COMMERCE — GENERAL
1983

JULY — DECEMBER

30) 20) RDP
1/7/83

Estate agents' exam the same for all races

By LIN MENGE

HOME FRONT

BLACK estate agents who operate in black urban areas will have to pass the examinations now being introduced to control the standard of training for estate agents of all races.

A major announcement expected from the Government early next week will spell out details of the training of black estate agents, Mr Boet van Straten, chairman of the Estate Agents Board, said in Johannesburg yesterday.

Answering questions from HOMEFRONT at a Press conference, Mr Van Straten said that of the 19 500 registered estate agents in South Africa, only some "half dozen" were black. There were, however, many registered Indian and coloured estate agents.

The new regulations for training estate agents, due to be published in the Government Gazette today, apply to all races, Mr Van Straten said. No minimum educational qualification for estate agents is necessary, but estate agents who sit for the new examination must be prepared for some serious study. The examination, which will be based on multiple-choice questions, will be equal in difficulty to Matriculation History.

The Estate Agents Board, among others, will be involved in the training of black estate agents to meet the demands of the free market in housing which is gradually expected to come about once the State has sold off hundreds of thousands of rented homes to township tenants.

The total cost of the study materials and the examination fee is not expected to exceed R135, Mr Van Straten said. People will be able to study either at home, or through certain private or correspondence colleges or technikons. People who attend colleges will have to pay tuition fees as well.

MR BOET VAN STRATEN
Serious study needed

Mr Van Straten said he expected many of the existing black, coloured and Indian agents might have to write the examination, depending on how long they had held fidelity fund certificates.

He said even those agents who were exempt from writing the exam might want to do so anyway — or find themselves "three steps behind".

Examinations will be held at least three times a year in the main cities. Study material prepared by experts will be available by early September.

The Human Sciences Research Council will set and mark the examinations for the joint examinations committee set up by the board and the Institute of Estate Agents.

● See Business Mail

Star 1/7/83

AA warns of repair rip-offs

Pretoria Correspondent

Some garages are taking advantage of motorists by pretending engine parts have alcohol-fuel problems and should be replaced, the Automobile Association (AA) has warned.

The AA had proof that some garages were replacing parts that showed no signs of such problems, an AA spokesman said in Pretoria.

A garage told one motorist his carburettor was "chewed up" and would cost R120 to replace. The AA found nothing wrong with it.

The AA has urged motorists to report any alcohol-fuel related problem to its Johannesburg technical department, or ask for the old parts back and send them to the AA.

In the past three weeks 42 motorists have reported problems to the AA.

Eleven of the cases were not related to alcohol-fuel problems.

In 24 cass, the fuel enrichment valve tended to stick due to the alcohol-fuel mix. All of them were equipped with Stromberg carburettors.

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FM 1/7/83 (30)

MAKANA TSHABALALA

New horizons

FM

Entrepreneur Makana Tshabalala is set to join the small circle of wealthy Sowetans. His vehicle? A fast-food outlet which he opened in the townships this week in partnership with the Small Business Development Corporation (SBDC).

The fried chicken operation, Upeo Wa Macho (which means horizon in Swahili), is strategically situated on the old Potchestroom Road and, therefore, well placed to meet bottled up demand in a community estimated to be over a million strong. Tshabalala plans to expand the concept nationally, possibly even to neighbouring countries. SBDC is budgeting on opening around three Upeo Wa Macho outlets a year.

But at this stage Tshabalala has enough on his plate without worrying about further development. He says he must first chew what he has bitten off. Once he and his wife Baba have the Soweto operation running smoothly, he will talk of expansion.

The partnership (SBDC holds 48% of the shares) expects a turnover of around R60 000/month. Already business is brisk and opinion is that the turnover figure could have been understated.

So the total investment, which is in the vicinity of R205 000, should be recovered fast. The outlay — R100 000 for the building and R105 000 for equipment — was financed by the SBDC.

The ascent has not been easy for Soweto-born Tshabalala. He joins the ranks of the successful at the mature age of 50, and with many years of hard slog and as many aborted schemes behind him. However, his pleasure comes not only from having made it in a hard school or even from the financial gains he is expecting.

He takes the greatest satisfaction in having established a fast-food outlet that is indigenous. Upeo Wa Macho does not have the usual US trappings asssociated with fast-food centres but, claims Tshabalala, it certainly has the quality.

He laughingly refers to his product as designer chickens. "The concept, name and colours are southern African. We must shed the idea that all inspiration must come from the US and that what we have to offer is inferior. Besides, the peasants have always created the various culinary delights," he argues, citing Greek and French provincial cooking in substantiation. "Why not here?"

This thinking goes back to the time when Tshabalala worked as a PR with the Meat Board. His work brought him into contact with journalist Elsa Pitman, who pointed out to Tshabalala that exotic food was the creation of the peasants.

Tshabalala insists that he is "an urban peasant." Those meeting the articulate, well informed and amiable businessman would certainly find the description hard to accept. Urbane, yes; urban peasant, no.

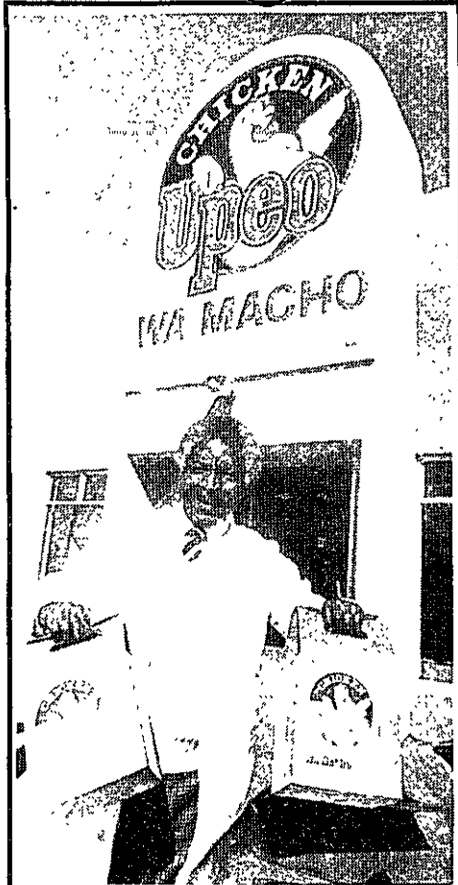
Tshabalala was born in Soweto and educated at Orlando High. Career opportunities were severely limited so he joined an attorney's office — "the only job I could find," but soon left to become a PR at the Meat Board. It was here that he developed his affinity for good food and acquired the skills he now brings to his new operation.

He then moved to Coca Cola, but left to set up his own operation. "I realised there was no room at the top for a black man in a white organisation," he explains. "Show any creativity or individualism and you are regarded as a cheeky native," he quips, more with mischief than malice. "So, tired of being pushed around, I set up an imported crockery agency marketing to the black community."

But with the land problems in Soweto he found it difficult to secure a site for that type of operation. He had, for some time, been mulling over the idea of establishing a fast-food shop and so decided to concentrate his efforts. He managed to obtain a site but hit difficulties on the next leg — finding finance. The commercial banks, he claims, assessed his project naively and, he believes, with a prejudiced eye. Turned down, he tried the SBDC.

It was with an introduction from a friend that he caught the ear of an interested official who was prepared to work fast. Now Tshabalala describes the SBDC as "very positive and surprisingly creative and forward looking."

The stumbling blocks for black businessmen are many, says Tshabalala. But in his opinion, the consequences of a history of deprivation take the greatest toll. "Our growth has been stunted and because we have been kept out of the mainstream we lack sophistication." But, he notes, the tough environment has created a breed of resilient entrepreneurs — an attribute that stands them in good stead.



Tshabalala . . . marketing 'designer chickens'

(30)

THE EXECUTIVES

Clicks plans chain of 200 stores

MR HARRY GOLDIN started up Pick 'n Pay with four self-service shops — then sold out to Mr Raymond Ackerman. He planned to retire, but after a world cruise decided to go back to work and opened the more specialised Clicks chain, which last year had a turnover of more than R93-million.

O/t ARGUS
AUS
2/7/83
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By AUDREY d'ANGELO

CLICKS, which now has 45 stores, is still in its infancy and only a quarter of the size it will eventually reach, says its chairman, Mr Harry Goldin.

He thinks the market in this country is still growing, with black spending power increasing, and that it can support 200 branches of Clicks.

"But there is not much more room for us to open new stores in the Cape. Most of the new ones will be in the Transvaal."

Mr Goldin founded the chain 15 years ago because he was bored by an early retirement and says: "I enjoy my work thoroughly."

REFUSED OFFERS

He has refused several offers by larger companies to buy him out and says he is nervous about the tendency in this country for medium-sized businesses to be taken over by large corporations.

He began his business career by opening a general dealer's shop in Claremont when he left the army after the war, and decided he needed a gimmick to make it a success.

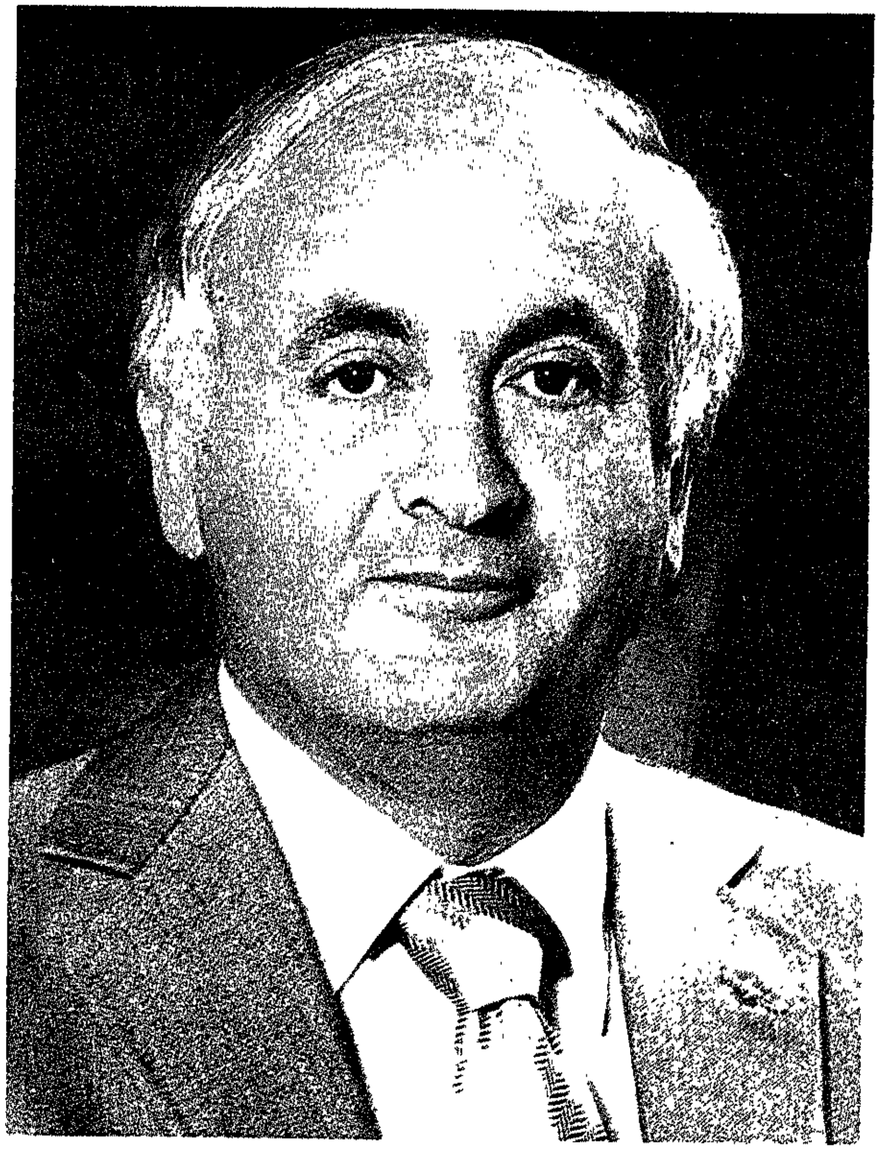
So he hit on the idea of delivering hot rolls in time for breakfast. At the same time, he invited housewives to give him a grocery order which would be delivered in time for lunch.

WRITING ON WALL

The business prospered but he and his younger brother "saw the writing on the wall" when the supermarket idea arrived.

"We were sure people would want self-service with low prices."

He opened the first branch of Pick 'n Pay near his original shop in Claremont in 1973 and sold the firm, when it had grown to four shops, to Mr Raymond Ackerman.



MR Harry Goldin . . ."I was bored with selling groceries."

"I was bored with selling groceries. There is no excitement and variety in a tin of beans — but there is in cosmetics, perfumes and gifts."

He intended to retire and enjoy life, and went on a world cruise, but found he missed the excitement of business.

One of the shrewdest retailers in the country,, he did not fall into the trap of finding himself over-stocked in the present recession, as many other firms did.

"I foresaw what would happen and sent memos to our branch managers telling them to reduce the amount of stock we were carrying."

"In fact I went a little too far in reducing inventories and some of our shelves have become rather bare of giftware but at least we did not have to give stuff away as some retailers have had to do.

"Now we are building up stocks again and will have the widest range we have ever had this Christmas."

It may include products from America new to this country.

Mr Goldin makes

Continued on Page 3.

'Majority may reject free enterprise'

ARGUS 5/7/85

30

Staff Reporter

AN acceptable form of political dispensation would have to be found for blacks if they were to support and share in the free enterprise system, the executive chairman of Barlow Rand, Mr A M Rosholt, said today.

He was addressing about 800 delegates at the annual congress of the National African Federated Chamber of Commerce in Cape Town.

Mr Rosholt said that it would be a "great mistake" for businessmen in South Africa to assume that the free enterprise system would be in force for all time and that it would be accepted unquestionably by all population groups as the best economic system.

Warning businessmen not to be complacent, he said there was a grave danger that the free enterprise system would be rejected by the majority of people in this country.

Fruits

He said that unless blacks were able to enjoy "the fruits of the system" the probability existed that they would turn to the apparent and superficial joys of a more socialistic system.

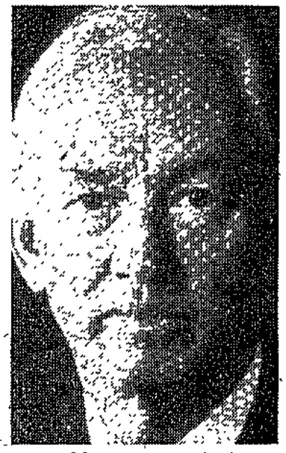
Mr Rosholt said businessmen faced what appeared to be an almost insoluble problem: "That of implementing the system businessmen know to be the best for the ultimate economic growth of the country and, at the same time, convincing the majority of the population which is not presently sharing in its benefits that a system based on the harsh realities of free market forces is the best one for them."

He said: "What I am really saying is that there will have to be some form of compromise; that our economic system will have to be based on a mixture of unrestrained free enterprise and enlightened social responsibility."

Timetable

He urged the Government to give some short term proof of its commitment to change, suggesting that:

- It adopts a plan with a timetable which would, over as short a period as possible, eliminate all discriminatory laws and regulations;
- It presses ahead, assisted by commerce, with efforts to provide education and training;
- Acceptance of the principle of absolute equality of opportunity and treatment in labour practice and pay, based on merit, be instilled in every employer in the public and private sectors and
- Influx control legislation and its method of administration be reformed.



Mr A M Rosholt

Mutual buys R1m Checkers prefs

CAPE TIMES 5/7/83 (30)

By PAUL DOLD
Financial Editor

THE Old Mutual unit trust has bought some R1m Checkers convertible prefs and appears to be taking the view that the worst may be over for this store group.

While the latest acquisition was disclosed in the trust's June quarterly report, market analysts are not discounting that the Mutual may in fact have picked up more shares and could emerge with a sizeable stake in Checkers.

Market value

There are no indications at this stage that a battle for control could emerge between the Mutual and the Kirsh camp. The stake could merely be a long-term investment.

The Mutual's quarterly report said that 300 000 prefs with a market value of R1 050 000 were bought in the past quarter — the first time that Checkers has appeared in the portfolio.

Signals

Checkers managing director, Mr Gordian Utian, who was unaware of the Mutual purchase said last night that Checkers was progressing very nicely and should do more than break even in the new financial year just started.

"Trading conditions are still very tough but in the last three or four months there have been better signals on turnover with the group having stabilized."

Thus far Mr Utian who moved into Checkers 14 months ago has been cleaning up the operations and no new stores have been developed.

The first new store opens at Emmarentia Johannesburg this week which in itself suggest a more encouraging phase is underway and another 10 stores are planned this year.

"We are marketing, cleaning and pushing the company forward," Mr Utian says.

Checkers has withdrawn from its Big D hypers which have been turned into Checkers hyper stores and sold most of the six convenience Check-In stores. Most of the department stores have been sold.

"We are trading nicely and well on the road to recovery. The economy and particularly the drought are however making trading difficult. Costs are rising with margins under and competition is strong. But I think we can claim to be leading now and not following . . .

Key concern

"The bottom line is still a key concern but we are hoping to be in profit this financial year and we cannot at this stage see any reason why we should not be firmly in profit," Mr Utian says.

Checkers' results for the year ending June will be available in August but the figures will be purely academic, reflecting the continued pruning in the past year.

Mr Utian says it will still take some six months before all the skeletons are finally removed but nothing major is likely to be found.

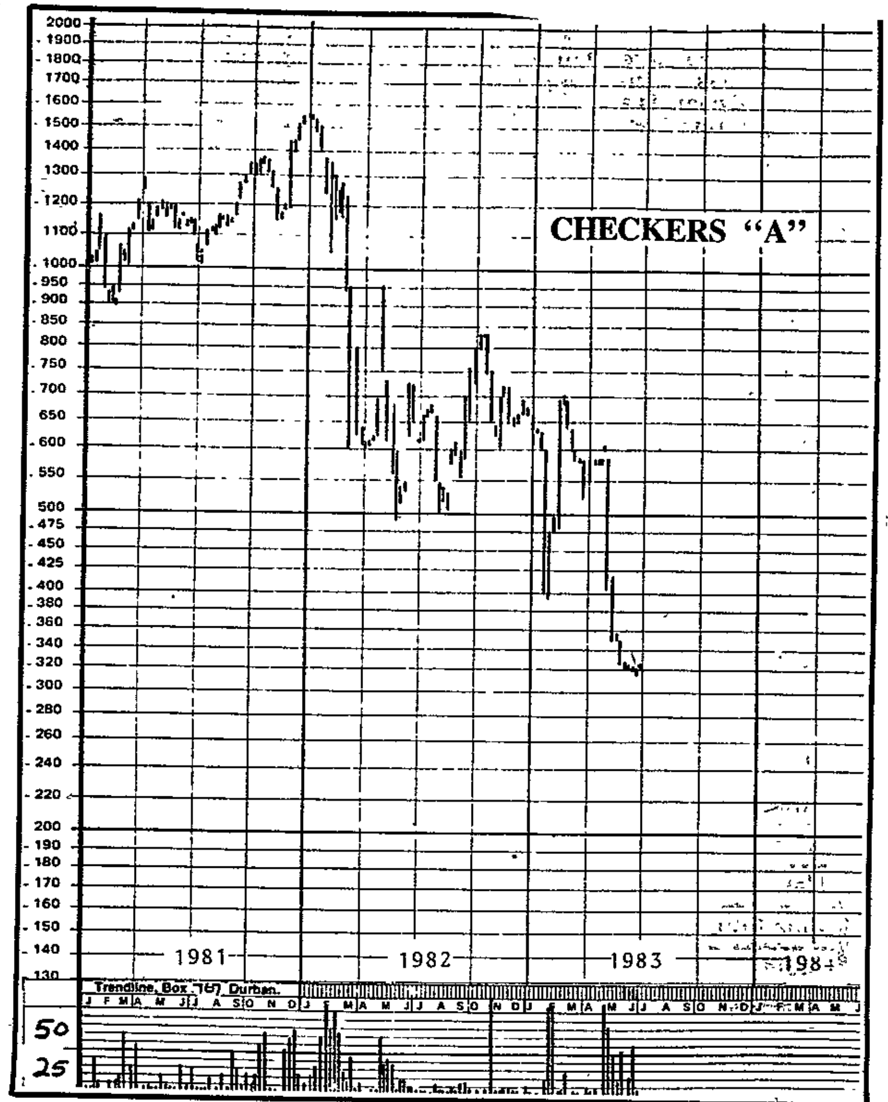
The pref shares are convertible into ordinaries at R3 a share in 1986.

New acquisition

Another new acquisition for the Mutual unit trust was a parcel of Dorbyl with 28 000 shares at a market value of R210 000 being bought.

At the end of the June quarter the fund had a portfolio value of R273,2m, well up on the March R234,7m, with the fund liquid — some 19 percent of funds or R50,4m is available for investment.

It was an active quarter for the fund with several holdings being increased but there were no sales. These included Afrox (31 300 shares), Gefco 64 700, Volkskas 23 700, Sasol 72 700 Russels 38 700, Protea 57 500. Some 14 400 Metkor, 10 700 Placor, and 11 100 McCarthy were added. Among the mining sector the holding in Angvaal was topped up by 1 500 (A's).



This Trendline graph shows the sharp fall in Checkers "A" shares over the past two years.

800 businessmen for Nafcoc conference

CAPE TIMES 5/7/83 (30)

Staff Reporter

ABOUT 800 black businessmen from all over South Africa will attend the 19th annual conference of the National African Federated Chamber of Commerce in the City from today until Friday.

The keynote address will be delivered by Dr Mike Rosholt, chairman of Barlow Rand Ltd, this morning. He will speak on "The challenges and opportunities for black business development in Southern Africa".

After lunch, Professor Leon Weyers, chairman of the SA Co-ordinating Consumer Council, will speak on the protection of black consumer interest in the coming years.

Mr Ben Mokoatle, education and training manager, 3M South Africa (Pty) Ltd, is also one of the speakers on the agenda today. His address is entitled: "Prospects of preparing blacks for greater participation in the South African economy".

Tomorrow morning, the Dean of the University of Cape Town's Faculty of Economics, Professor Francis Wilson, speaks on black poverty and how it affects the development of black business.

Large stores

A highlight of Thursday's programme is a talk by Mr A S Nkonyeni on the effects of the intrusion of large stores on the growth of black business in the black areas.

Other speakers on Thursday will speak on prevailing conditions and challenges to the black manufacturer, methods of making black agriculture in South Africa more dynamic and productive, and how black education could be orientated more towards the development of black business.

The conference ends on Friday with a report-back by discussion groups, resolutions and a beauty contest in the evening.

The president of the Chamber, Mr O S W Mama, said in a message that the conference was being held against a background of high inflation, company profits falling and the country experiencing negative growth.

"The most distressing factor is, however, the disturbingly high black unemployment rate, which represents a threat to political stability.

"Another area to be looked at is black consumer spending outside black areas. It will be the aim of the conference to reverse this outward buying trend back to the black areas by mass-educating the black consumer and the black businessmen."

Improve unemployed benefits — V d Horst

ARGUS 5/7/83

Staff Reporter

THE unemployed had to be provided with means of survival until the economic upturn came, the chairman of Old Mutual, Dr J G van der Horst, said today

Opening the 19th annual conference of the National African Federated Chamber of Commerce (Nafcoc), he said unemployment care facilities in South Africa had to be improved before the rate of inflation came down.

There was a complex relationship between inflation and unemployment.

CONCERTED

In the short term it was possible to achieve a lower level of unemployment if a country was prepared to tolerate a higher rate of inflation, he said.

