,41</td>
<td>R4,41</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEREAL: 500 g Kellogg’s Cornflakes</td>
<td>R1,22</td>
<td>R1,39</td>
<td>R1,45</td>
<td>R1,35</td>
<td>R1,35</td>
<td>R1,28</td>
<td>+5,5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COOKING OIL: 750 ml Olí</td>
<td>R1,99</td>
<td>R2,15</td>
<td>R2,29</td>
<td>R1,99</td>
<td>R2,11</td>
<td>R2,11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RICE: 1 kg Tastic</td>
<td>R1,65</td>
<td>R1,69</td>
<td>R1,75</td>
<td>R1,69</td>
<td>R1,70</td>
<td>R1,70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SALT: 1 kg bag Buffalo</td>
<td>46c</td>
<td>52c</td>
<td>53c</td>
<td>45c</td>
<td>49c</td>
<td>49c</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEAT: 1 kg Chuck</td>
<td>R4,28</td>
<td>R4,85</td>
<td>R4,85</td>
<td>R4,05</td>
<td>R4,51</td>
<td>R4,45</td>
<td>+1,3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg Rump Steak</td>
<td>R8,58</td>
<td>R9,15</td>
<td>R9,15</td>
<td>R8,28</td>
<td>R8,79</td>
<td>R8,53</td>
<td>+3,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg Lamb Braai Chops</td>
<td>R4,99</td>
<td>R6,49</td>
<td>R6,98</td>
<td>R6,98</td>
<td>R6,36</td>
<td>R6,49</td>
<td>-2,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg fresh Chicken</td>
<td>R2,45</td>
<td>R1,79</td>
<td>R2,39</td>
<td>R2,29</td>
<td>R2,23</td>
<td>R2,24</td>
<td>-0,4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>250 g Eskort Rindless back bacon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg &amp; J Yankee Clippers</td>
<td>R1,79</td>
<td>R1,95</td>
<td>R1,99</td>
<td>R2,49</td>
<td>R2,06</td>
<td>R1,88</td>
<td>+9,6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VEGETABLES: 1 kg Potatoes</td>
<td>69c</td>
<td>69c</td>
<td>69c</td>
<td>69c</td>
<td>69c</td>
<td>67c</td>
<td>+3,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg &amp; J Frozen Sliced Beans</td>
<td>R3,09</td>
<td>R3,15</td>
<td>R3,29</td>
<td>R3,15</td>
<td>R3,17</td>
<td>R3,17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CANDLES: 450 g Buffalo</td>
<td>92c</td>
<td>99c</td>
<td>95c</td>
<td>91c</td>
<td>94c</td>
<td>94c</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WASHING POWDER: 1 kg Surf</td>
<td>R2,19</td>
<td>R2,29</td>
<td>R1,95</td>
<td>R2,18</td>
<td>R2,15</td>
<td>R2,33</td>
<td>-7,7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SURVEY: OCTOBER 1 1985

PRICES EXCLUDE, GST
Massive rise in Putco busfares

by Zenaide Mendelo, Transport Reporter

Putco bus fares will increase by an average of 17.5 percent on November 1.

Putco said the 14.1 percent increase in fares approved by the National Transport Commission last month had been further adjusted to take into account the increase of 4.7 c a litre in the price of fuel which was announced after the application for a revenue increase.

The combined impact would be an effective increase in passenger fares of 17.5 percent which would be implemented on November 1, subject to final approval from the National Transport Commission.

"We are aware of the present economic and other problems facing the country and have done everything possible to minimise the impact of rising costs on our passengers. However, our financial position allows no alternative to a fare increase," Putco said.

Notices to passengers setting out the new fares will be distributed on October 25.

A spokesman for the Soweto Civic Association, Mr. Vusi Khanye, said the fare increase was "another indication of the insensitivity that has become synonymous with Putco".

The 17.5 percent increase, the second in the past year, was greater than the rate of inflation and could not be justified, he said.

"Even at this late stage, we implore Putco to refrain from this ill-advised move which will badly affect the community — already hard hit by unemployment, the general financial squeeze and social insecurity."
Price rises have Durban whisky drinkers reeling

Mercury Reporter

CONSUMERS are either drinking less or turning to cheaper brand names as the prices of imported liquors rocketed, mainly because of the poor exchange rate, according to a snap survey conducted among Durban bottlestores yesterday.

Bottlestore manager Clive Vorster said: "Since the decline in the value of the rand, prices have increased quite dramatically and as far as the imported liquor range is concerned, our sales have dropped noticeably."

Drambuie, a liqueur which cost about R11 a bottle about four months ago, was now selling for R16. A bottle of Courcheval which cost R13 before the decline in the rand was now R20.

"Over the past two to three months whisky has gone up three or four times," said Mr Vorster. "Where R10.50 was being paid per case for proprietary brands of whisky, it now costs R12.50 and I have heard noises that it might soon go up again to R15.60 a case," he said.

"Another bottlestore manager said: "A few months ago the average price of a bottle of whisky was R8 and now they are selling for about R12."

"Had this had any effect on customers? Where people used to buy two or three bottles of whisky, they now buy only one and maybe take a bottle of local brandy," said Mr Vorster.

"Most customers are now turning to the cheaper stuff," said a Durban North bottlestore manager.

"Whisky drinkers have turned to the lower-priced brands and may in some cases substitute with locally made drinks," said Mr Ronald Edwards of Albany Off Sales.

"Most imported liqueurs have gone up by about R2 a bottle in the past few months, while the price of whisky has gone up quite drastically in the past month," he said.
sunrise news
Consumer groups slam latest increase

Higher bread price ‘will hit the poor most’

by Jackie Uwini and Maud Motanyane

Consumer organisations have condemned the 5c bread price rise, claiming it will hit the poor and worsen the hunger problem.

“It is clear in our minds that the Government is insensitive to the needs of the poor,” said a spokesman for the Black Consumer Union, Mr El dridge Mathabula.

“With the high inflation rate, unemployment and soaring costs on basic items the Government had the gall to raise the price of bread, which is a staple food for the underprivileged.”

“Surely it could have found money somewhere to raise the subsidy on brown bread?”

“Black consumers depend on bread for its nutrition and convenience. With the new bread price it would cost at least R3.30 a month for a family to buy their daily loaf and pint of milk — and that is a big chunk!”

The BCU has advised consumers to bake their own bread.

The Housewives’ League described the increase as “cost wise and rand foolish” in this time of severe austerity coupled with rising inflation and high unemployment.

The league maintained this view but at the same time understood that wheat farmers, millers and bakers had to maintain profit margins.

FEW BENEFIT

“The continual, selective annual administered price increases fuel consumers’ cost of living and benefit only the few,” said Mrs Joy Hurwitz, president of the league.

“This increase will have a negative effect on bread sales as the man in the street simply cannot afford it. This is clearly illustrated by the switch from white to brown bread because of price.”

She said the R45 million provided by the Government, millers and bakers and the Wheat Board would offset the likelihood of another bread increase before the Budget in March 1985.

But the league believed additional money should have been provided by the Government to prevent the increase.

Consumers would have to tighten their belts further in order to foot the bill once again.

“Surely the money could have been channelled from tax revenues, which have increased substantially?” she asked.

“Consideration must be given to the poor and needy suffering under the burden placed upon them by the high costs of essentials.”

“We consider that any future increases in the price of bread must be done in consultation with all consumer bodies before implementation.”

The Consumer Council described the bread price increase as “a severe blow to consumers.”

But it said it was aware that the increase was “unavoidable.”

“The council is also aware that the amount budgeted by the Government to make a bread subsidy possible has been depleted,” said Mr Jan Cronje, council director.

“The country’s baking and milling industry and especially the Wheat Board should be lauded for their financial support in assisting the State to uphold the subsidy until at least March next year.”

IMPORTS LIKELY

“Consumers must note that if good rains are not experienced this year, wheat will probably have to be imported,” Mr Cronje said.

He added that in the past some supermarkets sold bread to consumers at a lower price. This should serve as an example to all dealers.”
Bread price and the poor

IT is cold comfort to poor people faced with the second bread price increase in five months to be told they have the cheapest bread in the world. The fact is they will be paying more, and as a result many of them will eat less.

The real reason for the increase is the Government's failure to contain inflation. With farmers' costs rising all the time, bread price increases are inevitable, despite substantial subsidies.

The Minister of Agricultural Economics, Mr Wentzel, has a point when he says subsidies are not really the answer, because they cannot be applied selectively. He mentions the possibility of greater welfare benefits as an alternative. We hope concrete steps are already being taken in this regard, especially as subsidies seem certain to be phased out altogether in terms of the Davin Commission's recommendations.
R25 two years ago — now it's R30

Textbooks up

LINDA PIETERSEN
Weekend Argus Reporter
CONTINUALLY rising text-
book prices are dealing stu-
dents a further blow in the
spiral of tertiary educa-
tional costs.

Not only is the critical for-

gn exchange rate affecting
the cost of books, but the 10
percent surcharge recently
imposed by the Government on
imported material is adding a
hefty increase on already ex-

densive textbooks.

Booksellers report that many
textbooks have more than dou-
bled in price over the past two
years and a book which cost
R25 two years ago sells for
more than R80 today.

Many students are combat-
ting the price hikes by illegally
photocopying prescribed books
or lending textbooks to one an-
other.

Some lecturers trying to
save the students money, are
supplying notes to their classes
and only prescriving the essen-
tial material.

Locally published books have
not increased as much, but in
the academic field 50 to 60 per-
cent of prescribed books are
imported, said a Cape Town
bookshop owner.

Educational bookellers re-
port having to write off more
accounts than last year and
others say payments are much
lower and slower.

A Cape Town bookshop, al-
ready noticing a drop in sales,
said old stock is being bough-
t up but a definite price resis-
tance toward new books is ev-
edent.

Subjects most affected by

gull prices are medicine sta-
tistics, mathematics and mar-

tet

Many students complain that
the course change from year
to year and the resale value or
prescribed textbooks is almost
non-existent.

"Short loan"

A third year statistics stu-
dent, Mr Peter Button, said he
bought an expensive textbook
at the beginning of the year
only to find that the lecturer
left the course and the book
was no longer necessary.

A former Unisa student, Mr
Warren Brown of Newlands,
said a maths textbook which
cost R40 two years ago now
retailed at R94.

- Often only a few chapters
are relevant from the pre-
scribed textbooks and students
queue up to photocopy them at
the university.

- Students from UCT admit
that most books can be found
in the library, but are usually
on "short loan" for two hours
which gives just enough time
to photocopy the necessary ma-
terial.

If the rand-dollar exchange
rate does not improve, book-
sellers expect the situation to
deteriorate even further.
BROWN bread will cost 50c from Monday – a 250% increase over the price just six years ago, and 7.7% increase since the last increase in July.

This means you, the consumer, can buy a quarter-loaf for the price you paid for a full loaf in 1979.

White bread will go up to 70% – an 11% increase on the July price.

This was decided by the National Party Cabinet of President PW Botha yesterday afternoon.

The increases were announced by Agriculture and Economics Minister Greyling Wentzel late yesterday.

The Government recently announced it was committed to dropping the bread subsidy.

In 1979, a loaf of brown bread cost 16c. Today you will get a few shags for that much – and pay more than three times the price for a

whole loaf

Six years ago, a loaf of white bread cost 20c. One could buy three and a half loaves then for what a loaf costs today.

The bread price last went up at the end of May – by 5c. The price of a brown loaf was 45c, and a white loaf 65c.

Nutritionists have expressed concern at the increase, because bread is the staple food for nine out of ten black households.

Bread consumption has, however, dropped slightly in several of the areas affected by unrest – especially the Eastern Cape.

* The bread price rise is just one of a string of recent increases, covering everything from tyres to T-bone steaks – Saps.
PUTCO bus company has announced that its fares will increase by an average of 17.5 percent on November 1.

A spokesperson said the 14.1 percent increase in fares approved by the National Transport Commission last month, had been further adjusted to take into account the increase of 4.7 cents in the price of fuel which was announced after the application for fare increases.

The combined impact would be an effective increase in passenger fares of 17.5 percent which would be implemented on November 1.

Meanwhile the Black Consumer Association (BCA) has condemned the new bread-price hike, which comes into effect today.

A loaf of brown bread will now cost 50 cents and a white loaf 70 cents — an increase of five cents on the prices of both.

The BCA, whose representatives served on the commission of inquiry looking into the subsidisation of bread, said the increase "was unacceptable" to the bulk consumers of brown bread.

"Just when the black population is beset with problems like the high rate of unemployment now comes the increase on the price of bread," said a BCA spokesman.

"This is unacceptable."
SATS to raise train, bus fares by 10 to 15 p.c

Mercury Correspondent

Johannesburg—South African Transport Services' rail and road passenger fares would go up by between 10 percent and 15 percent next month, Transport Affairs Minister Hendrik Schoeman announced yesterday.

He blamed the increases on reduced traffic, electricity and fuel price increases and the rand-dollar exchange rate.

From November 17, all rail tariffs will go up by 10 percent, while bus fares will rise by between 10 percent and 15 percent.

February this year saw a rail passenger fare increase of between 20 percent and 30 percent, with bus fares up by 12.5 percent.

Mr Schoeman said fuel costs represented 43 percent of total road transport running costs.

"The recent increases in fuel prices, as well as the increase in prices of tyres and the influence of the weak rand-dollar exchange rate, makes the increase on fares unavoidable," he said.

SATS was heading for an estimated loss of R480 million for the present book-year.

Reacting to the announcement, the Federated Chamber of Industries' director of information services, Mr Jan de Jager, said the chamber was averse to any type of increase which would aggravate the 'already high inflation rate'.

PPP spokesman Peter Soal said the tariff hike would add to the 'awful burden of blacks'.

Withdrawn

"The Government could easily save money by integrating white and non-white coaches and then they wouldn't have to run so many empty ones."

A Mercury Reporter states that about 59 trains between Durban and the South Coast, are to be withdrawn as part of the rationalisation of suburban services by the SATS.

A spokesman for the Natal region of the SATS said the cuts — which came into effect from November 4 — were made due to the heavy losses being suffered by SATS.

It has been decided to withdraw certain of the suburban trains, mainly over weekends, and late-night trains which are very poorly patronised," he said, adding that all of the 59 trains to be cut, 22 were operating on the old line between Durban, Pinetown and Cato Ridge.

Following representations from commuters, a fast passenger train service would be introduced between Pinetown and Durban on week days.

He said minor adjustments would be made to the times of some of the remaining trains.
**Rail fares up 10%**

Staff Reporter

SHOCK rail and bus fare increases — the second in eight months — are the result of the South African Transport Services 'protectionist monopoly,' says Progressive Federal Party transport spokesman Mr. John Malcomess.

Mr. Malcomess announced that suburban and mainline rail fares would increase by 10 percent on November 17. Bus fare increases would range from 10 to 15 percent.

"Mr. Malcomess said today that while the private sector had to cut prices in the recession, Sats did just the opposite "because they are a monopoly protected by law from private competition."

"The private sector has had to bite the bullet and fire staff but Sats just puts up prices. This means that food and other prices will go up and other people will have to fire even more staff. It's crazy," he said.

Mr. Malcomess rejected Sats' explanation that fare increases were inevitable because "the Government was no longer compensating for unprofitable socio-economic services" as a Sats spokesman put it.

"If they can't render uneconomic services why don't they let the private sector compete with them?" Mr. Malcomess asked.

The Minister of Transport, Mr. Hendrik Schoeneman, blamed the increase on reduced traffic, electricity and fuel price increases and the rand/dollar exchange rate.

He expected Sats' operating bill to rise from R280-million to R1,250-million in 1985/1986.

In February rail fares went up by between 20 and 30 percent and bus fares by 12.5 percent.

In the new increases bus fares will go up 10 percent for journeys on Monday to Thursday, 12.5 percent from Friday to Sunday on ordinary weekends and 15 percent on long weekends.

Some examples of suburban line increases are:

<table>
<thead>
<tr>
<th>Mitchell's Plan-Cape Town or Farn Hoeck-Cape Town</th>
<th>Old Price</th>
<th>New Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single 1st class</td>
<td>1,70</td>
<td>1,80</td>
</tr>
<tr>
<td>3rd class</td>
<td>.70</td>
<td>.60</td>
</tr>
<tr>
<td>Weekly 1st class</td>
<td>12.50</td>
<td>14.50</td>
</tr>
<tr>
<td>3rd class</td>
<td>3,40</td>
<td>3,00</td>
</tr>
<tr>
<td>Monthly 1st class</td>
<td>40.50</td>
<td>51.00</td>
</tr>
<tr>
<td>3rd class</td>
<td>12.50</td>
<td>15.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retreat-Salt River:</th>
<th>Old Price</th>
<th>New Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single 1st class</td>
<td>1,80</td>
<td>1,10</td>
</tr>
<tr>
<td>3rd class</td>
<td>.80</td>
<td>.50</td>
</tr>
<tr>
<td>Weekly 1st class</td>
<td>7.50</td>
<td>8.20</td>
</tr>
<tr>
<td>3rd class</td>
<td>5.40</td>
<td>2.20</td>
</tr>
<tr>
<td>Monthly 1st class</td>
<td>27.50</td>
<td>30.50</td>
</tr>
<tr>
<td>3rd class</td>
<td>9.70</td>
<td>10.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bellville-Cape Town:</th>
<th>Old Price</th>
<th>New Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single 1st class</td>
<td>1,10</td>
<td>1,30</td>
</tr>
<tr>
<td>3rd class</td>
<td>.50</td>
<td>.60</td>
</tr>
<tr>
<td>Weekly 1st class</td>
<td>8.80</td>
<td>9.70</td>
</tr>
<tr>
<td>3rd class</td>
<td>2.00</td>
<td>3.10</td>
</tr>
<tr>
<td>Monthly 1st class</td>
<td>33.50</td>
<td>36.80</td>
</tr>
<tr>
<td>3rd class</td>
<td>11.00</td>
<td>12.80</td>
</tr>
</tbody>
</table>
Fertiliser price war may end with latest rises

THE latest round of fertiliser price increases is expected to bring to an end — temporarily, at least — the damaging price war.

Four of the five fertiliser manufacturers — Fedma, Kynoch, Triomf and Omnia — are to increase their prices by an average 4%-6%. Sasol, still evaluating the state of the market, looks like following.

The price rises are a result of the industry's inability to absorb further increases in raw material costs, say manufacturers. The cost of imported items such as potash, ammonia and sulphur have spiralled because of the weak rand and manufacturers are unable to absorb further increases.

The industry's weakened condition follows intensive price-cutting earlier this year which forced manufacturers to sacrifice profit margins in order to hold onto their share of the shrinking market.

Kynoch MD John Skeen says he doesn't know whether the increase will pull the industry from the doldrums "but we are hoping it will prevent bankruptcies."

"With increased seasonal demand for fertiliser, there is no necessity for manufacturers to carry on cutting each others' throats," says Skeen.
JOHANNESBURG. Dr Edith Sipamla, of the National Transport Services' Road Research Laboratory, announced on Tuesday 14, 1976, that passenger fares on the S.A.T.R. train and bus network would increase by an average of 15 percent. This is in keeping with the general rise in the cost of living. "The increased costs of electricity, fuel, and salaries have forced us to raise the fares," Dr Sipamla said.

The increase will come into effect from November 17. The new rates will be:

- Train fares:
  - Short distances: 15 percent increase
  - Long distances: 20 percent increase

- Bus fares:
  - Short distances: 10 percent increase
  - Long distances: 15 percent increase

The increases will apply to all classes of travel, including first and second class. Passengers are advised to plan their journeys accordingly to avoid inconvenience.

Dr Sipamla also announced that the S.A.T.R. will be introducing new services to meet the increased demand for public transport. These services will be particularly aimed at reducing congestion on existing routes.

In conclusion, Dr Sipamla emphasized the necessity of the fare increases and asserted that they were essential to maintain the quality of service provided by the S.A.T.R. system.
The Patco bus company announced to increase the fares by 17.5 percent from November 1. It was announced yesterday that the increase in the price of diesel fuel this year could not be absorbed by the company, and had to be passed on to the consumer. Notices setting out Patco's new cost structure will be sent to passengers on October 25.
Big transport hikes looming as railmen seek 15% rise

THE ECONOMY will be hit by more big increases in SA Transport Services (Sats) tariffs from the start of the new financial year, authorities in Pretoria said yesterday.

At the same time Federal Council of Sats Trade Unions chairman Jimmy Zurich warned that railways workers will demand a pay increase of 15% when they meet Transport Minister Hendrik Schoeman in January.

Assocom yesterday criticised the timing of the latest passenger fare increases.

Schoeman announced on Monday that rail tariffs would rise by 10% from November 17 and bus fares by between 10% and 15%.

Assocom president Michael Weir said passenger services had presented an increasing problem for Sats. However, this could have been alleviated by regular, small fare adjustments.

Weir said Assocom hoped Wim de Villiers, in his investigation, would address Sats’ role in passenger transport and its future direction.

Sats could not continue indefinitely to recoup its huge passenger losses from other services at the expense of other Sats users.

Zurich said the country would have to brace itself for across-the-board tariff increases from the start of the new financial year.

He said the interim tariff rise was a drop in the ocean and would not relieve the financial plight of the railways.

“Our problem is the lack of high-rated goods traffic. This is a major reason why Schoeman has forecast a loss of about R400m for the current financial year.”

Zurich cited the dramatic drop in air traffic as another problem facing Sats and said tariffs would have to be raised because Schoeman could not escape granting increases to railways workers.

“Even a 10% increase will cost him between R250m and R300m,” he said.

Zurich said the federal council would meet Schoeman in January and “we hope to get an assurance of an increase of around 15%. If we don’t, there are going to be an awful lot of angry and dissatisfied Sats workers”.

Economists agreed that comprehensive Sats tariff increases seemed inevitable from the start of the 1986-87 financial year.
Sats fares strategy

THE South African Transport Services' new fare structure was geared towards discouraging the high passenger traffic in the long-distance bus service during the festive season and other holiday periods.

This was disclosed yesterday by Sat's public relations officer, Mr. Jan van Zyl, who added that long-distance bus fares would be cheaper in weekdays. Tram and long-distance bus fares are going up by 10 to 15 percent from November 17.

The new fare structure means that passengers will pay as high as 15 percent more when travelling in long-distance buses during peak periods.
Fertilizer Mixture Costs Could Rise 30%
**Putco bus fares**

A recent letter to the Natal Public Utilities Management Council stated that the Putco bus company was to increase fares by 15% percent from November 1.

This increase applies to the Transvaal services of the company only and not to Natal. According to a Putco spokesman the increases for Natal are still being negotiated with the Department of Transport and a decision is expected soon.