In the long run, however, excessive inflation led to permanently higher levels of unemployment.

Industrialised countries had made a concerted effort recently and had brought down inflation to between three and four percent.

They were able to tolerate record high unemployment rates because they had "mature unemployment benefit systems", Dr van der Horst said.

NO WAY

According to South Africa's unemployment care provisions, the maximum benefit a registered unemployed person could receive was 45 percent of salary for a maximum period of 26 weeks

"There is no way in which any monetary authority can take the heat out of an overheated economy in six months," said Dr van der Horst.

"The required downward phase in the business cycle is simply much longer than that

"If we believe that inflation is a bad thing and when it appears it should be corrected, then we must be prepared in a modern society to provide the necessary minimum care for the unemployed"

RESIST

Dr van der Horst said "historical legislative" provisions in South Africa caused some people to resist registering as unemployed because it could be found that they were "not legal in their place of abode".

"I think we will have to come to terms with this and will have to take a thorough look at our unemployment care situation if we want the laws of economics to work so as to bring our inflation down to manageable proportions," Dr van der Horst said.

Drought relief for Lebowa

(30) Sowetan 7/7/83

ONE OF South Africa's biggest supermarkets, OK Bazaars, has donated R100 000 food products to be distributed by the Red Cross and Operation Hunger to the needy in drought-stricken areas.

By JOSHUA RABOROKO

In a statement OK Bazaars says its donation of food products has been selected by a panel of nutritionists, including Red Cross president, Dr Pieter Smit.

OK is one of South Africa's private sectors that have become increasingly involved in drought relief, with money, foods, goods and skills being donated by a wide variety of companies.

Other concerns which have donated large amounts include Checkers, the Premier Group, Pick 'n Pay, the Employment Bureau of Africa and the SA Sugar Association.

A measure of the drought disaster can be gauged from isolated statistics which show that in KaNgwane 11 000 peasant farmers face starvation in their plots and in Kwazulu, Operation Hunger usually funds a feeding scheme for over 30 000 children.

OK says the first truckload of 5 000 kg of food — the equivalent of 9 000 tins and jars divided equally across the six selected food products was delivered on June 22 to the Jane Furse Hospital in Lebowa.

It provided this area, one of the worst affected by the drought, with 30 000 highly nutritive meals.

Dr A Makunyane, Director of Health in Lebowa accepted the donation from OK's director Dr Alan Fabig.

The next truckload will be dispatched next month.

HELP: OK Bazaars director Mr Alan Fabig hands over food products to Dr Abner Makunyane, Director of Health for Lebowa.

Cape Times 6/7/83 30

Political dispensation for SA blacks must be found — Rosholt

Finance Reporter

A POLITICAL dispensation acceptable to South African blacks would have to be found if they were to support the free enterprise system and share in it, warned the chairman of Barlow-Rand, Mr Mike Rosholt, yesterday.

He was speaking on the challenges and opportunities for black business development in Southern Africa at the 19th conference of the National African Feredated Chamber of Commerce at the Good Hope Centre.

N.A.F.C.O.C.
RISE IN FAITH

"History tells us in many examples that economic parity can never be achieved without some share in political decisions," Mr Rosholt said.

"It follows that in this country some form of political dispensation and one acceptable to them will have to be found for the blacks if they are to support and share in the private enterprise system."

He also said that to redress inherited inequalities, and to avoid the "very grave danger" that free enterprise would be rejected by "the majority group", an economic system of compromise would have to be found.

This would have to be "based on a mixture of unrestrained free enterprise and enlightened social responsibility".

Distributing the benefits of the system more fairly would be lengthy, but in the short-term steps to demonstrate bona fides would have to be taken.

These would include:

- Eliminating discriminatory laws as quickly as possible;
- Educational reform;
- Public and private employers accepting equality of opportunity and treament in labour practices and pay;
- Promotion on merit;
- A "major reform" of influx control laws and their administration.

Mr Mike Rosholt, chairman of Barlow Rand, who gave the keynote address at the opening of the 19th Nafcoc conference in the City yesterday.

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Black businessmen 'grill' Reagan man

CAPE TIMES 6/7/83

By ROBERT GREIG
Finance Reporter

A VISITING senior member of the Reagan administration faced black businessmen's concern about the implications of the administration's constructive engagement policy.

The Assistant United States Secretary for Commerce, Mr Carlos Campbell, spoke in the City yesterday at the 19th conference of the National African Federated Chamber of Commerce (Nafcoc).

Mr Campbell, flanked by the United States Ambassador to South Africa, Mr Herman Nickel, and United States consular officials, had spoken to the 800 delegates on minority business development in the United States.

He echoed the United States Under-Secretary of State for Political Affairs, Mr Lawrence Eagleburger, who reaffirmed the administration's constructive engagement policy last month.

Qualified support

Mr Eagleburger gave the United States's qualified support to the Prime Minister, Mr P W Botha's reforms while deploring aspects of the National Party's apartheid policy.

At question time, some Nafcoc delegates showed confusion and concern about the business implications of the Reagan Administration's "constructive engagement" policy.

Mr Campbell, a black American, had to state at one point that as a member of the Commerce Department he could not comment on political questions better dealt with by the State Department

One delegate in a written question asked how the Reagan administration reconciled "the paradox of advocating free enterprise" in South Africa, with restrictions on black businessmen's ownership of land, which hamper trading.

Mr Campbell pointed out it was not "the policy of the administration" to "dictate beyond its means".

Asked about the administration's role in regard to the Sullivan Code, dealing with employee relations in South Africa, Mr Campbell said the code was a voluntary one adopted by some United States firms trading in South Africa.

It was "unfair" to suggest that the administration could enforce it.

Attempts

Mr Campbell mentioned attempts by Congressmen to force disinvestment from South Africa.

"We are opposed to legislative moves" of this kind, he said, mentioning the Solarz amendment, by Mr Stephen J Solarz, chairman of the House Subcommittee on Africa, which would aid disinvestment as an anti-apartheid move.

"We believe they are counterproductive," Mr Campbell said.

On a lighter note, Mr Campbell promised businessmen help in getting in touch with American beauty firms whose products sold in Lesotho but not South Africa.

EIGHT hundred delegates from all over Southern Africa are meeting in the Good Hope Centre for the 19th National Federated Chamber of Commerce (Nafcoc) conference until July 8.

The conference's theme is "Challenges for black business development in Southern Africa".

Among topics for discussion are the effects of large stores in black areas, black training, housing and education and the development of black business.

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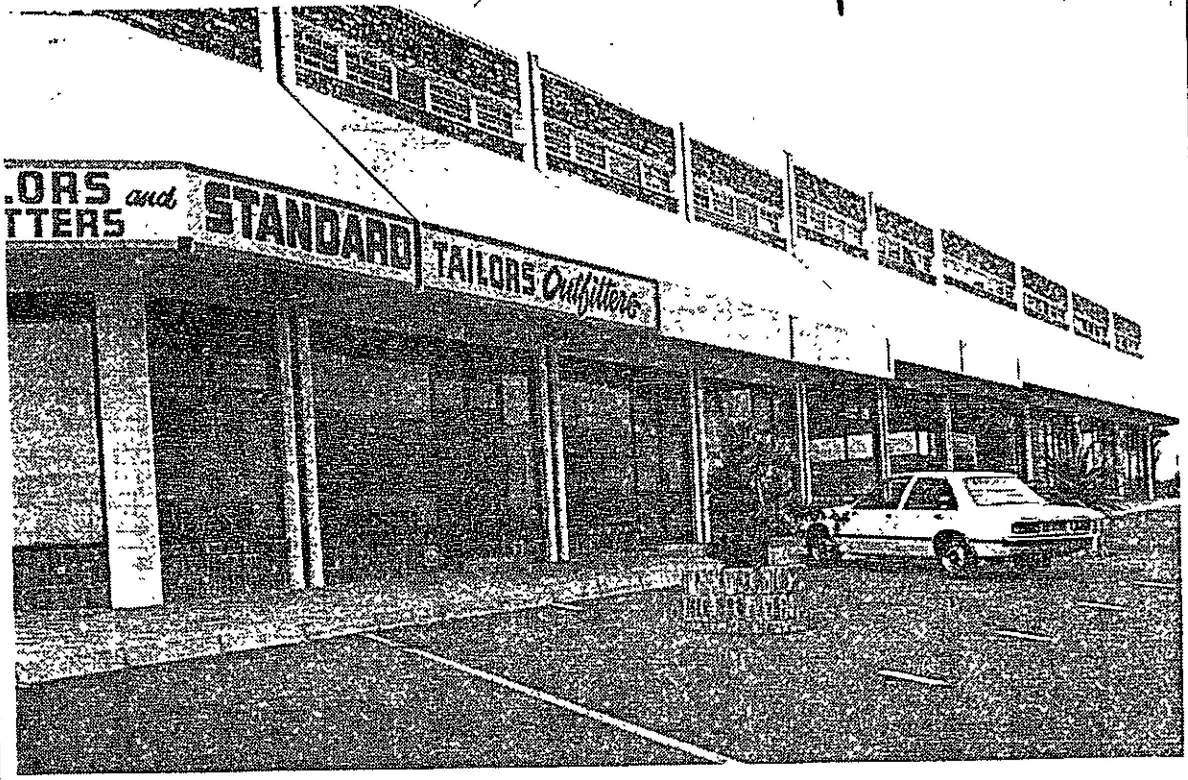

Shops at the Oriental Plaza. Those on the right are unoccupied.

Rent reprieve for plaza

By Haresh Ouderajh

EAST LONDON — Shop owners at the Oriental Plaza have not been charged rents since the day they moved into the plaza.

This was confirmed by Mr A.C. Verwey, regional representative of the Department of Community Development (DCD), who said the plaza traders had applied for the exemption to be continued.

He added that the department was looking into the matter. He said traders would be allowed another period of exemption, but he could not say how long this would be.

Mr Praveen Harry, chairman of the Oriental Plaza Traders Association, said traders had been paying a service fee of four cents per square foot since they moved in.

"There are shops at the plaza which are still vacant. These owners are afraid to open their shops as they are aware of the poor business conditions and they know they will have to battle to survive," Mr Harry said.

"Shop owners at the plaza are battling to make ends meet," he said.

"The government promised us that all

MRS PADYACHEE

shops in Milner Road and St Johns will be demolished, but after a year they still have not been demolished," he said.

He said customers chose to shop at these shops instead of the plaza because they saw it as more convenient.

Business will be much the same for the next two years, until the nearby road-over-rail bridge is completed, he said.

Mr Verwey said he could not comment about the demolition of shops in the surrounding areas.

Mr Michael Williams of the Indian Management Committee said it was up to the traders to make their businesses viable.

"There is nothing to attract people to the plaza and traders should not expect a rip roaring business," — said Mr Williams, who owns a shop at the plaza.

"I do admit that the government has still to meet certain requirements, but the request for the demolition of shops in Milner Road and St Johns Road is definitely not going to boost trade," he said.

Other shop owners interviewed said business at the plaza was bad:

Mrs D. Pillay, who owns a jewellery shop,

MRS PILLAY

said: "We were forced to move because of the Group Area Act. and were moved in the name of progress, but we are buried at the plaza.

"I am disappointed with the government as they have failed to honour promises they made. They have failed to demolish shops in the surrounding areas," she said.

Mrs S. Padyachee, who owns a grocer's shop said: "I invested all the money I had in this business, but I am not able to regain it.

"We were moved from a place of prosperity, to a place where business is poor," she said.

Mrs B. Khandoo, a general dealer, said she felt business at the plaza could be described as fair.

Mr N. G. Dhaya, a camera shop owner, said he doubted whether he would be able to survive if rents were charged for the premises.

Mr Harry Parhboo, who has rented a shop at the plaza, but has still not started trading, said he could not say why he had not opened his plaza shop as the matter was "sub judice."

Another shop owner Mr C. Jeeva said: "There are many white traders still trading in the surrounding areas, whereas the Indians were forced to move."

"The government owes us an explanation for this action," he said. — DDR.

Plea to let black traders into cities

30 RDOH 7/7/85

Mall Correspondent

CAPE TOWN. — Dr Sam Motsuenyane, president of the National African Federated Chamber of Commerce (Nafcoc), yesterday called for Government intervention to speed up the entry of black businessmen into white central business districts.

Addressing 800 delegates in the Good Hope Centre during Nafcoc's 19th annual congress, Dr Motsuenyane accused Dr Piet Koornhof, the Minister of Cooperation and Development, of allowing the rules of free enterprise to operate only where he knew that the competition weighed heavily against disadvantaged blacks.

The issue of opening central business districts to black entrepreneurs had been raised repeatedly with the Government, he said.

The Chamber was still waiting for the creation of "free trade zones" as proposed by the Riekert Commission several years ago. As a temporary measure, black businessmen could apply to occupy a building in a white district in terms of Section 19 of the Group Areas Act.

However, Chamber members had found that the allocated areas were either too small or already occupied by white and Indian traders.

With regard to the Chamber's plea for African Bank branches and other institutions to be allowed into central business districts, Dr Motsuenyane said Dr Koornhof had told them that white financial institutions were allowed in black urban areas "with the sole purpose of providing needed facilities to blacks"

Dr Koornhof added that such assistance by blacks in white areas was "not required" and there was no justification for demanding a *quid pro quo* in this respect. As soon as blacks were able to provide facilities to their own people, his department would stop granting permission to whites.

Dr Motsuenyane said that from a purely business point of view, the Chamber totally disagreed with Dr Koornof that white institutions in black areas operated "for the altruistic purpose of providing facilities to blacks.

"As profit-orientated organisations, they must primarily be there to do business and make profits," he said.

Professor Francis Wilson, dean of the faculty of economics at the University of Cape Town, told delegates at the conference that the political policies of the Government were "economically destructive".

Prof Wilson said aspects of Government policy, such as the smashing of rural communities in the drive to resettle certain racial groups, were a prime cause of poverty.

"We do not have the financial resources to afford resettlement, apart from any moral or social objections. It is economically destructive," he said

In a hard hitting speech, he lashed the migratory labour system, blaming it for much of the national poverty.

"The migratory labour system is the root of the problem, and that is what we must change," he told his audience.

Black warns of business monopolies

30

ARGUS 7/7/83

Staff Reporter

FREE enterprise should temporarily be controlled to make it truly free, the general secretary of the Transkei Chamber of Commerce, Mr A S Nkonyeni, said today.

He was speaking during a discussion on retailing at the National African Federated Chamber of Commerce congress.

Mr Nkonyeni said that if white chain stores were encouraged to go into black areas, on whatever form of partnership, the black retailer would be wiped out.

Monopoly

There would be no competition, but the establishment of a white-favouring monopoly, as in the central business districts.

"The black business community must now stand firm and insist on a move towards a truly free-enterprise economy.

"They should demand the opening of all central business districts to blacks who can afford to operate there, long before white companies are allowed to move into black areas."

Free trade zones still awaited

Cape Times 7/7/83 30

By JANE ARBOUS
Political Reporter

DR SAM Motsuenyane, president of the National African Federated Chamber of Commerce, yesterday called for government intervention to speed up the entry of black businessmen into white central business districts.

Addressing 800 delegates at the chamber's 19th annual congress in the Good Hope Centre, he said the issue had been raised repeatedly with the government.

Dr Motsuenyane accused the Minister of Co-operation and Development, Dr Piet Koornhof, of allowing the rules of free enterprise to operate only where he knew competition weighed heavily against blacks.

Group Areas Act

The chamber was still waiting for the creation of "free trade zones" as proposed by the Riekert Commission several years ago.

As a temporary measure, black businessmen could apply to occupy a building in a white district in terms of Section 19 of the Group Areas Act. But chamber members had found that allocated areas were either too small or already occupied by white and Asian traders. Management of the chamber itself was hampered by the Act.

Regarding the chamber's plea for African Bank branches and other institutions to be allowed into central business districts, Dr Motsuenyane said Dr Koornhof had told the chamber that white institutions were allowed in black areas "with the sole purpose of providing needed facilities to blacks".

Dr Koornhof added that such assistance by blacks in white areas was "not required" and there was no justification in demanding a return. As soon as blacks were able to provide facilities to their people, his department would stop granting whites permission.

From a business point of view the chamber disagreed totally with Dr Koornhof that white institutions in black areas operated "for the altruistic purpose of providing facilities to blacks".

"As profit-orientated organizations, they must be there primarily to do business and make profits."

Black advancement

Lack of capital and know-how in black areas were too often used as a lame excuse to shield uneven-handedness in South Africa's policies, he said.

Although the chamber appreciated positive government measures, it remained strongly opposed to those policies and laws which for political reasons inhibited black economic advancement.

Dr Motsuenyane said the Group Areas Act and other racial laws were the biggest obstacles and contradictions to free enterprise.

These policies had interfered with the smooth operation of market forces and the black business community would have to be protected for a long time, the president of the chamber said.

"Entry of black businessmen into the Section 19 areas should therefore be accelerated and facilitated by some government intervention."

first entrants for the Miss Bellville competi-
... dog Snoopy for a run. Wendy, a Standard
... Miss Tierenuus and recently started part-
...ll. A Junior Miss Bellville, for girls between
...also be chosen. Picture: Pierre Oosthuysen

Nafcoc 800 run a risk

Cape Times 7/7/83 30 240 207 206

By PHILLIP VAN NIEKERK

ABOUT 800 black businessmen attending the annual conference of the National African Federated Chamber of Commerce (Nafcoc) are liable to be arrested under the pass laws as they have been in Cape Town for longer than 72 hours without permits.

But the Western Cape Administration Board (WCAB), known for its zealous application of the pass laws, appears to be turning a blind eye.

Dr Gert du Preez, chief liaison officer for the WCAB, said yesterday: "As we don't know who and from where the delegates are, we don't know whether those who should have permits are in fact in possession of such permits."

He declined to comment further.

'International'

Mr P G Gumede, deputy president of Nafcoc, denied that the delegates needed permits. He said they would need permits if they were staying in the townships, but they were all at international hotels which were "not within the orbit of the Administration Board".

However, several experts on influx control said there was no law exempting people from the 72-hour provision of the Black Urban Areas Act because they stayed at international hotels.

Mrs Sheena Duncan, national president of the Black Sash, said in the proposed Orderly Movement and Settlement of Black Persons Bill, out-of-town blacks staying in hotels needed no permits to stay in "white" areas for longer than 72 hours. But the bill was not yet law.

She said homelands residents as well as those with permanent residence in other "white" areas had to acquire a permit to stay longer than 72 hours in a "white" urban area.

'Ridiculous'

Mr Gumede said it was a "ridiculous" situation.

"Nafcoc has over the years repeatedly condemned this sort of leg-

Colour of TV1 man upsets 37

By COLIN HOWELL

SOUTH Africa's first "coloured" continuity presenter appeared on TV1 last night — and SATV headquarters at Auckland Park was inundated with a flurry of complaints from Transvaal viewers.

However, an SABC spokesman in Cape Town reported that neither complaints nor congratulatory calls had been received in the City.

An SATV spokesman in Johannesburg said a total of 40 viewers had registered their opinions on the suitability of continuity presenter Mr Vivian Solomons.

'Infringing'

The "positive response" meaured a meagre 7,5 percent — three calls in all, he said. The remaining 37 calls had been "adverse".

"A lot of people complained that 'non-whites' were infringing on the white service," the spokesman said. "Two or three said they were prepared to pay higher licence fees to enable coloured people and Asians to have their own service."

The spokesman said some viewers had asked why Mr Solomons had not rather been selected to appear on TV2/3.

"We tried to explain that coloured people were part of the white service and that language problems prevented them from working on TV2/3," he said.

One caller had criticized Mr Solomons' accent but the complaints had not concerned the standard of the Afrikaans spoken by the continuity presenter between the evening's programmes.

While the most frequently-asked question had been "What is a coloured doing on the white service", three viewers had "congratulated" the SABC on the move.

Mr Solomons, 29, is a qualified physical education teacher and last year became South Africa's youngest-ever schools inspector. He is known principally as a successful stage actor after playing in Athol Fugard's "Statements After an Arrest Under the Immorality Act" and Adam Small's "Kanna Hy kô Huistoe".

Next week, Judie Ally will become the first Indian continuity presenter to appear on TV1.

Worker dies in wood-slicer

Cape Times 7/7/83 Own Correspondent 131

EAST LONDON. — A timber factory employee, Mr Zamani Ndlebe, 45, died after falling into a log-slicing machine yesterday.

The personnel officer of Kei Timbers, Mr T T Kentane, said Mr Ndlebe was leaning over a log-slicing machine when his blanket, which was wrapped around his shoulders, got caught in the machine. Mr Ndlebe was pulled into the machine.

One of the employees switched off the slicer, but by this time Mr Ndlebe was already dead.

Jean Barnard appeals again

Own Correspondent

JOHANNESBURG. — Champion racing trainer Mrs Jean Barnard will appeal in the Rand Supreme Court tomorrow against the suspension of her licence.

This was confirmed yesterday by her attorney, Mr Joel Melamed

Carfinder

Carfinder appears with today's Cape Times.

Read Funfinder tomorrow.

VAN NIEKERK

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She said homelands residents as well as those with permanent residence in other "white" areas had to acquire a permit to stay longer than 72 hours in a "white" urban area.

'Ridiculous'

Mr Gumede said it was a "ridiculous" situation.

"Nafcoc has over the years repeatedly condemned this sort of legislation because for the free enterprise system to work in this country, freedom of movement is one of the prequisites."

It was ironic that when he went to conferences overseas, he experienced greater freedom of movement than in his own country, he said.

● More Nafcoc reports, pages 11 and 12

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MOTSUENYANE LASHES SHACK DEMOLITIONS

Sowetan 7/7/83

ANY ATTEMPT to isolate the black people or to deny legitimate fundamental rights in any part of South Africa is a highly dangerous exercise, Dr Sam Motsuenyane, president of the National African Federated Chamber of Commerce said yesterday.

OWN CORRESPONDENT

He said: "The retention of the strange coloured preference policy concept and the heavy cost of social and economic instability suffered by thousands of blacks living and working in this region is a blatant and intolerable injustice which must be strongly opposed by all fair minded and peace loving South Africans.

"Our presence in the Western Cape as blacks is a painful reminder to us of the fact that we are standing on a part of our country which in official circles is regarded as a coloured preference area, where black people can only be seen at best as temporary permanent citizens."

He said: "No solution of the political problems in South Africa can be regarded as complete without the inclusion of black people."

Directing his attention to the housing crisis Dr Motsuenyane strongly condemned the way local authorities (administration boards) in the Western Cape and on the Reef dealt with the housing problem.

He was referring particularly to the recent demolition of the temporary shelters of the KTC squatters by the Western Cape Administration Board.

He said: "Anywhere in the world, from Rio de Janeiro, to Abidjan and Manilla, any number of shack dwellers will be found, but their shacks will never be demolished unless alternative accommodation is provided for them."

Dr Motsuenyane said the present demolition of shacks without taking into consideration the extreme suffering which this measure inflicted upon the lives of the victims, "is totally barbaric and below civilised standards".

- Too much weight has been attached to South Africa's much-feared population explosion, and too little to poverty,

Professor Francis Wilson, the Dean of the Economic Faculty of the University of Cape Town, said yesterday.

Addressing about 800 delegates at the 19th annual congress of the National African Federated Chamber of Commerce, Professor Wilson called for a change to this order of priorities.

To loud applause he said that if South Africa coped with poverty the population would look after itself.

He said economic growth was not sufficient. Tremendous as it is, it can itself create poverty."

'SA firms do not sit back'

Star 8/7/87

CAPE TOWN — South African companies had a better record than America when it came to helping black industrialists, the acting general manager of the Small Business Development Corporation (northern region), Mr A M Kedzierski, told the Nafcoc conference yesterday.

Mr Kedzierski said he was amazed that Nafcoc had been unable to get more companies to allow black-owned companies to manufacture under licence or to sub-assemble.

"I have spent many hours trying to convince overseas companies to give work to our industrialists — especially those companies who make speeches about their assistance to the less privileged sector of our economy.

"There seems to be a massive difference between what some, especially American, companies say and what they actually do.

"We have met with better success with the South African-oriented companies and even smaller companies," Mr Kedzierski said. — Sapa.

GREY STREET (30)

Amber light

FM 8/7/83

With the ban on residential development in Durban's Grey Street Indian group area now lifted, there is much talk that a property boom will follow.

Are the pundits right? Some have their doubts. The main problems appear to be rising building costs and the almost prohi-

bitive costs of land acquisition and site assembly. The restrictions of the Group Areas Act and the shortage of freehold property in Indian ownership have pushed prices skyward. Other obstacles are onerous town planning requirements which restrict the residential content of new developments to 25% of bulk, and the apparent lack of institutional interest.

All this makes RMS/Syfrets' Wally Meyer suspect that there will be no fireworks involving the 20 ha spread after all. Says Meyer "To talk about a boom is to be dramatic. With the cost of erecting new buildings and the rentals one would have to charge to make them viable, you have to ask how many tenants can afford to pay them." The answer is probably not many — even given the relative wealth of the Grey Street community. Secretary of the central Durban Indian Ratepayers' Association Karsandas Manjee thinks that limited residential developments for sale by sectional title could be the solution. But even here he sees problems. There's only a limited number of people who want to live in the CBD. And then again costs are likely to be exorbitant, restricting buyers to the very wealthy.

Given the obvious risks involved, Manjee reckons that few Indian businessmen would be willing to commit their own funds. "What is needed," he says, "is institutional money. Otherwise I can't see it getting off the ground."

On this score Manjee and others are likely to be disappointed. Old Mutual's Malcolm Gruneberg tells the *FM* that OM, for one, would be a non-starter. The problem, says Gruneberg, is that "residential developments for letting are not even feasible for other race groups at this stage." Although the bulk factor of eight does permit office towers with a residential content, Gruneberg contends that office space in the vicinity is in over-supply. Figures from the city engineer's department tend to bear him out. Since 1976 office accommodation has increased by 36%. Demand, on the other hand, has gone sideways.

What, then, is the most likely scenario? Few doubt that the lifting of the restrictions will be beneficial for the development of Grey Street in the long term It's even reported that some brave developers have developments in the pipeline now Most, though, will probably be waiting to see how they fare before making commitments. For all that, Community Development Minister Pen Kotze's decision has certainly enhanced the development potential of the properties concerned. Which means that prices can only go one way — and that's up

Nafcoc talk-in

(30) F.M. 8/7/83

The message of this year's National African Federated Chamber of Commerce (Nafcoc) conference is: let market forces, rather than the Department of Co-operation and Development, dictate the development of black business.

Speaker after speaker alluded to the one inescapable fact which sooner or later becomes clear to every black businessman: large-scale black economic advancement is a pipedream while restrictive laws prohibit land ownership and freedom of movement.

In his presidential address, Sam Motsuenyane highlighted the two land acts, the Group Areas Act, the Black (Urban Areas) Consolidation Act, the Separate Amenities Act and the Population Registration Act as the most detrimental to the growth of the black business community.

Barlow Rand Chairman Mike Rosholt spoke of dangers which could arise if the majority group did not perceive itself "to be enjoying its fair share of the fruits of the system."

He also pointed out that last month the socialistic National Forum attacked not only capitalism but also "reactionary sections of the black middle class."

Sponsorship for this year's conference in Cape Town was drawn from over 60 companies, including Caltex, SAB, Sales House, UTC, Standard Bank and Damelin College. Guests included Barlow Rand's Mike Rosholt, Old Mutual's Jan van der Horst and academics such as UCT's Francis Wilson.

To outsiders, however, Nafcoc is little known even though it is the only national body representing black business. Known even less are its 18 local and regional affiliates which have exotic names like Metacoc, Wepcoc (the hosts) and Bococ.

Nafcoc is a black organisation which was set up 19 years ago for the economic advancement of blacks. To date it has established a bank, construction company and a food chain. It regularly talks to government and takes the kudos for much of the progress in the lifting of restrictions. One example is the establishment of new economic regions which assume a single economy in SA even though the country is politically fragmented into homelands.

Paid-up membership is around 12 000, but an executive spokesman points out that associates and "friends" could bump support up to around 30 000.

It believes that small business is a useful training ground and creator of jobs. It has schemes to aid unlicensed traders, but is also active in the formal sector.

It estimates that, on average, most black businessmen provide employment for around 10 people, a point which was underlined by Van der Horst in his address to the conference.

Nafcoc's Motsuenyane ... grappling with restrictions

Nafcoc's stance is to persuade rather than confront the authorities on matters relating to change. Some members, however, are now urging Nafcoc to employ more militant tactics.

Says one: "Sure, we can now trade in commodities that were previously denied us. Blacks until the mid-Seventies could sell only daily necessities. But government is still dragging its feet on the legalisation issue. We are not in the mainstream. We are merely onlookers.

"In contrast to the white business community, our thinking, in part, is formed and inspired by other black groups like trade unions which are taking an increasingly radical position.

"Younger businessmen are becoming less willing to suffer the injustices experienced by their fathers."

Nafcoc organises educational sponsorships, training programmes and links with other business groups. It has introduced agricultural and industrial counselling and is compiling a who's who of small manufacturers.

It has close contact with other organisations like SBDC and the Small Business Advisory Bureau which are involved in the promotion of black business.

Nafcoc is under financial pressure, although Motsuenyane says there is a possibility of aid from the US Agency for International Development.

This year its main campaign will be for the opening of CBD areas to blacks. Other goals are full representation on regional development committees and further government concessions for industrial and commercial development.

Plans for a black-controlled building society have been shelved until economic conditions improve.

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, Mr Makhura
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a person one
and then learn
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or she passes

(in glasses).

30 Sowetan 8/7/83

Zim trade links mooted

TRADE links between South Africa and Zimbabwe would continually be undermined as long as political, economic and social institutions in South Africa were undemocratic.

This was told to about 800 delegates at the 19th annual National African Federated Chamber of Commerce (Nafcoc) congress by a director of a top Zimbabwe company, Mr H M Munangatire this week.

He said it is no secret that the Government and people of Zimbabwe found the political system of apartheid in South Africa an assault on the human conscience.

Most disturbing, he said, was that the South African Government was attempting to export the doctrines of apartheid through attempts to destabilise Zimbabwe.

WEALTH

He said: "These political factors may appear extraneous at such a gathering of businessmen, but the fact remains that these factors impinge on our ability as people engaged in commerce to work together effectively, to launch joint ventures and generally plan for the economic development of our region."

He said however, that despite these reservations, given the ideal conditions "we want to work with all the business community here black, white or brown. Wealth has no colour"

"We believe we can learn from your experience and expertise in various fields and you from us.

"We believe the various infrastructures we have in our country could be deployed for all who live in this region and we also believe that the resources that abound in our respective countries can be harnessed to our mutual advantage, and that of the generations that shall follow us."

Mr Munangatire said "We remain steadfast in our conviction that the possibility and the probability of such commercial co-operation would be impossible as long as the political economic and social institutions in this country are undemocratic."

He said, "The challenge facing us all therefore in Southern Africa is the urgent removal of those barriers which divide us." — Own Correspondent.

Nafcoc hears challenge: whites must fight for black traders

(30) Star 9/7/83

CAPE TOWN — White chain-store groups wishing to trade in black areas were yesterday challenged to first fight for blacks to be allowed to trade in white areas.

This would establish their credentials, the general secretary of the Transkei Chamber of Commerce, Mr A S Nkonyeni, said at the 19th annual conference of the National African Federated Chamber of Commerce.

Mr Nkonyeni was speaking on "The intrusion of large white retail stores in the black areas."

Opening traditionally white trading areas to blacks, he said, would not be as readily felt by the white businesses as the reverse.

"If the white chain-stores genuinely believe in free enterprise, they, through their central business district associations, must spearhead the agitation for unsegregated CBD's.

"Through their parliamentary representatives, they can relay the message very clearly to the powers that be.

"Such an act would earn them the right to talk of free enterprise and competition in the black areas."

Mr Nkonyeni was sceptical of the reasons usually given for opening black areas to white chain-stores.

The "free competition" argument, he said, ought to be used to attack the exclusion of black businesses from white areas.

The "increasing prosperity" argument was, he said, the profit motive with a Father Christmas image.

Though it was true that chain-store prices were lower, "the question that must be asked is whether we are going to encourage the annihilation of the small black retailer by the white chain-stores."

He felt that the partnership approach, with managerial control in white hands and parastatal bodies representing blacks, left effective control in the hands of the chain-stores.

He doubted whether, given the profits available to the stores, control would eventually be ceded to blacks.

"If we are going to move towards meaningful competition, something like America's affirmative action approach will be necessary to bring the underdog to a position where competition will not be one-sided," Mr Nkonyeni said.

Among steps recommended were admitting blacks into all levels of management in white shops in white areas.

"If there is going to be any transfer of managerial technology, there can be no better place for this to happen than in the established ventures.

"Only thereafter should be we begin to look at partnership proposals on both sides of the line," he said. — Sapa.

Have-nots hard on the heels of the haves . . .

The capitalists without capital

W/C Argus 9/7/83 (30)

By DAVID BLEAZARD
Weekend Argus
Reporter

BLACK businessmen had only just begun on the long road towards economic self-determination, Dr Sam Motsuenyane, president of the National African Federated Chamber of Commerce (Nafcoc), said in an interview during the organisation's 19th annual conference this week.

"Nafcoc has always been a positively inclined organisation," he said.

"We have seen the problems, but we never felt that because of them we should confine our operations to complaining.

"We feel we should register progress. And we have registered a great many positive steps in spite of the handicaps we have had.

African Bank

"For example, we created the African Bank at a time when it was not even legal for black people in urban areas to form a company or locate it in a white area."

Dr Motsuenyane said institutions like the African Bank and the retailing Black Chain created on the initiative of Nafcoc were only a beginning.

"We have to find out where needs exist and set up viable businesses, instead of allowing the increasing buying power of black people to be dissipated entirely in white areas."

The continued existence of the free enterprise system depended on the share of this increased buying power the black man had for himself.

"The gap between the haves and the have-nots needs to be minimised."

Capitalists

Dr Motsuenyane said black businessmen could be described as "capitalists without capital".

"Emerging black businesses do not have capital. They can't be classified with the giants who have been in business in a big way in the past."

Many of the major retailing chains were interested in setting up in black townships, but were restraining themselves because they did not want to move in against the wishes of the blacks.

White business areas should first be opened up to blacks, and a period of protection allowed before white businesses were allowed into black areas.

Privileged

"Whites don't need that protection. They have been operating in privileged circumstances and are less threatened by the encroachment of small black businesses."

People took a different attitude towards things they achieved themselves and things which belonged to others, he said.

"The feeling that 'this belongs to us' will save a lot of property in times of crisis in our areas.

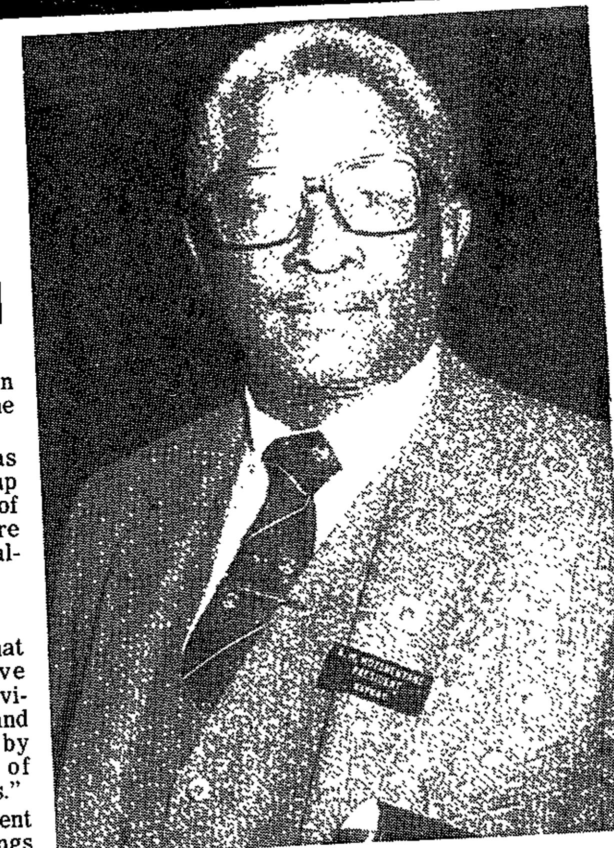
"Until we have a significant presence in free enterprise, the whole system is in danger of being destroyed.

"The only solution lies in sharing more, giving blacks greater opportunity and a visible stake in the system.

"This whole process must be accelerated. The laws that impede the involvement of blacks must be nullified.

"There must also be an education programme geared to giving blacks the skills and expertise to survive in this aggressive and competitive system.

"The more delay there is, the greater is the danger of the system itself becoming disenchanting to black people."



Dr Sam Motsuenyane . . . only the beginning.

30

Blacks urged to establish co-ops

Staff Reporter

THE National African Federated Chamber of Commerce (Nafcoc) has "exhorted" the black community to seriously consider embarking on co-operative ventures, particularly in agriculture and home industries, as a means of alleviating poverty.

A resolution passed in Cape Town yesterday during the closing session of Nafcoc's 19th annual conference recognized "the need for a concerted effort to eliminate poverty" and called on people to pool resources in such ventures.

A second resolution called on the government "to recognize the impoverishing effect" of its policy of uprooting and resettling people, and demanded that regional development be undertaken without the "unneccesary resettlement of whole groups of the population".

Nafcoc also criticized the government's policy of demolishing squatter shacks as "barbaric", "completely heartless" and "uncivilized". The policy did not take into consideration the "extreme suffering" caused by the measure, said the resolution.

It called on the governments of "the various States in Southern Africa" to join forces with all socio-economic agencies "in order to evolve a housing policy that will endeavour to satisfy the nation's needs for shelter".

Land Acts

The conference also passed a motion "recognizing that for as long as South Africa maintains the Land Acts, for so long will the advancement of black business be thwarted". Changes in the Acts were needed within "the shortest time possible".

The conference expressed itself "strongly against the continued exclusion of blacks from all organs of government" and reaffirmed "its conviction on the futility of any social accommodation which does not include the black people of South Africa".

Nafcoc called on the government to issue South African travel documents "to all black people of South Africa and its neighbouring States, regardless of their residential attachment to any homeland, independant State or black area whose passports are not accepted as a result of the diplomatic non-recognition of such States".

Nafcoc drought relief fund opens

Staff Reporter

THE National African Federated Chamber of Commerce (Nafcoc) has started a drought relief fund in an effort to lessen some of the suffering caused by "this national disaster".

Pledges amounting to R6 000 were made by representatives of the 12 regional chambers of commerce at the conference in Cape Town yesterday.

The amounts have been promised for August 15 when the money will be distributed as the Nafcoc council considers appropriate.

After the conference had passed a resolution calling on the Nafcoc council to investigate ways in which the chamber could act as a catalyst for the establishment of a black consumer council, a representative from Nestle Food products pledged R5 000 on behalf of the company towards this end.

Government tardy in lifting restrictions — Motsuenyane

CAPE TIMES (30) 9/7/83

By ROBERT GREIG
Finance Reporter

THE president of the National African Federated Chamber of Commerce (Nafcoc), Dr Sam Motsuenyane gets testy when he speaks about government tardiness in lifting restrictions on black business.

Interviewed as Nafcoc's 19th conference wound to an end, Dr Motsuenyane (the doctorate is an honorary one in commerce from Natal University), said "we feel the government is not addressing the problem".

Chief among the complaints — and this was a major theme of the conference — was the apparent gap between the rhetoric of free enterprise, most clearly enunciated by the Prime Minister, Mr P W Botha, at the 1979 "Carlton Conference" with South Africa's leading businessmen, and the ideology and laws that restrict black trading.

Doctrine

"We feel," Dr Motsuenyane says in the measured tones of a former Methodist preacher, "that though the doctrine of free enterprise enunciated at the conference has been continued by both the private sector and government, the momentum of change has been too slow.

"I'd have thought that by now some dramatic change would have taken place, but I have to search to find evidence of it.

"To the government's credit, though, they have started the Small Business Development Corporation and they help fund small businesses.

"They have been realistic in declaring regional economic zones, a key move towards deracializing business.

"But the initiatives are white-controlled. Blacks have only a token involvement in policy-making — one among some 45 whites.

"We feel they're not really addressing this problem.

"As far as blacks trading in the so-called

Dr Sam Motsuenyane, president of the National African Federated Chamber of Commerce.

white areas is concerned, this was recommended by the Riekert Commission. But implementation has been delayed and I don't know the reasons for the delay.

"The government must spell out clearly what it intends to do with the urban communities.

"Acts like the Group Areas and Urban Areas confine our businesses to black areas — we need to expand in to a wider area. We don't want to feel that we are confined to the black townships, and the retention of laws such as these is hampering free enterprise.

"The government should remove the hedges and barriers to our full participation in the economy. This would benefit both the country and the black man.

"I'm pretty sure that the white leaders in the private sector would back our initiatives to move in to the CBDs — even members of the Afrikaanse Handelsinstituut — the enlightened ones — and Assocom.

"But as I see it, the government is not fully convinced.

"Nevertheless, blacks must be seen to be doing things in spite of restrictions. We don't want handouts. I'm convinced that by our own efforts we are going to rise above paternalistic solutions.

"We've got the intellectual, material and economic maturity.

"Our future contribution to the economy is assured. Our leadership in buying power is only a matter of time.

"But at the moment solutions are dictated by whites. We want to dictate our own momentum, to create, instead of watching the drama develop."

Dr Motsuenyane's testy anxiety about the government's movements is accompanied by a fear of loss of faith in free enterprise among mainly younger blacks.

"The young are saying that capitalism creates riches at the expense of the majority, and in fact holds them down.

Unsaleable

"It's true that the South African brand is unsaleable to the black community.

"They see black suppression and white opulence. This won't change until the government recognizes the need for equal opportunity for all."

Dr Motsuenyane said that Nafcoc was planning various long-term projects.

"A building society is our next project. It goes hand in hand with our African Development and Construction company, which is providing houses.

"And then, our African Bank and Blackchain, the retail company, are expanding.

"We'll have to continue negotiating with the government about existing legislation. We see Dr Koornhof about once a year, but his door is always open to us.

"Then we're going to accelerate our housing programme. We're perturbed by what goes on in the urban areas. Lots of people live in deplorable conditions.

"We're concentrating on the middle and upper income groups. The lower-income groups are the State's responsibility."

...th league, Waltons managing director, ... financial director, Mr John Worthington.

...of Brazilian ...ost gold price

...wed ...ank- ...cting ... im- ...gold ...short ...s es- ...deal- ...buy ...sold ...warn ...tive ...s are ...huge ...ican ...or at ...elow ...both ...for ...ional ...n in- ...deal- ...erve ...idity ...apse ...ress ...s not ... as- ...ank ...port ...as a ...they ...such ...lip- ...wap ...and ...guay ...was ...So if ...ssi-

If by any chance the price cracks, major central banks could step in to prevent this major reserve asset from crumbling. Some bullion dealers believe that such action occured when the price fell below $300.

Meanwhile the Brazilian debt crisis remains critical.

Fortune magazine says that regional American banks, previously involved in financing Brazil's mammoth $90 000m debt have refused to help the large American banks reschedule loans.

The big banks on one side of the battle over Brazil are nine of the largest in the United States six are New Yorkers: Citibank, Chase Manhatten, Chemical Bank, Bankers Trust, Morgan Guaranty and Manufacturers Hanover. Two are Chicagoans, First Chicago and Continental Illinois and the ninth is Bank of America in San Francisco.

The regional "rebels" are Wells Fargo, Bank of New York, National Bank of Detroit and Philadelphia National Bank.

Keefe Bruyette and Woods, a New York securities firm which specialises in bank shares, calculates that the nine big banks have loaned $16 600m to Brazil, a sum which collectively represents about 57 percent of their entire capital base.

Chase Manhatten has $2 700m loaned to Brazil, representing 73 percent of its capital base. Manufacturers Hanover's proportion equals 68 percent of its capital.

Citibank, which has loaned $4 600m from the United States and another $1 000m from Brazilian branches would have 83 percent of its capital base wiped out if its Brazilian loans are written off. Brazil was also Citibank's most profitable customer.

According to Fortune, Brazil accounted for $287m of Citibank's pretax earnings, or 22 percent of the bank's total profit.

Closing gold ... Barlow Rand, Metal Box ...

UWC launches drive to help small businesses

w/t Argus (Bus) 9/7/83 30

THE University of the Western Cape has begun a drive to increase the number and efficiency of small businesses, especially in the coloured and black communities.

By DEREK TOMMEY, Financial Editor

It has established an Institute for Small Business which will provide a wide range of services to all types of small business enterprises and to all population groups

Professor Marius Leibold, head of the institute, said today there was a tremendous number of coloured people who wanted to start their own businesses. They had worked in industry and had many valuable skills.

It was intended that the institute would act as a catalyst and start these people on their way.

The institute also wanted to help those people who operated in the "informal" or "grey market" sectors — that is from their backyards — to improve their business methods

Considerable importance was attached to these people as they played a large role in generating economic activity.

No accurate figures were available, but some people believed the informal sector accounted for up to 20 percent of the business conducted in the Western Cape.

The informal sector provided much-needed products and services to local communities and also provided jobs

Some of basics

But generally the people in the informal sector were unaware of even the rudiments of running a business So the institute planned to teach them some of the basics, including book-keeping, cash handling and buying

The intention was not to "formalise" these enterprises but to make them more efficient and profitable.

"We want to show them how to survive and prosper."

The institute could have a difficult task here because of the inherent suspicion which the people in the informal sector have for anything that seems "official" or organised.

However, a senior member of the institute, Mr George Rutter, has met several of them and will present the first of the courses for the informal sector at Guguletu on June 23.

Professor Leibold . . . "vision and energy needed."

Similar courses will be offered there and at other coloured and black townships at later dates, depending on demand

The institute is also planning to operate in other fields, including providing training for workers in manufacturing and in researching markets and providing advice for exporters.

Professor Leibold said the Western Cape had an enormous growth potential. It had the skills and resources to compete in both the domestic and the export market.

All that was needed was vision and energy in its businessmen.

'72-hour limit not for us'

TYCOONS DEFY DOMPAS

City Press 10/7/83

30

CP Correspondent

ABOUT 800 business tycoons attending the annual conference of the National African Federated Chamber of Commerce (NAFCOC), are liable to be arrested under th pass laws as they have been in Cape Town longer than 72 hours without permits.

But the Western Cape Administration Board (WCAB), known for it's zealous application of the pass laws, appears to be turning a blind eye.

Mr Gert du Preez, Chief Liason Officer for the WCAB, said this week: "As we don't know who, and from where the delegates are, we don't know whether those who should have permits are in fact in possession of such permits."

He declined to comment further.

Mr P G Gumede, deputy president of Nafcoc ,denied that the delegates needed permits. He said they would need permits if they were staying in the townships, but they were all at international hotels which were "not within the orbit of the administration board."