<table>
<thead>
<tr>
<th>Fares Increase</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date</td>
<td>November 1</td>
</tr>
</tbody>
</table>
# Weekly Shopping Basket

<table>
<thead>
<tr>
<th>Item</th>
<th>PICK-ALY RANDBANK</th>
<th>CHECKERS</th>
<th>OK BAZAAR</th>
<th>SPAR</th>
<th>STEVE'S PANTRY</th>
<th>BLACKHEATH</th>
<th>AVERAGE PRICE (OCT 1 1985)</th>
<th>AVERAGE PRICE SURVEYED ON OCT 1 1985</th>
<th>PERCENTAGE DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BREAD:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>62c</td>
<td>+1.6%</td>
<td></td>
</tr>
<tr>
<td>Brown</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>42c</td>
<td>+2.4%</td>
<td></td>
</tr>
<tr>
<td><strong>MILK:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 L</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>0%</td>
</tr>
<tr>
<td><strong>EGGS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/2 dozen large</td>
<td>59c</td>
<td>67c</td>
<td>68c</td>
<td>68c</td>
<td>66c</td>
<td>66c</td>
<td>66c</td>
<td>66c</td>
<td>0%</td>
</tr>
<tr>
<td><strong>MAIZE MEAL:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 kg kwa iswa</td>
<td>R1,59</td>
<td>—</td>
<td>R1,62</td>
<td>R1,59</td>
<td>R1,60</td>
<td>R1,61</td>
<td>R1,61</td>
<td>-0.6%</td>
<td></td>
</tr>
<tr>
<td><strong>MARGARINE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>500 g Sunshine D</td>
<td>R1,28</td>
<td>R1,29</td>
<td>R1,29</td>
<td>R1,39</td>
<td>R1,31</td>
<td>R1,31</td>
<td>R1,31</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>CHEESE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg Elite Gouda</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>JAM:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>900 g Koo Smooth Apricot</td>
<td>R1,39</td>
<td>R1,59</td>
<td>R1,45</td>
<td>R1,49</td>
<td>R1,48</td>
<td>R1,46</td>
<td>R1,46</td>
<td>+1.4%</td>
<td></td>
</tr>
<tr>
<td><strong>SUGAR:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 kg Hulett's</td>
<td>R1,99</td>
<td>—</td>
<td>R2,09</td>
<td>—</td>
<td>R2,04</td>
<td>R2,03</td>
<td>R2,03</td>
<td>-0.5%</td>
<td></td>
</tr>
<tr>
<td><strong>TEA:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 tagless Teabags Five Roses</td>
<td>R2,95</td>
<td>R2,99</td>
<td>R3,19</td>
<td>R2,79</td>
<td>R2,98</td>
<td>R3,01</td>
<td>R3,01</td>
<td>-1.1%</td>
<td></td>
</tr>
<tr>
<td><strong>COFFEE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>750 g Ricoffy</td>
<td>R4,48</td>
<td>R4,49</td>
<td>R4,29</td>
<td>R4,69</td>
<td>R4,49</td>
<td>R4,41</td>
<td>R4,41</td>
<td>+1.8%</td>
<td></td>
</tr>
<tr>
<td><strong>CEREAL:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>500 g Kellogg's Cornflakes</td>
<td>R1,22</td>
<td>R1,39</td>
<td>R1,45</td>
<td>R1,35</td>
<td>R1,35</td>
<td>R1,35</td>
<td>R1,35</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>COOKING OIL:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>750 ml Olie</td>
<td>R2,09</td>
<td>R2,15</td>
<td>R2,29</td>
<td>R1,99</td>
<td>R2,13</td>
<td>R2,11</td>
<td>R2,11</td>
<td>+0.9%</td>
<td></td>
</tr>
<tr>
<td><strong>RICE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg Tastic</td>
<td>R1,65</td>
<td>R1,69</td>
<td>R1,75</td>
<td>R1,79</td>
<td>R1,72</td>
<td>R1,70</td>
<td>R1,70</td>
<td>+1.2%</td>
<td></td>
</tr>
<tr>
<td><strong>SALT:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg bag Buffalo</td>
<td>43c</td>
<td>52c</td>
<td>56c</td>
<td>45c</td>
<td>49c</td>
<td>49c</td>
<td>49c</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>MEAT:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg Chuck</td>
<td>R4,28</td>
<td>R4,29</td>
<td>R4,85</td>
<td>R4,18</td>
<td>R4,39</td>
<td>R4,51</td>
<td>R4,51</td>
<td>-2.7%</td>
<td></td>
</tr>
<tr>
<td>1 kg Rump Steak</td>
<td>R8,58</td>
<td>R8,38</td>
<td>R9,15</td>
<td>R8,28</td>
<td>R8,60</td>
<td>R8,79</td>
<td>R8,79</td>
<td>-2.2%</td>
<td></td>
</tr>
<tr>
<td>1 kg Lamb Braai Chops</td>
<td>R4,99</td>
<td>R6,99</td>
<td>R7,99</td>
<td>R6,74</td>
<td>R6,36</td>
<td>+6.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg fresh Chicken</td>
<td>R2,29</td>
<td>R2,39</td>
<td>R2,39</td>
<td>R2,29</td>
<td>R2,34</td>
<td>R2,23</td>
<td>R2,23</td>
<td>+4.9%</td>
<td></td>
</tr>
<tr>
<td>250 g Eskort Rindless back bacon</td>
<td>R1,79</td>
<td>R1,95</td>
<td>R1,99</td>
<td>R2,49</td>
<td>R2,06</td>
<td>R2,06</td>
<td>R2,06</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>1 kg I&amp;J Yankee Clipper</td>
<td>R1,49</td>
<td>R1,69</td>
<td>R1,73</td>
<td>R1,49</td>
<td>R1,61</td>
<td>R1,66</td>
<td>R1,66</td>
<td>-3.0%</td>
<td></td>
</tr>
<tr>
<td><strong>VEGETABLES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg Potatoes</td>
<td>49c</td>
<td>69c</td>
<td>69c</td>
<td>69c</td>
<td>69c</td>
<td>69c</td>
<td>69c</td>
<td>-7.2%</td>
<td></td>
</tr>
<tr>
<td>1 kg I&amp;J Frozen Sliced Beans</td>
<td>R3,09</td>
<td>R3,25</td>
<td>R3,29</td>
<td>R3,15</td>
<td>R3,20</td>
<td>R3,17</td>
<td>R3,17</td>
<td>+0.9%</td>
<td></td>
</tr>
<tr>
<td><strong>CANDLES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>450 g Buffalo</td>
<td>89c</td>
<td>99c</td>
<td>R1,03</td>
<td>91c</td>
<td>96c</td>
<td>94c</td>
<td>94c</td>
<td>+2.1%</td>
<td></td>
</tr>
<tr>
<td><strong>WASHING POWDER:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 kg Surf</td>
<td>R2,19</td>
<td>R2,29</td>
<td>R1,95</td>
<td>R2,39</td>
<td>R2,21</td>
<td>R2,15</td>
<td>R2,15</td>
<td>-2.8%</td>
<td></td>
</tr>
</tbody>
</table>

Survey: October 8, 1985
Prices exclude GST
Basic foodstuffs all show price increases

— shopping survey

by Kashvina Jaga

The Star weekly shopping basket survey noted several increases in basic foodstuffs after last week’s bread and margarine price jumps.

The survey was carried out at four northwestern stores in Johannesburg. All prices exclude the 12 percent GST payable on some items.

Rice, jam, sugar, coffee, cooking oil and frozen sliced beans increased by 1.2; 1.4; 0.5; 1.6; 0.9 and 0.9 percent respectively.

Some of the increases have come into effect because certain stores have taken these items off the bargain price offers. The highest price for coffee and rice last week was R4.49 and R1.75, but this week it was R4.69 and R1.70 respectively.

The price of cooking oil averaged the same at three stores, with one store only selling it at a bargain price of R1.99.

Lamb braai chops and fresh chicken also went up by 6.1 and 4.9 percent respectively. Fresh chicken prices increased although the survey chose the cheapest brands of fresh chicken.

Predicting further cost increases, a Pick ‘n Pay director, Mr Richard Cohen, said unless the Government exempted several basic items from the 10 percent surcharge, pressure on costs would be tremendous.

WIDE SPECTRUM

“Basic items would increase in a year by about 30 percent or more on a wide spectrum of items like detergents, cooking oil, rice and margarine,” he said.

Prices of mazie meal, tea, chuck, ramp steak, fish, potatoes and washing powder decreased in price.

Seven items in the survey received no price change.
Hospital fees could be revised

By Sue Leeman

Fees at Government hospitals could be revised as the State juggles its health spending in line with its tighter budget.

The Minister of National Health and Population Development, Dr Willie van Niekerk, told a meeting of the South African Medical and Dental Council yesterday that in a time of recession a more cost-effective health service was needed.

Health care fees in general would have to be looked at, he said.

HEALTH

In addition the Government would be studying the possible privatisation of health care.

Dr van Niekerk said another important aspect which the Government would have to consider was the structure of public subsidies.

It was of the utmost importance, he added, that SA should have a health-financing policy adopted by the National Health Policy Council.

This policy should encompass all the health services and should make it easier for the Department of Finance to pay for health care, he said.
TAXI associations affiliated to the South African Black Taxi Association will not increase their fares if the Government allows them to convey 14 passengers a trip, said a Sabta official yesterday.

Mr Godfrey Ntlaiteng, the vice-chairman of Sabta, said they were holding talks "behind closed doors" with the Minister of Transport Services, Mr Hendrik Schoeman, in Pretoria.

The talks, which started about two months ago, are continuing, he said.

But an affiliate of Sabta, the Baragwanath-City Taxi Association, increased fares on its routes with effect from October 1. A trip from Diepkloof to Johannesburg is R1.30 and to Sun City Prison (Diepkloof) is R1.00.

Increases were R1 and 70 cents respectively. Hand-written notices were posted on taxi windows explaining the increases and promising that "typed" notices will be put up in the near future.

A regional Sabta official, who declined to be named, said, "Someone made a mistake in increasing the fares before a general meeting of the region. We will hold a meeting to discuss the increase on October 17."

Sabta officials could not give the date when a decision will be announced on their meeting with the Minister.
Static looking at alternative ways to balance periodic state

Peter Walton

18/10/8

July 8
Difference in prices at chain's two stores

This week The Star shopping basket survey team undertook to check prices in a new area, Brixton, to compare prices in different areas.

Only three stores — OK Bazaars, Checkers and Pick 'n Pay — were looked at in Brixton as there is no Spar.

It was found that prices differed on some Brixton and Blackheath items. Most price differences were noted at the Pick 'n Pay stores.

Prices at Brixton Pick 'n Pay jam R1.49; cereal R1.24; salt 46c, bacon R1.85, fish R1.95, candles 95c, and washing powder R2.29.

SAME ITEMS

The same items at Blackheath this week were as follows: jam R1.39, cereal R1.22; salt 43c; bacon R1.79, fish R1.49, candles 99c, and washing powder R2.19.

Asked to explain these differences in price at the stores, Pick 'n Pay's senior buyer for the Southern Transvaal, Mr Geoff Kahn, said that prices were cheaper on these items at the Blackheath store because these prices were competitive at the supermarkets with the re-opening of the Cresta shopping complex last week.

He explained that the special deal would only last for a month and then prices would be uniform.

"Prices should be uniform at all branches but they can vary depending on what is happening in the area," Mr. Kahn said.

The survey excludes the 12 percent GST payable on some items.
## WEEKLY SHOPPING BASKET

<table>
<thead>
<tr>
<th>Item</th>
<th>Pick N Pay Brixton</th>
<th>Checkers Brixton</th>
<th>OK Razzaba Brixton</th>
<th>Average Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread: White</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
<td>63c</td>
</tr>
<tr>
<td>Brown</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
<td>43c</td>
</tr>
<tr>
<td>Milk: 1 l</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
<td>79c</td>
</tr>
<tr>
<td>Eggs: 1/2 doz large</td>
<td>66c</td>
<td>66c</td>
<td>67c</td>
<td>66c</td>
</tr>
<tr>
<td>Maize meal: 2.5 kg lwiso</td>
<td>R1,59</td>
<td>R1,62</td>
<td>R1,62</td>
<td>R1,61</td>
</tr>
<tr>
<td>Margarine: 500 g Sunshine D</td>
<td>R1,52</td>
<td>R1,39</td>
<td>R1,29</td>
<td>R1,42</td>
</tr>
<tr>
<td>Cheese: 1 kg Elite Gouda</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
<td>R6,92</td>
</tr>
<tr>
<td>Jam: 900 g Koo Smooth Apricot</td>
<td>R1,49</td>
<td></td>
<td>R1,45</td>
<td>R1,47</td>
</tr>
<tr>
<td>Sugar: 2.5 kg</td>
<td>R2,09</td>
<td>R2,05</td>
<td>R2,09</td>
<td>R2,08</td>
</tr>
<tr>
<td>Tea: 100 Five Roses tagless teabags</td>
<td>R2,95</td>
<td>R2,99</td>
<td>R2,85</td>
<td>R3,04</td>
</tr>
<tr>
<td>Coffee: 750 g Ricofy</td>
<td>R4,48</td>
<td>R4,49</td>
<td>R4,29</td>
<td>R4,42</td>
</tr>
<tr>
<td>Cereal: 500 g Kellogg's Cornflakes</td>
<td>R1,24</td>
<td>R1,39</td>
<td>R1,19</td>
<td>R1,27</td>
</tr>
<tr>
<td>Cooking Oil: 750 ml Olié</td>
<td>R2,09</td>
<td></td>
<td>R2,12</td>
<td>R2,11</td>
</tr>
<tr>
<td>Rice: 1 kg Tostic</td>
<td>R1,65</td>
<td>R1,69</td>
<td>R1,83</td>
<td>R1,72</td>
</tr>
<tr>
<td>Salt: 1 kg bag Buffalo</td>
<td>46c</td>
<td>52c</td>
<td>56c</td>
<td>51c</td>
</tr>
<tr>
<td>Meat: Beef 1 kg Mince</td>
<td>Super R4,79</td>
<td>A1</td>
<td>Super R5,29</td>
<td>R5,12</td>
</tr>
<tr>
<td>1 kg Rump steak</td>
<td>Super R8,58</td>
<td>A1</td>
<td>Super R9,45</td>
<td>R9,16</td>
</tr>
<tr>
<td>1 kg Lamb braai chops</td>
<td>Super R4,99</td>
<td>A1</td>
<td>Super R8,29</td>
<td>R7,19</td>
</tr>
<tr>
<td>1 kg fresh chicken</td>
<td>R2,59</td>
<td>R2,39</td>
<td></td>
<td>R2,49</td>
</tr>
<tr>
<td>250 g Eskort Rindless back bacon</td>
<td>R1,89</td>
<td>R1,95</td>
<td></td>
<td>R1,92</td>
</tr>
<tr>
<td>1 kg I &amp; J Yankee Clippers</td>
<td>R1,95</td>
<td>R1,69</td>
<td>R1,65</td>
<td>R1,76</td>
</tr>
<tr>
<td>Vegetables: 1 kg potatoes</td>
<td>39c</td>
<td>59c</td>
<td></td>
<td>49c</td>
</tr>
<tr>
<td>1 kg I &amp; J frozen sliced beans</td>
<td>R3,26</td>
<td>R3,09</td>
<td>R3,29</td>
<td>R3,21</td>
</tr>
<tr>
<td>Candles: 450 g Buffalo</td>
<td>95c</td>
<td>R1,01</td>
<td>R1,03</td>
<td>R1,00</td>
</tr>
<tr>
<td>Washing powder: 1 kg Surf</td>
<td>R2,29</td>
<td>R2,29</td>
<td>R2,35</td>
<td>R2,31</td>
</tr>
</tbody>
</table>

**Survey: October 16, 1985**  
**Prices Exclude GST**
Retailers rush for photographic stocks

Mercury Reporter

THE photographic industry faces a bleak Christmas as prices continue to soar in the wake of the worsening exchange rate and a recently imposed surcharge on imported goods.

Buyers can expect to pay up to R500 more for some cameras than they would have done a few months ago, and dealers expect further increases.

Wholesalers’ stocks were depleted this month after retailers, fearing further price rises, rushed to buy cameras and accessories at old prices.

‘The situation is terrible—a absolutely terrible,’ said one photographic shop owner in Durban.

‘There have been big increases, up to 50 percent in some cases, in a matter of only one month,’ said Mr Theuns van Wyk of Eiland’s Smith Street branch.

All photographic equipment is imported and therefore affected by the poor exchange rate and the 10 percent import surcharge implemented by the Government recently.

‘It has become impossible to quote prices because they are going up all the time,’ Mr van Wyk said.

A Canon 700 camera, which had been R550 about a month ago, now cost R1 150, he said.

‘Retailers can’t even buy cameras because most wholesalers are out of stock all of a sudden.

‘The price of film has doubled in the last six months and is going up almost every two weeks. Another increase is expected at the end of the month.

Some wholesalers had been out of stock for the past three or four weeks, said Mr van Wyk.

Mr Naresh Modi, of Modison’s Photographic, said ‘Things are very bad with increases of about 40 percent in the last three months.

‘He gave an example of a popular brand of autofocus camera which had increased in cost from between R250 and R300 to R550 in the past three months.

Mr Modi said although he had not experienced any major problems getting stocks, wholesalers seemed to be cutting down or being more selective about products they imported because they were not sure whether the public would buy at such high prices.

Price increase of between 8 percent and 25 percent had been implemented by film suppliers three times in the past three months, he said.

‘Tremendous’

Mr Stan Cooper, a sales representative for a major photographic wholesaler, said: ‘At this point we do not have stocks on hand, but they have arrived at the airport.

‘There are going to be tremendous price hikes, up to 50 percent in some cases.

‘Last month we had stocks in all our ranges, but because of imminent price hikes, the stores bought out all our stocks.

‘He said there was no problem obtaining stocks from Japan, but the main concern of wholesalers was whether the high-priced cameras would sell.”
**TV prices shoot up 40 percent in four months**

Mercury Reporter

THE video and television industry has seen a massive escalation in prices during the past few months and the public can expect to pay about 40 percent more for these products compared with prices four months ago.

Increases have been blamed mainly on the worsening exchange rate as well as the Government's import surcharge.

Salesman Stuart Bocketill of Teleworld said the cost of video machines had gone up a lot in the past year.

One of the cheapest 'well known' brands, which cost R299 at the beginning of the year, was now R1 300, he said.

All video equipment is imported and therefore affected directly by the exchange rate.

Although most television sets are assembled in South Africa, the components are imported.

"A large TV set which now costs R1 650 was selling at R1 100 at the beginning of the year," Mr. Bocketill said.

Mr. Graeme Butler, sales manager for National Panasonic, said there had been lots of increases lately.

He calculated that the retail price of a basic video machine had increased by about 40 percent since July. Most other products in the market had also increased by roughly the same margin, he said.

A video machine which had sold at R1 369 in July would sell at R1 899 at the beginning of November—an increase of R530. Mr. Butler said.

Mr. Errol Harty, owner of Barnes Radio and Hi-Fi, said that while there had been price increases, there was no reason for the public to be frightened off.

Many retailers had bought up big stocks before recent increases and while these stocks existed, customers were assured of being offered the products at the old prices, said Mr. Harty.
Blacks going back to coal and paraffin

LINDA ENSOR

DOMESTIC gas consumption has given way to the cheaper paraffin and coal as a consequence of price increases totalling about 31% this year.

"The steady decline of the rand against the dollar has been directly responsible for a 66% price increase in liquified petroleum gas over the past four years," said Eassgas marketing manager Harry Orehunson.

Blacks, the major consumers of gas for domestic purposes, have turned away from gas and electricity to paraffin and coal.

However, Orehunson believes this trend will be reversed when economic conditions improve.

Mark Johnson, promotions manager for Cadne, which sells gas appliances and paraffin stoves, confirms the trend towards paraffin.

Electrification of the townships has not had the expected poor effect on the use of optional sources of energy, Johnson says.

Coal stoves are still the main way of cooking for most black families.
Bishops get death threats

Staff Reporter

The Progressive Federal Party MP for Gardens, Mrs Di Bishop, and her husband, Brian, both received death threats in the post yesterday.

Mr Bishop, the vice-chairman of the Civil Rights League, said the letter to him read:

"You and your darling wifey, Di, are on an extermination list. Your family is up for consideration. A white pro-white."

The letter to Mrs Bishop, in a different handwriting and type of envelope, said: "Die, you bloody hag. I'll kill you."

Mr Bishop said both letters had been posted on October 16 and bore Cape Town postmarks. He said they would not "bother" to report the threats to the police.

The Bishop home was teargassed after the ECC Peace Rally in the City Hall on October 7.
Edible oils hit by surcharge

THE need to import crude vegetable oil has pushed up production costs of cooking oil and margarine by approximately R35m this year.

A spokesman for Van den Bergh and Jurgens, a subsidiary of Unilever, involved in the manufacture of oil and margarine, describes the effects on the industry as catastrophic.

Four years ago South Africa was self-sufficient in groundnuts, sunflower seeds and soya beans, says Davie van Zyl, head of marketing for the Oilseeds Board.

The effect of drought since then has been to reduce oil output from the required 220 000 tons a year to an expected output of 125 000 tons this year.

The estimated landed cost of importing 105,000 tons of crude oil at present rates of exchange was R147m — R21.5m more than it would cost to buy locally, he says.

The 10% import surcharge is costing the industry an extra R100 a ton, according to Van Zyl, and attempts by the industry to have it lifted for oil have been unsuccessful.

Price increases — about 18% this year — have had to be implemented to absorb costs and this has had a depressing effect on the market.
Soweto power hikes ‘halted’

THE Soweto City Council may permanently suspend further electricity levy hikes and maintain the monthly R12 levy at the current level.

This was disclosed by town clerk Mr Nico Malan, who told The SOWETAN this week that further hikes had been delayed pending investigations into the controversial electricity levy.

The levy, due to have risen to R17 in July this year, is being used to repay the R230-million electrification loans. It was supposed to have gone up in phases, from R17 to R23 in June this year, and to R25 in June 1986.

Said Mr Malan: “There is a possibility that the levy will remain at the current level, the number of electricity consumers has increased over the months. This means that this money is now being levied on more homes, thus easing the burden on the residents.”

The town clerk said the levy, paid cash, amounted to R1 560 and Soweto’s 103 000 households had an option of paying it cash or in installments. In terms, residents would pay as much as R4 400 including interest charges over a 20-year period.

25/10/85
TRANSPORT

Putco fares rocket

In a bid to recoup losses of more than R20m inflicted mainly by riots in black townships, bus operator Putco intends raising its fares 17.5% next month. But the hike — the second since the beginning of the year — has to be approved by the National Transport Commission (NTC).

Pat Rogers, the company's public relations executive, says Putco has lost more than R20m as a result of unrest and falling custom.

"A total of R16m has been lost because of a drop in the volume of passengers alone, and R5m as a result of damage to buses in the unrest.

"The long-term effect is that these losses make trading conditions very difficult and there is no alternative but to apply for a fare increase," he explains.

Because of the loss in the number of passengers, resulting from the unrest, Putco has been unable to absorb rising costs. In addition to the drop in the passenger volume, Rogers adds, the high unemployment rate, fuel price hikes, wages for workers, gst, and the poor economic climate have contributed to rising costs.

Originally, Putco successfully applied to the NTC for a 14.1% revenue increase in the Transvaal. Before the increase could be implemented, however, the price of diesel went up by 4.7c/litre — an increase the company couldn't absorb and, therefore, had to recover from passengers.

In consequence, Putco raised the percentage increase of 14.1 by 3.4 to 17.5% to be able to recover the increased price of diesel as well.

It hopes to implement the increase on the Reef at the beginning of next month and in Pretoria on November 17.

The company is forced by circumstances to delay implementation in Pretoria. There, commuters use — on some routes — the same season ticket for travelling both by bus and by train.

As the railways will also be raising fares on November 17, Putco is prepared to wait.

Putco's previous increase was made last February, when fares went up by 10.5% specifically to recover a fuel price increase. A general fareprice increase was also made in December last year.

Rogers says that because of damage to buses at funerals of unrest victims, usually held on Saturdays, his company has now decided not to hire out buses for funerals on such days.

Asked to what extent the company is subsidised by government, Rogers says passenger economic fare tariffs are subsidised, and not the company.

"The government subsidises the economic fare tariff by 40%, and the rest has to come from the passenger himself," he says.
Supermarkets in Florida were checked this week by The Star weekly shopping basket survey. Prices were surveyed at three stores: Checkers, OK Bazaars, and Pick’n Pay.

The survey noted that the price of certain meat cuts have increased since May this year. The survey done in May, where meat cuts were compared at nine supermarkets in the Johannesburg area, showed that rump steak used to cost around R7 to just over R8, and beef mince around R3 to R4.

At today’s prices rump steak has shot up to over R9 a kilo and most supermarkets are selling beef mince at around R4 and above.

**RUMP STEAK**

Florida’s prices this week found rump steak selling at R8.78 at Pick’n Pay, R9.15 at OK Bazaars, and R8.99 at Checkers.

Last week’s rump steak prices in the Brixton area were also high. Rump steak cost R8.58 per kilo at Pick’n Pay, and R8.45 at Checkers and OK Bazaars.

Beef mince prices in Florida cost R4.28 and R4.99, while last week’s Brixton prices were R5.29 and R4.79.

The survey also found that prices compared favourably at Florida’s three stores. Most items cost the same on average and several basic items like milk, bread and eggs did not differ in price.

Certain bargain items were also noted. Low prices were margarine at R1.59, coffee R3.97, cereal R1.19, salt 46c, and candles 95c.

All items in the survey exclude the 13 percent GST payable on some items.
Import surcharge, inflation could lead to 25 pc rise

Food prices set to soar in new year

By Maud Motanyane and Jackie Unwin

Next year will open with a wave of price increases which will push up costs by about 25 percent on foodstuffs alone during the ensuing 12 months, producers and retailers have predicted — to the horror of consumer organisations.

The recently imposed import surcharge of 10 percent has not yet filtered through to the consumer and manufacturers and retailers are pleading with the Government to lift the surcharge as it affects prices of essential foodstuffs.

The predictions of price increases come against the backdrop of the inflation rate which has risen by five percent from an average of 11.6 percent in 1984 to 16.6 percent last month.

Consumer organisations have expressed fears that poor people and pensioners, who are already battling to survive after this year’s price increases, will be pushed to the brink of starvation.

The recent import surcharge affects products which contain imported components or ingredients.

Housewives’ League president Mrs Joy Hurwitz said: “We can get by without the luxuries, the non-essentials of life. But people cannot live without food. We have heard we are going to have massive increases in food prices.”

This was confirmed by retailers who expect that the price increases will begin to bite around January.

Mrs Hurwitz partly blamed manufacturers, who were “trying to keep their profit margins the same as they were before the depression. Their market share is dropping and the only way they can keep their profits up is by increasing their prices.”

But Ms Peta Lomberg, public affairs manager of Checkers, said: “It appears manufacturers are trying to hold the price increases down to a minimum.”

Mr Richard Cohen, director of Pick’n Pay, said that, in view of the 10 percent import surcharge, he could not believe the Government was serious about fighting inflation.

He believed the country would be “lucky” to keep the increase in the cost of foodstuffs to less than 24 or 25 percent next year.

Coffee, which was selling at R3.99 last year, will be going up to more than R5 for a 750 g packet. Detergents, which were selling at R1.89 last year, will cost R2.50 in a month’s time.