However, several experts on Influx Control said there was no law exempting people from the 72-hour provision of the Black Urban Areas Act because they stayed at international hotels.

Mr Gumede said it was a "ridiculous" situation.

"Nafcoc has over the years repeatedly condemned this sort of legislation, because for the free enterprise system to work in this country, freedom of movement is one of the prerequisites."

THOUSANDS MOURN 'BABS' THE FIGHTING BUSINESSMAN

30 (41) CP Correspondent City Press 10/7/83

UITENHAGE. — More than 4 000 mourners hailed gunned-down local businessman Simon "Babs" Madlakane as a fighter for black economic liberation at his funeral this week.

P G Gumede, Nafcoc vice-president, told mourners that the murder of "Babs" had set back the clock of the black struggle.

The robbers who had gunned down "Babs" recently in front of his daughter Nomandlovu, ordered her to open the safe at his business and then escaped with R1 900 were "a curse to the black struggle", said Gumede.

● P G GUMEDE . . . black struggle set back.

The labour unions were busy organising workers to ensure fairness and justice in the labour market.

But "Babs", a popular businessman, had been engaged in the struggle to ensure economic liberation "because we strongly believe that God did not create us just to be a working nation that will perpetually serve the interests of other race groups. We should take our rightful place in the economy of the country," said Gumede.

Black business warns Govt: Race laws restricting trade

S-Tribune 10/7/83

30 ~~80~~

Political Correspondent

THE Government was warned this week: race laws interfered with and contradicted free enterprise.

The warning came from the National African Chamber of Commerce, (Nafcoc) at its 19th Congress in Cape Town.

Nafcoc, regarded as a conservative body which co-operates with the Government, also warned that the "short-sighted and ill-planned" new constitution would generate "confusion and social conflict".

These warnings were highlighted by the fact that most of the 800 congress delegates were technically breaking the law — because they had spent more than 72 hours in Cape Town without permission of the administration board.

Heartless

In a hard-hitting address Nafcoc president, Mr Sam Motsuenyane, said blacks often perceived free enterprise "as a heartless, exploitive system which has helped enrich a few people at the expense of the majority".

He said: "The existing restrictions and limitations imposed on land ownership by blacks in terms of the Land Acts of 1913 and 1936 effectively preclude blacks from the free enterprise system and this exclusion poses a long term danger for the survival of the free enterprise system itself.

"Our organisation remains strongly opposed to those policies and laws which for political rather than business reasons inhibit black economic advancement.

"The Group Areas Act and other laws like it, which sanction discrimination based on colour and racial considerations only are the greatest contradictions and obstacles of free enterprise."

Mr Motsuenyane pointed out there had been repeated calls by his organisation for central business districts in South Africa to be opened to entrepreneurs of all races.

"We totally disagree that white institutions which operate in the black urban areas do so mainly for the altruistic purpose of providing "needed facilities to blacks".

"The greatest weakness in the South African version of free enterprise lies in the tendency of the Government to want to compartmentalise business into racial or ethnic components.

"The extent of black resentment of the offensive policy which makes black citizens foreigners in the country and arrogates to the Government powers to deprive the black person of the democratic right to choose where she or he would like to live or belong has been conveyed to the Government by us.

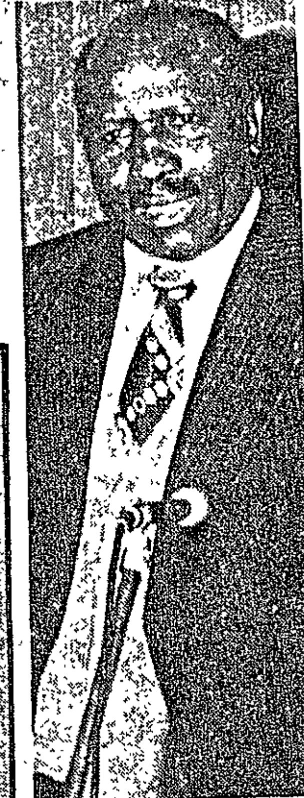
"It should have been abundantly clear by now, that any attempt to isolate the Black people or deny them legitimate fundamental rights in any part of South Africa is a dangerous exercise which creates and perpetuates unnecessary racial conflict in South Africa."

WEDNESDAY, JULY 13, 1983 Sowetan

30

'MAYOR'S' MIDAS TOUCH

What he'll get!
R20 000 on rent
51% of profits
Interest-free loan
Busy filling station


MAHUHUSHI

THE MASSIVE BUSINESS complex in which Diepmeadow's "mayor" Mr Joseph Mahuhushi is involved could easily make him one of the wealthiest black businessmen in the country.

The businesses, which include among others, a record bar, a car hire firm, a shoe store, dry cleaners, restaurant, filling station and about 20 offices, some of which will be used as doctors' surgeries, will give him a monthly income of up to R20 000 on rental payments alone.

By SAM MABE

On top of that, Mr Mahuhushi will also be entitled, to 51 percent of all profits accruing from the multi-million-rand

In terms of the law, members of the public

He is believed to have a wealthy partner who

leasehold of the site in April last year.

The same partner also negotiated a lucrative interest-free loan of R¾-million for Mr Mahuhushi. The loan is for a filling station which, according to results of the petroleum company's feasibility study, is going to be one of the busiest filling stations in Soweto.

The amount is three times more than what is

MIDAS TOUCH

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By SAM MABE

On top of that, Mr Mahuhushi will also be entitled to 51 percent of all profits accruing from the multi-million-rand businesses to be set up on his 7 000 square metre site, situated in the heart of Soweto's business centre near Baragwanath Hospital in Diepkloof.

This is what emerged from investigations carried out by **The SOWETAN** on the site, which Mr Mahuhushi said was allocated to him by his council last year, "through normal channels followed by all members of the public who apply for sites".

In an attempt to establish the procedure followed by Mr Mahuhushi in obtaining the site, **The SOWETAN** asked to be allowed to inspect his application and those of other people who may have applied for the same site.

But Mr G H Brophy, Chief Executive Officer of Diepmeadow, refused, saying it was his council's prerogative to decide who could inspect the documents.

In terms of the law, members of the public have the right of access to information regarding names of people applying for trading sites and the nature of business they intend conducting on the site.

According to **The SOWETAN's** sources, Mr Mahuhushi is not going to put any financial investment into his new business.

He is believed to have a wealthy partner who helped him raise the necessary funds required to develop the site.

The partner is believed to have raised R45 000 from a petroleum company to help Mr Mahuhushi pay for the 99-year leasehold on the site.

This was after he was granted provisional leasehold of the site in April last year.

The same partner also negotiated a lucrative interest-free loan of R¾-million for Mr Mahuhushi. The loan is for a filling station which, according to results of the petroleum company's feasibility study, is going to be one of the busiest filling stations in Soweto.

The amount is three times more than what is normally negotiated for an average sized filling station in Soweto. The huge loan agreed upon for the "mayor" was because of the high profits expected to accrue from the filling station which will be next to one of Soweto's biggest and busi-

To Page 2

MAHUHUSHI

From Page 1

est taxi ranks and business centres.

Repayments of the loan will be spread over a period of 20 years and will depend on the success of the business. Should Mr Mahuhushi not be able to complete the repayments after 20 years, he will be free to extend the period for as long as he wishes, at no extra cost on his part.

This was described by **The SOWETAN's** source as "the best deal that any businessman could have secured. You might say it's a gift."

Mr Mahuhushi had earlier told **The SOWETAN** that he did not have enough money to develop the site and that he had approached a bank to help him with the finance. But he would not say which bank.

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counts of criminal defamation. Sowetan

David Netshizhale was convicted of saying the Venda Minister of Urban Affairs and Land Tenure, Chief C A Nelwamondo, and the Minister of Works and charged. 13/7/83

The magistrate Mr C J S B Stainer, found that nothing Netshizhale had said had violated or injured the reputation and dignity of the President of Venda, Chief Patrick Mphephu.

tions, who was executed last December in Venda after having been convicted of the ritual murder of a schoolteacher.

Mr Stainer said evidence on this count had "left much to be desired." — Sapa.

New call for open city trade

30

By Yussuf Nazeer

Star 15/7/83

Multiracial trade in Johannesburg's Central Business District should be made legal, the National African Federated Chamber of Commerce (Nafcoc) urged today in a statement.

Nafcoc, whose call is endorsed by the Central Business District Association and the Johannesburg Chamber of Commerce, said there was "no justification for delaying the legal opening" of the CBD businesses as trade in the area was already multiracial.

The call echoed one made last week at a Cape Town business conference where Nafcoc urged "white" commerce to fight for the right of blacks to trade in white cities.

Nafcoc said that before whites were allowed to trade in black areas, white business areas should first be opened to black retail traders.

The CBDA and the JCC have consistently favoured the opening of trade, industry and professions in the CBD to all races. They have also called for more sophisticated shopping and recreational facilities in black, coloured and Indian areas.

SMALL BUSINESS

Easy does it

30

Government is in the process of floating a Bill intended to drastically simplify the business of small business. But the draft has several loopholes — and accountants are reacting vociferously to what they consider its relaxed approach to auditing. It seems likely that as a result of their input, the final shape of the prospective Close Corporation Act will be somewhat different from the Bill as it now stands.

Stef Naudé, professor of mercantile law at Unisa, is in effect the author of the Bill. He argues that the complexity and unsuitability of company law, which is geared mainly to the needs of large public companies, has necessitated the promulgation of a new legal form for small companies.

The purpose of the new dispensation, says Naudé, is "to provide a simpler and less expensive legal form for the small entrepreneur, designed with a view to his needs and without burdening him with legal requirements that are not meaningful in his circumstances." This, argues Naudé, accords with the growing awareness of "the socio-economic and political importance of small business."

Considering the current vogue of "small is beautiful," it is not surprising to find a considerable weight of opinion behind Naudé. The Small Business Development Corporation (SBDC) counts among the supporters of the Bill, which it heralds as a breakthrough.

The draft Bill consists of 87 clauses, a fraction of the massive body of statutory and common law that applies to companies. Its basic aim is simplification, arising from Naudé's contention that the Companies Act "is in many ways inappropriate for the needs of the small undertaking." But it is held in some quarters that the draft Bill raises complications of its own.

One issue that has been raised is the definition of the "close corporation." The Bill stipulates that the number of members be not more than 20. But this still leaves the door open for concerns that by no other definition could be classified as "small businesses" to take advantage of the laxer requirements of the Close Corporation Act. Some limitation on size, however, is set by the natural borrowing limits of the members themselves.

One of the most important and more contentious aspects of the Bill is the issue of accounting and disclosure. A close corporation is obliged both to keep accounting records and to employ an accountant. However, to the dismay of chartered accountants country-wide, the definition of an accountant has been widened to include professions which "in the opinion of the Minister would qualify its members to conduct the duties of an accountant under this act." Thus what has previously been the exclusive preserve of the chartered accountant might now be extended to bodies such as the Chartered Institute of Secretaries, Cost and Management Accountants, and the Association of Commercial and Financial Technicians.

Also at stake in the Bill is the question of a required audit. Naudé states that the "draft Bill does not, like the Companies Act, require an audit." Careful reading of Section 66 of the draft Bill might suggest otherwise, however, and some clarification will be necessary to clear up this and other uncertainties in the draft form. There is obviously some room for misunderstanding when one observer, Jan van Rensburg of the SBDC, can bring himself to state that the Bill "reduces the process of rendering returns to just about zero."

Hyperbole apart, the Bill does considerably reduce the duty of disclosure incum bent on the close corporation. It is wortl

Financial Mail July 15 1983

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BLACK BUSINESS

The way ahead

It is widely accepted that black businessmen in SA face many obstacles in their attempts to build viable undertakings. American experience indicates that dramatic results could be obtained by removing the obstacles — not all of which spring from apartheid legislation.

Carlos Campbell, Assistant Secretary for Commerce in the Reagan administration was in SA last week and spoke to the *FM* about the administration's success in helping the black community there to improve its own lot.

Campbell, himself a black, was devastatingly frank about the "negative self-image" of American blacks that had, so far, prevented them from following the success paths of other ethnic groups.

This self-image was due to being "historically the object of racist abuse" but, nonetheless, in recent years the administration had been "quite successful" in helping black business.

Although black business in America still did not have a turnover that was anywhere proportionate to the buying-power of the black community, there had been progress. In 1972, the top 100 black-controlled companies had a turnover of only about $463m. By 1983 this had grown to $2,6 billion.

The major problems of black businessmen were access to capital, access to skills and achieving market penetration. In all these areas, government was able to help without deviating from the administration's basically free-market approach.

Two of the biggest ways in which government was able to help was through the provision of loans or guarantees through the Small Business Administration (SBA) and by granting government contracts to black businessmen.

Since its inception, Campbell said, the SBA had provided some $96 billion in loans and guarantees — obviously not all to black business. In addition, billions in government purchases of goods and services had been deliberately steered towards small business.

The lesson for SA is obvious. Black businessmen here face more obstacles than their American counterparts — legislation like the Group Areas Act, various licensing regulations and influx control measures see to that. But they also face the difficulties in obtaining capital, skills and market share.

The National Party (NP) itself used the power of the government purse, with conspicuous success, to help build up the Afrikaans business community. Unfortunately there seems little chance of it doing the same for black businessmen.

Large corporations, however, could help — as some are already doing. And steady pressure needs to be kept on government to repeal legislation that places obstacles in the path of black business.

Campbell . . . much that government can do

Financial Mail July 15 1983

Complaints of shoddy repairs flood in

Star 28/7/83

Motor trade now public enemy No 1

30

By Mike Chester, June Bearzi and Stephen McQuillan

The motoring public is becoming incensed at the motor repair trade.

Reports of shoddy workmanship, blatant malpractice and cheating on spare part prices are being received daily by various bodies trying to protect the public.

The SA Consumer Council says complaints against the motor trade now top the list of public grievances. Star Line is being inundated and the Automobile Association reports an unprecedented number of members who say they have become victims of unscrupulous garages.

24 HOURS

The team that wraps up the news

Star Line, The Star's consumer watchdog, has evidence of:

- An engine falling out days after it was overhauled.
- A customer's car being written off by a garage — and the owner having to pay. The garage's insurers refused to compensate after finding the garage's driver was unlicensed.
- Customers being charged 10 times more than the actual price of spare parts.
- Parts being charged for, but not installed.

The Consumer Council has reported to the National Consumer Union that, for the first time, electrical and household appliances have been unseated as the No 1 target of consumer grievances.

"Since most car owners are not technically minded and simply pay the bills and stay silent, however grudgingly, one can only assume the problem has grown to even bigger proportions than shows on the surface," says Mrs Lydia du Preez, technical assistant to the council, who probes the mounting grumbles from motorists.

June Bearzi, editor of Star Line, reports a sharp increase in complaints about the motor industry.

She says: "Motorists claim that the car repair and spare part business has been boosted because leaner times have forced many people to opt for repairs rather than buy a new car. But many readers of The Star believe that an increasing number of dealers are exploiting the situation unscrupulously.

"Our readers feel there is no justification for inflated profits — but say they have become helpless."

It is now a common complaint that garage bills are being inflated by the unnecessary replacement of components. Car parts are being changed that are unworn or at least serviceable, according to statements made to our consumer services.

Though the Price Controller officially limited the profit margin on spare parts to 250 percent, Star Line established that markups sometimes ran as high as 600 and even 1 000 percent.

Mr Fred Bothma, technical executive of the Automobile Association, said the AA was now constantly dealing with complaints about the car repair and spare parts business.

"When there is more work than suitably qualified workers can handle, poor standards thrive," he said.

He also felt that words used in the motor trade such as "tune-up," "overhaul" and "reconditioning" had often become meaningless.

Many of the garages are members of the Motor Industries Federation which is supposed to be setting high standards for the repair industry.

- See Page 4, World section.
- Tomorrow: The MIF replies.

Hundreds of letters from people incensed by poor workmanship and over-charging by garages are pouring into Star Line and other consumer watchdog organisations. Star Line editor June Bearzi, seen here up to her neck in angry letters, says the volume of complaints has reached unprecedented proportions. The Automobile Association and the SA Consumer Council confirm the trend in complaints.

Builders listen attentively as the constitution is read out

Soweto builders take a giant step forward

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RDM 28/7/83

BUILDERS in Soweto took a major step yesterday towards putting themselves on a legally constituted and recognised footing aimed at improving the standards and status of township contractors.

At a lively meeting in Mofolo, about 40 builders voted to adopt the draft constitution of the Soweto Building Contractors Association.

Those who had not yet joined were urged to apply for membership.

"Join us — we're going to be powerful," was the message of the meeting, to which HOMEFRONT was specially invited.

Once the association is legally constituted, it can seek recognition from the West Rand Administration Board and work to obtain its own premises. At present there are 187 builders registered with Wrab but they are not all "approved" or even genuine builders. The existing association is not a legal body, so it has no standing.

The chairman, Mr Jan Mahlangu, asked Mr Cedric Tennant, of the Centre for Developing Business of the Wits Graduate School of Business Administration, to present the draft constitution to the meeting for their approval. It had been drawn up by the attorneys who act for the Urban Foundation, at a reduced fee.

The aims of the Soweto Building Contractors Association will be to promote unity and co-operation between the contractors, to promote the training of its members, to maintain the highest professional standards, to work towards a true free enterprise system and to establish a permanent centre

People will be able to apply for membership either as building contractors or as sub-contractors. A disciplinary committee will investigate complaints and be able to recommend suspension of membership. Anyone who is involved in dishonesty or who is sequestrated will automatically lose his membership. A standards committee will impose a code of standards as regards contracts and workmanship

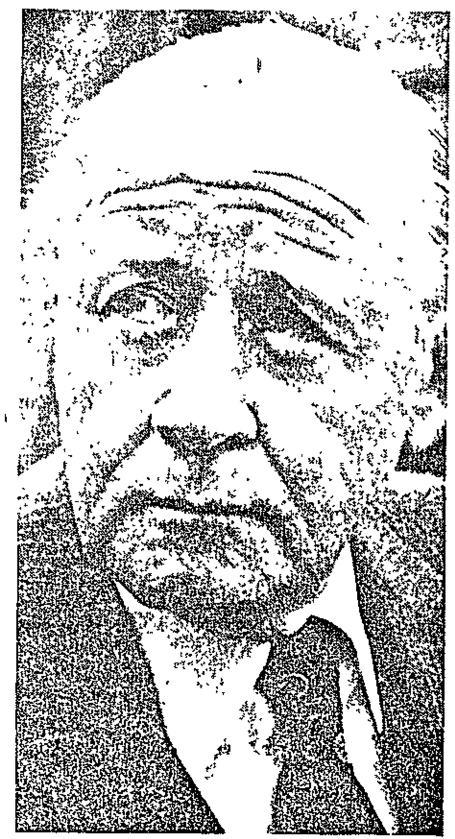
The present registration fee is R30 and the meeting agreed to an annual subscription of R150. The final draft will be referred back to the executive for their approval, Mr Tennant said.

Watch HOMEFRONT for more details of the association. If it succeeds, it will offer considerably more protection to both builders and public.

□□□

GREAT NEWS! Yesterday the water supply was resumed to the Klipspruit home of Mrs Edith Shongwe. Now, we hope, the builder can get back to erecting that bathroom . . .

Jan Mahlangu . . . in the chair



Cedric Tennant. . . explained draft

dead

Mail Correspondent

DURBAN. — THE blood-splattered body of a well-known Natal soil conservation technician was found early yesterday on the veranda of a Port Shepstone hotel.

He was Mr J A Geldenhuys, 50, of Aberdeen Gardens, Maritzburg.

Mr Geldenhuys had been staying in a rondavel at the Port Shepstone Hotel. He was attacked there during the night and had stab wounds on his thighs, according to police.

After the stabbing Mr Geldenhuys managed to drag himself a few metres to a veranda where he died. A servant found his body at 7.20am yesterday.

It is believed that an artery in Mr Geldenhuys' leg was cut in the attack, causing profuse bleeding.

He had booked into the hotel at 4pm on Tuesday.

A distraught Mrs Meline Geldenhuys said her husband left for Port Shepstone on Tuesday morning on business and was due back last night.

"The police informed us that he was found just outside his rondaval at the Port Shepstone Hotel. We don't yet know what happened," Mrs Geldenhuys said.

She said her husband's position as a senior soil erosion technician at Cedara, near Maritzburg, involved frequent trips around Natal.

A spokesman at Cedara for the Department of Agriculture, Natal region, said Mr Geldenhuys'death had come as a great shock to his friends and colleagues in the department and organised agriculture in Natal.

"Many of those who worked with him in the field of soil protection will feel his departure acutely."

Mr Geldenhuys leaves two children, Wynand, 26, a South African policeman who is at present serving on the border, and a daughter Dorothea, who lives in Newcastle. A murder docket has been opened.

DAILY DISPATCH, SATURDAY, JULY 16, 1983

Chamber protests at rail, air fare increase

MR ORSMOND

By TOM LOUW

Business Editor

EAST LONDON — The business community in the Border has protested to the Minister of Transport Affairs, Mr Hendrik Schoeman, against the raising of rail and air fares by South African Transport Services.

In a telegram sent to the minister yesterday, the president of the East London Chamber of Commerce, Mr George Orsmond, appealed for the decision to increase tariffs to be reconsidered.

The telegram said: "This part of the country is experiencing a drought more disastrous than anywhere else in South Africa. As far as air services are concerned you are penalising your best and biggest supporters."

Mr Orsmond makes a number of suggestions to the Minister The first is to stabilise air fares on business flights at peak periods. Secondly he urges a reduction in fares during off-peak periods to ensure full patronage and support for the air services and keep cars off the roads.

Mr Orsmond reminds Mr Schoeman: "You recently stated with introduction of low passenger charges to Durban that South Africa could not afford expensive roads."

The next suggestion is that there should be a daily turnaround flight to East London from Johannesburg to avoid the wasteful flight between here and Port Elizabeth. Another schedule change proposed is that there should be a late flight from Johannesburg to East London and Port Elizabeth, leaving Johannesburg at 7 pm or later.

Mr Orsmond goes on to suggest in his telegram that South African Airways should abolish certain non-paying prestige services to Europe, or if they must be continued, the airline should seek central government assistance and not expect these uneconomic services to be subsidised by the user of internal services.

It would appear that he has in mind the services to Israel, Amsterdam and Athens, all of which are poorly patronised.

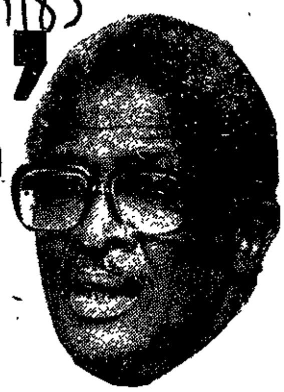
Finally Mr Orsmond urges the Minister to sell the airline's surplus 747 SP aircraft. This is an apparent reference to Mr Schoeman's own statement that the 747 SPs spend 69 per cent of their time on the ground. The implication is that other aircraft in the airways fleet are doing the particular jobs the SP was intended for

Another point in air line economics which Mr Orsmond does not make, but which has been stressed in the past is that SAA is obliged to act as a carrier for all government departments, but receives no credit for the carriage of official passengers.

● Mr Schoeman announced in Pretoria on Thursday night that from August 1, air fares will rise four per cent and train fares on average by 6,5 per cent.

(30) City Press 17/7/83

'LET US TRADE'



NAFCOC BOSS HITS OUT AT 'WHITE-ONLY' CAPITALISM

NATIONAL African Federated Chamber of Commerce (Nafcoc) president Sam Motsuenyane got hot under his collar this week and hit out at the Government for continuing restrictions on black business.

"We feel the Government is not addressing the problem," he said at Nafcoc's 19th conference in Cape Town.

Although the Government had said it was in favour of free enterprise, black trading was still restricted.

"The momentum of change has been too slow," he said.

"To the Government's credit, though, they have started the Small Business Development Corporation and they help fund small businesses.

"They have been realistic in declaring regional economic zones, a key move towards deracialising business.

"But the initiatives are white-controlled. Blacks have only a token involvement in policy-making, one among some 45 whites.

"Acts like the Group Areas and Urban Areas confine our businesses to black areas," he said.

"As far as blacks trading in so-called white areas is concerned, this was recommended by the Riekert Commission. But implementation has been delayed, and I don't know why.

"We don't want to feel that we are confined to the black townships and certain laws are hampering free enterprise," said the Nafcoc boss.

"At the moment, solutions are dictated by whites. We want to dictate our own momentum, to create, instead of watching the drama develop."

Mr Motsuenyane said he feared a loss of faith in free enterprise among younger blacks.

"This won't change until the Government recognises the need for equal opportunity for all."

NAFCOC chief Sam Motsuenyane has announced that the black businessmen's next big project will be the creation of a black building society. "It will go hand in hand with our African Development and Construction Company, which is providing houses. We're going to accelerate our housing programme," he said.

Nafcoc against white trade in black areas

D.DISPATCH 18/7/83 (30)

UMTATA — The National African Federated Chamber of Commerce (Nafcoc) is against the establishment of white-owned chain stores in the black areas

Speaking at a report-back meeting from Nafcoc's annual conference held in Cape Town a week ago, Transkei Chamber of Commerce (Tracoc) president, Mr A. N. Gadi told a gathering of more than 200 businessmen that Nafcoc's argument was that blacks were not allowed to trade in white areas and why should whites be permitted to do so in black areas.

"The Whites' position will only be considered the day they first allow blacks to trade in the heart of any town or city in South Africa," Mr Gadi said.

He said he was thrilled to see black businessmen showing tremendous interest in taking part in the nation-wide problem of drought.

"We must be seen to be responsible people," he urged.

Mr Gadi paid tribute to Nafcoc's president, Mr Sam Motsoenyane who was recently awarded a doctorate degree in Commerce and also paid another tribute to Tracoc member, Professor Digby S. Koyana who obtained a MA degree from the University of Fort Hare recently.

"It is hoped that, if all goes well, on September 17, this year a congratulatory function will be held at Port St Johns in an attempt to raise funds for Tracoc.

On the home front, Mr Gadi said the feelings of business people were not taken into consideration and they were not consulted at all.

"As a chamber we must seek our rights and this will help us in the near future. The department must inform us of whatever they (Department of Planning, Commerce and Industry) propose doing or erecting in respective areas," he said.

He said he was very proud to be a Transkeian. "You made me feel so elevated to be your president at the conference. Throughout the conference hall whenever I looked around I saw a Transkeian.

Of the five awards by Nafcoc, Tracoc romped home in 3 awards: a membership drive award which increased from 219 to 418, an Afribank award for a net of R2 500 000 fixed deposits; and an education award

Tracoc's secretary, Mr Archie Nkonyeni said Tracoc membership had grown tremendously and he wondered what would happen during the months to come.

He said some people treated the chamber as a means of entertainment.

Mr Nkonyeni remarked that even in Cape Town there were a lot of people from Tracoc, more than one would see at the meetings back home

"If that is the way people want to run Tracoc, let's close down, chaps," Mr Nkonyeni said.

He said activities at branch level were dead and only at the executive level was their action

Thanking the executive, on behalf of the delegates, Prof Koyana said the executive members were the vision of the business world of Transkei without which, business functions would perish.

Where Nafcoc was involved there was no flandering. "You are there for your sakes not for ours," said Prof Koyana. — DDR.

Oppenheimer on need for a black elite

(30) E. Post

18/7/83

By CARLO MERCORIO

GRAHAMSTOWN — It was not enough to raise the general standard of living of blacks in South Africa as education was essential to train a black elite for leadership, Mr Harry Oppenheimer, former chairman of Anglo American, said here today.

Mr Oppenheimer was speaking at a ceremony at which he was made a Freeman of the City of Grahamstown.

The honour was conferred on Mr Oppenheimer in recognition of "his enormous contribution to the economic, educational and cultural life of South Africa" and his generous contributions to various charities.

Mr Oppenheimer said it was a great honour to receive an award from a city such as Grahamstown and it was a day he would always remember.

He said the two strands in the contribution of Grahamstown to life in South Africa were its importance as an educational centre and the contribution of the people of British descent and the English language to this country.

He said the connection between Grahamstown and his father's home town of Kimberley was the Rhodes link.

Cecil John Rhodes was commemorated by the university in the city of Grahamstown and by the Rhodes scholarships.

Much had been done in recent years to improve the general standard of living of blacks in South Africa, but education was essential to train leaders, especially in the present economic climate.

"Without education, to talk of democracy is to talk nonsense," he said.

Mr Oppenheimer said he liked to think the granting of the honorary Freedom of the City was in some way connected with his interest in educational achievement.

The ceremony was attended by the Mayor of Grahamstown, Dr Keith Hunt, and the Grahamstown City Council, the MP for Albany, Mr Errol Moorcroft, the mayors of Port Elizabeth, East London, Kimberley, Fort Beaufort and Port Alfred, and representatives from the Defence Force and South African Police.

Dr Hunt paid tribute to the enterprising management spirit and dedication to progress and development of Mr Oppenheimer, which had strengthened not only the economic sinews of Anglo American and De Beers, but the South African economy as a whole.

Mr Oppenheimer, he said, always reflected tremendous optimism for the furture of South Africa and had profound understanding of the aspirations of the peoples who made up the complex society of South Africa.

Mr Oppenheimer's first duty as a freeman was to inspect a guard of honour supplied by Sixth South African Infantry Regiment and the First City Regiment, after which he addressed the people of Grahamstown outside the City Hall.

The Grahamstown City Council decided on February to confer the Freedom of the City on Mr Oppenheimer.

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BD 22/7/82

Blacks in top positions nothing extraordinary

Any study of South Africa's manpower problem is incomplete without considering the assumption by blacks of positions well up the management ladder. A black management expert gives his views in the fifth article in a series on manpower.

Special Correspondent

Blacks in top management positions in South Africa's socio-political system? "Yes", says Unisa's Carl Hofmeyr, "if that is what the company actually wants."

Hofmeyr, whose doctoral thesis involved establishing a model for the development of black management, adds: "We know how to train and develop managers. The company that wants black managers can have black managers."

He says that at the lower levels, the skills shortage is beginning to bite and companies are being forced to move up blacks simply because they do not have enough whites. But at senior levels they can argue away the need to put blacks into these positions.

According to Hofmeyr, the starting point for any advancement programme must be to determine the number of people one wants in the business in one year or five years and then determine those who are to be white and the number to be black.

After this, the first element is a basic manpower plan, the second is to identify the human sources available. Hofmeyr considers that the raw material resource has not been sufficiently identified and in most cases not enough attention has been paid to this part of the problem.

The next point is to identify training needs. "We generalise about blacks. We state that all blacks need to be more assertive or are not prepared to take risks or are group-minded. Such stereotypes are dangerous."

His survey put a lot of stress on what specific training is required by the black if he is to move up in an organisation still dominated by the Western management ethic. The five top training needs as identified by potential black managers themselves are:

- Decision-making skills.
- Planning skills.
- Organising skills.
- Problem-solving skills.
- Control skills.

While in the past it may have been true that some blacks were moved into middle and even fairly senior positions for reasons associated with "window dressing", Hofmeyr likes to think that "we are becoming more reasonable about it and that the days of Uncle Toms are numbered". On the other hand he met many black managers who said it was difficult to operate in a white business because "if you want a person to become competent and to advance then in the first instance you must tell him precisely what is expected of him and secondly you must give him the experience to achieve this".

So to the final question — accountability. Hofmeyr suggests that blacks are not made accountable and that excuses are made for them. "If we are not going to apply the principle of ac countability we'll get sub-minimum performance and we are doing nobody a favour."

Accountability destroys paternalism. Once made to account for his actions, the black is more likely to assimilate into the Western industrial philosophy.

Mr Etheredge . . . spelling out qualities of a good manager.

Blacks find route to the top tough

Star 22/7/83 30

By Eugene Saldanha

Black advancement in the managerial field — or the lack thereof — came under the spotlight at a conference on black advancement and development yesterday.

While many of the speakers outlined the legal, political and economic constraints which militate against black advancement in the business sector, others attempted to offer solutions to the "impasse" in which the black professional finds himself.

At a more critical level, journalist Mr Meschack Mabogoane discussed the extent to which black managers themselves are responsible for hindering the advancement of the black people they manage.

The African Bank's managing director, Mr Moses Maubane, outlined some of the constraints: "Education and legislation are undoubtedly two of the most important factors which militate against black advancement. Blacks are also regarded as under-achievers. The social attitudes and perceptions of employers toward black people are also a major problem.

"Employers seem to think that a black man lacks a corporate culture because of his African values. In many cases blacks are given senior positions only because it is a form of window dressing — or because the employer has a social concience".

He said blacks needed to be part of the decision-making process in industry if they were to play a constructive role in the economy. This step had to be taken as a matter of urgency, because many black people — such as the Azapo sympathisers — were becoming disenchanted with the free enterprise system.

Personnel consultant and columnist Mr Nimrod Mkele said there was an urgent need to train black managers to use their skills to handle difficult interpersonal situations and to cope effectively with the demands of their functions.

Corporation's duty to help advance blacks — Etheredge

By Eugene Saldanha

Hostile white attitudes were still a major obstacle to black advancement in the managerial field, the chairman of Anglo American's gold division, Mr Dennis Etheredge, said yesterday.

Addressing a conference in Johannesburg on black management advancement Mr Ethe-redge said there were many legal constraints on black people in the commercial world. But it was the duty of corporations to ensure that black employees were offered training and given the opportunity to establish themselves in the managerial field.

To this end, the Anglo American Corporation had initiated the cadet scheme, whereby promising black engineering and managerial students were given bursaries and placed under the guidance of a mentor, usually a senior employee at Anglo.

"Academic qualifications alone do not make managerial material. There are three factors which, in my experience, have been shown to be the most important characteristics of a manager. These are his innate qualities, his education and training, and his ability to fit into the industrial environment" Mr Etheredge said.

"By innate qualities I mean that he should have drive, leadership ability and be able to motivate. These qualities should not be looked for in any particular race, class or sex, but should be applied strictly to any person who seeks to make a career in management."

He said the second factor — that of education and training — should also be considered in the light of the aspirant manager's previous experience in industry.

"And finally, the third factor — the individual's ability to fit into the industrial environment — is important, because it will determine how well he will be accepted by the other members of the team he will have to lead."

VANESSA WATSON

No panacea

Vanessa Watson is research officer at the Urban Problems Research Unit of the University of Cape Town. She has just returned from a trip to the Far East, where she investigated the functioning of the informal business sector.

In the last few years there has been much talk from both government and the private sector about the promotion of the "informal sector," and we have even seen the setting up of the Small Business Development Corporation (SBDC) to help small businesses.

This new interest stimulated the Urban Problems Research Unit to investigate the question — looking first at the way the "informal sector" operated in Cape Town and then, this year, undertaking a research tour of six Far Eastern cities to look specifically at the operation of this sector.

A look at Cape Town made one thing quite clear: there was no way the informal sector was going to "solve" problems of unemployment and poverty, as indicated by some of its advocates. Most informal sector businesses are very small, struggling to survive on low profits or on the basis of low wages, long hours and so on. The reasons were obviously partly to do with restrictive legislation and partly to do with economic competition from higher business. It was necessary to have a look at places where these constraints were not as strong.

Laboratory

The cities of the Far East provide an excellent "laboratory" for studying the informal sector and we can learn some important lessons from them.

First, most informal sector operators are to be found in the *retail* sector, especially in the selling of foodstuffs. From the point of view of the operator this sector has the greatest ease of entry and the greatest potential for profits. The myth that the informal sector consists primarily of producers of crafts and small manufacturers must be laid to rest as soon as possible.

Again, the informal sector is *extensive* and *can* occupy up to 40% of the urban workforce. There are two main reasons for this. One is the almost complete lack of *monopoly* in the retail, wholesale and farming sectors in these countries; which allows the job of feeding the city to be split up among hundreds, even thousands, of operators.

The second reason is the far greater attitude of *laissez faire* on the part of most local authorities. Street selling abounds because this is generally the optimal location for sellers and most convenient for customers. Some sell from a simple basket on the ground, while others have larger carts or lock-up stalls. In the best examples, the local authority provides a basic cleaning and inspection service and few traffic or health problems are evident.

It is interesting that in cases where an attempt has been made to force sellers off the streets and into newly-constructed markets, the number of sellers has been greatly reduced and only the bigger, richer operators have been able to survive. This defeats the object of small business promotion, which should be to provide employment and income for those who are economically most disadvantaged. While the formal market situtation can cater for the middle and upper level of the informal sector, less formal (and preferably street-orientated) provision needs to be made for the more numerous, smaller and often transient operators.

The third lesson to be learnt is that the public provision of facilities for informal sector retailers (in the form of markets, street shelters, water provision and so on) will make a positive contribution only if their provision is viewed as a social service. In cases where the local authorities attempted to make a profit on their capital investment in market construction, the smaller operators were priced out of the market.

The fourth important lesson is that even under the most favourable conditions in many of these cities, a large proportion of operators are small, and struggle to live a hand-to-mouth existence. The biggest mistake is to romanticise the informal sector or to overestimate the role it can play. In SA, especially, where monopolies in the retail, wholesale and farming sector are firmly entrenched, the suggestion that the informal sector could "soak up" the unemployed and provide people generally with a reasonable income is idealistic in the extreme.

Restrictions

Nonetheless, small businesses do provide a means of survival (if inadequate) for many, and a way of supplementing incomes for others. For this reason any move towards the removal of restrictions on the informal sector should be welcomed. But a word of caution must be sounded. The kinds of policy moves which have emerged to date (primarily via the SBDC) have been aimed primarily at smaller, *formal* sector businesses. The SBDC small loan fund hits nearer the mark, but in the western Cape, for example, only R10 000 is available for loans, compared with the R43,7m which has been handed out to formal sector businesses (*FM* April 29). Loans average around R500 each and on this basis little more than 20 loans can be made at any one time.

Loans of this size are still way beyond the means of most informal sector operators. Moreover, the provision of capital is only one small aspect of the total problem. More important in the lives of most of the small operators is the myraid of traffic, health and other legislation which prevents them setting up a stall, table, or shelter in those locations where they are most likely to make a living — near peak pedestrian flows.

Together with this, a local authority input in the form of water provision, rubbish removal and possibly some washable surfaces and overhead shelter, is required. An investment of R10 000 made in this way could help far more than 20 people.

C. Herald 23/7/83

Residents want killing probed

(30)

POLICE have opened a murder docket after the recent fatal shooting of Mr Pieter van der Westhuizen at the Checkers Store in Grassy Park — and angry residents are asking the chain stores's bosses to investigate the incident.

Mr van der Westhuizen, of Jessica Street, Valhalla Park, was shot dead by a security guard on Saturday July 2, while shopping with his wife. The security guard alleged that he spotted Mr van der Westhuizen shoplifting and shot him after a confrontation.

A petition of protest at the shooting had been signed by more than 400 people and at a meeting last Thursday night and residents have warned that if their demands were not met, they would take further action.

The petition said residents were "dissatisfied at the tragic death of a shopper who was shot inside the crowded store."

PETITION

The residents decided to send the petition to the local and head offices of Checkers.

The residents have received support from the Lotus River and Grassy Park Residents' Association (Logra).

A police spokesman said they were investigating the case and a murder docket had been opened.

"At the end of the investigation, the matter will be referred to the Attorney General for a decision. Nobody has been arrested," he said.

1983

LAC to back opening of trading areas

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Mercury Reporter

THE Southern Durban Indian Local Affairs Committee yesterday decided to support the opening of trading areas in Chatsworth to all race groups on condition that racial segregation of trading areas in Durban were lifted.

But, the LAC decision is likely to trigger off a new wave of protest from Chatsworth traders who are strongly opposed to the desegregation of trading areas in the sprawling township.

A spokesman for the Chatsworth Traders' Association said yesterday that Indian traders would be ruined by competition from white-owned supermarkets if chain stores were allowed to be opened in Chatsworth.

Mr Daddy Naidoo, chairman of the association, recently headed a deputation comprising Mr Gora Akoob, Mr Paul Singh and Mr Deena Chetty for urgent talks with the Minister of Community Development, Mr Pen Kotze, in Cape Town, to get the Government to intervene.

The LAC discussed the future of trading sites in Chatsworth again this week at a closed meeting and after a split-vote decided to support Durban City Council's move to allow white entrepreneurs in Chatsworth on condition that trading areas in the city were opened simultaneously to all race groups.

Mrs Ashadevi Rajbansi, the only woman member on the LAC, pointed out that at the last meeting of the LAC, council officials indicated that it was not the intention of the council to open trading areas in Chatsworth to whites only.

Quoted

'We were told that the council wanted it opened to all race groups. We were suspicious of the council's intentions and now the minutes of the Management Committee meeting of June 23, confirmed our suspicion.'

She quoted a section of the minutes of a recent meeting between Manco and the Minister of Community Development, Mr Pen Kotze, which stated:

'However, it was indicated that the council was presently encountering certain difficulties regarding the development of a supermarket type operation in Chatsworth by white entrepreneurs.'

She added: 'The minutes of the Management Committee meeting now establishes the truth and the LAC must not allow itself to be used to make a strong case for whites in the name of non-racialism.

'We are of the firm belief that integration does not mean the mixing of whites and Indians only.'

(30) S-TIMES 24/7/83

Limitations on the black businessman

92% OF SOWETO BUYING POWER IS USED OUTSIDE AREA

By Amrit Manga

BLACK purchasing power will surge above half of SA's total in the next 20 years.

But, with white institutions controlling the bulk of black investments, expansion of small black businesses will continue to be restricted.

Black buying power is estimated at R5 000-million, but black businesses see only 10% of it.

The National African Federated Chamber of Commerce (Nafcoc) estimates that Soweto consumers' purchasing power is in the region of R1 500-million, 92%, or almost R1 400-million, of which is spent outside their area.

■ ■ ■

It is estimated that more than R8 000-million of total black investments are concentrated in white-owned institutions.

This must be seen against only R20-million in deposits attracted by the African Bank in its eight years of operation.

Even if a greater proportion of savings is attracted by the African Bank, the problem of building structures of long-term investments remains.

Money accepted from black consumers is often in the form of small, short-term deposits.

"Because the stock of capital is so small, it is inconceivable that the black businessmen will catch up with the white sector unless the process of capital outflow is reversed," says African Bank MD Moses Maubane.

Mr Maubane sees the problem of retaining black capital for development in black areas as one of the major obstacles in the path of small-business development.

"In addition to the retention of capital in its midst, the black sector will have to infuse large amounts of capital from outside sources.

"You need highly developed, low-cost money markets for the successful accumulation of long-term capital resources," says Mr Maubane.

The capital-availability problem has been largely narrowed down by the launching of the Small Business Development Corporation (SBDC) and increased availability of loans from banks.

Mr Maubane explains that "this did not solve the problem completely, because it is still widely contended from an ideological point of view that the SBDC is a Government body, which lends suspicion to its objectives".

But the retarded state of black business and the inability of SA capital markets to meet the peculiar needs of a community without adequate collateral and tested credit guarantee have limited the effects of such positive measures from filtering through to the small businessmen.

"The major difficulty arises when finance has to be raised through institutions for projects in which capital will be tied up for two years or more," according to Nafcoc.

The need for white capital in eliminating the scarcity of finance as a constraint is a solution accepted in principle by most in Nafcoc, but this should be in the form of loans and not equity participation by whites in black areas.

Corporate Group's MD, Ebrahim Kharsany, says that, without partnerships with the white sector, small business in black areas would tend increasingly towards a monopoly situation.

With black consumer potential expected to surge ahead, the need for viable low-cost retail-store development has taken on a renewed importance.

But Nafcoc has not changed its policy on the 51%-49% partnership proposal to accelerate development of the black business sector.

Sam Motsuenyane, Nafcoc president, says: "The system of 49%-51% partnership has enormous weaknesses which make it generally unacceptable."

The system affords little protection to small business, making any partnership between a giant and a dwarf a mere farce, he says.

"We are not rejecting partnership with white businessmen, but we want selective partnership." He cited the manufacturing sector, where blacks lack exposure.

■ ■ ■

Pick 'n Pay director Hugh Herman agrees that the need for viable low-cost retail outlets in black areas is urgent.

At present Soweto is serviced by almost 1 700 small retail concerns, and indications are that, as capital becomes available, this number will increase.

"Recognising the constraints of limited capital availability, development of these concerns has to come through a black-white partnership, whatever the form of partnership is agreed upon," says Mr Herman.

The price of commodities is exceptionally high, and, together with lower-quality products and services, it is impossible for black business to take off without white capital.

The creation of jobs through the labour-intensive small sector will help in the retention of capital in black urban areas.

The ideal system of developing trade in black areas is to float a company and issue shares to the public, according to Nafcoc.

Economic power

Sowetan 30/11/83

AN economic base is as powerful as political power. This was said by guest speaker Mr Gabriel Magomola, manager of City Bank at a cocktail inaugural party given by the African Bank yesterday at the Mphebatho Hotel in Atteridgeville.

Blacks must develop their economic base and draw on their strength which they so much underestimate, so that the African Bank can be used as a vehicle for economic upliftment, he said at the weekend.

 (30)

Garage's unlicensed driver cost the customer R2 000

Mr Hannes Nortje had to pay nearly R2 000 after a garage driver took his car for "a few minor repairs" ... and wrote it off.

It was then found the garage's driver had no driver's licence — and the insurance company would not pay for the accident.

Mr Nortje (47), a draughtsman, of Rae Frankel Road, Brackendowns, Alberton, had to claim on his own insurance.

Mr Nortje's car, a Ford Escort 1,6 GLE, was being taken for a 20 000 km service. It was about 11 months old, he said.

"A young man collected the car and I understand he later rolled it. The garage told me everything would be OK.

"They said they accepted full responsibility, and asked me to pick a replacement car from their showroom. They must have found out later, however, that they were not covered by insurance." said Mr Nortje.

"I had to pay out about R2 000 to get another new car and I lost my insurance no-claim bonus."

Mr Nortje said he had seen a lawyer, who told him the case could be taken to the Supreme Court but would take about two years.

"I haven't got money for that. I will just have to forget what happened. It is nothing short of disgusting."

A spokesman for the garage, a member of the Motor Industries Federation, said the accident had become an insurance company dispute.

"Our insurance company said 'no'. His insurance company paid out and should later make a claim in court against our insurance company," he said.

"We gave the customer a new car, the latest model, with a big discount."

The driver who crashed the car had told the workshop manager he had a licence.

"There is a big sign in the workshop that says we are not responsible for any loss or damage," added the spokesman.

Dealers attacked over cost of spares

Buying spare parts from a recognised car dealership is an unnecessarily costly business, according to a disgruntled motorist.

Miss Louise Braithwaite (23), a secretary, of Windermere Drive, Farrarmere, Benoni, said she was quoted more than R30 for a gear-lever knob for her car.

She later bought one for R4 from a motor spares shop.