“It is absolutely frightening,” said Mr Cohen. “And consumers have not yet seen the full effects of the rand/dollar exchange rate, and the surcharge. They had better brace themselves. We are doing our best to contain prices — but it is a tidal wave.”
Bus Boycott Looms

The Azanian People's Organisation and the Azanian Students Movement yesterday warned the latest increase in bus fares announced by Putco may result in a boycott by black passengers.

A statement by Azapo and Azassam, issued in Johannesburg, said, "While the services rendered by Putco to the black community are presently being de-servicing, and given the explosive political and economic climate here, the bus fare increases announced by Putco become most provocative and unjustifiable.

"We (Azapo and Azassam) find it utterly unacceptable that the black community will now be forced to help Putco recover the losses it has incurred owing to the failure of the Government to subsidise it.

"Putco should accept to bear with the laws (and recover the subsidy from the Government) rather than shift the responsibility onto the already overburdened and underemployed black masses."

Azapo and Azassam further warn Putco to realise that the bus fare increase would inevitably force the black community to direct action and thus include "Putco in the ongoing consumer Boycott.

Replying, Putco said it had done its best to ease the burden of the increase by a subsidy. It added that, while the two organisations' statements did not improve the situation, Putco would not dismiss the statement lightly.

The company said "Putco has an open door policy to meet with community leaders - official and unofficial - and commuter representatives to discuss matters of mutual interest."
Price of bread likely to rise today

Prefigis Bureau

Increases in the prices of wheat and bread are expected to be announced today by the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel.

Bread will probably go up by about 5c — bringing the price of a brown loaf to 50c and that of white bread to 70c.

It will be the second bread price rise this year. The cost was increased by 5c in June because of a shortfall in the Government's bread subsidy.

It also seems likely that the Cabinet will grant the Wheat Board something close to the 10 percent producer increase requested for the 1984/5 season.

Board chairman Mr Dennis van Aarde said producers had had no increase two years ago and last season an increase of only 8.7 percent.

He said, "The economic situation has been taken into account and we are wary of pricing ourselves out of the market."
40 pc rise in Randburg bus tariffs expected

By Shirley Woodgate

Randburg bus tariffs are expected to soar by 40 percent by September next year and certain internal off-peak services are to be drastically cut to offset an expected loss of R1.8-million in 1986.

The bad news for the four percent of the population using the service is the result of a study by consultants commissioned by the council and tabled at last night’s meeting.

Mr Olaus van Zyl (NP) said the operating loss was less than R200 000 in 1977 and during the past three years commuters had benefited from a transport department subsidy in terms of the demonstration project, but ratepayers would have to foot the nearly R5-million loss in full in 1986 unless steps were taken.

Poorly supported buses are to be removed — this applies particularly to Saturday services — or rerouted, and by extending certain routes, adding to others and changing starting times it will be possible to incorporate all privately operated school services at a cheaper price.

Mr van Zyl said although buses would be open to all races in the future there was no talk of integration at this stage as the Putco service was cheaper and more convenient for black people.

The present service is operated jointly by Johannesburg Transport Department and Greyhound but the former is to be asked to take over the entire service as the survey showed this would be cheaper and more efficient.
New car prices set to soar soon

Motoring Editor

NEW car prices, up by 6 percent in the past month, are set to rise another 6 percent before the end of the year — and at least 25 percent next year.

That’s according to industry leaders Toyota, Volkswagen and Samcor which between them achieved more than half the new car sales in September.

Volkswagen’s marketing director Clive Warrillow said: “In theory you need 35 percent to 45 percent to recoup the exchange rate loss — and you need it tomorrow if it is to be passed on to the consumer between now and the end of the year. You have to remember that 50 percent of the value of the car is still imported.”

He emphasised that this applied to all manufacturers.

But it was a catch-22 situation. “If you don’t pass it on then you go broke, if you do pass it on then you sell fewer cars.”

Demand

Mr Warrillow felt the blow would be softened by staggering the increases. Six percent now, then another 6 percent late in December then 5 percent or so every two months next year.

He believed that in the short term the motorist would buy ahead and that in the next six months there would be “quite some demand.”

The only light on the horizon is if the Government does something about personal tax and increases the individual’s disposable income.

Toyota marketing director Brand Pretorius was perhaps the most optimistic of the spokesmen, maintaining that although pressures on the industry were enormous the net increase to the consumer was still not that dramatic.

Increase

But Mr Pretorius warned that should the rand hover around the R0.40 mark there could be four or five increases in the next calendar year with each being around 5 percent.

On the brighter side, Mr Pretorius said the prime overraft rate had dropped from a high of 25 percent to its present 17.25 percent and the hire purchase rate almost as much.

He said the minimum deposit was down to 10 percent and the repayment period up to 48 months. “Should the exchange rate improve obviously price increases will adjust accordingly.”

Samcor managing director Spencer Sterling agreed there would be a further increase this year adding that next year prices could rise by 30 percent.

He suggested that increases would be phased in a more palatable form, such as one a month.

But all three men believed the increases would result in a “buying down” policy.

“It has started already.”

The light car market has increased from 45 percent to 60 percent of the total market and we believe the pattern will continue,” said Mr Sterling.

* See also Page 21
## Shopping Basket

The shopping basket this week visited Ekuphumeleni Supermarket in Mofolo North and Mayibuye Shopping Centre in Moletsane, both in Soweto.

<table>
<thead>
<tr>
<th>Foodstuff</th>
<th>Ekuphumeleni</th>
<th>Mayibuye</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detergents and Toiletries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Omo 1 kg</td>
<td>R2.45</td>
<td>R2.91</td>
</tr>
<tr>
<td>500 g</td>
<td>R1.66</td>
<td>R1.49</td>
</tr>
<tr>
<td>Surf 1 kg</td>
<td>R2.59</td>
<td>R3.03</td>
</tr>
<tr>
<td>500 g</td>
<td>R1.66</td>
<td>R1.55</td>
</tr>
<tr>
<td>Good &amp; Clean &amp; Fresh 1 kg</td>
<td>R2.30</td>
<td>R2.49</td>
</tr>
<tr>
<td>500 g</td>
<td>R1.39</td>
<td>—</td>
</tr>
<tr>
<td>Sta-Soft 2 lites 750 ml</td>
<td>R1.65</td>
<td>R1.77</td>
</tr>
<tr>
<td>Gillette Javel 750 ml</td>
<td>79c</td>
<td>90c</td>
</tr>
<tr>
<td>Jik 750 ml</td>
<td>79c</td>
<td>71c</td>
</tr>
<tr>
<td>Lux</td>
<td>57c</td>
<td>70c</td>
</tr>
<tr>
<td>Palmolive</td>
<td>—</td>
<td>66c</td>
</tr>
<tr>
<td>Sunlight</td>
<td>—</td>
<td>69c</td>
</tr>
<tr>
<td>Nordka</td>
<td>—</td>
<td>56c</td>
</tr>
<tr>
<td>Breeze</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Lifebuoy</td>
<td>—</td>
<td>R1.66</td>
</tr>
<tr>
<td>Colgate 100 ml</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Aquafresh 100 ml</td>
<td>—</td>
<td>R1.66</td>
</tr>
<tr>
<td>Mentadent P 100 ml</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Meal &amp; Rice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ace 12.5 kg</td>
<td>R8.49</td>
<td>—</td>
</tr>
<tr>
<td>5 kg</td>
<td>R3.57</td>
<td>—</td>
</tr>
<tr>
<td>Iwasa 12.5 kg 5 kg</td>
<td>R3.57</td>
<td>R3.28</td>
</tr>
<tr>
<td>Indiana 12.5 kg 5 kg</td>
<td>R3.45</td>
<td>R4.38</td>
</tr>
<tr>
<td>Tastic 2 kg 5 kg</td>
<td>R1.89</td>
<td>R2.18</td>
</tr>
<tr>
<td>500 g</td>
<td>R1.15</td>
<td>—</td>
</tr>
<tr>
<td><strong>Tea &amp; Coffee</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jokko 200 bags</td>
<td>R3.57</td>
<td>R6.78</td>
</tr>
<tr>
<td>100 bags</td>
<td>R3.57</td>
<td>R8.09</td>
</tr>
<tr>
<td>Pico 200 bags 100 bags</td>
<td>R3.59</td>
<td>R4.68</td>
</tr>
<tr>
<td>Five Roses 200 bags</td>
<td>R4.79</td>
<td>—</td>
</tr>
<tr>
<td>Frisco 750 g 250 g</td>
<td>R4.79</td>
<td>—</td>
</tr>
<tr>
<td>Racofly 750 g 250 g</td>
<td>R2.59</td>
<td>—</td>
</tr>
<tr>
<td>Koffiehuis 750 g 250 g</td>
<td>R2.41</td>
<td>—</td>
</tr>
<tr>
<td>Cooking Oil</td>
<td>R2.75</td>
<td>R2.21</td>
</tr>
<tr>
<td>Solo 750 ml</td>
<td>—</td>
<td>R2.21</td>
</tr>
<tr>
<td>Sunseed 750 ml</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cove 750 ml</td>
<td>R2.47</td>
<td>—</td>
</tr>
<tr>
<td><strong>Sugar</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spar Special 12.5 kg</td>
<td>R10.85</td>
<td>—</td>
</tr>
<tr>
<td>2.5 kg</td>
<td>R2.09</td>
<td>—</td>
</tr>
<tr>
<td>Selas 12.5 kg 2.5 kg</td>
<td>—</td>
<td>R2.19</td>
</tr>
<tr>
<td>2.5 kg</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
PRICE — GENERAL

1985

NOV — DECEMBER

10. Deputy Manager refers to departmental manager.

9. Manager refers to manager.

8. Hours of work not to exceed 46 hours per fortnight for all
employees (taken as 5% hours per week).

7. Employees shall be on call until July 1979 and qualifying period 3 years.

6. Office hours are 8:30 qualifying period 4 years.

5. Office hours as for qualifying period 4 years.

Employee.

4. Can serve form referred to general services employee. Previously
earned years.

3. Cook, until July 1979 qualifying period 5 years/ thereafter.

2. Clerk ( Classified Employee) qualifying period 1 year.


Footnotes [Liquor and Catering Trade (Pretoria)]

Area Magisterial Districts of Pretoria and Wardenboom

Trade Union: Pretoria Liquor and Catering Trade

Parties Employ Unions: Pretoria Liquor and Catering Trade

Parties Employ Organisations: Hotel Liquor & Catering

1985 222
Tuctsa slams Putco bus fare increases

SIPHO MOCOB: as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.

"Tuctsa is of the opinion that the increase is irresponsible given the state of the economy and massive unemployment.

"Since blacks, commuters are forced to pay to live far away from their homes because of the apartheid law. They are not taken to be segregated into those townships. Therefore, the government should solve the problem." a Tuctsa spokesman said yesterday.

She described the fare increase as outrageous and irresponsible.
Due to increase in claims...

Contributions to medical aid to go up by 24%

CONTRIBUTIONS to medical aid schemes are expected to increase by 24% next year as medical costs soar. Contributions this year have already increased by an average of 25%.

Employees usually pay half the medical aid contribution, with the employer picking up the other half. Self-employed people will bear the full brunt of the increase.

Medical schemes report that the average value of each claim has increased steeply — between 19% and 20% there was a 15% increase in ordinary claims and a 25% rise in specialist claims.

People are also making greater use of their medical schemes.

Use of the schemes increased by 3% this year.

To cater for the increased costs patients face, medical schemes will increase doctors' tariffs — the amount paid on a claim regardless of the doctor's charge — by an average of 12.5%.

The tariff for a consultation will rise by 13% from £2.56 to £3.00.

Many doctors already charge more than this for a visit.

Blacks will be hit harder by the higher contribution charge. Their consultations with general practitioners account for 25% of their claims on medical schemes. Visits to GPs make up only 8% of white's claims.

Medical schemes administrators claim that it is not only the medical profession that is pushing up costs...

Wine are the most pampered people in the world when it comes to medical attention, says John Ernest, chairman of the Representative Association of Medical Aid Schemes (Ram).

"They seem to think that even a dollar, must have a pill to cure it. So, there are a huge number of unnecessary sedatives, tranquillizers and anaesthetics that these schemes have to pay for.

"The message I would like to drive home is that doctors and patients must be realistic if the schemes are going to be cost-effective.

Imported medicines are also contributing to rising costs.

But produces few medicines and imports a great deal of technical equipment.

Medicines account for 22% of schemes' payments last year, but this figure is creeping up. Schemes was previously allowed 12% on the average medicine bill, recently increased this to 15%..."
Petrol price reports denied

PORT ELIZABETH — Reports that the price of petrol would rise by 20c a litre on Thursday were denied yesterday by Dr Louis Alberts, director-general for Mineral and Energy Affairs.

He said: "We are studying the issue extremely carefully, and the cabinet will have to make a decision soon, but we should not forget the cabinet is dealing with some important issues at the moment."

"If the price of petrol is to rise — and it will definitely not do so on Thursday — a full statement will be issued and there will be sufficient time for the public to be fully informed about the increase."

Dr Alberts refused to be drawn on how much the increase would be, but indicated that his department would inform the public how the price of petrol was determined.

"We want the man in the street to know exactly what is involved in deciding how much must be charged. There are many factors involved, including profits for the oil companies and garages, the road fund, general sales tax, a customs and excise levy, a transport levy, a pipeline levy, the new third party levy, etc."

"It is my intention to inform motorists in the simplest possible language — just where their money is going."

Dr Alberts said the cost of converting existing pumps because of a price increase would be borne by the oil companies.
Tension today as bus fares rise
Petrol up to R1.10? 

DURBAN — A government spokesman yesterday would not deny speculation in the motor industry that the price of petrol may rise as high as R1.10 a litre within a week.

Mr. Theuns Burger, chief of information and liaison in the Department of Mineral and Energy Affairs, said the Cabinet sat yesterday.

"It is possible there may be a statement in the near future about the price of petrol," he said.

"If the new price is higher than the 99.9 cents a litre the pumps can register, the display will reflect half the price per litre and motorists will pay double the indicated cost of their fuel."
But fares for all internal services in the black townships will remain unchanged.

There is a 5c raise for all feeder services in the northern residential areas of Port Elizabeth. The 2c raise is expected to be absorbed by the company.

The Minister of Energy Affairs, Mr. Danie Steyn, announced yesterday that the price of petrol is to be increased by an average of 5.6c a litre, to take it just over the R1-a-litre barrier for the first time.

Mr. Steyn said the price of 98 octane petrol would be increased by 6.6c a litre and 97 octane by 5.6c a litre, including GST. The increases would come into effect at midnight on Sunday.

In contrast to the reaction in PE, the Johannesburg bus company, Pulco, expressed shock at the increases.

"We have only a week left to introduce a fare increase to recover running costs," a spokesman said.

He said that in spite of the unrest, commuters had accepted the recent fare increases. Now they had to expect another increase because there was no way Pulco could absorb the cost of a loss of R8.4 million for the 1984/85 financial year.

"This is the third diesel price increase this year, which, with the GST increase, totals 70% since January. It is the least affluent section of the community that is hardest hit, and we appeal to the Government to exempt the passenger bus industry from these increases."

The president of Assocon, Mr. Rocky Rudgeway of PE, said Assocon accepted the inevitability of the increase, which reflected a rise of almost 60% since the start of 1985.

But Assocon expressed its concern at the ripple effect the increase would have throughout the economy and the added pressure on the inflation rate.

"In the present difficult economic situation, business will be unable to absorb the increase and the major part thereof will have to be passed on to the consumer," said Mr. Rudgeway.

The Consumer Council said the latest increase in the price of petrol, and an expected further hike, would hit "the motorist hard."

The council's director, Mr. Jan Cronjé, said in Johannesburg the increase would affect the price of all consumer items and have a negative effect on the inflation rate.

"The consumer will now have to use his own judgment and initiative to ensure his own financial survival as it appears we are losing the battle against inflation," he said.

The council now also questions the wisdom of scrapping the 100-kilometres-an-hour speed limit on roads outside cities.

Mr. Harry Schwall, the Progressive Federal Party spokesman on finance, said today that the latest price increase "is particularly worrying considering that United States dollar is rising, and conditions in the world oil market, which make fuel relatively cheap in international terms."
**Wool prices drop**

PORT ELIZABETH — Wool prices dropped by a further 2.6 per cent at this week's sale in Port Elizabeth.

The Wool Board's market indicator stood at 872 points, compared to 899 after the previous auction.

The board said the drop could be attributed to the weakening of the Australian dollar against the rand by 4.7 per cent, while the wool basket of currencies strengthened by 2.1 per cent against the rand.

Prices were up to 2 per cent lower for the most important types of wool, except for 21-micron wool which was 5.5 per cent lower. Lambs and locks were firm, unchanged, and short wool fetched premium prices.

Competition for the 22,700 bales of merino and other wool was good, and 94 per cent was sold. In addition, the total offering of 612 bales of karakul wool was cleared to the trade. The average greasy price for pool wool was R5.17.

Average greasy wool prices obtained for the most important types, were:

<table>
<thead>
<tr>
<th>Type</th>
<th>Micron</th>
<th>Clean yield</th>
<th>Price/kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>as</td>
<td>21.3</td>
<td>60</td>
<td>717</td>
</tr>
<tr>
<td>bks</td>
<td>23.5</td>
<td>68</td>
<td>587</td>
</tr>
<tr>
<td>cbs</td>
<td>22.0</td>
<td>60</td>
<td>544</td>
</tr>
<tr>
<td>cf</td>
<td>20.0</td>
<td>62</td>
<td>576</td>
</tr>
</tbody>
</table>

Approximately 22,700 bales of wool will be on offer next week — Sapa.
Petrol price up 5,9 c a litre from Monday

Mercury Reporter

PETROL goes up by an average of 5,9c a litre on Monday, bringing the total rise this year to almost 60 percent and the price inland to more than R1 a litre for the first time.

Similar increases can be expected early next year unless the rand-dollar exchange rate climbs to 42 US cents, or even higher increases if it gets worse, it was announced yesterday.

Our Johannesburg correspondent reports that the January increase had been forced because every $100 worth of crude oil landed in South Africa had cost R120. Now the same amount costs R263.

From Monday, all pumps will reflect the price of half a litre of petrol because many cannot indicate a unit price greater than 99,9c. The indicated costs of petrol purchases will not have to be doubled for the time being.

FOR DURBAN and other coastal areas where the price will not exceed R1 a litre. The full increases, which come into effect at midnight on Sunday, are:

96 octane petrol up 6,6c/l (of which 6,7c is general sales tax)
93 octane up 5,9c/l (0,6c tax)
97 octane up 5,4c/l (0,8c tax)

Coastal pump price of 93 octane: R9,3c/l
Coastal pump price of 96 octane: R7,5c/l

The minister's spokesman, Mr Theuns Burger, said smaller, more frequent increases would 'lessen the shock effect on the economy'.

Mr Steyn said the Equalisation Fund had to absorb a shortfall of R20 million a week for four weeks.

Oil companies would be given eight months to modify pumps to indicate the correct petrol price and the cost was expected to run into millions of rands.

Mr Janie van Hayssteen, executive director of the Motor Industries Federation, said he had been in London when Britain's petrol price had exceeded £1 a gallon for the first time and half-gallon unit costs had created chaos in the beginning.

"We haven't got skilled guys on our driveways. We will need co-operation from everyone,"

The oil industry has issued pamphlets, placards and stickers to show that twice the indicated pump prices must be paid.

Said an oil company spokesman: "Some garage owners are telling their attendants to ask motorists 'Do you mean cash or pump money?' when they ask for, say, R10 of petrol. I think it's a good idea.'

Mr Steyn said the impact of the increase on inflation would be minimal — a maximum of 1 percent over the next few months.

Diesel fuel increases are:

Marine — 6,5c/l, industrial — 4,8c/l, public transport — 4,7c/l, agr.
Consumer groups slam increase in petrol price

**Cost of living will go up with no prospect of wage increase**

Consumer groups reacted with horror yesterday to yet another increase in the petrol price which will have a ripple effect on the economy.

The increase was "terrifying and an enormous blow to the consumer," said Mrs Joy Hurwitz, president of the Housewives' League.

She said businessmen had said they would not be able to pass further increases on to consumers because they could no longer sell their goods.

"There is a definite decrease in consumer spending," she said.

"We understand the problems with the exchange rate, but that does not do anything for us. We still have to live with our local rand."

The cost of living will go up and there is no prospect of wage or salary increases, she said.

The new half-litre petrol pump price system would be terribly complex, Mrs Hurwitz added.

A spokesman for the Consumer Council said the petrol price was devastating as it would affect the economy in general.

**DIFFICULT**

"It will have a domino effect on all products, Transport aside for commodities. We are in a difficult times and we hope that the consumer will be able to adapt, be more discerning and knowledgeable," the spokesman said.

Mr Eldridge Mibble, executive director of the Black Consumer Union, said the rise would "forcefully push up the prices of basics which we depend on for survival."

Consumers are facing such difficult times with unemployment, deteriorating standards of living and high interest rates. It is insensitive of the Government to raise the price of petrol during such unbearable times, especially for black consumers.

Mr Clive Weil, managing director of OK Bazaars, deplored the wide impact of a fuel price increase and described it as "a draconian increase."

"The consumer will pay more not only for his own petrol, but for everything he buys in any way dependent on petrol for its distribution," Mr Weil said.

In reaction to the announcement that petrol prices will have to be increased in half litres, the Automobile Association said this was a "most unfortunate but unavoidable development."

"It is the most economical and practical solution to accommodate older pumps that cannot register four digits. The A.A urges road users to take careful note of the pump readings to ensure the correct amount is paid.

Mr Donald Masson, president of the Afrikaanse Handelsenplas, said the AHI regretted the announcement and the resultant increase in fuel prices.

"People are in a position to carry the increased costs," Mr Masson said.

"The South African Agricultural Union's president, Mr Kobus Jooste, said the increase would be a further setback for farmers trying to recover from a series of unfavourable seasons."

The increase represented a rise of about R133 million a year in farmers' production costs without taking into account the further increase expected next year.

"In the harsh financial conditions in which agriculture finds itself, this sector is just not in a position to carry the increased costs," Mr Jooste said.

Price increases such as that announced yesterday eroded the profits gained from agricultural exports, while the ability of farmers to recover increased costs internally was limited.

Mr Harry Schwartz, the Progressive Federal Party spokesman on finance, said the latest petrol and diesel price increases demonstrated that the Government had given up hope that the value of the rand would improve in the short and medium term.

"This is particularly worrying in that there is a foreign debt freeze, that the US dollar is weak, and conditions in the world oil market, which make fuel relatively cheap in international terms," he said.

He said the Government's policies to fix inflation, which had caused massive unemployment and so contributed towards unrest with its long-term serious consequences for the country, had "completely failed and the sacrifices appear to have been vain."

---

Staff Reporters, Sapa
THE price of petrol goes up by 9.5 cents a litre on Monday.

The hike was announced yesterday by the Minister of Mineral and Energy Affairs, Mr. Tienie Steyn, who said the petrol price increase would help cover the shortfall caused by the poor rand/dollar exchange rate.

This increase represented only a half of what was needed to cover the shortfall, he said.

The price of 98 octane petrol will increase by 6.6 cents a litre, 93 octane by 5.9 cents a litre, and 87 octane by 5.4 cents a litre. The pump price of 93 octane on the Witwatersrand will now be 10.5 cents a litre, while that at the coast will be 9.3 cents a litre.

The price for domestic consumption will be increased by 8.3 cents a litre.

Mr. Steyn said the Government decided to pass only half of the needed increase to assist the public before the coming holiday season.

By LEN MASEKO

**Negative**

The Black Consumer Association (BCA) welcomed the increase, saying it was "inevitable" of the Government to introduce the price hike when the consumer was going through difficult times.

We viewed the petrol price hike as shocking in view of the fact that the rate of unemployment is very high, a BCA spokesman said.

The latest increase in the price of petrol and an expected further hike would hit the motorist hard, the Consumer Council said yesterday.

Reactions to the announcement were mixed. The council's director, Mr. Jan Cronje, said the increase would affect the price of all consumer items and have a negative effect on the inflation rate.

The president of Assocom, Mr. Rayks Ridgway, said the increase reflected the overseas perception of the economic and political situation in the country and the consequent need to speed up reform.

He said Assocom accepted the inevitability of the increase which reflected a rise of almost 60 percent since the start of 1985.

Assocom expressed concern at the ripple effect the increase would have throughout the economy and the added pressure on the inflation rate.

All fuel pumps at petrol stations in South Africa and the TVC countries are to be adjusted to register half the total purchase price.

To calculate the correct purchase price, the amount shown on the meter register should be doubled, the spokesman said.

For example, if a motorist asked for R20 worth of petrol he would receive the correct amount in litres.

However, the price would register only R10 and this figure would have to be doubled for payment.
Petrol hike will have ripple effect

Increases across the board, from bus fares to food, will inevitably follow the petrol price increase announced yesterday. Consumer bodies have warned of a ripple effect that will send up the cost of living.

Fuzeo said today it would have to increase its fares, but the Johannesburg Transport Department is not likely to follow suit.

Other motorists will pay R1.00 a litre for premium petrol, which will go up by 70c a litre on Sunday, an increase of 16c.