"I felt R30 was excessive and I was shown the part number and price to prove it was correct," said Miss Braithwaite.

"As far as quality and finish goes, I would say that the cheaper knob comes out better — it looks more finished off.

"COSTLY"

"I feel people should be made aware that buying parts from a recognised dealer can be extremely costly — unnecessarily so."

A spokesman for the dealership said the price was being checked with the manufacturer's pricing department because it appeared to be excessive.

"There can sometimes be a mistake on the computer sheet — a decimal point in the wrong place — and when the price looks wrong, we always check. It is simply a matter of human error."

He said genuine manufacturer's parts were usually of better quality than others.

The garage is a member of the Motor Industries' Federation.

Charged for second try at tune-up

A motorist who paid cash for a tune-up of his Volkswagen Kombi was asked to pay again when he found the job had not been done properly.

Mr William Mashigo, of Orlando West, said he paid R200 for a tune-up and a clutch repair.

But when he drove the vehicle he found it was not performing as well as it should. He took it back to the garage after the weekend.

CHARGED AGAIN

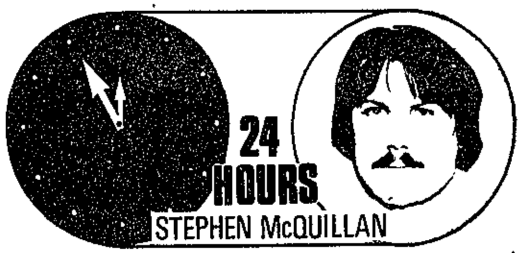
Mr Mashigo said he was asked to pay a further R57,56 for another tune-up.

"This, I feel, I cannot do because the tune-up should have been done properly when I first took the car in," he said.

A spokesman for the garage, a member of the Motor Industries Federation, admitted that the customer should not have been charged a second time for the same job.

"If the man had paid this money, we would have given him a refund," he said.

After Star Line's call the second bill was withdrawn.



'Non-genuine' car parts cost motorist R71

Confusion over pirate and genuine car spares left an East Rand motorist R71,55 out of pocket.

The motorist said he had to buy a second set of parts from another supplier when he discovered the first set did not fit.

Mr Abdulla Hardien (29), a carpenter, of Hartebees Street, Alra Park, Nigel, said he was refused a refund after being sold the wrong parts by a spares shop. He was not told the parts could be made either locally or by the car manufacturer, and bought the locally made parts — which were unsuitable.

"I ordered 10 cam followers for a 1975 Chev Constantia and gave the salesman one of the old ones," said Mr Hardien. "I collected them the next day and paid R71,55. A mechanic, however, told me the parts would not fit.

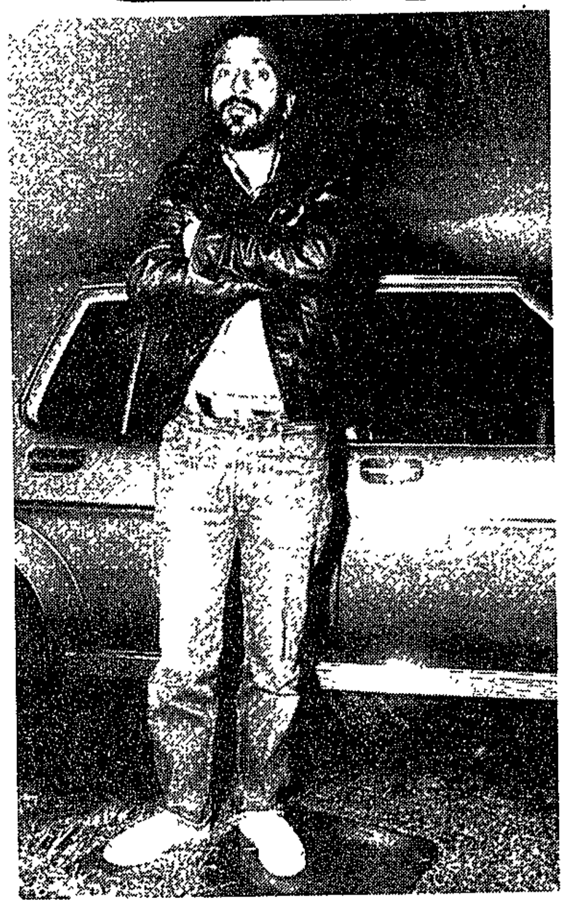
'REFUND REFUSED'

"I took them back and asked for a refund, which was refused. They wanted to order other cam followers, which I could not afford to wait for as I needed my car for work."

"I bought others the same day and fixed my car. My wife asked the shop why they would not give a refund and they said I did not specify whether I wanted genuine or non-genuine parts."

Mr Hardien returned the defective parts, but a spokesman for the spares shop said the spares had been ordered and the money could not be refunded unless he could sell the parts to someone else.

"I'm not a Chev agent, but I can get genuine or non-genuine spares. The genuine spares cost more than twice as much," he said. The shop is a member of the Motor Industries Federation.



Mr Abdulla Hardien and his Chevrolet ... a bundle of useless parts and a bill for R71,55.

'Crass adverts' offend black consumer giant

(30) S. Express

31/7/83

By ANNE SACKS

A HIT and miss affair: that's the way a black marketing executive and an industrial psychologist view the advertising machine aimed at the black consumer colossus.

One of the major problems, they say, is that advertising is based on superficial research.

Mr Eric Mafuna, 38, director and founder of Consumer Behaviour Limited, a marketing and research planning organisation, says current advertising does not begin to reflect the values and aspirations of black people.

"White advertising practitioners have no real knowledge of the black consumer.

"They appear unwilling to find out because they believe the sophisticated black consumer is identical to the sophisticated white consumer. This is patent nonsense."

He says advertising targeted at the black consumer has geared up over the past decade to lure increased black spending power.

That the black consumer has become a giant has been confirmed by the economics department of the University of Stellenbosch, which predicted that black consumer spending would equal white consumer spending in 1985.

To reach that black consumer market, the client is spending a fortune on advertising. But for his money, says Mr Clive Fullagar, lecturer in industrial psychology at the University of the Witwatersrand, he is receiving nothing more than crassness.

" 'Black advertising' is often less subtle than 'white advertising', and blacks often find advertising annoying, embarrassing or downright obnoxious," he says.

He cites an example of an annoying ad as one which portrays a black family enjoying coffee in the lounge of their spacious home. It is annoying because the context is so unrealistic.

People in black townships simply do not live in nuclear families. They mostly live in overcrowded matchboxes. It annoys them that the rewards promised by the advertisement are so unrealistic as to be pie in the sky.

An embarrassing advert, says Mr Fullager, is likely to be the one for a brand of tea in which a woman is given roses. Black people attach no specific cultural sentiment to the giving of flowers, and view the custom as somewhat silly.

He says the advertisements which promote products by exploiting cultural values such as strength or virility are generally obnoxious. An example of this is advertising that claims laxatives build strength.

He says politically aware groups are repulsed by advertising's message of 'buy, buy, buy'. They view advertising as a part of the strategy of creating a relatively privileged black middle-class as a 'buffer' between whites and the majority of blacks who live in homelands.

Experts say another reason why advertising meanders off target is because of differences in perception between groups.

Perception is influenced by cultural, educational and urbanisation factors, says Mr Fullagar.

Research has shown the most important variable in perception is exposure to pictures from an early age.

He says American children who watch television for four or five hours a day are less likely to misinterpret pictures than a rural child living in a culturally and educationally deprived world.

The rural child will interpret a picture of a large bottle in the foreground and a small person in the background as meaning the person has shrunk. There is no perception of space and the message will be misread.

● This advertisement may be regarded as obnoxious by blacks because it exploits "strength" to sell the product, skin lighteners. The message has clear racial overtones — the lighter the skin the stronger the person.

One man's view of 'second class life' in the agencies

'BLACK experts' in some large advertising agencies are banished to a second-class life in a "Bantustan" called "the black communications unit".

They are employed because of their intimacy with the mind of the black consumer, but in practice, they function as little more than a sounding board for the ideas of their white colleagues.

Sometimes they feel it's not "politic" to disagree, but at other times they know intuitively how much their disagreement will impress.

That's the view of Mr Bongani Khumalo, 30, account planner in the strategy planning department of a major international advertising agency, who says the black expert in some agencies lives in a wilderness.

"One minute he is surrounded by people who are reluctant to involve him in the creative process," he says. "The next, he is thrown into the deep end by being

By ANNE SACKS

held accountable for endorsing a decision he never fully understood because he was never involved in the creative process in the beginning."

A necessary prerequisite in advertising is a profound knowledge of the audience.

"Advertising agencies are either naive or obsessed by this prerequisite. Some simply ignore the challenge, while others have, with the best intentions in the world, fallen victim to employing blacks as tokens," he says.

"They employ blacks who are supposed to be black experts. They set a thief to catch a thief."

On a day-to-day level, black experts are used as translators rather than co-creators, Mr Khumalo adds.

"For example, the black expert will accept the Sotho translation of a jingle, even if it's nonsense, because he knows it will make his white colleagues happy."

Mr Khumalo says "black experts" have to justify their existence in ad agencies, and the pressure often leads them into making outrageous statements such as that blacks do not eat at the table with their children.

"The challenge to advertising agencies is to unleash black talent by training personnel who can acquaint themselves with the aims of the agency and clients in the same way as their white counterparts."

(30)

Assocom suggests limits on President

2/8/83

By Lucille McNamara

The powers of the President should be limited in the new South African constitution to reduce the risk of controversy surrounding the high office.

This is the strong urging of the Association of Chambers of Commerce (Assocom) in a supplementary memorandum submitted to the Select Committee on the Constitution Bill.

Released for publication today, the memorandum also suggests that forms of appeal should be permitted for discussion and review of the President's decisions.

Assocom was asked to give evidence at a select committee hearing last month on what constraints, if any, should be placed on the President's powers.

It said the President's powers should be controlled because many important issues would rest upon his decision, including monetary planning for the three Chambers of Parliament.

"If the main Budget provides a certain allocation of funds for 'own' affairs, but such funds are depleted or overspent, fiscal planning is jeopardised. There is also the risk that the President should ultimately be regarded as being responsible for wrong or bad spending decisions."

The first step in monetary control should be the introduction of a decision-making "committee of the Budget".

"Budgeting is an all-important function upon which the financial credibility of this country rests . . . and a sound economy which gives the best conditions for stable political growth is best achieved by a central budgeting system."

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Assocom advises on President's powers

A control mechanism was needed in the proposed new constitution to ensure the President chose between "own" and "general" affairs "with some measure of certainty," the Association of Chambers of Commerce of South Africa (Assocom) said.

Assocom made the recommendation in a supplementary memorandum to the Select Committee on the Constitution.

It submitted a main memorandum to the committee, supplementing its views with oral evidence on July 12.

At that hearing, the committee asked Assocom to give its view on three more issues:

- The process of determining "own" and "general" affairs.
- What constraints, if any, should be placed on the President's powers.
- The allocation of funds between the different Houses of Parliament.

"Assocom subscribes to the view that the State President's powers to decide whether or not a Bill is an 'own' or a 'general' affair should be controlled in some or other fashion," the supplementary memorandum said.

As well as using Schedule 1 as a guideline for deciding, Assocom recommended that the President should base his decisions on the advice of his Cabinet, the advice of the relevant Minister's Council, and adequate provision for any necessary expenditure on the Bill in the relevant "own" affairs budget of the House concerned.

Another option in limiting presidential powers in respect of "own" and "general" affairs was to permit a form of appeal to the President's Council on the matter.

Such an appeal would be at the instance of any one of the Houses, but the ruling of the President's Council need not necessarily bind the President.

The merit of that procedure would be to provide a forum for discussion and review of the President's decisions.

"These limits to the President's powers would also serve the purpose of reducing the risks of controversies surrounding the high office of the President."

Assocom said the distinction between "own" and "general" affairs would diminish with the passing of time.

"In the interim, where there is doubt as to whether a matter falls into one or the other category, the issue should be regarded as a 'general' rather than an 'own' affair."

In particular, besides tertiary education, the provisions of sub-economic housing and control of local authorities, especially financial control, should be retained as "general" affairs, and Schedule 1 of the Constitution Act should be amended from time to time to further limit the scope of "own" affairs.

On the allocation of funds between the different Houses of Parliament, Assocom believed a sound, stable economy giving the best conditions for stable political growth, was best achieved by a central budgeting system.

Its primary recommendation was that the decision-making process be institutionalised as a "Committee of the Budget," which would consist of officials from the Department of Finance and might include other experts from the public and private sectors.

It would be chaired by the Director-General of Finance, who should be directly responsible to Parliament for the report of that committee.

Assocom said that the Office of the Budget in the United States could serve as a model for the structure of the body.

"The political input into the budgeting process up to this stage would be kept to a minimum but public involvement in the broad strategy and selection of options available should be included at this point.

"It is suggested that the public and major private sector representative bodies should be given an opportunity to make an input to this committee, possibly through the Economic Advisory Council.

"Once the Committee of the Budget has put forward its report for the next financial year, the budget now enters the political arena and it will then be for Parliament to take the final decisions," Assocom said.

"Since the economic and financial process is ultimately indivisible, it may be desirable for a joint sitting of the Houses to be held to consider the national budget.

"This budget will detail the funds to be made available to each House for its 'own' affairs budgets and thereby allow a cohesive approach and overall control to be exercised by all politicians in the final allocation of finances."

Assocom also recommended that the Select Committee on the Constitution also consider these points:

- That the President should give an overview of proposed legislation or major problems facing the country, along the lines of the "State of the Nation" address given by the US President.
- Another control measure would be to oblige each House to prepare its budget for the year based on what should be spent on each person on "own" affairs. — Sapa.

(30)

KNOWLES

Facing retail giants

Three listed chains — Pick n Pay, OK Bazaars and Checkers — exert an almost blanket dominance over food retailing. Collectively, their turnover is some R4 billion from more than 370 supermarkets or hypermarkets in almost every urban and platteland trading area of SA. All have enormous buying power which they aren't shy to use. Without doubt, the SA retailing sector is one of the most sophisticated and competitive anywhere.

Of course, there are many other companies in the market. But most are fairly small and generally members of organisations like the R620m Spar group, which provides cost-saving bulk buying, warehousing and other common services. Few members of Spar achieve annual sales of more than about R20m/year.

Approaching the ranks of the larger groups must involve risk, an unusual marketing strategy and the ability to successfully change identity, usually from an entrepreneurial to a more strategically run organisation. Knowles, a 30-year-old chain based in Pinetown, Natal, is exhibiting these qualities now.

Knowles was founded as a family-run store and built up by the entrepreneurs who still own it. Chairman Frank Knowles (64) holds 50% of the ordinary shares; the rest are owned by five other family members. He has been chairman since the Fifties.

Family ties and the personal touch are still seen as a basic strength. "Our philosophy is to pursue profits in a socially responsible way," proclaims the group's "mission statement." Stuart Sampson, who is the vice-chairman and chief executive and also a shareholder, asserts that consciousness of responsibilities to customers, to shareholders and to staff permeate management attitudes at all levels.

The composition of the management committee shows how deeply personal relationships are embedded in company culture. It includes two Knowles family members, the operations director (who joined as a friend of the present vice chairman), five old boys of Northlands High School, three recruits from the company's auditors and three others with more than 12 years' service.

All managers are encouraged to join local organisations — and this has helped forge a strong company profile in Natal.

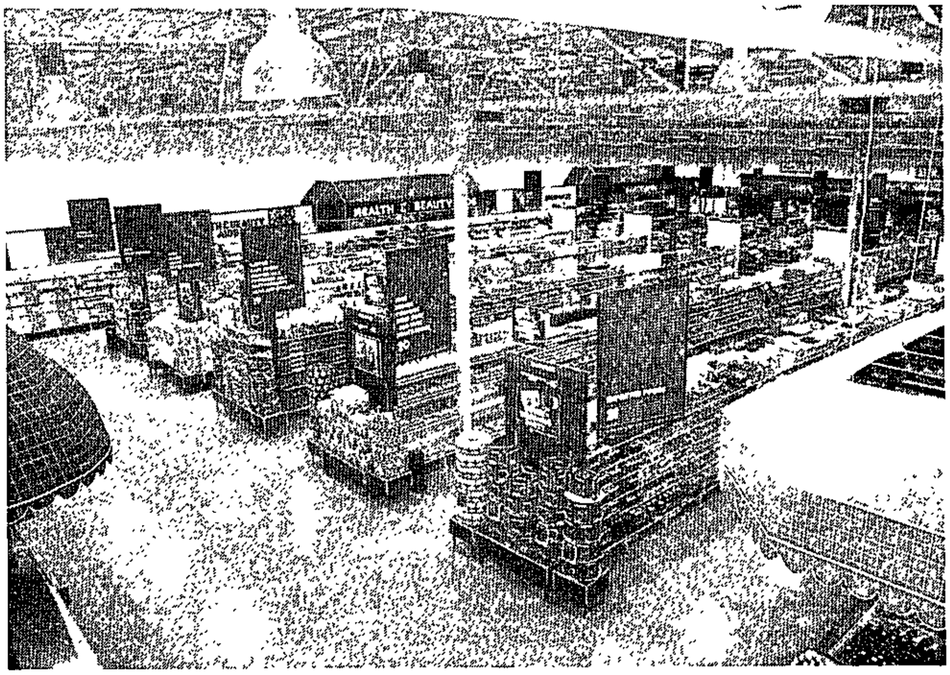
However, in the Seventies, Frank Knowles adopted a new vision. This was to establish Knowles as a national chain with long-term growth prospects. He realised this would require professional management. In 1970, Sampson, then a member of Knowles's auditors, helped recruit Des Weiss. Sampson joined in 1972, and he and Weiss become joint MDs. Expansion followed.

In 1978 turnover from five stores was only R12,9m. Sales grew at a compound annual rate of 32%, lifting turnover to R52m for the year to February 1983, derived from 14 stores in the Cape and Natal.

The turnover target for 1987 is R230m, with existing stores — including two new ones in the Transvaal — to contribute R130m. Another R100m is to be added from stores to be bought or opened as new operations. Current plans are to add about 10 new stores, each to aim at sales of about R10m by 1987. The capital investment would be about R10m-R15m. Future stores will be 3 000 m² to 8 000 m² in size. A hypermarket is about 1 000 m².

Knowles intends to base expansion on its traditional strengths. Sampson notes that Knowles sells to a clearly defined market, that is mainly middle to upper income. It is described as more discerning, but relatively less price sensitive than food buyers in general.

Knowles believes this group is particularly responsive to a friendly shopping environment and service from staff in the store. The Pinetown store, its largest, was designed in 1976 by Canadian designers D I Design (which designed Sandton City and Eastgate for Liberty Life) to create the appropriate ambience.



Knowles's Transvaal venture ... still in the niche

Many of the methods used in Pinetown are intended to set standards for the group. For example:

☐ Aisles are wide and goods are stacked on vertical racks no higher than eye level. Product ranges are usually broad and goods are packed in quantities as low as one inexpensive item;

☐ Pricing is described as competitive, but price is not the most important consideration. Variety and presentation is also stressed;

☐ More check-outs than usual operate to avoid long queues. All staff, including packers, are trained to help customers find items;

☐ A wide range of non-food items — which are relatively profitable — are placed around the food displays. Big ticket items are excluded; and

☐ Some stores offer credit on food and non-foods, on terms from 30 to 90 days. But this won't apply in the Transvaal.

Some of these methods are expensive and wouldn't be considered by major chains. Sampson concedes that the ratio of staff to turnover is high.

However, average annual growth in profits was 35% over the past six years. Pre-tax profits of R280 000 in 1978 rose to R1,3m for 1982-83 and taxed profits climbed from R184 000 in 1978 to R814 000 this year.

Pre-tax return on sales rose from 2,2% to 2,6% last year, still well below Pick 'n Pay's 3,7%. Sampson says Knowles's goal is 3% return and it will have to improve its buying capabilities to attain this.

The real test of its aspirations is happening right now. In June it opened its first major store in the Transvaal, a 4 000 m² superstore near Boksburg, and about eight other stores are planned for the Johannesburg area.

"Our research shows Transvaal consumers are no different from any others. The biggest things lacking in big food outlets are friendliness and fast check-outs," says Sampson.

"Many customers will be attracted by the ambience which we provide." And Weiss, now operations director and heading up Transvaal operations, adds: "Some stores are technically good but feel as cold as ice. Customers react tremendously to vibes and atmosphere."

Mike Perry, a marketing consultant who specialises in retailing, agrees that Knowles's market approach has worked. But, he warns: "They may have a safe niche but there's a harsh winter outside the cave." He believes Knowles faces two potential dangers in its expansion.

Firstly, there's always a temptation to leave the niche. This could lead to direct confrontation with the big chains.

Secondly, distance from home ground will make it more difficult to keep terms with suppliers sufficiently profitable. National chains may influence these relationships even more in the Transvaal, Perry believes. Knowles belongs to Spar in the Cape and Natal but not in the Transvaal.

Sampson contends that the group's approach will remain cautious. He maintains that for the next five years at least, it will open stores for profits only, not for market share.

If Knowles carries out an option now being considered — a stock exchange listing by 1987 — realising intentions will be critical. The task of growing from a small to a large or even medium-sized food chain has never been harder.

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Commerce appeals to SA Govt

D Dispatch 1/8/83

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EAST LONDON — The East London Chamber of Commerce has appealed to the South African Government to intervene in the Ciskei unrest, which is "adversely" affecting commerce in the city.

Mr George Orsmond, chairman of the chamber, said: "We are moving in on this but it all depends on the South African Government reaction.

"We have made approaches to the Department of Foreign Affairs to intervene in the situation. We cannot deal directly with the Ciskei."

Mr Orsmond said he was hoping for goverment reaction soon "because then there would be better lines of communication."

Commenting on the arrests in the Ciskei following the alleged breaking of curfew regulations there, Mr Orsmond said: "We are very upset at the results of the arrests there and the delay in the trials. We are also upset at the high bail."

On Tuesday bail was set at R400 for more than 300 people in custody in Mdantsane awaiting trial after allegedly breaking curfew regulations. Applications to have the bail lowered were refused.

"Workers are important for East London and East London is important for the workers. We have to take the interest of these people to heart," Mr Orsmond said. The unrest was going to have an "adverse" affect on commerce in East London, he said. Workers were going to receive smaller paychecks because of the shorter hours they had worked since the start of the bus boycott.

"This is still going to be felt by East London," he said.

The East London City Council's chairman of finance, Mr Donald Card, said the unrest was "destabilising" for the city.

"People who wished to invest here are now going to take a second look at our labour situation. This must be settled as soon as possible.

"The Ciskei must let those who want to use buses to use buses and those who want to use trains to use trains," he said.

Mr Card said the bus boycott "is a general political reaction of Mdantsane against the system."

"By this I mean forcing people to become part of a homeland they do not recognise," he said.

Mr Card said he was a Xhosa speaker.

"These chaps have been asking me to come and help them," he said.

Duncan Village, because it was not part of the Ciskei, "has saved East London's bacon" said Mr Card.

"Thank goodness for Duncan Village. A lot of people have been staying there overnight and then coming to work." Absenteeism because of the bus boycott has caused a slump in productivity at some East London businesses.

"It's affected productivity because of the levels of late coming," Mr Ron Bartlett, a West Bank factory manager, said.

"Also 15 of our people were arrested for breaking the curfew. We work a 24-hour shift here so the curfew affects us."

Mr Terry Kemp, financial controller for a fruit canning factory on the West Bank, said: "The bus strike has made people come to work late. We are having to work later to make up for it." —DDR

CONSUMER COUNSEL

Big surplus of mutton, lamb

By AUDREY D'ANGELO

ARGUS 11/8/83

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THERE will be an enormous surplus of mutton and lamb this summer.

So many farmers have applied for permits to send sheep and lambs to Cape Town abattoir for slaughter between September and the end of January that emergency arrangements have been made to divert thousands of the animals to other parts of the country.

Meanwhile, the Meat Control Board has built up huge stocks of frozen beef in its stores again — I am told it now has about 70 000 carcasses — because supply exceeds demand.

May export

But there are no plans to sell any of this meat at below cost as was done earlier this year.

Instead, the board is looking into the possibility of exporting the surplus.

Its public relations officer, Mr Koos Blignaut, explained that this was because subsidising beef prices earlier this year had not caused people to get back into the habit of eating more meat, as had been hoped.

Instead, they had stocked up their freezers with the cheap meat and demand had fallen again for several weeks until they had used it up.

This had caused a further build-up of stocks in cold storage.

"Meat prices are reasonable now," he said. "Carcasses are being sold at only a little above floor prices at abattoir auctions because demand is low.

But no plans to sell below cost — as done last year

"We would not be justified in subsidising prices again from the levy paid by the farmer since this does not result in increased sales in the long-term."

I asked why the board was planning to export the surplus meat rather than keep it in store to avoid a shortage and sky-high prices in a few months' time.

We have been warned that herds are now being depleted because the drought is forcing the farmers to slaughter breeding animals, and there will eventually be a shortage.

But Mr Blignaut said: "It seems unlikely there will be any shortage before the end of the year, and there is a limit to the time meat can be kept in cold storage.

Prices down

"We hope the shortage will not come before there is an upturn in the economy, when people will be able to afford higher prices."

The Cape Town abattoir is already slaughtering sheep and lambs to full capacity, and auction prices have fallen since last week.

Super lamb fetched from R2,88 to R2,95 a kg at the auction on Tuesday, compared with between R2,92 and R3 a kg last week.

Prime B mutton fetched from R2,44 to R2,69 a kg at Tuesday's auction, , super beef from R2,43 to R2,57 a kg and super pork from R1,80 to R1,99 a kg.

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Sowetan 9/8/83

DIEPMEADOW'S "mayor", Mr Joseph Mahuhushi, has tried to ditch his white partner who helped him to secure an interest-free R¾-million loan to build a shopping centre on his massive site in Diepkloof

The partner, Mr Carnie Matisonn, nearly lost out on the lucrative deal with Mr Mahuhushi, after allegedly using his influence to get finance for him to develop the site situated in the heart of Soweto's business centre.

The registration of the company they were to form, Hlengwe (Pty) Ltd, has been delayed by Mr Mahuhushi's lack of response to his partner's calls to sign the registration documents.

When asked about his partner, Mr Mahuhushi said he had been warned by his lawyers not to speak to the Press because he had sought legal advice on earlier reports published about his site.

Mr Matisonn, who insisted on reading the story The SOWETAN was going to publish before commenting, would not deny or confirm the contents of this report

He confirmed however that he was Mr Mahuhushi's partner and that he had negotiated a R810 000 loan for the development of the site and the establishment of trading operations there.

According to The SOWETAN's sources Mr Matisonn took Mr Mahuhushi into his confidence and they made an oral agreement to a 49/51 percent partnership on the property and the businesses they were to set up.

But after Mr Matisonn secured a loan for him, Mr Mahuhushi is alleged to have somersaulted and refused to sign a partnership agreement based on his original agreement with Mr Matisonn.

Despite the fact that Mr Mahuhushi does not want Mr Matisonn as his partner, he is bound by law to honour the written agreement they entered into.

Panic on East Ran

KIL

STI

THE UNIDENTIFIED body of a 30-year-old man, who was shot six times, was found in a KwaThema, Springs, yard at the weekend, barely a week after a well-known businesswoman in the same area was pumped full of lead in her house.

Alarm is turning to panic in KwaThema because of the number of cold-blooded killings and people are wondering if this is the work of a gang or a crazed gunman on the loose.

The latest victim was found by a passerby early on Saturday morning, lying in a yard in Motshe Street.

Police were called and the slaying was yesterday confirmed by Major S S Mokoena. No arrests have been made and investigations are being intensified.

On Friday, July 29, Mrs Reginald Makgalemele (51) was shot dead by a lone gunman at her home. Nine bullets were pumped into her body as she screamed and lurched from one room to another with the gunman following her.

The incident happened while the family was watching television.

In the last five weeks, six people on the East Rand have been gunned down by killers who are still at large.

On July 15 a Daveyton councillor, Mr Jacob Ratale, was killed in his shop by an unknown gunman who shot him seven times

A week ago in Tembisa a well known goal keeper for a second division NPSL team, Mr Joseph Mpho Makoai, was shot dead at close range

D. Dispatch 12/9/83

Concessions for Oriental Plaza traders

EAST LONDON — Oriental Plaza traders have been granted a package of concessions by the Department of Community Development (DCD) intended to improve business conditions at the plaza

Mr Harry Parbhoo, chairman of the East London Indian Management Committee (IMC) and Mr Raman Bhana, an executive member of the South African Indian Council, said yesterday that the concessions amounted to

- An extension of rent-free occupancy to September 30, 1983 (with traders continuing to pay municipal service charges)
- An approximate 90 per cent subsidy on rent charges for two years from October 1, 1983;
- Granting of funds for the construction of a road-over-rail bridge linking St Peter's Road and St John's Road;
- Granting of funds to publicise the plaza jointly with plaza traders;
- A commitment to make land available for the widening of St John's Road to Beaconsfield Road;
- A statement by the Minister of Community Development that funds will be sought for the extension of the Mdantsane link-road to the Factory Road bus terminal.

The package was negotiated at a meeting in Cape Town on Wednesday attended by the Minister of Community Development, Mr Pen Kotze, the deputy director general, Mr P. D. McEnery, the MPC for East London City and member of the city council, Mrs Elsabe Kemp and the MP for East London City, Mr Peet de Pontes, together with Mr Bhana, Mr Parbhoo and IMC members Mr Michael Williams and Mr M. Moodaley.

Mr Bhana said the concessions on rent charges would give traders additional time to "get their businesses off the ground." He said the remaining concessions were intended to improve access to the plaza, and to make consumers more aware of the goods and services offered there.

He described the DCD agreement as "tremendous assistance" that would provide "major relief for traders."

"Now it is up to the traders themselves," he said.

Mr Bhana said the IMC had "done its job of work" in securing the agreement.

Mr Parbhoo said he was happy with the concessions "as far as they go," and said he was pleased traders were being given more time to "get themselves going."

He said he was grateful to Mr Bhana and Mr De Pontes for their work in the negotiations with the DCD.

Mr P. Harry, the chairman of the Oriental Plaza Traders Association, said yesterday he hoped the concessions would "serve in the interest of the plaza."

"We'll have to wait and see — maybe we'll need more. By this time the plaza should have taken off, and it hasn't yet," he said. — DDR

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THE CONSTITUTION — 2

Business reaction

Both the Federated Chamber of Industries (FCI) and the Association of Chambers of Commerce (Assocom) have welcomed several of the changes made to the Constitution Bill. Does this mean that organised business is changing its mind about the constitution?

"No," says Assocom's Raymond Parsons. "Assocom's position has been consistent. We welcomed the original Bill as a step in

FM 12/8/83 (30)

the right direction and the start of an evolutionary process of constitutional reform." Effectively, Assocom has worked on the principle that politics is the art of the possible. It has made detailed and wide-ranging submissions on the Bill, and sees the latest modifications as catering for some of the concerns it has expressed.

Parsons points to changes on issues such as property rights, the powers of the President, and the role of the courts. Though questions of principle were excluded from the select committee's ambit, he says, "the improvements in matters of detail have resulted in a more practical measure."

Assocom says it will make representations again, about further desirable modifications, when the Bill is debated in Parliament next week. But pending the submission of these to the appropriate minister, Parsons won't elaborate.

The FCI's statement also reasserts support for initiatives towards reform in general, and also welcomes constraints on the President's wide powers and on the increase in the power of the judiciary.

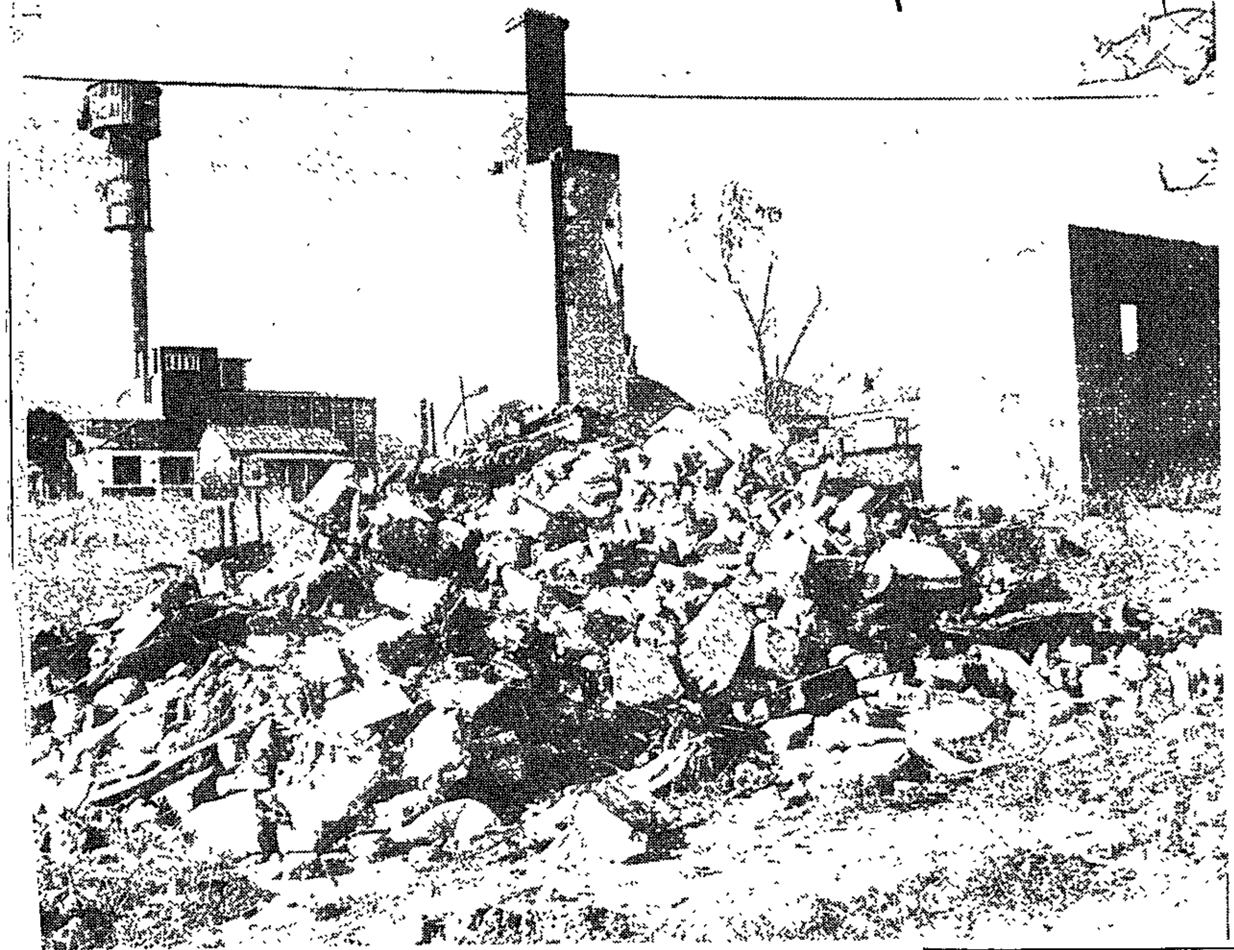
But the FCI president, Rod Ironside, went on to say that "the FCI . . believes that a golden opportunity has been lost to generate wider acceptability for constitutional reform in SA."

Ironside was referring to the chamber's urgings that the preamble to the Bill — which it regards as a vitally important declaration of intent — be amended. The FCI wants a clear commitment in the preamble that serious attention will be given to the position of urban blacks and to the issue of statutory segregation.

Such a commitment, it feels, will generate wider credibility for the reform process. And of course such a commitment in the Bill itself would be further insurance that reform *is* designed to be an evolutionary process, rather than yet another granite power structure.

D.Dispatch 13/8/83 (30)

Traders welcome North End plans



Part of the proposed North End industrial area — looking toward Park Street from Beaconsfield Road.

EAST LONDON — "A phenomenal opportunity for the North End to become a major trading area in East London" is how the chairman of the North End Traders' Association, Mr Dennis Meyer, yesterday described the recently announced plans for upgrading the area.

Mr Meyer said he was particularly pleased that the plans — approved by the department of Community Development — would allow traders not established in the Oriental Plaza to remain in the North End.

Until now, these traders had been uncertain about their future, but having now been assured they would not be removed, they would be eager to improve and expand their businesses, Mr Meyer said.

He said he foresaw close co-operation between all traders in the area.

"We will work together with the Oriental Plaza — put our heads together and re-develop the area. We will formulate a greater North End which would rival the existing major trading areas in the city," Mr Meyer said.

According to details of the development proposals released yesterday the last remaining residents of North End could be resettled as early as mid-1984.

It is estimated that 74 families still live in the area which is bounded by Beaconsfield Road, St John's Road, Breaside Road, Victoria Road and Park Avenue.

The entire area will be cleared and re allocated for light industrial development. Roads will be constructed to link St John's Road, St Paul's Road, Park Street and Park Avenue.

Eight families now living in the area have been allocated plots in Braelynn and it is expected they will be resettled before the end of the year.

The other families left in the area — 66 at the most recent count — will be resettled as housing becomes available.

It is expected that they will have moved by mid-1984 at the earliest. — DDR.

S. Times 14/8/83

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Orlando project creates another 400 jobs

By Amrit Manga

THE COMPLETION of the R2,2-million Orlando West Industrial Park in Soweto has boosted employment opportunities through the creation of more than 400 jobs at an average capital cost of R5 000 per job.

This compares with the capital cost of R50 000 per job in decentralised areas and R150 000 in some of the larger capital intensive industries, according to the Small Business Development Corporation's (SBDC) Jacques Verster.

The SBDC will officially launch the project on Thursday this week, the 11th in less than four years.

The park which has been developed on an 8 700m² site in Soweto opens with more than 58 industrialists already operating at full capacity.

■ ■ ■

The project was developed at a cost of almost R21 000 per unit in the first phase of development and at more than R47 000 per unit in the second phase. It has attracted more than 12 types of industry represented by the 58 industrialists.

More than 34 businesses started operating since February last year with the completion of the first phase of the complex.

Another 24 occupied the complex during the completion of the second phase this year, among them textiles, electronics, panel beaters, clothing manufacturers and leather works.

The first phase of the development created more than 240 jobs and the second phase almost 160 employment opportunities.

The most labour intensive has been the textile industries which together have provided 148 new jobs.

The average cost per square metre for the first phase of development amounted to R213 compared to R270 per square metre for the second phase.

Average rental according to Verster varies between R1,19 and R1,74 per square metre.

Verster reckons the low rates of return on investment (ROI), approximately 6,7% for the first phase and 7% for the second, are no indication of the long term growth potential of the small business sector and its low-cost job creation ability.

The potential for industrial and commercial development is seen as unlimited when taking into account the total number of businesses currently at 2 219, serving a population of 1,2-million.

In two years, the Corporation initiated 50 property development projects costing more than R30-million.

If the projects taken over by the SBDC from incorporated institutions are included, the total number of projects is 129.

These occupy a lettable area of 242 000m² at a cost of R45-million. They accommodate more than 660 businesses, employing about 12 000 people.

Verster explained that the cost of job creation through the SBDC's mini-loan is much lower at about R200 per job

The SBDC introduced the mini-loan scheme to intervene in the semi-formal sector on a pro-active basis by providing loans of up to R2 000.

■ ■ ■

In the first nine months during which the mini-loan pilot schemes were in operation, 150 entrepreneurs from the informal sector were assisted at a cost of about R130 000.

In the first nine months during which the mini-loan pilot scheme was in operation, about 150 entrepreneurs from the informal sector were assisted at a cost of about R130 000.

On the basis of the cost per job in the informal sector, estimated roughly at R150, the total employment provided could be in the region of 9 000.

From April last year to March 1983, the Corporation received 1 165 direct loan applications totalling R78-million of which R14-million was approved.

Detailed report on black consumers

(30) S. Exmus 14/8/83

A DETAILED report on the booming black consumer market has been completed.

Three advertising agencies and six marketing companies came together to sponsor a Markinor study, with a sample of 1 000 men and women in the Soweto townships, the Reef, Pretoria, Durban, East London and Port Elizabeth metropolitan areas.

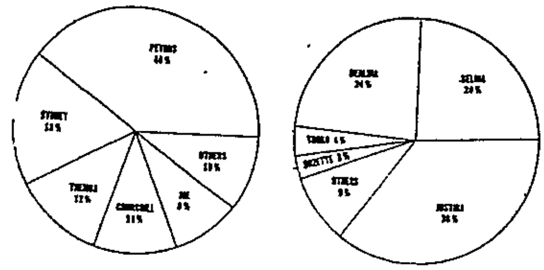
The ad agencies are Bates, De Villiers and Company and J Walter Thompson and the companies are BP, Reckitt and Colman, SAB, Sales House, SFW and United Tobacco.

Markinor's findings indicate that there are five segments each among black men and women, comprising around 90% of urban dwellers.

Markinor has come up with titles for each segment.

For the men it is Petrus (40%) — old, down-scale with traditional values; Sidney (18%) — young, smart non-drinker; Temba (12%) — fashion-conscious, fairly up-scale drinker; Churchill (11%) — up-scale with Western interests; Joe (9%) — 'dowdy', slightly down-scale drinker.

For the women it is Justina (38%) — down-scale housewife; Selina (24%) — domestic worker with rural ties; Berlina (24%) — young, smart, up-scale; Thoko (24%) — the drinker; Suzette (3%) — young with Western interests.



● How the Markinor study splits up the male and female urban black consumer market. See accompanying report for details.

The turf at Ellis Park Stadium has suffered during the International Boat Show, prepare the dry and dusty pitch for Saturday's big Currie Cup clash between

Sale of homemade goods to be held by Itekeng

RAD 19
16/8/83

By SOPHIE TEMA

A WORKSHOP sale will be held next week by the first non-profit, self-help organisation to provide home employment for township women who are jobless or struggling to make ends meet.

The open day will be held on Wednesday next week at Cloud End, West Road South, Morningside, Sandton, and will begin at 10am.

The organisation — "Itekeng", meaning "prove yourself" — started in 1977 to provide work at home for women who would otherwise be unable to earn an income.

TV personality Carole Charlewood, well known for her interest in social welfare issues, will speak on the subject of black self-help and black unemployment.

Mrs Kathy Waddell, a founder member of the organisation, has invited charity groups from all over the Reef in the hope that they too will be inspired to set up similar groups in their owns areas.

When the group was first formed a training centre was started at the Methodist Church Hall, Jabavu, where beginners were instructed in knitting, crocheting, embroidery and fine needlework.

Women with particular skills passed on their know-how to others. As a result there are at present more than 100 women involved in the group.

Itekeng is based in Soweto, where it sells its work extensively and manufactures high quality, finely made items for the home.

Overheads are kept to a minimum, the goods moderately priced and profits go directly to the organisation's members. The organisation also has a shop in Hyde Park Centre, where a variety of items of Itekeng craft can be bought by the public at reasonable prices, and a depot in Morningside.

The organisation's production manager Mrs Carole Hill said yesterday: "The Itekeng ideal has succeeded because it fulfils a need, and the links forged between the women of different races who are working together towards this ideal, and the friendhips they have formed, have been a valuable bonus."

Boost for traders

Sowetan 17/1/83

THE Mamelodi Traders' and Industrial Association has appealed to local backyard manufacturers to affiliate to the organisation so that the quality of their work can be improved.

The chairman, Mr A D C Makena, said his association had received sponsorship from various companies and that it was for local manufacturers to apply for loans in order to improve themselves. He said there would be no progress in the township if black people did not create opportunities "to make others feel wanted in the society."


EXHIBITION: Some of the products.

Local businessmen to hold exhibition

Sowetan 17/8/83 (30)

By LEN MASEKO

THE SMALL Business Development Corporation (SBDC) has injected a hefty R6,3-million towards financing businesses in Soweto, including tycoon Mr Richard Maponya's giant shopping complex presently under construction in Dube.

This was disclosed by the corporation's senior executive, Mr Toni Kedzierski, who also named blind singer Babsy Mlangeni's nightclub-cum-shopping-centre as being among other SBDC projects in the area.

Mr Kedzierski said the company had so far assisted 131 black entrepreneurs who, in turn, had helped create job opportunities for about 1 000 people. Job creation costs stood at R6-million annually, meaning that a black entrepreneur spent an average of R6 800 on each employee in wages per year.

All in all, projects directly financed by SBDC include:

- Mr Maponya's R2-million shopping complex;
- Three industrial parks in Greater Soweto (Orlando West, Emdeni and Dobsonville;)
- Babsy's nightclub-cum-shopping centre; and
- A fast food outlet called Chicken Wa Macho in Dlamini township.

Said Mr Kedzierski: "We are building more structures in Orlando West so as to accommodate those black entrepreneurs whose businesses have outgrown the Orlando West/Industrial Park area. They will be allocated individual units soon after the structures are completed."

Meanwhile black entrepreneurs running small businesses at the Orlando West Park will hold a three-day exhibition, starting from tomorrow.

On display will be products manufactured by black industrialists themselves. The aim of the exhibition is to make the public and big businesses aware of the products manufactured at the centre, according to one of the organisers, Mr Max Legodi.

'Chaos' over new fuel price

CAPE TIMES 22/8/83

30

Staff Reporter

THE CAPE TIMES was flooded with calls yesterday from worried garage owners caught on the hop by the weekend announcement that the price of fuel was coming down today.

They predicted chaos at this morning's opening of the garages because they had not been informed of the new prices.

The confusion arose because garages have not been told the precise selling prices from today of 93 and 87 octane petrol. The earlier announcement by the Prime Minister, Mr P W Botha, said these would come down by "at least" four cents a litre.

The Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, said at the weekend that the reductions announced by Mr Botha would come into effect today, but did not give any further details.

The garage owners said they had tried to get hold of their oil company suppliers and motor industry representatives for information, but to no avail.

"We expected the reduction to come into effect only next month," one garage-owner said.

A spokesman for the Motor Industries Federation could not be contacted yesterday.

● The fuel price cuts as announced in Parliament earlier this month were (cents per litre): Petrol 93 and 87 octane at least 4,0c; petrol 98 octane 3,4c; diesel for non-road users 4,4c; diesel retail at pumps 3,8c; diesel wholesale to road-users 3,1c; power-paraffin and jet fuel 3,0c; paraffin retail at least 5,0c.

This would bring the coastal price of 93-octane down from 58,3 cents a litre to "at most" 54,3 cents and 98-octane from 59,1 cents to 55,7 cents a litre.

Petrol mix-up

Motorists who pay the old price are told to claim a refund

ARGUS 22/8/83

30

Staff Reporter

MOTORISTS buying petrol at garages which have not yet changed their pumps to the new, lower prices should ask for an invoice and claim a refund later.

The Director of the Department of Mineral and Energy Affairs, Mr Lourens van den Berg, said in Pretoria today that petrol should have been sold at the reduced price at all garages from opening time today.