"The price of regular petrol will go up by 50c a litre," Fuzeo's manager, Mr Danie Steyn, said yesterday. "It was being passed on to consumers.

It was the third increase in the petrol price this year. In January it rose by 24c a litre and in September by 45c a litre.

All petrol pumps -- which can only reflect prices of up to 99.9c a litre -- would reflect the price of half a litre of petrol for the meantime. Mr Steyn said petrol companies had been given eight months to modify their pumps to show correct prices.

See Page 4
Rice price set to drop by 8c/kg

The retail price of rice will drop by 8 c per kg following the lifting of the surcharge on imported rice.

The chairman of the Indian Ministers' Council, Mr. Anichand Ruphans, announced in Durban yesterday that the surcharge had been lifted because rice was a staple food for a large section of the South African public and because of other economic factors.

A representation had been made by the House of Delegates to the Minister of Finance, Mr. Barend du Plessis, that imported rice should not be subject to the 10 percent surcharge imposed on a wide range of imported goods on September 23.
Mutton price up after rains

Dispatch Reporter

EAST LONDON — An increase in mutton prices here this week has been attributed to the problems experienced by farmers transporting their stock to the abattoir after the recent heavy rains.

The chairman of the East London Meat Traders' Association, Mr Dennis Meyer, said yesterday that mutton had increased about R1 per kilogram.

He said that many farmers couldn't get their trucks out because of the condition of roads after last week's torrential downpours.

"The increase in mutton prices is mainly due to the fact that farmers are finding it difficult to load their mutton onto the market after the rains," he explained.

"This will hopefully right itself sometime next week when prices should normalise," he added.
Fuel: farmers get month's reprieve on diesel prices

PRETORIA — The government has delayed implementation of the diesel price increase for agricultural use for a month to allow farmers to complete ploughing and planting.

This was announced in a joint statement in Pretoria yesterday by the Minister of Mineral and Energy Affairs, Mr Danie Sieyn, and the Minister of Agricultural Economics and of Water Affairs, Mr Greyling Wentzel.

The statement said the two ministers had decided after talks to delay the increase, which would have taken effect on Monday, until December 10.

“The reason for this concession is to enable farmers to complete their ploughing and planting activities as far as possible before the announced price increase comes into effect.

“This concession is made in view of the good, though late, summer rains and the fact that farmers based their financial planning on the present price of diesel fuel,” the statement said.

Reacting to the delayed increase, the SA Agricultural Union said it greatly appreciated the measure.

“This step attests to a positive understanding and sensitivity for the present circumstances in agriculture,” said SAAU president Mr Koos Booys.

The unfavourable dollar-rand exchange rate had created a situation in which an adjustment in the petrol price was unavoidable, the Automobile Association said.

However, the director-general of the AA, Mr Peter Elliot, said in a statement that the state, “in one form or another, derives over 24c for every litre of petrol sold.”

He said while there was no increase in the various levies on petrol, which amounted to 14.3 cents per litre before GST, or on the retailers' and wholesalers' margins of about 10 cents per litre, GST would on average raise from 9.4 cents to about 10 cents per litre.

“It is therefore imperative that, before taking the 'second bite of the cherry' in February 1995, reductions in the various levies receive the urgent attention of government.”

“The state is benefiting from fiscal drag on the petrol price and it is iniquitous that the various levies accruing to the state should in addition be subject to GST — in effect taxation on taxation.

“In the short term, the energy fund levy of four cents should be abolished and customs and excise duty, a further four cents, should be paid by the Treasury out of GST takings,” he said.

The AA also believed that the 5c road levy should be reduced if the situation deteriorated any further.

“Essentially, the nation simply cannot afford ‘normal’ pricing structure in the present abnormal times,” Mr Elliot said. — Sapa
Petrol
system:
fist
fights
feared

By WENDY FRAENKEL

SOME petrol pump owners in Port Elizabeth predict fist fights, long queues and big money losses when the new "half-litre" petrol pricing system is introduced countrywide on Monday.

But they do not intend going along with Durban where some garages (also selling petrol below R1) have decided to continue quoting prices per litre.

The PIQ members are hoping that with the relief after the weekend’s big fill-up, forecourt staff will have a chance to get used to the system.

But they fear cash losses in rush hours — and even fist fights when customers protest for positions at the pumps.

Said one station owner: "We had fist fights before when people tried to beat a price increase — and we'll have them again. For some reason a man is not his normal self when he's behind the wheel of his car."

To minimise on cash loss, a Walmer owner, Mr Thomas Ferrara, is considering closing two of his four petrol pumps to make things easier for his staff.

"Maybe I'll be able to keep things under control that way," he said.

Mrs Mary Wilson, owner of a garage in Central, felt her biggest headache would be her customers.

"My staff normally catch on very quickly, it's the public who don't read their newspapers. I still have some people still wanting to pay for petrol with credit cards," she said.

But Mr Brian Univer, owner of a Main Street garage, said it was pointless trying to buck the system and continue to sell petrol by the litre because it would mean risking a R2 000 fine.
Petrol cheaper in Butterworth

EAST LONDON — Fuel price increases escalated as drivers proceeded towards the interior, but the price in Butterworth in Transkei was one of the lowest in the country, a spokesman for the petrol industry said.

The cost of fuel in random Border areas from Monday will be as follows:

- East London: 49.5c a half litre for 95 octane, 47c a half litre for 93 octane. King William's Town is on the same grid and prices are the same there.
- Aliwal North: 47c a half litre for 97 and 49c a half litre for 93. There is no 98 octane available there.
- Queenstown: 50c a half litre for 95 and 48c for 93.
- Umtata: 49c a half litre for 98 and 47c for 93.

The spokesman could give no figures for Grahamstown which he said was on a different grid.

He confirmed that paraffin prices would rise according to the grid on which the town was.
Fuel rise could be 'last straw' for agriculture

Pietermaritzburg Bureau

THE latest petrol price rise and the fear of yet another early next year could be the proverbial last straw for some farmers in Natal who already have their backs to the wall.

The director of the Natal Agricultural Union, Mr Alwyn Bischoff, said he could see farmers having "a very hard look" at whether their industry was still a viable one.

What concerned the NAU terribly, he said, was that the farming sector was extremely vulnerable to fuel price rises.

"Farmers have long distances to travel to cart their input requirements and produce is very dependent on road transport, so another fuel price increase will have a tremendous effect on them,"

Mr Bischoff said the new petrol price would have an obvious ripple effect through the entire economy and in every sector of agriculture.

The NAU was alarmed that another petrol price increase was in the pipeline.

The president of the SA Agricultural Union, Mr Kobus Jooste, said although the increase had been expected because of the value of the rand, it would be a further blow to farmers who were struggling to recover from unfavourable seasons.

The SAU was also "extremely concerned" about the increases in input costs, particularly imported implements.

The state of increases in agriculture has had to deal with by "seriously undermining the financial independence of farmers," Mr Jooste said, adding that the survival of a large section of the farming community was being threatened even more.
City bus fares to go up by 10-22 percent

Hardship

A spokesperson for the Cape Town Transport Environment Group, who was a background speaker at a press conference held by the Western Cape Transport Union, said that the hike in transport costs was due to the high cost of living and the need to increase fares to maintain the subsidy.

The spokesperson said that the proposed fare increases were necessary to ensure that the transport system remained financially viable. They also argued that the increases were necessary to address the high cost of living in the city and to provide better services to passengers.

Dr. Alex Botes, a member of the Western Cape Transport Union, echoed these concerns, saying that the increases were necessary to ensure that the transport system remained financially viable. He also argued that the increases were necessary to address the high cost of living in the city and to provide better services to passengers.

Cash fare increases will start from Monday, 21 April, and will be implemented in stages over the next month. The increases will be as follows:

- Stage 1: 10% increase
- Stage 2: 10% increase
- Stage 3: 22% increase

The spokesperson also said that the transport union will continue to monitor the situation and will take action if necessary to ensure that the transport system remains financially viable.

The spokesperson also said that the transport union will continue to monitor the situation and will take action if necessary to ensure that the transport system remains financially viable.

The spokesperson also said that the transport union will continue to monitor the situation and will take action if necessary to ensure that the transport system remains financially viable.
Widespread rise in prices predicted

CAPE TOWN — Prices of virtually every consumer item available in South Africa will increase by at least five per cent in the new year, with some products rising by as much as 25 per cent.

Spokesmen for the major supermarket chains yesterday spelt out grim prospects for consumers in 1966.

The senior buyer for Pick 'n Pay in the Western Cape, Mr Allan Baxter, said yesterday, "The writing is on the wall. "It looks at this stage as if we will be able to absorb increases up until Christmas by selling off stocks we already have. However, in January, or possibly February, we can look at price increases across the board."

He said almost every product carried by the supermarket chain would go up by anything from five to 15 per cent, depending on the distance the product had to travel from point of manufacture to retail outlets.

Major factors which would push up prices are the 5.8c a litre average increase in the petrol price — which pushed the total increase to the year to 60 per cent — and increases in the cost of packaging and printing.

Mr Len Clench, divisional director of Checkers, said the dollar/ rand exchange rate had had a serious effect on the cost of printing and packaging as many of the more important materials were imported from the United States.

"Everything we sell in our supermarkets, and I mean everything, will go up in price in the new year."

Mr Clench said the average price increase would be "anything up to 15 per cent across the board" with some products which came from further afield going up by as much as 25 per cent.

"You can say that the price increases will be felt from the time we open our doors for business after New Year on January 3."

Mr Norman Bernstein, marketing director for Grand Bazaar, said it was too early to predict accurately what the increases would be in the new year, but "when all the bets and pieces are added up, we will be left with no option, we will have to pass it on."

He said it looked as if the petrol price would probably increase again in the new year, and with the recently announced 10 per cent surcharge on imported goods and the increase in the price of packaging and printing, major increases were inevitable.

From Durban, Sapa quotes the general manager of the Pick 'n Pay Hypermarket, Mr Martin Rosen, as saying prices would increase by between five and 10 per cent even before Christmas.

"Already suppliers are talking about increasing prices and by Christmas I expect at least 30 per cent of food items on the shelves to increase between five and 10 per cent."

12/18
There are hard times ahead," said one chainstore spokesman.

The general manager of the Pick 'n Pay Hypermarket in Durban, Mr Martin Rosen, said: "Already suppliers are talking about increasing prices and by Christmas I expect at least 10 percent of food items on the shelves to have increased between 5 percent and 10 percent.

"Even the price of rice, which was 80% off following a Government decision to drop the surcharge, will be affected. The drop will now only be about 3c," he said.

Mr Brian Beaven, manager of the Spar group, agreed that increases of between 5 percent and 10 percent could be expected because of the fuel price increase, but said most of these would probably not be felt before the new year.

Manufacturers have to give us four weeks' notice of price increases and we will take advantage of that to buy in stocks," he said.

"We definitely will not see price increases in the Spar group until the new year, apart from those already announced in the past three or four weeks."

Weak rand

The weak rand, however, could push increases on some products up by another 5 percent.

The senior buyer for Pick 'n Pay in the Western Cape, Mr Allan Baxter, said yesterday: "The writing is on the wall. It looks at this stage as if we will be able to absorb increases up to Christmas by selling off stocks we already have, but in January, or possibly February, there will be price increases right across the board."

Almost every product carried by the chain would go up by anything from 5 percent to 15 percent, depending on the distance the product had to travel from point of manufacture to retail outlet.

"We carry 10,000 basic food lines alone, and the increases could affect the lot," he said.

Major factors pushing up prices are the increase in the petrol price and increases in the cost of packaging and printing.

Mr Len Clench, divisional director of Checkers, said the exchange rate had had a serious effect on the cost of printing.

Mercury Correspondent

"Many of the more important materials were imported from the United States. Everything we sell in our supermarkets, and I mean everything, will go up in price in the new year," Mr Clench said.

Mr Norman Bernstein, marketing director for Grand Bazaar, said it was too early to predict accurately what increases there would be next year.

"But when all the increases are added up, we will be left with no option. We will have to pass it on.

"Our correspondent in Pretoria reports that an increase in the price of fresh fruit sold to the canning factories is likely to hit the consumer from March next year. Prices paid by the canning factories for fresh fruit would increase by between 7 percent and 10 percent, and this would be passed on to the consumer."

CAPE TOWN—Supermarket spokesmen reported yesterday that the price of almost every consumer item available in South Africa will increase by at least 5 percent in the next year and some by as much as 25 percent.
Passenger
fare rises
criticized

Staff Reporter

CIVIC and labour organizations yesterday condemned the announcement of bus fare increases, which take effect on Sunday and fall together with a 10 percent increase in passenger train fares.

While City Tramways yesterday announced its 10 to 22 percent increases in a press release, South African Transport Services (SATS) announced in October that rail and road passenger fare increases of between 10 and 15 percent were to come into effect on November 17.

City Tramways said yesterday that the bus fare increases were to compensate for the increase in the cost of diesel fuel. Increases on cash fares are not more than ten percent, in terms of a section of the Road Transportation Act which entitles any bus operator to recover fuel prices increases up to a maximum of 10 percent of the existing fare without applying to the Local Road Transportation Board.

Clipper card increases vary from 10 to 22 percent. Clipper card users would have to pay the full increase as the Department of Transport had not been able to increase the subsidy paid on clipper cards.

'Did not raise fares'

Bus fares were last increased in February this year. City Tramways said yesterday: "The company did not raise its fares to cover the fuel increase of 4.7 cents per litre in September this year and it is not in a position to absorb the latest increase of another 4.7 cents per litre."

Mr W. Horne, head of SATS passenger services in the Western Cape region, said there would be a general 10 percent increase on suburban fares.

Mr A. L. Gaffoor, press secretary for the Western Cape Traders Association (WCTA) and the Chamber of Muslim Meat Traders (COMMTRA), said: "WCTA and COMMTRA view with dismay the insensitive nature of City Tramways and SATS to the plight of the oppressed, hard hit by unemployment and the useless rand."

"The forceful removal of several communities far from their workplaces lies squarely on the shoulders of the Nationalist ideologists and we therefore call upon the government to absorb the increases and to get rid of the monopoly in public transport."

A spokesman for Cape Town Chamber of Commerce said the increases had been expected but the Chamber was concerned that the increase hit the lower-income groups, who were the relatively larger portion of public transport users.

'Intolerable last straw'

Mr Ian Theron, general secretary of the Food and Canning Workers Union, said the union was appalled by the increases: "Transport is a basic need and should be provided at a cost the people can afford and not at a price which makes a profit for large corporations."

Mrs Mary Burton, chairman of the Black Sash, said: "Unemployment and the rising cost of food already place a heavy burden on the people. This could be the intolerable last straw."

Examples of cash fare increases are a rise from R1.75 to R1.92 on the Mitchell's Pass route to Cape Town, and an increase from R1.80 to R1.92 from Nyanga to Cape Town.

Some clipper card increases are from 37c to 43 cents a
New law today on petrol sales

Staff Reporter

CONFUSION reigned yesterday as some City petrol stations switched to selling petrol by half-litres, while others stuck to the old system after press and radio reports said it was not necessary for coastal pumps to use the new system.

However, a spokesman for the Department of Trade and Industries in Pretoria said yesterday that a Government Gazette, amending the Trade Metrology Act, would appear today. In terms of this notice, it will be illegal to sell petrol in litres.

The spokesman said the half-litre system was a purely temporary measure aimed at eliminating confusion.

A Motor Industries Federation (MIF) spokesman said a large number of garages in the Peninsula had not changed to the new system.

'Double price'

He attributed this to press and radio reports which said that as coastal prices had not exceeded R1, it was not necessary for coastal stations to change.

Under the new system, all petrol pumps will sell petrol in half-litres and motorists will pay double the price reflected on the pump.

This became necessary because some petrol pumps are unable to reflect prices higher than R1 a litre — which is the new inland price after petrol, diesel and paraffin prices increased yesterday.

A survey of Cape Town garages showed that many had not switched to the new half-litre system and most were concerned or angry about the change.

Mr R Eintracht, owner of a Newlands garage, said: "I've got the equipment to handle the increases. Why should we be penalized because everybody can't do it?"

Mr Robin Guest, owner of a Blouberrystrand petrol station, called the new system "messy".

Petrol stations which had changed over to the new system said they had not experienced any serious difficulties.

Mr Peter Pickup, owner of a Woodstock garage, said there had been "a couple of complaints, but they seemed mainly to abuse the government."
Train, bus, taxi fares on way up

Mercury Reporter

TRAIN fares go up 10 percent on Sunday and the Durban Transport Management Board meets today to decide whether bus fares will also rise.

DTMB general manager Marshall Cuthbert said yesterday it was "highly likely" that fuel increases announced by the Government on Monday would have to be passed on to commuters.

He gave no indication of how much the increase would be, or whether it would be in the same region as the 10 percent hike announced for Pietermaritzburg's bus service.

Taxi operators have also applied for a fare hike.

The only cheerful news was for Putco commuters, the firm announced yesterday that it would not immediately increase fares.

The train fare increase applies to all but the Blue Train.

A spokesman for South African Transport Services said the increase was as a result of increased costs and the "poor economic outlook.

Relief for Putco commuters is likely to be only temporary as the company, already faced with an R640,000 loss for the past financial year, says it cannot carry the extra cost itself much beyond the end of the year.

The company said although it would be faced with increased costs of about R350,000 a month because of the 4.7c hike in diesel, it did not feel commuters can bear another increase at this time.

"The company, the Black bus passenger industry and its commuters, are facing major economic problems, with potentially serious consequences for commerce and industry dependent on black labour," he said.

Mr Kay Watson, the owner of one of Durban's biggest taxi companies, confirmed that taxi owners had applied to the Local Road Transportation Board for permission to increase fares.

"We are already carrying September's petrol price increase," he said.

Mr Mahmood Bux, chairman of the Indian Bus Owners' Association, said it was likely that operators would announce a 10 percent fare increase by Monday.

"We will have to pass on these increases to the commuter otherwise we cannot carry on. It is not just the fuel increase, but the soaring price of spare parts and the rand-dollar exchange rate as well," he said.
TIMBER merchants will have to pay 15% more for sawn softwood from January.

The increase, announced by the SA Lumber Millers' Association (Salma) yesterday, mainly affects structural timbers.

Salma increases over the past five years had consistently been below the rate of its cost increases, said executive director Andries Swart.

He said analysis by independent consultants showed millers' total production costs had risen an average 15% a year, compared to the average increase in sales price of 11.6% over the past five years.

Without corrective action, industry viability would come under pressure, he said.
Scrap price control and State subsidy — report

Price of bread could rise 40 pc

By Colleen Ryan,
Pretoria Bureau

In a move which could lead to a series of large increases in the price of bread, a Government-appointed commission of inquiry has called for the scrapping of price control on bread and the gradual phasing out of the State subsidy.

The commission’s report calls for the abolition of price control on flour and standard bread in October 1986 and the phasing out of the bread subsidy within the next three to five years.

Sources in the wheat industry have warned that, in addition to normal inflationary price increases, the price of bread could increase between 20 and 40 percent if the subsidy and price control were dropped.

The commission, chaired by Mr. F. J. Davin, was appointed to investigate whether the present subsidy system benefited underprivileged consumers.

It found that bread consumption among black consumers had increased steadily in the past two years. But it argued that the present subsidy — of 11.6 c on a loaf of brown bread — did not benefit only the poor, it also benefited middle and upper-income groups.

The report conceded that the phasing out of the subsidy would lead to a gradual increase in the price of bread but argued that “free competition between millers, bakers and distributors should ensure that the price does not sky-rocket and that consumers can still obtain standard bread at realistic prices.”

To encourage competition and newcomers to the industry, the commission also recommended that restrictive registration in the milling and baking industries be scrapped in October next year and be replaced with a system of formal registration.

The report recommended that the State should concentrate on direct assistance to the hungry and malnourished. It said that aid should be given to Government relief schemes, surplus food be sold at reduced prices to organisations such as Operation Hunger and at schools where children were in need.

It also recommended that, during the phasing-out period, the subsidy be transferred to the Wheat Board to reduce storage and handling costs.

The commission’s recommendations were in line with the Government’s policy of reducing State interference in agriculture and encouraging free enterprise, said the report.
INDUSTRY

Operators warn of spiralling costs

Diesel rise to be passed on

PASSENGER, freight and agricultural sectors say they cannot absorb the latest diesel price increase.

As a result, say spokesmen, costs will have to be passed down the line.

This will mean increases in the price of vegetables, fruit and other farm products.

Bus fares will also rise and users of public road haulers will pay more to transport their goods.

Private transporters — companies like SAB, Premier Milling and Coca-Cola which own transport operations to haul their own products — are likely to be faced with similar cost increases.

Kobus Jooste, president of the SA Agricultural Union (SAAU), said the diesel price increase — delayed for farmers until the end of the 1986 planting season — meant total cost increases of R18m a year.

"In its present state of economic rigidity, the sector will just not be able to carry the increased costs," he said.

"The survival of large parts of the farming community and of rural areas is being threatened.

The Public Carriers Association (PCA), comprising independent haulers, is equally positive the increase cannot be absorbed on top of the industry's other cost rises this year.

"The only way to lessen the blow to the consumer is for the government to allow an increase in the maximum permissible axle mass," said PCA deputy chief executive Gert Grobler.

"This increase would increase unit productivity on mass by 10%-15%. This would give haulers a big saving."

The bus industry is also in a rigid economic situation, having faced large numbers of cost increases this year and an industry-wide cost from unrest of about R30m.

Each 1c rise in the price of a litre of diesel costs organisations such as Putco R1m a year.

"Our executive meeting today will decide on our future strategy," said Braam de Jong, deputy chief executive of the SA Bus Operators Association (Saboa).

"Individual operators will not be able to absorb the increase for any length of time although some have indicated that they will delay any fare increases until February."

The only answer for absorbing the latest fuel rise, according to De Jong, would be an increase in government's passenger subsidy rate.

The Department of Transport is, however, investigating the possibility of lowering, even removing, this benefit.
The analysis showed that the total production costs of outlets had risen on average by 15 percent over the past five years and the retail price of 14.4 percent over the past five years. It was clear from the report that if these trends continued without an effort to keep inflation in check, the industry would come under severe pressure. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends. 

A recent study of the industry revealed that the production costs of outlets had increased by 15 percent over the past five years, while the retail price had increased by 14.4 percent. The industry is under severe pressure due to these trends.
PRICE control on flour and the subsidy on standard bread should be phased out during the next few years, according to a government-appointed commission of inquiry.

The inquiry has also recommended that more direct state aid be given to the poor and hungry.

The commission, which was asked to investigate whether the present subsidy system benefited underprivileged consumers, said in its report that the price control on flour should be abolished by October next year, and the subsidy on bread phased out by 1990.

Chairing by F J Davin, the commission found that although a phasing-out of the bread subsidy, at present 11.6c for a loaf of brown bread, would lead to price increases, it added:

"Free competition between millers, bakers and distributors should ensure that the price does not sky-rocket and that consumers can still obtain standard bread at realistic prices."

The report recommended that instead of subsidising bread, government should concentrate on direct assistance to the hungry and malnourished through relief schemes and bodies such as Operation Hunger.

The commission also said restrictive registration in the milling and baking industries should be scrapped and be replaced with a system of formal registration which would encourage newcomers to join the industry. — Sapa.
TIN TO PAGE:

Bus commuters feel the pinch

FROM PAGE 1

OCT. 19, 1971

BUS FARES go up again from next Sunday. Commuters are poised to strike.
Price of bread set to rise

GERALD REILLY

ANOTHER bread price increase is on the cards for early next year.

In Pretoria at the weekend, Wheat Board GM Dennis van Aarde said the increase in the fuel price by 5c/l earlier this month and the expected further increase of 6c/l in January would load costs, particularly bakers' costs, in the industry to a point where an adjustment in margins would be justified.

And, according to industry sources, if government refused to provide an additional subsidy, — it would be the second such provision this year — the bread price would have to be raised again.

The bread price was raised by 5c a loaf from October 1.

Had it not been for an additional subsidy of R6m, the increase would have been substantially greater.

The additional subsidy, which brought the total for the financial year to R245m, was said by Minister of Agriculture Greylng Wentzel at the time to be sufficient to hold the bread price at the new level until the end of March, when the price issue would have to be looked at again.

Contributions

The additional R65m was made up of contributions of R5m each from the baking and milling industries, R15m from the Wheat Board's reserve fund, and R35m from the Treasury.

Pretoria sources said the bread price in the new financial year would depend on how much the government was prepared to allocate to the subsidy in the 1986/87 budget.

Costs in the industry were bound to increase during the year and bakers, millers and producers were bound to seek compensation, they said.

Based on this year's total subsidy of R245m, the amount needed if government wanted to keep the price at the expected January adjusted level, was more than R305m.

However, this would also depend on whether government was going to heed the recommendation of the Davis Commission and start to phase out the subsidy next year.
The Transvaal hypermarket is handing back 4c/d to customers who use its self-service pumps and the same procedure is now expected to be introduced at the Pick 'n Pay Hypermarket in Durban North.

The hypermarket's general manager, Mr Martin Rosen, told the Mercury his store would discount fuel 'within the next few days', providing the Government did not interfere.

Mr Rosen said: 'The discount will be in addition to the 10c/d/octane discount we have in place. We have strong competition with BP and the discount will be a way of highlighting this.'

Mineral and Energy Affairs spokesman, Mr Burger, said the department 'is not in favour of discounting at retail levels, but no specific action has been decided on. The situation is being studied and the department may get involved.'

However, he pointed out that although the Petroleum Products Act made provision for the minister to follow a number of options, he was not forced to act.

Our Cape Town correspondent reports that at a meeting of Pick 'n Pay directors yesterday, it was decided that the discount would be applied to fuel at all 12 of the chain's branches around the country.

The discount will be just 3c/d, but over a month, this would amount to an average of $500,000 from 350,000 cars.

Each service station at the 12 outlets will also have facilities for normal petrol distribution where attendants' service caps and normal prices are charged.

With the introduction of self-service pumps, Boksburg, the outlet increased its volume from 350,000 to 1,000,000 litres.

Peter Price, managing director of Pick 'n Pay, said yesterday that if the go-ahead were given, the system could be introduced, as advertised last week.

Advantage

A number of service station owners are up in arms over the plans and one owner near the Hypermarket said the Government should step in and stop the discounting.

He claimed that of 45,000 petrol attendants in South Africa between 60 percent and 75 percent would lose their jobs if self-service was introduced.

'The average motorist uses 30 litres a week, and if the 10c/octane discount is taken away, the motorist would save B5. So to save B5 a month we would put thousands of people out of work.'

A Motor Industries Federation member said the department should act immediately. They should not allow management to get away with it.

'This guy has an unfair advantage over the ordinary retailer and it's wrong,' he said.

'Look how they act when owners wanted to reflect the full price of fuel to the pumps instead of the half-litre system. The Government threatened to close service stations if they did not comply with the laid down pricing system.'
BUS operators are having to take potential unrest into their calculations on fare increases, according to the SA Bus Operators' Association (SaboA).

Braam de Jong, assistant to the director of Saboa, said it had been decided at a recent meeting that individual operators should decide how best to recover the cost of the latest diesel-price increases.

"But socio-political considerations came into this discussion. Any implementation of fare increases would have to be selective if they lead to trouble being caused in certain areas."

The unrest has hit bus operators hard, especially in the wake of bus-fare increases. The bill for damage to buses totals R1.8m so far this year.

Fare increases for black passengers were investigated on Monday by the three operations which have rationalised fares in the area — the Durban Transport Management Board Putco and KwaZulu Transport.

Having absorbed the September fuel increase, Cape Town's City Tramways has had to push up fares, taking account of the November fuel-price increase.

"Our fares rose on Sunday by not more than an average of 10%. This was forced on us by the fuel price and the fact that Department of Transport was not prepared to increase our passenger subsidy," said spokesman Francois Poigier.

"We considered the whole unrest aspect in our look at fare structures."

PE Tramways, which serves Port Elizabeth, is in much the same position as sister company City Tramways.

ALAN PEAT
Management Board Putco and KwaZulu Transport

Putco said it would not be able to carry the extra cost much beyond the end of the year.

Meanwhile, commuter buses can be run at a profit without passenger subsidies, says a report published this week by the CSIR's National Institute for Transport and Road Research (NITRR).

It says an element of competition in a free-enterprise system would lead to streamlined marketing, improved passenger convenience and operator profit.

"Without subsidy and legislative protection, public transport would have reacted to near-universal car ownership by a gradual reshaping of services into a limited series of direct lines with frequent services and with highly variable prices," say authors of the report, Paul Browning and Rodger Smith

It absorbed the September increase, but only until the November fuel rise was announced.

MD of PE Tramways, Carl Coetzee, said "With that second increase we were just forced to increase fares to accommodate the two Our cost increase has been estimated at R190 000 a year.

"Taking our present fuel use and our number of passengers into account, we have increased our fares to recoup about R900 000 of this."

Putco is not immediately increasing fares on the Reef.

The company said that, although it would face cost increases of R350 000 a month, its passengers could not bear another increase following its recent 17.5% fare increase.
Increase is 'below inflation rate'

13.5% cement price rise 'justified'

THE cement industry is adamant that its 13.5% price increase on December 1 is justified.

"The price increases across our range of cements are less than the increase in the consumer price index (CPI)," said David Brockhouse, distribution manager of Blue Circle.

"This reflects our absorption of cost increases and the fact that we are not passing on the effects of the excess capacity in the industry."

Brockhouse and deputy MD of Anglo Alpha, Rome Searle, agreed that the old price control formula would have resulted in a higher return to the producers, and a higher price to consumers.

Said Searle: "Industry price increases have traditionally been based on the results of the previous year. The ground for determining price increases in the industry is the old price control formula.

"Applying this, the SA cement industry would have earned 4.5% before interest and tax on capital employed during 1986.

"The Price Controller permitted the industry a return of 15% during the era of price control."

The formula further indicated that an increase in the region of 20% would have been required to give the industry that 15%, according to Searle.

"Clearly this would have been unacceptable to customers and an increase less than the inflation rate is to be implemented," he said.

Both parties also stressed that the industry had absorbed a 10% rail tariff increase from April 1.

Thus, they said, constituted about 40% of the delivered price of the product.

"Increases well above the inflation rate for power, coal and other fuel have been absorbed. These are all expenditure items of significant impact on the manufacturing cost of cement," said Searle.

"But," said Brockhouse, "railage rates, electricity tariffs and coal costs are expected to increase again during the first part of next year and it may be necessary to make some further adjustments to our prices when these occur."

Alan Peat
Bus passengers fear new 52 pc Sats' fare rise

By Zenande Vendeiro,
Transport Reporter

Fares on buses to Johannesburg from Vanderbijlpark, Vereeniging and Meyerton, which went up by 10 percent last week, could be raised by a further 52 percent, say angry commuters.

A spokesman for South African Transport Services (Sats), which runs the services, said a figure of 52 percent had been mentioned, but was not definite. "It could be more, or less, depending on the number of passengers."

Sats told passengers at the beginning of the month that the services would be "terminated on December 1 because of poor transport and the weak economy."

After representations by passengers and local politicians, it agreed to continue the services on a temporary basis.

A committee of 10 was formed, comprising commuters and Sats officials, though there are plans to enlarge it to include students, school children and their parents.

Rumours of the 52 percent fare increase have stunned passengers. "We were told the service was being run at a total loss and the 52 percent increase would not enable it to 'break even,'" said one. "It's incomprehensible. We are all in favour of rationalisation but not of an increase of this magnitude."

By Zenande Vendeiro
Beef prices set to soar

BEEF farmers are cancelling slaughter permits in unprecedented numbers, causing a shortage of fresh beef and forcing up prices, according to Meat Board spokesman Koos Bignaut.

He said if it were not for the supplementary supplies of frozen beef being fed on to the market, prices could have gone through the roof.

Farmers, he said, were withholding stock to build up breeding herds depleted during three years of drought, and as long as this process lasted the supply of fresh beef would be adversely affected.

Fortunately the board still had good supplies in cold storage, and these would be used to slow down the upward trend in prices at auctions.

Frozen beef was also still being sold direct to consumers and the trade at rock bottom prices.

Bignaut was unable to say how long supplies would last.

The board, he said, was unable to explain fully recent price increases.

For instance for the week ending October 25, lamb prices averaged R4.13 a kg.

Last week, the price reached a record R5.18 a kg and this was in the face of an oversupply of sheep on some days.

Beef prices had increased steadily in the past two months and reached R2.80 a kg for super last week.

Bignaut added that markets were also experiencing the usual seasonal increase in demand for red meat, especially mutton.
THE Medical Association of S.A. has backed a move by a group of doctors in the Western Cape to increase their consultation fees from R9.50 to R15 a visit — an increase of almost 58 percent.

A spokesman for the group, the Hottentots Holland Medical Society, an informal body which represents almost all the private practitioners in Strand, Grabouw, Gordon’s Bay and Somerset West, said the increase would bring consultation fees into line with those of practitioners elsewhere in the country.

The new tariff is to become effective on January 1 next year when the medical aid tariff for consultation was also increased from R10.50 to R14.40.

"Colleagues in other areas of the Western Cape are charging about R15 for consultations and those up-country about R18, so we calculated R15 was a reasonable level at which to set consultation fees," said the HMC spokesman.

He said the group would maintain its policy of offering cut-rates or even making no charge at all to people who simply cannot afford the laid-down rate.

Dr Winter, vice-chairman of the Federal Council of MASA, said the move by the HMC — most of whose 30-odd members are also MASA members — fell within the range of fees suggested by MASA to its members.
Ackerman: 'We'll fight ban on self-help petrol'

Staff Reporter:

THE first self-help petrol was sold in the Peninsula today and Pick n Pay chief Raymond Ackerman said he would defy the Government ban due to be gazetted today as long as he held his licence.

He said the Government was now trying to stop Pick n Pay selling petrol at a price less than that of normal petrol as would be seen at petrol courts and he said his lawyers had investigated a matter.

He said: 'We will continue selling petrol at cost and we will take the law to our side.'

Mr Ackerman said his lawyers were waiting to see if the Government would continue the move as a discount scheme as the Minister of Minerals and Energy, Mr Danie Keyter, had.

Can't touch us

The store "This is not a discount scheme so if the Government think they can't touch us we are happy to serve customers to serve themselves. It is much the same as charging people less if you don't deliver groceries. That is what supermarkets are all about."

He said the problems were still considering whether or not to give special interest rates to people who want to serve themselves.

They were also investigating whether or not the Government had the right to prosecute or ban in order to prevent Pick n Pay from供电 to serve themselves.

He said: 'We are still waiting for the Ministry to give us the final instructions for the evening. But we are going to defy the law if the Government is wrong.'

Pick n Pay would meet the Government today to discuss the ban, he said.

Hopping mad

"We are hopping mad that they banned the petrol sale before we had a chance to tell them."

Pick n Pay has invested more than R100 000 into an advertising campaign to advertise the self-service scheme.

Mr Sakkie Joubert, manager of Pick n Pay's Brackenfell hypermarket, said the self-help petrol scheme went into operation at 7am today.

Staff were putting up banners advertising the scheme and at 7:30 the first customer pumped R10 worth of petrol for himself and received a cash refund for doing so.

Philippo Buckley of Durbanville helps himself to petrol.
Another meeting on Atlantis crisis

Municipal Reporter

The continuing crisis in Atlantis will be the subject of yet another special Divisional Council meeting next week.

Atlantis was due to be discussed at the council's monthly meeting yesterday, but the chairman, Mr Louwman Rothman, asked that the debate be postponed.

A suggestion from Mr Rothman that the housing committee be given the power to make a final decision on matters raised at the previous special meeting was strongly opposed by Mr Neil Ross.

Mr Ross said it would give a 'restricted group' of councillors final say over the issue and would mean that the press and public would be excluded from the debate.

Next week's meeting, on Wednesday at 11am, will be open to the public.

The council will consider two motions from Mr Ross asking for further relief measures for 'bona fide hardship cases' in Atlantis, and for council to approach central government and the province for additional funds for the area.

Other matters likely to be raised are allegations of 'rudeness' by council officials towards residents and a request that home-owners be given the right to discuss their problems with staff in Atlantis instead of having to travel to Elise's River.
Another meeting on Atlantis crisis

Municipal Reporter

The continuing crisis in Atlantis will be the subject of yet another special Divisional Council meeting next week.

Atlantis was due to be discussed at the council's monthly meeting yesterday, but the chairman, Mr. Lowry Rothman, asked that the debate be postponed.

A suggestion from Mr. Rothman that the housing committee be given the power to make a final decision on matters raised at the previous special meeting was strongly opposed by Mr. Neil Ross.

Mr. Ross said it would give a "restricted group" of councillors final say over the issue and would mean that the press and public would be excluded from the debate.

Next week's meeting on Wednesday at 9am will be open to the public.

The council will consider two motions from Mr. Ross asking for further relief measures for "bona fide hardship cases" in Atlantis, and for council to approach the central government and the province for additional funds for the area.

Other matters likely to be raised are allegations of "rudeness" by council officials towards residents and a request that home-owners be given the right to discuss their problems with staff in Atlantis instead of having to travel to Elsie's River.
Cut-price petrol stops at midnight

PRETORIA - After one of Pick's Petrol service petrol discount schemes was stopped at midnight, in terms of an agreement reached with the Government, but a three-month concession has been granted to the Bosorogt hypermarket.

It is understood that after discussions between the group and the Department of Miners and Energy Affairs, the director general, Dr. Louis Albert, said the Government maintained its position following yesterday's banning of the rebate system.

"However the store on the East Rand has been operating a discount petrol scheme for some years and the department does not want to be too abrupt and end an established practice.

Although service stations in the vicinity were still complaining, the following decision was taken:

"Should the supplier which provides this store with petrol be willing to renew for three months a previous contract which allows a discount (which full petrol pump services, the department will not object.

Meanwhile, an investigation would be carried out and, if necessary, the situation would be reviewed next year, Dr Albert said"
Import surcharge ‘unjustified’

Cost of medicines likely to increase

GOVERNMENT's 10% surcharge on pharmaceutical raw materials is unjustified and is likely to increase further the cost of medicines, according to Niko Stutterheim, chairman of drug and chemicals group Noristan Holdings.

In the group's annual report he said the weak rand had already pushed up prices because of the increased costs of imports.

"The recently-imposed 10% surcharge on imports, which also affects pharmaceuticals and chemicals, will place further pressure on selling prices and we are of the opinion the surcharge cannot be justified on an essential item such as medicine."

Noristan MD Hugo Snyckers said yesterday the surcharge would increase medicine prices by 5%.

"The state is always expressing concern at the high cost of medicines. If it is so concerned, it should demonstrate it," he added.

The annual report shows that Noristan, which also deals in computers, achieved an after-tax profit in the year to June of R1.8m, compared with R1.1m.

This includes provision for R2.4m in foreign exchange losses on overseas loans. Total provisions for forex losses for the year were R4.7m, of which the balance will be spread over the period of the loans.

Describing Noristan's results as "quite reasonable", Snyckers said yesterday the group was not expanding.

He warned that if the SA economy showed no signs of an early recovery, drug and cosmetic prices could rise sharply in the new year.

Although imported ingredients made up a huge chunk of products — 100% in the case of Noristan's cosmetics — many manufacturers were continuing to absorb increased costs because of reduced public buying power and competitive pressures.

"However, you can probably expect to see further increases in the new year. A number of manufacturers are awaiting the result of the rescheduling talks."
Passing the buck

The first "Scale of Benefits" for determining medical scheme payouts is expected to be gazetted with effect from January 1. It marks the end of 40 years of tortuous negotiation between schemes and beneficiaries — doctors, dentists and other medical professionals — characterized more by disagreement than agreement.

Under the scale, the Representative Association of Medical Schemes (Rams) is to increase its payouts by an average of 12.5%. Increases vary considerably, however, with general practitioners receiving the biggest hike: They will receive a 43% increase in consultation fees from R9.50 to R13.60.

The hope is that this will encourage doctors to spend more time with patients and prescribe fewer medicines, thus saving on drug costs. But some are sceptical, believing that this will "not cut consultation habits," as one scheme's manager put it.

It was last year that negotiation of fees finally came to an end. From December 21, 1984, doctors were free to charge what they liked although in practice many kept to the tariff gazetted that July.

Under the new deal, however, Rams is "obliged to review its rates" within three months of a change in fee scales used by the medical profession. In the case of doctors, the Medical Association of SA (Masa) publishes what it calls "Guide to Fees for Medical Services." This is a guide for average private fees, based on a unit price of R2.10, though in line with Rams' new scale, the unit price for medical schemes will be R1.58, an effective discount of 25%.

Doctors who stick to the scale will continue to enjoy the benefits: As of January 1, they have been a capitation fee. But, representatives at a recent conciliation meeting have been the first time such a fee was put into practice.

That was when medical schemes were developing — as an extension of the old medical benefit schemes — and doctors saw a marketing opportunity to bring medical services to a wider clientele at an affordable price.

After negotiations between Masa and the medical schemes, a deal was struck bringing the two sides together to offer a "preferential tariff of fees." It provided for recognition of a scheme by Masa with a ceiling on members' earnings. For their part, medical schemes agreed to pay doctors in full, direct, and then recover members' liability. "It was a horse trade," says John Ernstzen, chairman of Rams, "without any real science.

Progressively other bodies joined the arrangement including the Dental Association of SA (Dasa) and the SA Association of Private Hospitals. As more people became medical scheme members, their earnings limit fell away so that even high earners received treatment at discounted rates.

"During the Sixties, it got to a stage, especially with Masa, that the horse trading became enormous," says Ernstzen. Masa feared a loss of negotiating power as schemes grew in number — probably with justification.

Mass threats

Masa threatened to withdraw approval of certain schemes led to the appointment of a commission of inquiry under Henrie Shvman, then president of the SA Medical & Dental Council. From this emerged recommendations that led to the Medical Schemes Act, 1967, the prime object of which was to encourage the formation of medical schemes to provide medical cover for the whole population. This important principle got lost in the ensuing arguments.

The Act provided for a Remuneration Commission, a judge and assessors with medical and medical schemes knowledge, to determine the fee structure of doctors and dentists. It would adjudicate between the professions and medical schemes. The outcome was the gazetting of an updated tariff of fees.

But doctors and dentists were never happy with the arrangement, says Ernstzen. "Basically, I think the commission did as well as it could, given the evidence put before it. But Masa and Dasa were always loath to give sufficient disclosure of their affairs to justify their demands."

As a result, the Act was changed once again. This time the SA Medical & Dental Council became responsible for determining fees.

Ernstzen

The first agreement was gazetted in 1979. No longer was a judge needed. But the council appointed a sub-committee which heard evidence from both sides and made recommendations to the Minister of Health. This first determination in November 1979 called for an increase of 37.5% in medical fees. Through adjustments and increased usage, however, medical schemes found their payouts actually rose by 52%.

Finanical Mail November 29 1988

In spite of the ensuing future requests by the then Minister of Health, Lopo Manurs, to reconsider, the increases were pushed through. The Act was again amended to give the Minister the final say in determining fees.

The latest change came when Niek van der Merwe was appointed Minister of Health. He did not want to assume the responsibility. After long consultation, the Act was amended yet again in May 1984 to allow professional bodies to determine their own fees with effect from December 21, 1984.

Pity it took so long to appreciate the advantages of a free market.
Wage freeze would be disastrous — Kantor

Financial Reporter

CALLS for a wage or price freeze to bring down the inflation rate should be ignored, Professor Brian Kantor of the University of Cape Town said yesterday.

He told guests at a cocktail party given by Investec Bank: "The stern call of wage and price freezes will be sung, but it would be totally foolish to try to hold down salaries and wages now in the interests of holding down the inflation rate. "Poor economic growth and high unemployment are a lot more damaging than a 20 percent rate of inflation."

Professor Kantor pointed out that there was a need for increased consumer demand to bring about a recovery but inflation and the lack of tax relief had eaten dramatically into purchasing power.

"It would be quite wrong to think that we can have a recovery of the economy without rises in wages and salaries."

Forecasting that inflation would rise by between 18 percent and 20 percent in the coming year, he said this would make it much more sensible to buy goods, property or shares than to hold on to money.
Killing off the paymaster

Across the clamorous battlefield of a public health service in rout, the medical schemes are calling for a showdown. Costs are rocketing and their differences with the providers of health care must be resolved or medical aid cover will soon become a rare luxury.

If the latest increase — planned for January 1 1986 — is taken into account, membership fees have gone up 500% since 1975 — an appalling show against an inflation rate of “only” 38% for the same period.

The big medical chiefs are gathering in Pretoria on November 28, primarily to discuss the “privatisation of health care in SA.” But they won’t get far if they don’t tackle the real key issue: how to control the future costs of medical services, which have already rapped through the R4 billion a year barrier.

Government is already limiting taxpayers’ subsidies — through the provincial hospital network — to “the poor and indigent” by evicting most schemes’ members to the private sector, where they have to pay market-related rates.

If medical care is to be available for everyone — including the increasing numbers of blacks — then some means of effective cost control and control of usage, will have to be adopted pretty smartly. As the principal paymasters of private medicine, the medical schemes see themselves as victims of exploitation.

They claim “widespread abuse by all and sundry,” and suggest the consumer could be losing anything up to R100m a year — to say nothing of losses through inefficiencies that medical schemes are in business to make a profit and are, in fact, doing very well. Membership fees have increased alarmingly since 1976, for example, at an average 16.1% a year. This compares to an inflation rate of 13.2% a year. Last year the number of registered schemes was reduced from 240 to 215 as part of ongoing rationalisation. In 1976 there were 251.

According to a recent Medical Association of SA (Masa) article, for the period 1974-1982, the doctors’ slice of the cake has crumbled, the suggestion being that they can’t match the bargaining power of the hospitals and drugstore. Compared to inflation at 16.5%, doctors’ earnings rose 12.2%, hospitals 29.1% and the costs of drugs 31.4%.

A specialist says that since tariff increases rose only 107.3% over the same period, doctors are being forced to increase turnover by giving the patient less time per visit.

“His overheads have risen faster than the tariff, and now absorbs 50% of his income. Now, at R9,50 a consultation he simply cannot afford to give his patient enough time,” he says.

One means to combat overservicing has already been adopted. Consultation fees, from January 1 1986, are to be increased by 43% (see Economy article headlined “Medical Fees”).

John Ernstzen, chairman of

L to R. Masa’s Prinsloos, Medical Administrators’ Loveton, Sana’s Brennigan... the heat is on.
HOW THE DOCTORS SEE IT

Percentage increases 1974-1982 — selected items

<table>
<thead>
<tr>
<th>Item</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drugs</td>
<td>312.8%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>291.3%</td>
</tr>
<tr>
<td>Dentists*</td>
<td>238.6%</td>
</tr>
<tr>
<td>General Practitioners*</td>
<td>191.0%</td>
</tr>
<tr>
<td>Specialists*</td>
<td>175.7%</td>
</tr>
<tr>
<td>CPI</td>
<td>165.0%</td>
</tr>
<tr>
<td>Specialists salaries</td>
<td>154.3%</td>
</tr>
<tr>
<td>Medical/Schemes Administration costs</td>
<td>132.0%</td>
</tr>
<tr>
<td>General Practitioners salaries</td>
<td>122.2%</td>
</tr>
<tr>
<td>Tariff increases</td>
<td>107.3%</td>
</tr>
</tbody>
</table>
| Total receipts for services rendered excluding overheads, as distinct from personal gross salary | Source: Medical Association of SA

the Representative Association of Medical Schemes (Rams), says the medical tariffs were last increased by 8.8% with effect from July 1 1984, an average increase of 4.4% for the calendar year. "Yet we have found that our claims costs for 1984 rose much higher than this up 19% on 1983 for general practitioners and 25% for specialists. "This can only suggest more services are being performed, which points to a major flaw in the present system our inability to control usage."

Tony Leeton, executive chairman of Affiliated Medical Administrators, which processes 30,000 claims a day, says that his statistics for the six months to November 1985 confirm the serious problem of over-scriving. "Those doctors who rely on medical schemes for their income see our members on average 23% more than those doctors contracted out," he says. Other schemes claim even higher figures.

A doctor accepts this, but says that patients for their part "over-demand. With the rapid increase in premiums members are using the facilities more, one reason why drugs expenditure has gone up so much. And sometimes you'll hear a member say, 'Well, I think I've got all my money back from the medical aid this year,' as if that was the point of it all."

"My surgeons are full of children with snotty noses who wouldn't be there if the medical schemes didn't pay," he adds.

Says Erenstein, "Certainly, this attitude adds to the pressure to prescribe Sedatives, tranquillisers, low grade analgesics and placebos make up 22% of our medicine costs or R160m. He also believes that people are subject to heavy advertising pressure, and, "we are discussing this particular problem with Masa. One thing we want is for advertisements to include suitable warnings, for example, few people realise that most renal failures are associated with the use of analgesics."

The private hospitals attract a fair share of criticism too. As the specialist comments, "We are by no means unaware of hospitals that have curious habits and periodically we find them charging for things not rendered. They will receive an estimated 15.7% or R235m from registered medical schemes in 1985. Drugs are also included in this bill, although the largest slice, some 65%, is taken up by staff salaries. Leeton says the hospitals score little when it comes to luxuries, while there's been little razing of beds. This, of course, increases capital costs, yet I don't see how we can be expected to meet their financial aspirations."

Susan du Preez, president of the SA Nursing Association, adds that private hospital regulations, as a condition of their registration, also enforces standards that, in her view, even certain government hospitals don't live up to. Certainly, however, the capital intensive Says Barney Hurwitz, past chairman of the Representative Association of Private Hospitals. "I bought a ventilator recently at a cost of R37 000. Twelve months ago that same article cost R11 000. He points out that such expenditure is unavoidable and forms a major part of capital costs regardless of the quality of the hospital."

The specialist agrees the hospitals do have a costing problem. "Go to any reasonable hotel and you're in for R100 a night before they even start serving you. Yet the hospital only gets R65 a day for a 24-hour, all-inclusive service."

That could be one of the problems. Hospitals don't get enough to cover their ward overheads. One thing they do, therefore, is to concentrate on theatre work. Perhaps another is that they load some of the bills. Hurwitz is very concerned about the allegations of abuse, but points out that there's probably as much overcharging as undercharging given the complicated billing system.

A major problem for private hospitals is expensive operative procedures where patients are either not covered by their medical

When you've been to Cape Town, Durban, Bloemfontein, East London, the Game Reserve, the country club, the Town Hall and the hotel at the sea, isn't it time for a change of scenery?

If you're looking for a conference venue unlike anything you've experienced before, leave the country.
The perfect alternative lies just across the border.
At the Royal Swazi Sun Convention Centre.
Choose from four luxurious conference resorts.
Enjoy hospitality and service quote foreign to your expectations.
And change the backdrop of your meeting to a scene of panoramic tranquility.
In Africa's most beautiful valley.

ROYAL SWAZI SUN CONVENTION CENTRE.
PHONE (011) 783-0771
aid or have overrun their limit. Sometimes hospitals can and do have to operate free of charge. In one case, a patient had a bypass operation in a private hospital costing $14,000. The medical scheme was only prepared to pay $5,000, the rate charged by Province.

According to Dr Neville Howes, acting director of Natal hospital services, province is also prevailed upon to cover normally expensive, but subsided, treatments such as renal dialysis, cancer therapy, and services to patients who have exhausted their limits.

A surgeon points out that, in terms of the law, a medical scheme only has to publish the operating company’s account, while its administration arm remains outside public scrutiny. "Through this loophole, some people believe, more is being salted away than the maximum 10% allowable as administration expenses."

The biggest hurdle to finding a solution to all this is the conflict of interest. No party will wish to give ground. The principal arm of any discussion, however, must surely be how to move health care towards a free market, which is not, of course, synonymous with privatisation. This means that legal and ethical constraints must be dismantled if privatisation is to work.

The key to this, argues Leeton, is the abolition of the guaranteed payment. "This is really where the corruption develops," he says. "For what incentive is there for the doctor or the patient to conserve costs if the charges are guaranteed? Remove this and we can offer flexible benefits."

Thus, of course, would require major overhaul of the law. One necessity would be to abolish the Medical Schemes Act, transposing a few of the "really necessary" provisions into the Insurance Act, a more suitable repository for what is, after all, an insurance matter.

Insurers could join to provide much-needed competition for medical schemes and would probably come up with some novel, flexible covers, such as "topping up" whereby a member can buy additional insurance to cover the more expensive procedures.

And why shouldn’t employers have the right to shop around? Why should they be tied to their employer’s arm string? Free choice of medical aid would also increase competition and reduce membership turnover — at present running at some 500,000 a year. At the very least this would give the medical schemes a chance to check their bills to build up a claims history and to develop ideas about underwriting practice.

Ernstzen says that the fragmentation of hospital bills has been causing a lot of trouble. But hospitals resist calls for rationalisation through, for example, the averaging of bills.

They say this would be unfair because theatre fees vary so much depending on the surgeon’s particular techniques, products used and the time taken. “But something’s got to be done,” agrees one doctor. "They’ve already got 57m bills a year to check."

Leeton wants doctors to check the bills. "The general practitioner is the central cog. If you can’t harness him in the cost containment mechanism then you can’t expect to save anything. After all, he is the first to see a patient, he initiates all treatments and consultations with specialists and indirectly generates the hospital admissions."

Dr Elset Prinsloo of Massa, however, is less keen about this. Even though doctors would appear to be the best qualified, "I don’t see how a doctor could be made responsible for policing the industry," she says.
One interesting suggestion comes from Du Preez who thinks that an independent company could check bills for reward, "rather like the Automobile Association which checks members' motor repair bills for accuracy," she says.

A cost containment suggestion also comes from Eileen Brannigan, manager of social economic affairs at the SA Nursing Association. She is keen to encourage "preventive and promotive care" as a means to cut costs. "We know of 98 nurses in private practice who can provide, firstly, a supportive role for the doctor, reducing his time spent on basic matters and, secondly, home care, saving costs for the patient too."

She says, for example, the nurse can assist in the training of diabetics, and teach new mothers in their home environment. "We also support the concept of a 'multi-purpose team' which would comprise doctor, surgeon, pharmacist and nurse." The nurse would provide the sifting process, with time to listen to patients, possibly questioning requests for minor but expensive palliatives. Their status and function in the provision of health care would be accordingly upgraded.

The medical professions should be actively encouraged to advertise with the right to discount prices of drugs and services. As to be expected, the professions denounce this concept, saying it would undermine quality of service and disrupt the free flow of ideas among doctors who would then become competitors. But advertising would invoke public awareness and could even create a greater discernment of quality. This would also be in line with trends in world thinking.

But the fundamental weakness in the medical health services is the lack of competition. Those with vested interests will continue to promote the cost spiral unless government is prepared to interfere in probably the most positive way it could — by dismantling regulations and freeing up the professions from their regulatory bandages.

The free market is by far the most efficient arbiter of pricing and the provision and control of services. Let it do its job.

---

**FONRM-SCAFF/NATIONAL BOLT**

**Welding together profits**

Making nuts and bolts is a prosaic business, and sufficiently low-tech, it seems, to allow easy entry to anyone with cash. When demand for fasteners soared in the booming late-Seventies, everyone from mining houses to individual businessmen jumped onto the manufacturing bandwagon. Mining houses, in particular, invested heavily in this industry — and for good reason. They are prodigious users of fasteners, and they wanted to secure their supply lines.

But the industry had attracted weak managers, and everybody expanded too ambitiously. The fastener market became bloated, inefficient and oversupplied, although its poor state was easily hidden in the good years. With the recession came a tide of losses, forcing an inevitable shakeout.

Late in 1983, Form-Scaff Holdings, a privately owned engineering company, moved in to pick up the pieces. It acquired National Bolts and IFM, two large manufacturers, from Anglovaal Industries and the Diamond family respectively. In the subsequent reconstruction (FM March 8 1984) IFM sold its trading division to Natbolt, and effectively became Natbolt's listed parent.

Form-Scaff Holdings is a private concern controlling two listed companies, Natbolt and FSI. It has been making firm forays into the export market, and the listed companies are regarded as excellent recovery stocks.

At first, restoration of the fastener division proved problematic. Operating problems persisted in Natbolt, which was then still managed by the Diamond family. By all accounts, during their tenure systems were inadequate, relationships with clients were strained and production efficiencies were weak. A none-too-amiable split followed in November 1984, and Form-Scaff was left to straighten out a messy operation.

Another problem was Natbolt's rising borrowings. The group had built up debt to acquire IFM's trading division, just as interest rates began to move up. At June 1984, Natbolt's gearing was at an unhealthy 1.20, and at end-June 1985 the interest bill had soared to R8.2m (R5.2m), all but wiping out operating profits of R9.6m (R2.6m). The attributable profit of R193 000, however, represented a strong turnaround from the previous year's losses of R2.6m, indicating already that rationalisation benefits were flowing through.

The debt equity ratio had fallen by June 1985 to 73%, and parent FSI ended the year with attributable profits of R1.5m (R1.2m).

New management was installed at Natbolt, and the company recently acquired the fasterener division of Cutsteel, to become a dominant player in the local fastener
There is no stopping the FM. In the face of a severe economic downturn the magazine, which is wholly-owned by SA Associated Newspapers, set a new monthly circulation revenue record in November with sales of R2m.

Support from advertisers confirms the guaranteed market leadership of the FM. This market leadership is also reflected in its nationwide circulation which reached a peak of more than 33 000 in the third quarter of 1985.

Fulvio Cassuto, the FM's advertising manager, says that there has been an remarkable response from advertisers to the FM's expanded surveys programme. In addition, a new FM publication, Computer Mail, will be launched at the end of January, has already attracted heavy advertising and circulation support.

The FM's reputation for journalistic excellence has spread around the world and it is frequently quoted by leading foreign publications in their coverage of SA: France's most famous and influential newspaper, Le Monde, recently described the FM as "a detailed witness and meticulous observer of a country in gestation."

Since 1980, the FM's circulation has risen by over 60% in the face of a cover price increase from 80c to R2, testimony to its strong reader support. The level of reader loyalty to the FM is reflected in the fact that subscriptions make up 80% of its total sales.

MEDICAL FEES

Passing the buck

The first "Scale of Benefits" for determining medical scheme payouts is expected to be gazetted with effect from January 1. It marks the end of 40 years of tortuous negotiation between schemes and beneficiaries — doctors, dentists and other medical professionals — characterised more by disagreement than agreement.

Under the scale, the Representative Association of Medical Schemes (RAMS) is to increase its payouts by an average 12.5% increases vary considerably, however, with general practitioners receiving the biggest hike. They will receive a 43% increase in consultation fees from R9.50 to R13.60.

The hope is that this will encourage doctors to spend more time with patients and prescribe fewer medicines, thus saving on drug costs. But some are sceptical, believing that this will "not cut consultation habits," as one schemes manager put it.

It was last year that negotiation of fees finally came to an end. From December 21 1984, doctors were free to charge what they liked, although in practice many kept to the tariff gazetted that July.

Under the new deal, however, RAMS is "obliged to review its rates" within three months of a change in fee scales used by the medical professions. In the case of doctors, the Medical Association of South Africa (MASA) publishes what it calls its "Guide to Fees for Medical Services." Thus it is a guide for average private fees, based on a unit price of R2.10, though in line with RAMS' new scale, the unit price for medical schemes will be R1.58, an effective discount of 25%.

Doctors who stick to the scale will continue to enjoy the guaranteed payment. This has been a carrot-off-strings in basic and ungrated at leisure because, as some people believe, it has been the main source of corruption in medical costs (see Leaders). The first time it was used was over 40 years ago, when the idea of negotiating special rates was first put into practice.

That was when medical and schemes were developing — as an extension of the old medical benefit schemes — and doctors saw a marketing opportunity to bring medical services to a wider clientele at an affordable price.

After negotiations between MASA and the medical schemes, a deal was struck bringing the two sides together to offer a "preferential tariff of fees."

It provided for recognition of a scheme by MASA with a ceiling on members' earnings. For their part, medical schemes agreed to pay doctors in full, direct, and then recover members' liability "It was a horse trade," says John Ernstzen, chairman of RAMS, "without any real science."

Progressively other bodies joined the arrangement, including the Dental Association of SA (Dassa) and the SA Association of Private Hospitals. As more people became medical scheme members, increasingly the earnings ceiling fell away so that even high earners received treatment at discounted rates.

"During the Sixties, it got to a stage, especially with MASA, that the horse trading became acrimonious," says Ernstzen. MASA feared a loss of negotiating power as schemes grew in number — probably with justification.

MASA threats

MASA threats to drawdown approval of certain schemes led to the appointment of a commission of inquiry under Hennie Snyman, then president of the SA Medical & Dental Council. From this emerged recommendations that led to the Medical Schemes Act 1967, the prime object of which was to encourage the formation of medical schemes to provide medical cover for the whole population. This important principle got lost in the ensuing arguments.

The Act provided for a Remuneration Commission, a judge and assessors with medical and medical schemes knowledge, to determine the fee structure of doctors and dentists. It would adjudicate between the professions and medical schemes. The outcome was the gazetted an updated tariff of fees.

But doctors and dentists were never happy with the arrangement, says Ernstzen. "Basically I think the commission did as well as it could, given the evidence put before it. But MASA and Dassa were always forth to give sufficient disclosure of their affairs to justify their demands."

As a result, the Act was changed once again. This time the SA Medical & Dental Council became responsible for determining fees.
The first agreement was gazetted in 1979. No longer was a judge needed, but the council appointed a sub-committee which heard evidence from both sides, and made recommendations to the Minister of Health. This first determination in November 1979 called for an increase of 37.5% in medical fees. Through consultations and increased usage, however, medical schemes found their payouts actually rose by 52.5%.

Ernstzen

In spite of the ensuing furor, and requests by the then Minister of Health, Lapa Munnik, to reconsider, the increases were pushed through. 'The Act was again amended to give the Minister the final say in determining fees.' The latest change came when Niek van der Merwe was appointed Minister of Health. He did not want to assume the responsibility. After long consultation, the Act was amended yet again in May 1984 to allow professional bodies to determine their own fees with effect from December 21 1984.

Pity it took so long to appreciate the advantages of a free market.

---

**LLOYD’S OF LONDON**

**Break for the banks**

Since the moratorium on payments to foreign creditors was declared in July, London banks have been reluctant to issue letters of guarantee on behalf of South African residents. Thus, they created problems for those hoping to qualify for membership of Lloyd's. "Now the problem is being resolved," said Lloyd's deputy-general representative in southern Africa, Ronald Napper, who was yesterday expecting to hear that a way to furnish acceptable guarantees had been found.

Barclays, which is seeking £5.5m worth of guarantees for 63 aspirant members — at last count — is also confident "We have found a way to satisfy our customers' requirements," says senior general manager Peter Sprigg. "Dotting of the i's and crossing of the t's is taking place now and we expect everything to be in place by tomorrow."

"This will be a great relief to local bankers who have had to make shift to accommodate clients," says Standard Bank's senior general manager Arthur Daymond. "By reducing the London bank's exposure in South Africa in other areas, we have succeeded in obtaining guarantees. But it has been a very limited facility."

For the more than 300 South Africans who are already members of Lloyd's, there are other problems. The falling rand has meant they have had to provide additional securities to continue to qualify for membership — and they face the prospect of meeting their obligations in financial rands. So, though membership of Lloyd's of London is not a millionaire's preserve, it is proving a testing ground of financial standing for South African residents. Only those who previously would have passed the Lloyd's "means test" several times over will still be safely within the fold.

However, according to a broker who handles a substantial amount of Lloyd's business in SA, most of the 300 odd members fall comfortably into this category — which he feels is as it should be. "Unless you're wealthy you shouldn't actually be in the club."

Unlimited liability

A view supported by a banker who believes that assets worth at least half a million sterling are necessary to ensure a name can meet the unlimited liability that membership entails.

The Lloyd's means test requires assets of at least £100,000 (premium limits are in the ratio of 2:1 with a premium maximum of £600,000) and a letter of guarantee worth 35% of their premium limits. The problem for marginal members of the
PRETORIA—The wholesale price of skim-milk powder was to be decreased by 60 cts, while the price of industrial milk was to increase, as was the wholesale price of cheese and butter, the chairman of the Dairy Board said here yesterday.

Mr Jan van Vuuren said the price reduction of skim-milk powder was made possible by a reduction in the price of butterfat, which meant the price of butter had to be increased. It was expected that the lower-priced skim-milk powder would work through to the consumer in a matter of weeks.

Mr van Vuuren also announced that the producer price of first-quality industrial milk would rise by 12 cts per 100 kg of milk from December 1.

This meant that the consumer price of butter, cheddar and gouda cheese would increase slightly.

The industrial milk price was to be increased by 3.7 percent to prevent the development of possible structural difficulties within the milk production sector by bringing the price of industrial milk more in line with that of fresh milk,

the statement said.


In conclusion, Mr van Vuuren said the cost of milk production as well as that of the manufacturing of dairy products had increased considerably over the past year due to inflationary pressures and considerable bigger increases would, in fact, not have been unreasonable.

Dairy farmers, manufacturers and distributors of dairy products (were in today's unfavourable economic conditions prepared to accept only modest increases so as not to increase consumer prices slightly.—(Sapa)
THE South African Consumer Union (Sacu) is to embark on a nationwide campaign to encourage consumers to ask doctors to prescribe generic medicines.

The union's move comes in the wake of predictions that medicine prices will rocket by 32 percent next year because of the low exchange value of the rand and of the import surcharge.

A generic medicine is a copy of a branded medicine out of patent, sold under a different name.

A recent Supreme Court ruling made it illegal for pharmacists to substitute generic medicines without the consent of prescribing doctors.

Mrs Betty Hirzel, chairwoman of the Consumer Union, said in a statement: "The union has decided unanimously to embark on this nationwide campaign early next year."

"We are gravely concerned at the ever-increasing cost of medicines. Generics equivalents have proved to be cheaper, often considerably so. We feel that generics should be freely available to consumers. The hard-pressed consumer should not be denied this benefit during these adverse economic times."

"Medical-aid schemes are overloaded and we are concerned that with the increase in the price of medicines, premiums will increase out of all proportion," she said.

Generics had been used by hospitals in this country for many years with no adverse results reported and at a considerable saving to the taxpayer and patient.
Inflation rate of over 20% predicted

Prices of household goods are set to soar

By CHERILYN IRETON and GERALD REILLY

MASSIVE price increases in household goods early in the new year will push the official inflation rate — as measured by the Consumer Price Index — above 20% much sooner than expected.

Most food items will rise by between 10% and 30%. Pick 'n Pay chief buyer Richard Cohen told Business Day he did not know of any product which would not have a price increase within that margin.

Prices of toiletries will increase by at least 10%. Some items, such as paper towels and disposable nappies are set for two 15% price increases next year. Razor blades will cost 30% more and detergents 21% more.

A bread price increase is certain by the end of March, according to Pretoria sources, while the Dairy Board announced at the weekend that milk, butter and cheese prices would be raised early next year.

Distributors are expected to raise margins and force up the price of fresh milk within the next few weeks.

The Dairy Board also announced an industrial milk price increase of about 4% from today — up by 14c to R34.50 per 100kg.

This means that wholesale and retail prices of cheddar and gouda cheese will rise by 11c/kg, or 21%, and the price of butter by 80c/kg or 7.5%, from February.

The Board said it will have to maintain prices at current levels until then.

Other basic foods, such as sugar and maize, coffee, fruit, vegetables and meat, will also increase.

The price tags of other groceries set to change include canned fish, spices, oats, breakfast cereals, biscuits and sweets.

And, of course, the petrol price is likely to be increased again early in the new year, unless the rand stages a spectacular recovery.

Checkers' grocery manager Brian Sachs expects most increases to be phased in over the first two to three months of 1986.

"We're attempting to delay increases as long as possible and are buying in stocks to try and cushion the blow," he said.

"But 1986 is going to be a bleak year. We are going to be affected by the increased dollar exchange rate, the 10% import surcharge and the 15% increase in the exchange rate. "All this paints a poor picture. I don't think anyone is exercising control over inflation. Either they don't care or they have lost touch with reality."

There is a strong suspicion among buyers that suppliers talk to each other before price increases are announced. But there is little that can be done about it.

It now seems highly improbable that

Massive price increases

the CPI will stay below 20%

Prices in October this year were 18.8% higher than a year before. Food accounts for just less than 25% of the CPI.

At the end of October, food prices were 12.8% higher than a year previously, lagging behind price increases for all other items measured in the CPI which were 18.3% up.

The big increases over the last 12 months have been in coffee and tea, up by 23.5%, fish (up 24.3%), fruit (19.1%) and grain products (17.8%).

Apart from vegetables (1.8%), no other category of food increased by less than meat's 11.5%.

With salary increases well below the inflation rate, disposable incomes will be further reduced as pressure consumers are likely to dig into their savings, which had picked up earlier this year.

By the second quarter of this year, the personal savings ratio (savings to disposable income) had reached 7.4%. By most estimates, it will have dipped to 5% by year-end. Next year it will be lower still.

Discussions on rising costs have been taking place throughout the country.

On Thursday the SA Milk Distributors' Union met to study escalating costs, and the "thin" margins on which the dairies are operating.

The National Marketing Council met Agriculture Minister Greyling Wentzel to discuss milk producer costs, the losses being suffered on surplus dairy exports and the need for bigger producer levies.
Massive price increases

the CPI will stay below 20%.
Prices in October this year were 16.8% higher than a year before. Food accounts
for just less than 25% of the CPI.

At the end of October, food prices were
12.8% higher than a year previously, lag-
ning behind price increases for all other
items measured in the CPI which were
18.3% up.

The big increases over the last 12
months have been in coffee and tea, up by
23.5%, fish (up 24.3%), fruit (19.1%) and
grain products (17.6%).

Apart from vegetables (1.8%), no other
category of food increased by less than
meat’s 11.8%.

With salary increases well below the
inflation rate, disposable incomes will be
under further pressure. Consumers are
likely to dig into their savings, which had
picked up earlier this year.

By the second quarter of this year, the
personal savings ratio (savings to dispos-
able income) had reached 7.4%. By most
estimates, it will have dipped to 5% by
year-end. Next year it will be lower still.

Discussions on rising costs have been
taking place throughout the country.

On Thursday the SA Milk Distributors’
Union met to study escalating costs, and
the “thin” margins on which the dairies
are operating.

The National Marketing Council met
Agriculture Minister Greyling Wentzel
to discuss milk producer costs, the losses
being suffered on surplus dairy exports
and the need for bigger producer levies.
Car price rises set to accelerate

CAR prices are going up again at the end of the month.

Some manufacturers announced increases this week, while others say they will follow suit later this month.

Toyota marketing director Brand Pretorius says Toyota will increase its prices by 6%-8% before Christmas.

Volkswagen's Ronnie Kruger says the Audi range went up 8% yesterday and that further price increases on other models are inevitable. BMW spokesman Mike Brandt says BMW prices went up 4%-5% yesterday.

However, the state of recent price increases — the new increase means prices will have risen 16% since August — has not caused a deeper slump in car sales.

Although sales this year are down heavily on last year, there has been some consistency in monthly sales figures since June. Monthly sales have hovered around the 17 000 mark, and manufacturers say November was no different. Last month's car sales are estimated to have been between 17 000 and 17 500.

Pretorius says manufacturers are still trying to recover the increased costs caused by the weak rand, and he says the price hikes are unavoidable.

Yesterday the rand hit new lows against the West German mark and the yen, the two most important currencies for vehicle manufacturers to take note of.

"We have warned that prices could rise by more than 40% next year and it now looks as if things will get even worse before they get better," says one manufacturer.
Price of milk set to rise

Gerald Reilly

An increase in the price of fresh milk in major urban areas is certain early in the new year, if not before, according to informed sources in Pretoria.

Last week the SA Milk Distributors Union met in Johannesburg to review cost increases, and although the union has no authority to impose price rises, it makes recommendations to its members.

Chairman of the union, Marthinus Harmann said after the meeting that some dairies had already raised their price, and others could be expected to follow.

Major cost increases included fuel and milk cartons.

Carton material has to be imported, and with the low exchange value of the rand, costs have rocketed.

Control over the retail price of milk was lifted last year.
Cape teachers paid?

CAPE teachers whose November salaries were withheld have been paid, after they threatened to take legal action.

A spokesman for the 2,000-strong Western Cape Teachers' Union said the union instructed attorneys to act on behalf of all teachers whose pay had been withheld for allegedly refusing to administer exams.

The teachers include the staff of Harold Crassey High School in Cape Town, about 27 teachers at Cathkin Senior Secondary School in Heidelberg, and a number of teachers at Alexander Sinton Senior Secondary School in Athlone. — Sapa.

No change in tax from gold

DESPITE a rand price of gold that is likely to continue at record levels next year, total tax receipts from gold are not expected to increase.

In fact, as a proportion of total state revenue, gold mine tax receipts will decline.

They now account for about 10% of the R30bn tax receipts, but will probably be down to 6.5% next year.

Louis Geldenhuys, economic consultant at stockbrokers George Huyssenen and Partners, estimated that gold receipt will be R8bn, rather than the official estimate of R2.44bn.

First-quarter 1985 tax receipts will show an increase in the corresponding period in 1984 because the tax surcharge increase from 25% to 25% was imposed at the end of March this year.

Kohl's standing in polls rises

BONN — Chancellor Helmut Kohl's government, buffeted over the past year by scandals and low popularity ratings, has made a powerful comeback in opinion polls as West Germany gears up for a year-long election campaign.

An authoritative survey by ZDF television this week said Kohl's Christian Democratic party (CDU) had moved ahead of the opposition Social Democrats (SPD) for the first time in nine months and that the Chancellor's personal appeal was rising.

But CDU officials seized on another outcome of the poll as even more encouraging.

It indicated that optimism about the country's economic prospects is sweeping the country and fears about unemployment are receding.

"The poll reflects a substantial shift in the mood of the population towards greater confidence in the government's ability to deliver," said a senior aide to Kohl.

The ZDF poll said the CDU now enjoyed 45% support compared with only 40% to 42% in the summer, while the SPD had slumped from 47% to 44% in one month.

The apparent change of mood, also reflected in another poll published yesterday, has dampened spirits in the SPD as the party prepares to open its campaign for the general election, scheduled for February 1987.

Johannes Rau, the SPD's candidate against Kohl, will present his policies in a speech in the town of Ahlen on December 16.

Prices rising for printing and packaging

PRINTERS and packaging manufacturers foresee increases of more than 10% in the prices of printed matter and paperboard early next year.

Commercial printing, newspapers, books, magazines, cartons, wrapping and printed stationery are likely to succumb to the inflationary spiral, according to the SA Printing and Allied Industries Federation.

Across-the-board weekly wage increases of R17.50 for skilled workers and R12 for unskilled workers in the industry are due to come into effect from January 1.

Mondi Paper and Sappi Fine Papers recently increased the price of fine papers and Sappi has indicated that the price of various coated-paper grades will shortly increase by 11%.
Escom set to announce tariff rises

CLARE HARPER

INCREASES in the cost of electricity from January 1 will be announced this afternoon, an Electricity Supply Commission (Escom) spokesman confirmed yesterday.

And an announcement of further price rises during 1986 is expected to accompany the disclosure of the January 1 increase.

It is speculated that consumers may face an increase of between 20% and 30%.

Escom communications manager Ewald Thal said yesterday that the tariff increases would be announced minutes after they were approved by the Cabinet later today.

Escom is expected to spell out the reasons behind the increases, how the company proposes to finance itself in the future, and the impact of this on the local economy.

Tariffs were increased by 10% last January and by a further 10% in September.

The Commission of Inquiry into the supply of electricity recommended in its report that increases should occur once a year only, however the present economic climate had made this impossible.
15.5% increase in two stages

Escom rise ‘a setback to recovery’

THE 15.5% electricity tariff increase next year will aggravate Escom’s financial position and delay economic upturn, said Federated Chamber of Industries (FCI) president John Wilson.

“A tariff increase of this magnitude at this time will undoubtedly further curb electricity demand,” Wilson said.

FRED BTIGLINGH, GERALD REILLY
and SAPA

Escom chairman John Maree yesterday announced the increases would be implemented in two stages, on January 1 and July 1, amounting to a cumulative 15.5% for the year.

This year saw similar increases, on January 1 and September 1.

Maree said major cost reduction had to be implemented to keep the increase below the 15% inflation rate.

Cost factors include:

☐ Higher interest rates on the local capital market due to difficulties in getting foreign loans
☐ Lower income from electricity sales resulting from lower economic growth.
☐ The decrease in the rand value boosting cost of imported equipment.
☐ The import surcharge.
☐ Higher transport costs.

The increases would raise basic power tariffs by 21% by the end of 1986, FCI’s Wilson said, adding “This occurs alongside substantial increases which have already taken place, resulting from...”
Escom hike 'a setback'  

changes in the basic rate structure." He said decline in electricity demand was partly due to a history of tariff increases which averaged 10% over the past 10 years. This was more than 5% above the average inflation rate. An Assocom spokesman said the increases came at an inopportune moment when "business viability is under pressure". "Not only will these increases impact upon the cost of living but will have an adverse effect upon the production costs of most industries," the spokesman said. Volkskas economist Adam Jacobs said the combined impact of the power tariff hikes, the 15% hike in railway rates from January and the expected increase in the petrol price — also in January — would send the inflation rate above 17%. The current CPI level is 16.6 — the highest since 1992.
Escom rises condemned

Organised commerce and industry have condemned the rises in Escom tariffs which will push up electricity costs by 21 percent by the middle of next year.

Escom last night announced it would raise tariffs by 10 percent in January 1986 and then again in July, claiming that consumers will pay an effective 15.5 percent more for their electricity over the year.

Federated Chamber of Industries president Mr J R Wilson says the price rise is a jolt to hopes for an economic recovery.

As Escom said the Escom increases were unexpected.

Announcing the rise, Escom chairman Mr John Maree said: "Escom has worked hard during the past year to contain costs and now ensure that our price rises would not add further to the inflation rate."

In its drive to contain costs - more than R1 billion is hoped to be saved by 1986 - Escom plans significant reduction in overall staff levels but Mr. Maree emphasised no re-trenchment programme was planned.

See Page 20.
the fire was reported to be almost out. Sixty firefighters and five fire trucks burnt about 40 hectares of fynbos in two hours yesterday afternoon

Praise for freehold decision

Staff Reporter

THERE has been widespread praise for the government's decision to grant freehold property rights to blacks who qualify for residence in South Africa's black townships.

Mr Ken Andrew, Progressive Federal Party spokesman on black affairs, while welcoming the move said there was "no substitute for the complete abolition of influx control and the Group Areas Act."

Sapa reports that the Urban Foundation and Federated Chamber of Industries said the announcement was a positive step towards normalising property rights.

The House of Delegates MP for Reservoir Hills, Mr Pat Poovalingam, said the move was a "wonderful step worthy of praise" but had to be followed by the repeal of the Black Urban Areas and Group Areas Acts.

The president of the Afrikaanse Handelsinstituut, Mr Donald Mason, said this would make a contribution to the removal of fundamental grievances.

Moutse is being given to KwaNdebele

page 11

Eskom rates up by 15p

Staff Reporter

Eskom has announced an effective 15.5 percent increase in the electricity price for 1996 — but it is not yet known how this will affect Cape Town consumers.

A spokesman for the City Electrical Engineer's Department said last night the implications of the increase would be discussed today.

Eskom said the increase would be implemented in two stages, averaging 10 percent each, on January 1 and July 1.

Announcing this in Johannesburg yesterday, Eskom's chairman, Mr John Maree, said the commission had approved major cost reductions to keep the increase below the inflation rate, currently running at more than 16 percent.

"Speculation that the increase would exceed 30 percent has been far off the mark. Eskom has worked hard during the past year to contain costs and so ensure that our price rises would not add further fuel to the inflation rate," said Mr Maree.

"But the good news is that our cost reductions will start to have a real impact beyond 1996 and we expect that future price increases will reflect the positive contribution of greater efficiency and cost-conscious management."

The South African Consumer Council said the increase came as yet another severe blow to consumers.

"The Council is astounded by the fact that Eskom expects consumers to foot the bill for the current lower consumption of electricity. It is not in accordance with any economic laws if Eskom would like to see increased consumption, they should lower prices," said the director, Mr Jan Cronje.

The Federated Chamber of Industries expressed disappointment at the increases.

A spokesman for the Associated Chambers of Commerce said yesterday that "these increases come at a very inopportune moment when business viability is under pressure. Not only will they impact upon the cost of living but will have an adverse effect upon the production costs of most industries."

page 11
Another cement increase

By Don Robertson
SOUTH African Transport Services has taken the cement industry by surprise.

The decision to increase freight tariffs by 15% from January 1—four months ahead of the traditional review—will force cement producers to raise prices twice in two months.

Two weeks ago the cement industry announced that prices would increase by an average 15% on December 1, but that it would have to pass on any cheaper rail tariffs when they occurred.

Cement producers have been forced to increase prices by an additional 2% from January 1.

Ronnie Searle, deputy managing director of Anglo-Alpha, says producers will absorb all inward railage costs for the movement of raw materials, such as coal, gypsum and limestone, and the transport of cement and clinker to distribution depots on the Witwatersrand.

However, the outward transport of cement to the consumer, which often costs more than the factory price of the cement, will have to be passed on.

Prices to Reel consumers, which use about 40% of cement production, will not rise. Although the average increase will be 15%, it will be higher in destinations a long way from cement plants.
Inflation rate could top 20%

Spate of price hikes expected in the new year

THE new year will begin with an explosion of price increases in key services and products which could send the inflation rate over the 20% hump by mid-year, according to some economists.

Government policy to relegate inflation to second place behind job-creation, by moderately stimulating the economy, would add to inflationary pressures, they pointed out.

Last week Escom announced a 10% tariff hike from January.

Transport Affairs Minister Hendrik Schoeman has also announced a 15% rise in freight charges from January 1, and another fuel price hike of at least 6c/l is likely at the end of next month.

Mineral and Energy Affairs Director-General Louw Alberts told Business Day that if there were no great improvement in the dollar value of the rand, the problem would have to be looked at in January.

Losses were large when considering the break-even point was 20.42.

"We can't carry a negative slate for too long. We have to recoup, and we want to avoid delaying adjustments for too long and the imposition of shock increases," Alberts said.

GERALD REILLY

Wheat Board GM Dennis van Aarde has indicated the possibility of another bread price rise early in the new year to compensate the baking industry for higher costs — mainly fuel costs.

Last month the SA Milk Distributors Union met to discuss rising costs and increases of 2c/l to 3c/l were imminent. This again is mainly because of the 5.6% petrol price hike in November, and the increased costs of imported carton materials because of the crippled rand.

Meat prices are also expected to remain at record levels over the holiday period and into January.

Economists warn of increased postal tariffs from April.

Schoeman will also have to adjust some tariffs in his budget in March. Not only have SATS costs risen because of general inflation, but the higher fuel prices and electricity increases of 16% in January and 10% in July would add greatly to rail, road and air operating costs.

Schoeman will probably also have to find about R380m for staff increases.

Doctors' fees will rise in January by an average of 12.5% and private hospital charges are set to rise by 12%.
30pc increase in cost of postage abroad

Own Correspondent
Johannesburg

The cost of postage abroad will increase by an average of 30 percent in the new year. The Minister of Communications, Dr L A P A Munnik, announced in Pretoria yesterday. Details of the increase will be announced soon in the Government Gazette.

A spokesman for the Post Office said yesterday that the 12c charge for letters posted inland would remain the same.

Dr Munnik said the increases were "beyond the control of the SA Post Office" and that rates for ordinary postal items, airmail items and parcels to destinations abroad would increase from January 1.

"Part of the hike was the result of a worldwide increase in international tariffs and this, together with the negative effect of the present exchange rate, made the increases unavoidable," he said.

Dr Munnik said that in terms of international mail arrangements, payments were made to foreign postal administrations for the handling, transport and delivery of postal items from South Africa to destinations abroad.

These payments were based on tariffs and costs prescribed and notified by the Universal Postal Union (UPU).

"The relevant charges are being increased worldwide with effect from January 1, 1986, when the resolutions of the 1984 Hamburg Congress of the UPU, as well as other international postal practices, come into force," he said.

From January 1 the following tariff increases will be implemented:

**Parcels**

- Letters sent to all countries abroad by surface mail will increase from 20c to 23c.
- A letter weighing up to 20g sent airmail to the United States will increase from 30c to 40c and to the United Kingdom and most European countries from 25c to 30c.
- A parcel weighing up to 1kg sent by surface mail to the US will increase in cost from R3.70 to R5.00, and from R4.60 to R6.40 to the UK.
- A parcel weighing up to 250g sent airmail to the US will increase in cost from R6.00 to R8.90 and from R5.80 to R7.90 to the UK.

The last Post Office increase was implemented in July 1984.
Production index points to further price rises coming

Production costs for imported commodities increased by 21.1% in the 12 months to the end of October, and by 17.7% in October compared with September.

Volkskas economist Adam Jacobs said the big increase in the index for all commodities was caused primarily by the rising costs of imported components. "The index shows lots of inflationary pressure in the pipeline which will eventually burst into consumer prices."

Jacobs said he was surprised at the relatively low increase in the index for imported commodities – 21.1% – taking into account the depressed rand.
People rush to buy TVs and appliances

WARNINGS of big increases in the prices of television sets and video recorders have caused a rush on stocks at major retail outlets.

Sales have risen since it became known that average increases in the prices of household appliances would range between 20% and 50% in the new year.

"VCR sales are up 40% on last year and we are selling 25% more television sets, fridges and microwave ovens," said Dion merchandising manager Steve Kurland.

He expected the boom to last as long as old-price stocks held out.

Radio and Television Manufacturers Association chairman Peter Dupin warned, however, that old stock was disappearing fast.

"At the beginning of November, manufacturers had only six weeks' stock left. This allowed for the increased seasonal demand and the factory shutdowns."

Kurland said basic colour TV sets, including GST, would cost R2,800 from January 1.

"A top-of-the-range set will sell for R3,500 and, if a Telesat module is included, it will retail at almost R4,000."

"A basic portable monochrome set which sold at R169 last Christmas will sell for R299 this Christmas. From January 1, the price will jump to R449, showing an increase of 146% in the last 13 months."

Kurland said retailers could no longer cushion the increases.

"Stocks of goods imported when the rand was worth 90 US cents are now dangerously low. The next imports will reflect the value of the rand at less than 80c."

He said retailers had been forced to cut margins to the bone.

"In most cases, the margin on imported goods is less than what is paid in GST."

Dupin hoped these would be the last major increases for some time. However, he said minor price adjustments should be expected when the latest electricity and fuel price increases caught up with manufacturers.
After price rise warnings…

BUS DAY

People rush to buy TVs and appliances

WARNINGS of big increases in the prices of television sets and video recorders have caused a rush on stocks at major retail outlets.

Sales have risen since it became known that average increases in the prices of household appliances would range between 20% and 50% in the new year.

“VCR sales are up 40% on last year and we are selling 20% more television sets, fridges and microwave ovens,” said Dion merchandising manager Steve Kurland.

He expected the boom to last as long as old-price stocks held out.

Radio and Television Manufacturers Association chairman Peter Dupin warned, however, that old stock was disappearing fast.

“At the beginning of November, manufacturers had only six weeks’ stock left. This allowed for the increased seasonal demand and the factory shutdowns.”

Kurland said basic colour TV sets, including GST, would cost R3 500 from January.

“A top-of-the-range set will sell for R3 550 and, if a Teledata module is included, it will retail at almost R4 000.

“A basic portable monochrome set which sold at R169 last Christmas will sell for R299 this Christmas. From January 1, the price will jump to R490, showing an increase of 146% in the last 13 months.”

Kurland said retailers could no longer cushion the increases.

“Stocks of goods imported when the rand was worth 20 US cents are now dangerously low. The next imports will reflect the value of the rand at less than 15c.”

He said retailers had been forced to cut margins to the bone.

“In most cases, the margin on imported goods is less than what is paid in GST.”

Dupin hoped these would be the last major increases for some time. However, he said minor price adjustments should be expected when the latest electricity and fuel price increases caught up with manufacturers.
Lean time for many as meat prices soar

Staff Reporter

MEAT prices have rocketed and even retail butchers are sizzling over the increases which promise many families a lean Christmas.

Some butchers have reacted the wholesale price rises as "unbelievable" and "ridiculous".

The wholesale price of super beef has shot up from about R2.50 to R3.85 a kilogram in the past two-and-a-half weeks. This means that retail prices have also risen sharply.

Sea Point butcher Mr Chris Jonbert said the price of super cuts has risen by about 30 percent.

Customers would have to pay R6,50 for topside mince and R6,20 for regular mince. Rump steak had soared to R9,80 a kg and fillet was being sold for R11,50 a kg.

This was caused by the demand for fresh, high-quality meat exceeding the supply, said Mr A Schietkat, manager of a wholesale meat supplier.

SENT TO REEF, DURBAN

"Times are hard. There is unemployment and general inflation - and now they want to make the public pay these astronomical prices," said a Long Street butcher.

The price of lamb also rocketed about five weeks ago. Mr Jonbert said the retail price of leg of lamb was R7,60 a kg, compared with R5,50 before the rise. Loins chops had risen from R7,50 a kg to R8,90.

This was because wholesalers were buying lamb in Cape Town and trucking it to Johannesburg and Durban - where prices were even higher, he said.

Mrs Joy Hurwitz, president of the Homewives' League, said she was "disgusted" that meat wholesalers should "take advantage" of the public. "This Christmas will be a lean one for many of us," she said.
Buy chicken, fish shoppers advised

Mercury Reporter

THE Housewives' League yesterday urged consumers to buy chicken and fish instead of highly priced red meat.

And the Consumer Council appealed to the Meat Board to release more pails of frozen meat on to the market to keep prices down.

But Meat Board general manager Dr Pieter Cootzee said the board had been putting some of its frozen meat on the market since September in a bid to stabilise prices and in addition 25 kg cartons of beef were still available to the public at bargain prices.

Housewives' League president Joy Hurwitz said: 'We are disgusted that meat wholesalers should take advantage of us. You can be sure that prices will probably increase further.'

'The lamb situation is even worse than beef. Avoid it at all costs. It is a bad buy. Meat has become a luxury item.'

A major Durban wholesale and retail butcher Mr Adonis Skordis said the abattoir price of super beef had risen from R2.50 to R3.25 kg in less than three months.

'Mutton is also very high,' he added, citing an abattoir price of about R5.30 kg.

Consumer Council senior professional officer Lou van der Merwe said that because the drought had eased farmers were holding back cattle from slaughter to keep prices up.

'Consumers are in no position to pay higher prices at the moment. Meat is one of the best known sources of protein and I think we must have a serious look at the situation.'

Dr Cootzee said: 'We are slaughtering more now than in the same period last year. Above that we are releasing frozen stock every week.

'It's not a question of not enough meat. From the middle of October until the week after Christmas prices are always up. I can give you no logical explanation.'

'It's illogical, for example, that yesterday we offered 7000 carcasses of mutton and lamb and the trade bought only 5,000 - yet the price went up.

'My explanation is that our people's whole outlook is free spending for the festive season. You can't blame the trade if the consumer is on a spending spree.'
Munnik mum on tariff rise

GERALD REILLY

Postal tariffs are expected to rise in April, but Minister of Communications and Public Works Lapa Munnik declined to comment yesterday.

He could not comment until the Budget had been finalised and tabled in the Assembly, he said.

Post Office tariffs rose by about 14% on average in April. But Post Office finances have been strained by rising operating costs, and the cost of imported equipment has soared.

Munnik, who budgeted this year for capital expenditure of R1 344 959 000, had spent R58 134 783 by the end of the first six months.

It is believed wage increases of 8%-10% are on the cards for public-sector workers, 55 000 of whom are employed by the Post Office.

This would add about R165m to the Post Office salary bill, which is expected to amount to R1,050m this year. An increase of about 30% in overseas postal charges was announced earlier this week.
Shoppers stockpiling foodstuffs

WITH price increases of almost all commodities reaching unprecedented proportions, shoppers have started stockpiling foodstuffs in an attempt to beat a new wave of inflation-related rises predicted for the early new year.

And foremost among the stockpilers are whisky drinkers, who learnt yesterday that the wholesale price of their favourite drink - up by 45% since July - is to rise yet again when existing stocks are depleted.

The SA Consumer Council has called on the public to beat inflation by shopping wisely and eliminating waste.

Supermarket spokesmen say shoppers are spending whatever money they can spare on stocking their larders with foodstuffs.

Checkers MD Clive Well said yesterday there was no doubt housewives were buying groceries - mostly with an imported content - which they knew would increase in price sharply next year.

He said there had been predictions that the price of coffee would double in 1986, and that detergents, dishwashing fluids and soaps would rise sharply.

Housewives were also buying meat and chickens in bulk when stores offered these on special promotions, he added.

"We have adopted a policy of warning housewives when we know in advance of price increases," Well added.

The OK's GM (food division) Ralph Horwitz described the continuing wave of price increases as "mind-boggling".

"We are conducting a continuing battle with manufacturers to keep price increases down or, at least, to stagger them," he said. "But increases keep coming fast and furiously."
Beef has been 'pricing itself out of market'.

Pietermaritzburg Bureau

More than 20 years of relatively stable prices had pushed beef out of the market, even though in recent years, the Administrator of Natal, Mr Radclyffe Cadman, had been predicting that milk would be priced out of the market. This, Mr Cadman said, milk prices would need to be based on what the market could pay and not on what it cost to produce if the industry was to remain viable.

Speaking at the Cedara Agricultural College diploma day, Mr Cadman said there had been a major shift away from beef to poultry and there were large quantities of unsellable red meat in cold storage.

Farmers would have to consider seriously whether to continue using such liberal quantities of high-cost feeds in the beef industry, he said.

As with red meat the per capita consumption of milk had fallen appreciably in recent times, one of the reasons being the greater use of milk substitutes. To control...
Price of prime beef soaring

Staff Reporter

THE price of prime beef in Cape Town is "going through the roof", a City butcher said this week.

The butcher, who declined to be named, said that a few weeks ago the price of prime beef was R2.50 a kg. By Monday this week it had risen to R3.60 and at lunch time on Tuesday, it was R3.80 for prime and R3.95 for super.

He alleged that the reason for the increase was the Meat Board's "policy" of flooding the market during the Christmas season with inferior cattle.

"We can only absorb this price hike for a few weeks. If it continues we will be forced to pass some of the price increase on to the consumer."

'Normal'

Reacting to the Meat Board's statement to the Cape Times that the reason for the drop in quality was the recent drought causing the board to slaughter up to 40 percent of their breeding stock, he said: "That's a load of bull!"

A spokesman for the Meat Board, Mr Blignaut, said that while the price of red meat seemed high, it was a normal problem associated with this time of the year.

City Councillor Mr Chris Joubert, who is also a butcher, said this was due to restricted slaughtering facilities at the abattoirs.

"Cape Town abattoirs slaughter 800 cattle a day, which is sufficient during the year but at Christmas shortages are experienced."

Mr Malcom Simpson, general manager of a supplier to a nationwide group of chain stores said that when he contacted the Meat Board on Tuesday morning he found there was no stall-fed stock available.

In answer to the question of the possibility of red meat being siphoned off to consumers in the Transvaal, he said that as far as he was aware only mutton was being sent up to the Transvaal.

The Housewives' League of South Africa said yesterday it could "see no reason" why beef prices should increase so much.

"The Meat Board has assured us that there is no shortage of animals and we thank them for ensuring that the supply of beef to the abattoir will meet the festive season demand."

"Housewives will be forced to look for alternatives such as chicken. "The lamb situation is even worse. Prices are exorbitant and higher than they have ever been. Avoid it at all costs. It is a bad buy. We are sympathetic towards the Muslim community which relies heavily on lamb."
groups dealing in household appliances and entertainment products.

"Slowly the consumer is becoming conditioned to the fact that prices are increasing and will increase even more dramatically in the new year," said Mr Arthur Solomon, general manager of furniture and appliances at OK Bazaars.

Buying on the strength of the early repayment of the 1979 loan levy is probably also contributing to the buoyancy in sales.

"But there is no doubt that the main reason for the sales rush is consumer awareness of coming rises in prices." Mr Solomon estimates that hi-fi equipment will go up by 25 to 30 percent, and television sets and video machines by 40 to 50 percent.

Furniture, and other household items such as fridges and washing machines, he believes, will cost 20 to 30 percent more.

Big store strategies, too, have also helped to push up turnover.

"Groups such as the OK anticipated the price increases and have laid in stocks to 'carry them through the Christmas period at the old prices,'" said Mr Solomon.

Mr Steve Kuriland, merchandising manager of Dion, says sales of the costly products are well ahead of the same period last year, with video recorders up 60 percent.

"We are selling 20 percent more television sets this year than last, and sales of major household appliances such as fridges, microwave ovens and stoves are 20 percent up.

The effects of the weak rand on the South African economy are being clearly identified by the man in the street, and people realize that the problem is a longer theoretical world issue only by economics.

They have come to appreciate that imported items and locally manufactured goods with a high import content may soon

Rcession blues have been blown out of the window as shops scramble to beat massive price increases next year.

By Frank Lenne

Almost all the big department stores have been caught flat-footed by inflation.

"And although the market is attracting droves of desperate customers, the last few weeks have been harrowing for us," said Mr Kuriland.

Mr P J Swart, director and general manager of Barlows Appliances Company, said: "There is abnormally high demand from retailers compared to this time last year."

"Almost all the big department stores have been caught flat-footed by inflation."
Boycotts darken Yuletide

CHRISTMAS sales generally appear to be going well, but traders are concerned about the effects of black-consumer boycotts.

In money terms, our sales are running about 18% ahead on the Christmas period last year, which means that in real terms we are up about 3% to 4% up," says Pick 'n Pay chairman Raymond Ackerman.

"We see the pessimism hopelessly staying like that for the full Christmas period, but trade has been affected by the black boycotts, though not seriously in our stores," he said.

"If that there has been a slight pick-up in consumer confidence with some lifting of gloom-and-doom feelings but it is still hard to get sales."

Chicks chairman Jack Golden is also quite bullish, saying that sales so far have been very encouraging, though he is cautious on the effects of the boycotts.

Phenomenal

"The Pretoria area has been the worst hit, with some affect also on downtown Johannesburg.

"November was a phenom¬enal month for us, and if the pace shown so far in December is maintained then our sales will be at least 15% up."

Pauling some of the buy¬ing activity in consumer fear of higher prices to be charged from January on imported goods, which is encouraging consumers to buy now rather than put off purchases and pay higher prices later.

"We have seen that in our radio and electrical goods lines, where we thought we had enough stock for the Christmas period but have run out in some cases," says Mr Golden.

This trading pattern has also been noticed by Dan's merchandising director, Steve Kurland.

Figures up

"We have experienced considerable buying in the kitchen appliances and white goods line, as well as such items as televisions and video recorders, ahead of expected price increases from January.

"Our trading figures over the comparable period of last year are up, but only in single-digit percentage terms. Our trade is not primarily with black consumers, so we have been affected only to a limited extent by the consumer boycott."

That is not the picture elsewhere, with stories of intimidation of customers in stores, catering largely to the black-consumer market through hit-and-run tactics by agita¬tors to evade store security guards and prevent purchases.

Frasers chairman Donald Campbell, says furniture sales have improved and, including new acquisitions, Voy Centre, sales for October and November were up by 21%.

He expects a good Christmas, but was concerned about boycotts and unrest, which cost the company R1.5 million last year.

He reports that the boycott had been 100% effective in the Eastern Cape but not elsewhere as Frasers' retail store in Queenstown has been closed and 40 companies there have gone bankrupt.

Edgars managing director Vic Hammond says his group's Christmas sales to date are up "satisfactorily", but he is worried about the boycott.

Political

"So far we are about 10% up in our sales, which means a 4% drop in real terms."

"Certain stores make up to 50% of their profits for the year in the Christmas trading period. If they are hit badly by the boycotts the end result is that they could be forced to cut back on staff levels to hold down costs."

That could mean the boycott putting more black workers on the unemployed lists.

"Checking managing director Clive Weil says his stores' sales are running ahead of budget and he is happy with their performance though he does not expect to see the fireworks which have taken place over previous Christmas trading seasons."

He is optimistic over the effects on consumers of the early repayment of the loan¬ery cheques, but again points to the unquantifiable effects of the consumer boycott.

By Brendan Ryan

Campaign to cut township prices

By Amrit Manga

The Transvaal Consumer Boycott Committee has started a campaign to cut prices in black townships where mark-ups are up to 20% higher than in other townships.

A spokesman for the committee, in the PWV area, Mr John Ngwenya, confirmed that prices were significantly higher than white stores, but he rejected claims that township retailers were inflating margins to exploit the boycott.

"Prices have always been higher in the townships. But the reasons are mainly economic and a lack of entrepreneurial skills."

"An additional problem is that township retailers price their goods in relation to the soweto market and not supermarkets in town," he adds.

"It has only become obvious to consumers because cheap supply lines have been cut."

"We have, however, started a campaign to have prices adjusted downwards and have already had businessmen conducting seminars on pricing."

"But township retailers will still not be able to compete with white chain stores, because of their limited bulk-buying capacity," says Mr Ngwenya.

Responding to reports that small businesses are facing bankruptcy as the black-consumer boycott begins to bite in Pretoria, Mr Ngwenya said it was not the intention of the committee to force retailers out of the market.

"We want consumers to be active in forcing the authorities to meet our demands," he said.

Shopowners in Pretoria who deal mostly in black trade have already called on the Chamber of Commerce and Industry to meet the boycott organizers and to make representations to the Government.

The Johannesburg Chamber of Commerce has asked to meet the boycott organizers.

"One of the biggest problems facing boycott organizers and retailers is the limited retail infrastructure in black townships. Soweto is served by about 60 classes of retailers only."

Recent estimates put the number of businesses at about 2 000, with only seven drapers, 26 filling stations and close to 500 food outlets.

"In an attempt to guarantee survival the boycott committee has given an undertaking that delivery vehicles will not be harpooned from enter¬age townships."

The Congress of SA Trade Unions, which has a strong base in the industrialised PWV region, has endorsed the boycott call.
The enemy of economists is not the professor or the economist. The enemy is the politician who wishes to silence the economist by making him part of the administrative machine. The economist is the only person who has the ability to see through political rhetoric and to present the truth. The economist is the one who can say, "The numbers do not lie."
Car prices to rise by 8% in next two weeks

Argus Correspondent

JOHANNESBURG. — If you are thinking about buying a new car, there could be no better time to take the plunge than this week.

Most remaining car-makers in South Africa are expected to announce further increases in the next two weeks. And that time the expected figure is a whopping 8% percent.

Market leader Toyota is expected to set the ball rolling on Tuesday, followed by Mazda on December 27. Ford, the other arm of Samcor, will probably raise prices at the same time.

Volkswagen is tipped to join the rush on December 30, followed the next day by Mercedes-Benz/Honda, and Nissan by the end of the first week in January.

General Motors' increase will not take effect until January 13.

Delayed increase

BMW and Audi are likely to hold their prices even longer. They had a rise at the beginning of this month and are unlikely to move again before the end of January.

The prices of most popular models have risen by between a quarter and a third since this time last year.

A Toyota Corolla 1.6GL, which costs R19,003 on December 19, 1984, is listed today at R21,135 — an increase of 12% percent. A Ford Sierra 2.0GL, which costs R18,405 a year ago and sells for R16,993 today — an increase of 5% percent. The cheapest Mercedes 500, which a year ago sold for R24,319, today costs R28,150 — a rise of 12% percent.

By the time the eight percent increase has worked its way through, many '86 models will cost 40 percent more than they did in December 1984.

But there are still some bargains to be had if you are prepared to take a chance on a discontinued make.

Models from Alfa Romeo, Peugeot and Renault — all manufacturers who are in the process of withdrawing from the South African market — are available at substantial discounts in a bid to clear stocks.
Thousands flee Bop's sweep on militants

By SEFAKO NYAKA

THOUSANDS of youths have fled Bophuthatswana in the wake of a massive police campaign to "rid the homeland of elements who are bent on destabilising it".

This week, several youths in Temba township outside Hammanskraal and GaRankuwa told of mass arrests and alleged assaults at the hands of police.

Trouble in the Bantustan started a few weeks ago when Putco announced bus hikes in the Pretoria area.

Bophuthatswana commuters still use Putco buses in some areas; they called for the government to withdraw Putco and to introduce instead state-subsidised Bophuthatswana Transport Holdings buses.

There were incidents of stone-throwing and several buses were damaged.

Tension escalated a few weeks ago when 500 workers were dismissed by Metal Box in Roslyn.

A boycott of products — including beer and soft drinks in cans — was called in solidarity with the workers — and a music festival at GaRankuwa was disrupted when youths realised that beer and soft drinks were sold in cans at the festival.

Three people were killed, and it was later claimed they had been run over by motorists who were fleeing from the stone-throwing youths.

As tension continues to rise, youths have reported unrelated incidents of alleged police harassment and a high rate of arrest.

A young activist, Gordon Manamela, whose back was a cross between sambokos, was allegedly assaulted when he and a friend were picked up at the friend's home before being taken to the Temba police station two weeks ago.

"On our arrival at the police station, we were assaulted with an assortment of weapons, including rubber truncheons and wooden batons," he said.

His swollen clean-shaven head was covered in festering wounds and bruises.

He said he was rudely shoved into the back of a police van carrying several youths.

"At the police station we found furthering the aims of a banned organisation, an indirect reference to the Congress of South African Students (Cosas).

Several youths said they have been repeatedly asked to name the "students from Atteridgeville and other areas, who are behind the present unrest."

Their interrogators allegedly forced some of them to admit that the trouble was fanned by outsiders running away from police in South Africa.

Shortly after the outbreak of violence, a meeting was held in Temba and a senior government official "whom we do not know", said youths, told parents outsiders were responsible for the unrest.

He allegedly told the meeting non-Tswanas that they should stand together against the non-Tswana element.

"He even said Bophuthatswana will hit an eye for an eye in its fight against the radicals from outside," said a youth.

A government official in Mafikeng denied the allegations but confirmed several meetings had been held with the residents in an effort to normalise the situation.

He refused to name officials who had addressed such meetings.

And on the Bantustan's television this week, President Lucas Mangope appealed for "loyalty, firmness, determination and purposefulness" from Bophuthatswana citizens to fight the "mind-colonising campaign launched by organisations such as the UDP".

He said no "foreign" students would be admitted next year, teachers would be screened, and no teacher would be allowed to become a member of the United Democratic Front.

He asked teachers who belonged to the UDP to get out of the teaching profession and out of Bophuthatswana.

He said he had been approached by several people who asked him to ban the UDP.

Attempts to ascertain the exact number of youths arrested since the outbreak of violence were unsuccessful. A Lieutenant Ceknau in the Public Relations Directorate said the only person entitled to answer press queries was on leave.
Soaring cost of raw materials

PACKAGING manufacturers, incensed by hefty price increases in raw materials, see the rising costs of these goods as their major hurdle for 1986.

Locally manufactured raw materials have risen by as much as 45% in the last two years, pushing up the end price of packaging by more than 50%.

With more increases on the way in January, the main suppliers — paper and steel mills, who together supply more than 50% of SA’s packaging material — have been accused of disregarding the state of the economy.

Manufacturers complain that many of the price adjustments have been justified by the exchange rate, even though the materials are of local origin.

Nampak Corrugated Container Division MD Adrian Barker slated the paper mills for hiking the price of some products by as much as 43% over two years.

“Raw materials make up 85% of the selling price. When major primary producers increase price in this manner, there is a ripple effect. This sort of action is not only a disservice to the paper and packaging industry, but to the entire economy.”

Barker hit out at suppliers for using the low value of the rand as an excuse to make large exports profitable. “Suppliers cannot have the benefit of the low rand without living with some of its drawbacks,” he said.

Packaging companies have also had to cope with falling volumes as consumer demand has slumped. Nampak group MD Don McCuratan attributes some of the volume problems to the difficulties linked to delivering goods in the townships.

However, towards the end of November demand picked up and packaging manufacturers are eagerly awaiting January to see whether the surge signals the start of a recovery.

SA still follows Western countries when it comes to packaging trends and design. However, the exchange rate has forced manufacturers to become less reliant on material and design. “Up till now our markets have not been big enough for us to set trends. However, a lot of companies are now looking to export markets to maintain their volumes,” said McCuratan.

Export activities are set to intensify with high volume markets such as South America and South East Asia.
Cement price increase wasn't justified

It's questionable whether for Pretoria Portland Cement — which supplies 46% of South Africa's cement needs and produces 65% of its lime — the cement cartel's recent 10% price increase was justified.

During the past year, building and construction were badly hit by the slump. Despite this, PPC held up well. Turnover was marginally down at R326.2m ($348.7m), while attributable income was R55.9m ($57.7m). Earnings a share were 166c (166c) while dividends remained unchanged at 36c.

In the light of the eight previous years the group has little to complain about. Annual net income before tax has averaged R70m, while attributable income has averaged R49m. Over the past four years, net income expressed as a percentage of average shareholders' interest was a high 19%.

Chairman George Butlerman's report was sombre. Results should be viewed against the cement market's downturn and tax benefits, he states.

Cement sales declined 20% against 1984 volumes. Thus, together with only R4.65m investment income ($4.83m) resulting in profits before tax declining R21.8m to R9.7m. Use of the tax allowance investment of R20m on the Dwaalboom factory reduced the tax charge by R10.9m which cushioned the drop in profit attributable to shareholders to R55.9m, only 3% down on 1984's amount.

During 1985, South Africa imported 200 000 tons of cement which triggered off an intensive price war resulting in the importers withdrawing. According to Mr Butlerman, the industry suffered a considerable loss.

Imported cement was evidently dumped, with hard-sought foreign currency used to pay for it. Mr Butlerman advances a sound argument that local material and local labour is prejudiced by such imports.

The South African cement industry, like its counterparts elsewhere in the world, has to contend with high capital intensity and inelasticity of demand.

High cost of transport is a major problem, and the group is exploring the possibility of establishing its own road transport fleet. As a first step, Cooper and De Beer, a cement distributing company, was acquired subsequent to year-end.

Today, transport costs account for 40% of the consumer price. Increasing cost of replacement of road transport equipment and spiralling fuel costs will play a major part in future prices.

Mr Butlerman contests the validity of arguments that cartelisation can lead to inefficiency and lack of productivity and that product supply can be artificially limited to drive up prices and erect entry barriers against new entrants. He cites the US where enforced competition has curtailed expansion with the result that outdated, obsolete plants now constitute a large proportion of the capacity, causing dependence on imports.

 PPC has been caught up by the recession, and had to mothball its new R200m cement plant at Dwaalboom.

Economic indicators suggest that the present recession in construction and related industries will be longer and deeper, warns Mr Butlerman.

Cement demand will decline in 1986 with the decline in building plans. The expected 10% cement demand decline will result in PPC back-tracking to its 1984 levels. But the cement road-building programme might save the industry.

The lime division is expecting a small improvement.

No investment income from associate companies is expected.

Interest on borrowings relating to the mothballed Dwaalboom plant will be charged against profits. I believe it would be fairer to show this expense an extraordinary item below the net income line.

Depreciation on this plant will be shelved until production begins. Earnings per share are expected to decline by more than a third to about 100c. If this happens, the 43c dividend will be maintained.

Balance sheet numbers are suffering from a staggering R126m increase in fixed assets. New standing at R690.75m. Total borrowings are materially up at R812.25m (1985: R526.6m). The impressive bank balance of R35.3m a year ago is now replaced by a R6.4m overdraft.

Working capital ratios are under attack. The ratio of current assets to current liabilities is only 1.2:1 (1984: 2.06:1) and acid test ratio of current assets less stocks to current liabilities labouring at 0.59:1 (1984: 1.37:1).

After reading the 1985 annual report I believe the cartel was wrong to increase cement prices by 10%. If demand declines, surely it is better to drop prices in the hope of maintaining sales and hence production? If production can be increased, even if selling prices are lowered, this ensures the spreading of fixed overheads over a greater amount to maintain profit levels.

Why increase prices and fuel inflation? Even if the cement cartel companies experience lower profits, while productivity of the construction and building industry is increased, surely this is better for the country? It would also mean greater employment and fewer retrenchments.

Dwaalboom does not justify a cement price increase. The cartel, with its routine price increases, is not making life easier for itself or the ailing building and construction industries.
Traders: inflation may be 20 pc next year

Dispatch Reporter

EAST LONDON — Consumers will have to tighten their financial belts with the onslaught of price increases and rising costs in the new year.

The cost of living can be expected to increase resulting from higher prices for food, manufactured goods and electricity.

The regional buyer of a national supermarket chain, Mr. Gary Kruger, said the prices of all products with imported ingredients would "go through the roof" in the new year.

He said this would include soaps, detergents, coffee, washing powders, toiletries and manufactured goods.

The feeling among traders was that the inflation rate for the new year would be well over 20 per cent due to the dollar-rand exchange rate, increases in the cost of labour and the general lack of confidence in the economy, he said.

Escom tariffs would increase by 10 per cent in January and another 10 per cent in July, a spokesman from Escom said.

The municipal financial director here, Mr. L. Venter, said the cost of the Escom increases would be passed on to the consumers but at this stage he did not foresee dramatic increases in other areas.

He said the financial situation of the city would be looked into around March.

The national president of the Housewives' League of South Africa, Mrs. Joan Hurwitz, said in a statement the increased input cost of Escom would be passed on to producers, then retailers and in the end the consumer would pay as the consumer was not able to pass on the increased costs.

"No matter what reasons Escom has given to justify this large increase, even though they have introduced cost savings, it is nevertheless unacceptable in the present recession. The effect on our inflation rate will be catastrophic," a spokesman for the union said.

He said the limitations of the domestic market also could not accommodate produce destined for exporting and prices on fresh produce markets could tumble.

A commodity officer for the East Cape Agricultural Union in Queenstown, Mr. A. G. Pounce, said the fruit and vegetable market was completely open with no price control. The price was determined by supply and demand.

He said after the rains there should not be a shortage of irrigation crops, which predominated in the Eastern Cape, or a drop in production because of the rainfall.

The chief economist for the South African Agricultural Union, Mr. Koos du Toit, said the present interest rates and shortage of production capital could result in farmers producing less than optimally this season, which would worsen their already difficult financial situation.
Anger over rise in AECI prices

PACKAGING manufacturers have accused AECI of taking advantage of its monopoly of the low-density polyethylene market by raising the price by at most 30% in the past year.

They say AECI has put up prices R450/ton without real justification.

Manufacturers argue that since low-density polyethylene — used mainly in the manufacture of plastic bags — is locally produced, there is no real reason for the price adjustments they have been forced to accept during 1985.

AECI, however, insists it has always maintained a responsible pricing policy.

"While it is true that our price has increased by over 25% during 1985, it must be seen in the correct perspective," says a spokesman for the chemical and explosives giant.

"Low-density polyethylene is an international commodity. The local price has moved in concert with the international prices for some time now. This is reflected in the cyclical pattern of prices in the last few years.

According to AECI, the local price dropped during 1982-1983 but during 1985 international prices have risen rapidly. We have adjusted our prices accordingly in an attempt to improve our business trading position.

AECI claims the local price is still significantly lower than imported equivalents and says the increases have been relatively modest. But what has angered the packaging manufacturers is the thought of the extra R45-50m turnover the increases would bring on the sale of the average 100 000-tons sold locally each year.

"When we are obliged to follow international prices downwards, we also have to increase prices, when feasible, in order to achieve a balanced investment position on average," says the AECI spokesman.
ROCKETING clothing prices predicted for next year are expected to leave many of us threadbare. Increases of from 20% to 40% are forecast, depending on imported content of the garment. "If they're totally local, the increase will be nearer 20%," says Frank Wells, chairman of the Textile & Clothing Advisory Council (TCAC).

Wells, MD of Edgars Stores' retail services division, adds: "Manufacturers have to realise sales will drop if prices increase." Increases apart, shop boycotts this month will dictate the face of the sector in 1985. While effective boycotts spell bargains galore in January, for the retailer they add up to unprofitable sales. Wells says retailers have ordered only 80% of their requirements for Winter 1986 (April to June).

Reduced imports apart, the other difference for 1986 is that the amount of new retail space coming on stream is negligible. Textile Federation executive director Stan Shlagerman expects import replacement to continue up to a point, but fears inflation will narrow the gap between domestic production costs and imports.

National Clothing Federation (NCF) president Mike Getz says SA is paying a full price for ignoring the basic rules that determine meaningful growth in a developing society.

Getz says it is to be hoped that the present preoccupation with urbanisation and deregulation is not another retreat from the harsh reality SA has brought upon itself. He says government appears unable to impose necessary disciplines, but chooses rather to tax more and more jobs out of existence.

Prospects for 1985 depend on confidence and demand, linked to a return of more stable political and economic conditions, adds Getz.
2.5% agricultural growth expected

African economies hurt by falling prices

NAIROBI — African economies made small gains in agriculture, manufacturing and mining in 1985 but were hurt by weak demand and sharp falls in prices for their exports, reports the Economic Commission for Africa.

The report by the commission's executive secretary Adebayo Adekunle was released in Addis Ababa yesterday.

With good rains over most of the continent, African agriculture, which a year ago was in the grip of one of the worst droughts this century, made a marked recovery, Adekunle said.

Agriculture production was expected to grow by more than 2.5%, compared with an average of 0.1% between 1983 and 1984, the report said.

According to the ECA, which said its estimates were corroborated by the United Nations Food and Agriculture Organisation, the 1985 crop would be a bumper one, consisting of 14-million tons over the 1984 harvest.

Some countries, Zimbabwe and Kenya in particular, would be able to resume grain exports, Adekunle said.

The West African harvest would be 50% higher than in 1984 and even hard-hit countries like Sudan and Ethiopia expected record harvests, the ECA said.

The strong recovery of Africa's chief foreign exchange earners — coffee, cocoa, sugar, cotton, tea and tobacco — coincided with a sharp fall in the prices on the world market, the report said.

It was a dismal year for mineral-rich Africa's metal markets. Tin prices dropped by more than one half, leading to the collapse of the tin agreement, copper consumption was sluggish, uranium prices fell and a glut of nickel forced prices down by 30% in the closing months of the year.

The situation appeared to be better for bauxite, the ECA said, but high level of stocks forced limits on production.

Oil prices, which normally rise during the current winter season in the Northern Hemisphere, did just the reverse. The report blamed OPEC's decision to lower prices, a move analysts believed would trigger a price war with non-OPEC oil producers.

"The mining sector is not going to contribute much to economic recovery this year, and a mere 2.5% growth rate is forecast," the ECA said.

There was a 3.2% growth rate for the manufacturing sector, only slightly better than the 3% growth during 1980-84. But the report said an increasing shortage of foreign exchange meant many factories were unable to import raw materials.

"Thus, many factories had no choice but to close down while others were operating at uneconomic costs," the report said — Sapa-AP
EASTONa, LONDON - A 16 percent rise in the electricity bill has been announced by Eascom. The increase is due to the current economic situation and the rising costs of fuel.

The new tariff will affect all customers as of January 15 and will be applied to all electricity consumption. The increase is aimed at ensuring that Eascom remains financially healthy and can invest in new infrastructure.

Customers are encouraged to consider alternative energy sources to reduce their electricity consumption and avoid the impact of the increase. Eascom is also working on improving its efficiency to minimize costs and pass the savings on to its customers.

In response to the increased tariffs, the Energy Ministry has announced new incentives for customers who switch to more efficient appliances and systems. These incentives include tax breaks and subsidies for renewable energy installations.

Customers are advised to contact Eascom for more information on the new tariff and the availability of the incentives.
A year of zooming price rises

CHERYLayne BENTON

THIS year will be remembered as one of price increases.

The cause of many increases was the sharp rise in fuel prices — 57% over the year. Three separate price adjustments pushed a litre of 95-octane petrol from 63,6c in January to 160,6c in November.

Other transport costs followed suit, with rail tariffs going up 30% in February and a further 15% in October.

Air fares, affected by currency adjustments, went up 18% in January and 10% in February. Fares to the Far East and Australia rose a further 13% in April and increased thereafter as the rand declined.

Consumers had to cope with the rise in GST from 10% to 12% in March, but importers bore the brunt of the plunging rand.

The fall pushed up the prices of goods and materials by as much as 15%.

The 10% import surcharge affected imports.

Prices of local products soared in sympathy. Packaging materials, including paper, plastics and polyethylene, rose by about 20% — again pushing up the prices of end-products.

Motor manufacturers pushed up prices up by about 22% for the year.

Prices of foodstuffs, particularly bread, outstripped the inflation rate.

Sugar went up 12,5% despite a world glut.

Where maize was concerned, the government gave with one hand, only to take away with the other — refusing to grant maize farmers a 23% increase, then reducing the maize subsidy and pushing up retail prices by 15%.

Government's announcement that it would act to end price-fixing and other restrictive trade practices was welcomed as a sign of determination to restrain price rises.
Humble spud joins carver clique

 Potato pieces rocket but could fall soon

 potato processing plant and continued
 production bottleneck. Potato production and the only crop was
 in the plant's stock. Plant managers and
 farm managers of nearby farms said they had
 received no plant orders. The plant's manager, the said, "We
 don't have the orders to fill the plant."

 Economic conditions have been stiff.
 Exports have not been as strong as
 expected for the season. Down to 73
 million bushels from 10.5 million bushels
 expected for the season. Down from
 73 to 10.5 million bushels. 

 The plant's manager, the said, "We
 don't have the orders to fill the plant."

 The Western Caper

 "It's been a difficult year for
 potato growers. The Western Caper
 has been affected by the market's
 lower prices. We're just trying to
 keep costs down and maintain
 profitability."

 The Western Caper is a unique
 variety that is popular in the
 state. It's known for its
tender texture and
 flavorful taste. The
 plant's manager
 said, "We're
 working hard to
 keep costs
 down and
 maintain
 profitability."

 Humble spud joins carver clique

 Potato processing plant and continued
 production bottleneck. Potato processing and the only crop was
 in the plant's stock. Plant managers and
 farm managers of nearby farms said they had
 received no plant orders. The plant's manager, the said, "We
 don't have the orders to fill the plant."

 Economic conditions have been stiff.
 Exports have not been as strong as
 expected for the season. Down to 73
 million bushels from 10.5 million bushels
 expected for the season. Down from
 73 to 10.5 million bushels. 

 The plant's manager, the said, "We
 don't have the orders to fill the plant."

 The Western Caper

 "It's been a difficult year for
 potato growers. The Western Caper
 has been affected by the market's
 lower prices. We're just trying to
 keep costs down and maintain
 profitability."

 The Western Caper is a unique
 variety that is popular in the
 state. It's known for its
tender texture and
 flavorful taste. The
 plant's manager
 said, "We're
 working hard to
 keep costs
 down and
 maintain
 profitability."

 Humble spud joins carver clique

 Potato processing plant and continued
 production bottleneck. Potato processing and the only crop was
 in the plant's stock. Plant managers and
 farm managers of nearby farms said they had
 received no plant orders. The plant's manager, the said, "We
 don't have the orders to fill the plant."

 Economic conditions have been stiff.
 Exports have not been as strong as
 expected for the season. Down to 73
 million bushels from 10.5 million bushels
 expected for the season. Down from
 73 to 10.5 million bushels. 

 The plant's manager, the said, "We
 don't have the orders to fill the plant."

 The Western Caper

 "It's been a difficult year for
 potato growers. The Western Caper
Consumer Price Index leaps 16.9 pc in a year

Mercury Correspondent

Johannesburg—The Consumer Price Index for all income groups leaped by 16.9 percent from November, 1964, to November this year.

Even in the month from October to November, 1965, the index increased by 1.3 percent.

Figures released by Central Statistical Services indicate the increase in the past month was due mainly to rises in the price of meat, fats and oils, fruit, vegetables, furniture and household appliances.

Meat went up by 2.4 percent, fruit by 2.5 percent, furniture by 3.5 percent and motor vehicles by 4.7 percent.

Statistics show that higher income group was hardest hit by CPI increases. The figure for that group rose by 7.7 percent. In the middle income group this figure stood at 17 percent and in the lower income group 14.4 percent.

Indices for urban areas show that the biggest annual increases occurred in Kimberley (18.5 percent), Pietermaritzburg (18.9 percent), Pretoria (18.0 percent) and the Vaal Triangle (18.1 percent).

The statistical news release emphasises that the CPIs for the different urban areas do not permit inter-urban comparisons of price levels. They do not indicate whether it is more expensive to live in one city or another.

The release says they indicate for each urban area, independently of any of the other urban areas, the price changes which have taken place from time to time.