While some garage owners reduced their prices, others awaited confirmation from oil companies and the Motor Industries Federation, and were still selling at the old price.

"Entitled to demand"

"Motorists buying petrol from these garages are entitled to a refund of the difference between the old and new prices, and motorists are entitled to demand to be reimbursed," Mr van den Berg said.

Because of the confusion associated with the sudden announcement that prices would be lower as from today, no garages still selling at the old price would be prosecuted. "We prefer to settle these things amicably."

There was widespread confusion about the new prices in Cape Town early today, with motorists buying at both the old and the new prices as bewildered garage owners tried desperately to get official confirmation of the exact price reductions.

Fear of big losses

Oil companies were still delivering petrol with invoices marked at either the old price, or no price at all, while garage owners fear losses "amounting to thousands of rands".

About half the central city, Gardens and Sea Point service stations surveyed today had already changed their pumps to prices reported in newspapers and on SABC-TV, but even they were not sure their prices were accurate.

One reason for the hold-up is that garages, "already operating on a very small margin", according to a spokesman for the Motor Industries Federation, face losses of up to R400 each because their tanks hold fuel bought at the old price.

Those garages which had reduced their prices were selling 98 octane petrol at 55,7c a litre; 93 octane at 54,3c, and diesel at 56,3c. Others were selling at the old price of 59,1c for 98 octane, and 58,3c for 93 octane.

(Turn to Page 3, col 5)

Garages confused over new prices

(Contd from Page 1)

A spokesman for the Motor Industries Federation said garages would have to carry any losses due to the price reduction until they could buy fuel at the new price.

He admitted that this would be balanced by profits made on old stock sold at increased prices in the past, but said many owners who would lose on today's reduction had not been in business when increases were announced in past years.

"Many garages also took a small loss when prices were reduced earlier this year," he said.

He emphasised that price reductions would be different for the various "grid areas" designated by the oil companies — for example, prices would differ in Cape Town and Gordon's Bay. Details are still to be announced.

A spokesman for the MIF head office in Johannesburg said: "Obviously, in the Cape the regional office was waiting for a date of application to be announced before sending circulars out. The sudden announcement on Saturday night caught them 'with their pants down', but all garages can be expected to be fully informed by tomorrow."

A spokesman for the Minister of Mineral and Energy Affairs said the new prices had been known to both the oil companies and the MIF "for some time". Only the date of application was new.

Big chains cut price of many foods

ARGUS 23/8/83

30

Consumer Reporter

A MAJOR price war has started among the four largest supermarket chains.

Pick 'n Pay slashed the prices of 150 items today and OK Bazaars plans big cuts tomorrow.

Grand Bazaars has cut some prices. Others are likely to be reduced soon.

Mr Gordon Utian, managing director of Checkers, said this was a competitive reaction to price cutting.

Mr Raymond Ackerman, chairman of Pick 'n Pay, said the cuts in his stores were in response to an appeal from the Government for retailers and manufacturers to cut prices following the decreased cost of petrol and diesel.

A senior Pick 'n Pay executive said the chain and some of its suppliers were cutting profit margins on certain items for a four-week period in response to the Government's appeal.

Sample reductions were a drop of 16c a kg on all brands of frozen chicken, 9c on a 2,5 kg bag of sugar and 8c on a 397 g tin of condensed milk.

Mr Aubrey Coppen, director of operations for OK Bazaars in the Eastern and Western Cape, said: "We are cutting our prices but so far we have had no reduction from manufacturers.

"We planned a big price-cutting campaign a fortnight ago, to take effect tomorrow morning when a wide range of prices will be reduced.

"If any manufacturers do cut prices, this will, as a matter of course, be passed on to consumers."

Sample reductions are frozen chickens down to R1.25 a kg from R1,45; a 300 g packet of frozen steakburgers down to 99c from R1,39 and a 200 g packet of Marie biscuits is down to 48c from 65c.

Mr Norman Bernstein, a director of Grand Bazaars, said prices were being cut in anticipation of lower prices from some suppliers as a result of lower petrol and diesel prices.

CAPE TIMES 23/8/83 (30)

Service stations lost thousands

By BRIAN GROBBLER
Motoring Editor

THOUSANDS of service-station operators yesterday collectively lost hundreds of thousands of rands as they were caught with stocks of petrol which they now have to sell at the new reduced prices.

But a spokesman for a major oil company said: "It is the first time our operators have lost money and in the past they made big profits with each increase — and there have been more increases than decreases. The minister never mentioned the date of the change, nor were the oil companies told.

"All we could tell our operators was to keep their tanks at normal until the change came. It is the duty of the Motor Industries Federation to advise their members of any price changes."

Confusion reigned in the garage business early yesterday as thousands of operators did not know what to do. The first announcement of the change on Monday morning came on SATV on Saturday night and was followed by reports on the radio on Sunday and early on Monday.

Mr George Beckman, chairman of the Motor Traders' Association (service section) in the Western Cape, said there had been tremendous confusion, as the only information was what was on TV and the radio.

"When we opened yesterday, we lowered our prices according to the news reports. The whole change was badly done and garage owners stand to lose hundreds of thousands of rands. We made it on the increases and now we have lost it on the decrease."

Mr Beckman, who operates a service station in the Gardens, said he had 37 000 litres in stock when he opened yesterday.

Mr Keith Bewick, public relations officer for Caltex, said it was good planning and strategy on the part of the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis.

"The minister obviously made his sudden announcement on Saturday night to prevent chaos in the petrol industry. If operators had known when the change was coming, they would have run their tanks dry and there is no way that the oil companies could have provided everybody with petrol yesterday, so there would have been shortages throughout the country."

Flood of calls

The Motor Industries Federation in Cape Town was flooded with calls from operators all over the Cape Province.

By mid-morning yesterday, the oil companies had advised operators in the 30 grids of the new prices. In Grid 1, which is the Cape Town area, they are 55,7 cents for 98 octane and 54,3 cents for 93 octane.

The difference between the octanes now moves from 0,7 cents to 1,4 cents and the oil companies and garage operators feel this will now encourage motorists to use more of the 93 octane instead of the 98 octane, which currently sells at twice the rate of 93.

Price war opens with stores 'busier than normal'

ARGUS 24/8/83

20

Consumer Reporter

SUPERMARKETS report that they are "busier than normal" today as a result of the price war that started this morning.

But they are expecting the main rush to start tomorrow or on Friday when people receive their monthly pay cheques.

The opening shots in the price war were fired by Pick'n Pay yesterday when deep cuts were made in the prices of about 150 items ranging from washing powder and toilet paper to sugar, instant coffee and frozen chicken.

SIMILAR CUTS

Some of the items had recently gone up and have reverted to the price levels of two or three months ago.

OK Bazaars is making similar cuts today.

Grand Bazaars has reduced some prices and is planning further cuts.

Checkers is also likely to introduce cuts and promotions to counter what the other chains are doing.

Even Woolworths has cut the prices of some basic items such as bread and eggs.

CAMPAIGN STARTS

A spokesman for Pick'n Pay said today: "There was not much response yesterday because our main advertising campaign starts today and many people were unaware of what was happening.

"But we are expecting a Christmas-like rush to start today. These are significant price cuts and we are sure many people will stock up."

He said there had been no falling off in sales to trigger off the price war.

"THINGS TIGHT"

"But things have undeniably been tight in the past few months and we have had to sell very aggressively.

"Manufacturers seem to have realised that they must cut their profit margins if they are to achieve the volume of sales they need.

"There have been comparatively few price rises in the past two or three months and they have been in the seven to 10 percent range."

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Transkei takes new loo

Fear of the little corner store — that usually integrated part of the community — dying with the entry of the business-gobbling large retail chains is as old as these capital-intensive institutions themselves.

Long arguments have been put forward about the role of the small businessmen whose commercial world seems to shrink with the entry of the chains that cater for the full range of consumer needs.

The question of cartels and monopolies and its effects on the consumers is being debated in South Africa now where seven major companies are said to control most of the commercial world.

Professor Stef Naude, of the South African Competitions Board, says competition has to be maintained and admits that economic concentration by a few has increased through takeovers and mergers.

These are the fears on which the Transkeian government's policy on the large retailers have been based.

Since independence Transkei has shielded small traders from what is often referred to as "unfair competition." But slowly such protection in a free market economy is being questioned.

An inkling of the new train of thought was given by the Minister of Commerce, Industry and Tourism, Mr Ramsey Madikizela, at a conference I attended at the Mzamba holiday resort.

Speaking on the question of trader protection, the Minister reminded traders that the government also had to look after the interests of the consumers and threw some light on the thinking about inviting in the large retail chains.

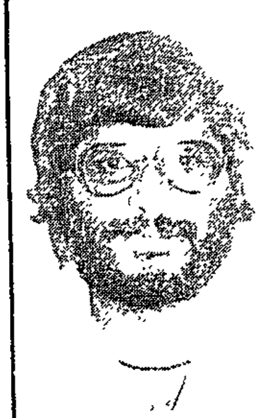
Now the government's thoughts have been quantified in a white paper on development priorities and public sector spending for 1983-1988.

The white paper says: "In view of the lack of capital and of modern management and business experience of all but a few Transkeians, there is a real danger that the operations of a completely free market economy would result in a greater part of the eco-

ɔk at trader protection

Should the large retail commercial firms be allowed to operate in black areas? Should black businessmen with their historically imposed limitations be pitted against the seven major companies which have virtually cornered the commercial market in South Africa through mergers and takeovers?

The debate raging in South Africa about cartels and monopolies and their effects on consumers is entering the Transkei scene where government weighs its responsibility to protect consumers, against its measures of trader protection from "unfair competition" instituted since independence.



MATTHEW MOONIEYA, who wrote this article, is head of the Daily Dispatch Umtata bureau.

nomy being owned by foreigners.

"At the same time it is recognised that outside investment is needed for the development of the Transkeian economy, particularly in the field of technical and management expertise.

"Here South African concerns in the wholesale and chain store business can have an important role to play in developing the business capacity of the commercial sector in Transkei.

"Government is, through the Transkei Development Corporation, exploring specific ways of bringing in such enterprises in the form of joint ventures to promote the development of commercial expertise in wholesaling and retailing.

"In the light of overall development priorities and the requirements for public sector funding of development in the non-commercial sectors of the economy, the government's financial commitment, through the TDC, to the commercial sector is to be reduced and spread more evenly, with the emphasis falling on after-care and training."

A director of several companies and corporations and a newly appointed alternate director of the Development Bank of Southern Africa, Mr Archie Nkonyeni, crystalises what he says is the gut reaction of those at the grass roots of the economy and those most adversely affected by big retail intrusion.

Mr Nkonyeni, a commerce graduate from the University of Cape Town and secretary of the Transkei Chamber of Commerce, argues that:

Divisive racial policies have superimposed themselves on economic operations in clearly defined racial areas, despite Southern Africa having an undivided economy; and

The problem is not purely an economic one and in the final analysis the only lasting solution will be the restructuring of the socio-political

MR MADIKIZELA

order in Southern Africa

"In the interim we can only formulate proposals which policy makers can use to base short-term strategies and plans on to lessen the upheaval that will accompany social transformation."

In his argument Mr Nkonyeni also takes an in-depth look into the structural and institutionalised hurdles in the path of black business entrepreneurship development which, he says, has been hamstrung by a plethora of laws which militate against it.

"But blacks have emerged as business persons in spite of various politically inspired legislative measures aimed at strangling their aspirations."

He contrasts the development of businessmen in the white areas and those in the black areas.

"The white areas have produced highly articulate retailers who have, with their expertise and stable funding, developed the large retail stores that have dominated the national scene for so long.

"Black areas have had to be content with a host of pedestrian businessmen operating from cramped shop sites, with no business know-how, little or no capital, no formal training or any form of preparation to operate effectively in a highly competitive market, but gifted with a will to succeed which has surprised even the most ardent critics.

"Let those who wish to go ahead and accuse the black retailer of lack of initiative or entrepreneurial innovativeness, but I defy any retailer of whatever experience to develop supermarket operations in the black townships (with their peculiar and other legal constraints) in the manner and time frame in which our people have made this attempt."

Mr Nkonyeni points to the gross imbalances of the black-white market share Projections are that black spending power will equal white spending power by 1985. but 90 per cent of the market will be captured by the white businessmen

He also addresses himself to the arguments to justify white intrusion in black areas

It is a component of the free enterprise system;

Material prosperity of the people; and

Better prices of chain stores.

Mr Nkonyeni cannot reconcile the profit-motive which retailers pursue on their entry into black area with a "Father Christmas" attitude, while he admits that prices can be better at the big chains largely because of economies of scale

But argument on the free enterprise system is for him the unkindest of all and he quotes a representative of a large retail store as saying they cannot be party to the creation of an artificial monopoly in favour of other businesses whether big or small and that competition on the basis of quality and service is the only way to build up industry and the only way to meet the needs of the market place.

Mr Nkonyeni says: "This is a valid argument but one wishes it had also been used to attack the exclusion of blacks from the central business district. His company probably owes its size and position to the same protection it now wishes to denigrate."

He takes issue with black-white partnerships on the grounds that:

Whites enter the formal tripartite partnership largely for the profit motive which cannot be discarded after transfer of expertise to blacks;

The informal partnership appeals to the baser instincts in the small black trader of no work, no risk, no investment but a good return for use of his occupational and trading rights; and

The border chain where whites do not go through the rigmarole of trying to get into black areas but merely set up shop on the borders and siphon off black trade.

"If we are looking forward to a peaceful Southern Africa in which business can enjoy the confidence it requires to operate unimpeded, we must look carefully at the need for redistributing the economic cake. And one of the means to achieve this is a more equitable distribution of business opportunities which, in the light of our past history, is not going to be possible unless we 'temporarily control' free enterprise to make it truly free.

"If we believe that a black retailer has a role to play in the economy, then we should not embark on a course that is going to eliminate him from the scene.

"Black businessmen need not be apologetic about a 'discriminatory approach'. If we are going to move towards meaningful competition, something like American's affirmative action approach will be necessary to bring the underdog to a position where competition will not be one sided."

MR NKONYENI

In conclusion Mr Nkonyeni says it must be made abundantly clear to white entrepreneurs who often pretend to be apolitical and enlightened that the black man in South Africa has been stripped of all means of bargaining with his white counterpart except in two areas: trade union power and purchasing power.

Hope of early upturn fades as sales falter

W/E ARGUS 27/8/83 30

By DEREK TOMMEY
Financial Editor

BUSINESSMEN are waking up to the fact that there will be no speedy economic recovery in South Africa.

The euphoria generated earlier this year by the upturn in the American economy and lower interest rates at home is rapidly evaporating under the impact of sharply dropping turnovers in most sectors of business.

The latest general sales tax figures, which reflect the level of business in all sectors of the economy, show that sales in real terms are well down on last year.

Tax rate

In June, GST produced R295,3-million which was only 2,7 percent up on a year ago.

This was in spite of the 20 percent increase in the tax rate and a 12 percent increase in prices.

The drop in business activity is attributed to several factors.

Among these are:

- The failure so far for South Africa to share in the United States economic recovery.
- The drought which has drastically reduced farmers' incomes.
- The Government's monetary policies which are resulting in high interest rates.
- The squeeze on personal spending.

Fiscal drag

South Africans have found the going increasingly difficult this year.

The unchanged tax rates and the resultant fiscal drag together with continue high inflation have taken large chunks out of most people's incomes.

At the same time the lower level of economic activity has curbed many people's earnings, either through their receiving reduced bonuses and commission or in more drastic cases, through losing their jobs.

Reports from industry indicate that a substantial number of people have become unemployed in recent months.

House buyers

Moreover, many house buyers are having to dig more deeply in their pockets to meet the increased cost of their mortgage bonds.

Meanwhile, hopes that the Government might come to the rescue of hard-pressed industry and commerce with an easier monetary policy were dashed this week.

The governor of the Reserve Bank, Dr Gerhard de Kock, reiterated at the bank's annual meeting that the Government believed the best way to get the economy working was to reduce the inflation rate.

As a result there would be no easing in the monetary policy as this would be inflationary.

The plight of the South African businessman was summed up this week by Mr A J M de Vries, deputy-director of the Bureau for Economic Research at the University of Stellenbosch.

He said for the next 12 months survival would still be uppermost in the minds of the greater part of the private sector.

The effects of the tighter monetary policy applied in recent months must still have its effects on the domestic economy, leading to a disappearance of signs of a recovery.

Export earnings

But he does not expect this situation to last for long.

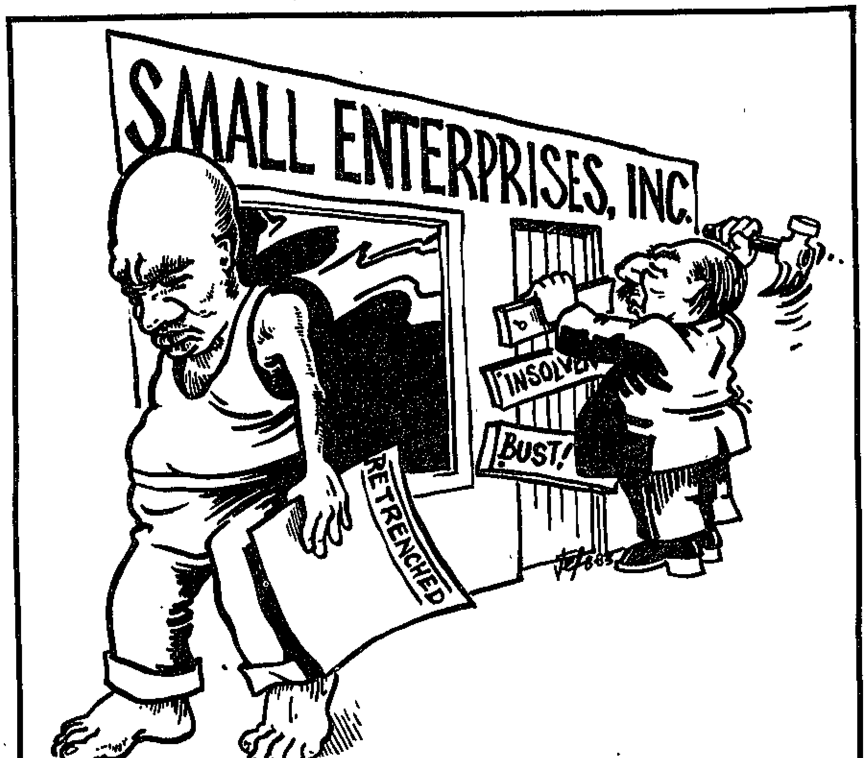
Export earnings should start to improve later this year and the authorities should start reflating at about the same time, leading to some improvement in the economy by late next year.

STICK IT OUT!

30

But the drought and recession have already killed many small businesses

By DEON DELPORT



Pieter Fourie, businessman, greeted the big farmer who entered his small-town hardware store.

Behind the customer the sun beat mercilessly on the dusty street.

"Pieter...I am sorry, things are not going well on the farm...the drought...I cannot pay my debt," said the burly man, awkwardly fiddling with the brim of his hat.

Fourie nodded, the farmer stumbled out. The trader turned abjectly to where his wife was watching.

Instead of railing against him for being soft on his customers, she shook her head, trying to stem the tears. They both knew that similar tense encounters would occur and they could not go on.

"We're finished as well. Let's close up shop," he said.

Scenes such as this are being played out all over the country as the drought and the recession continue to push smaller businesses to the wall.

In urban areas, often the man being liquidated is a builder, small retailer or former artisan who broke away a few years ago to begin his own business.

Henk Vernhout, a Durban credit manager and business manager of the Institute of Business Managers, said: "We have not seen the worst yet. The effect of the drought still has to make itself felt."

Neville Rubinstein, liquidator for the Board of Executors, said: "The startling speed with which interest rates are rising again is going to be a severe blow for those businesses that function on borrowed capital. We can expect an appreciable increase in the number of insolvencies."

Survival of fittest

Although some commentators defend the working of the free market mechanism to ensure the survival of the fittest, most acknowledge that the tragedy extends beyond the individual businessman.

Willie Conradie, general manager of the Small Business Advisory Bureau, said: "Small businesses make up 80 percent of the business sector and employ a significant number of the workforce."

Selwyn Trakman, director of the Highveld Trust and Management Company, said: "If a firm goes bust then his staff also sit without work or salaries. It then becomes a vicious circle: the retrenched employees are also consumers; other traders lose turnover and feel the pinch when they have to pay merchants and their bankers."

He had recently been involved in the liquidation of a medium-sized company and had to lay off 100 unskilled workers.

"Where are they going to get jobs?" he asked.

An economist for the Associated Chambers of Commerce (Assocom), Bill Lacey, said businesses in towns with a high proportion of imported labour, such as the mining towns of the northern Free State, were suffering because of the changed buying patterns of migrant workers.

"Because of the drought many of the black miners are remitting virtually their entire salaries to families that have been left in the homelands," Mr Lacey said.

The Government's Central Statistical Service says liquidations of companies have risen by 22 percent, totalling 815,

There's worse to come, traders warned

in the first four months of this year, compared to a total of 663 for the same time last year.

Insolvencies of private individuals and partnerships totalled 183 in the first three months of last year against 310 for the same period this year, an increase of 69 percent.

Civil sentences on companies for debt is up 15 percent for the first three months of the year while the number of summonses issued against companies rose by more than 51 percent in the first two months of the year compared to last year.

Small businessmen were being pushed to the wall because of the policies of big customers, such as big businesses or the public sector, said Dr Conradie.

"The small man delivers his goods or services to them but they hold back on payment. An official in the public sector might have had his budget tightened, so he stretches out payment. Big businesses are also being hurt by the recession."

Mr Vernhout said: "To expect the small operator to give credit to the big guys in very unfair. He does not have the capital behind him and cannot pay for his supplies."

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Business loans increase

By LEN MASEKOE

DESPITE the sharp downturn in the economy, the Small Business Development Corporation (SBDC) handled more loan applications during the previous financial year.

According to the corporation's annual report, about 1 150 loan applications totalling more than R78-million had been made to the SBDC, with loans totalling about R24-million having been granted to entrepreneurs in the past two years.

The loans granted were for the establishment of the following businesses: Trade (R5,4-m); service industries (R2,7-m); catering (R1-m); construction (R747 000).

Among the recipients of the SBDC loans are Soweto tycoon Mr Richard Maponya whose giant R2-million shopping complex is nearing completion in Dube.

Last week the infant black industry received a major boost with the opening of the second phase of the Orlando West Industrial Park. This park, including two others in Emdeni Extension and Dobsonville, is among projects directly financed by the SBDC.

The Orlando West project now provides employment for 404 workers who are employed by 58 black entrepreneurs involved in 12 different types of business. Job creation costs thereof are estimated at R6-million annually, with a black entrepreneur spending an average of R6 800 per employee a year.

Altogether, SBDC-assisted businesses have created employment for more than 18 000 workers throughout the country.

Meanwhile the National Federated Chamber of Commerce (Nafcoc) sees the building of industrial parks in black areas as a long-term investment that will cater for the present and future black industrialists.

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Dawie rejects Kitso appeal

20/8/82 (30) Sowetan

THE Minister of Tourism and Industry, Dr Dawie de Villiers, has rejected an appeal by Soweto businessman Mr Kitso Makume, for the return of his five vehicles and liquor — all worth R80 000 — which were confiscated by police last year.

Four trucks and a Mercedes Benz sports car belonging to Mr Makume were confiscated during a raid on shebeeners by police late last year. Over 1 000 dozen beer quarts, 64 dozen pints and 9 dozen bottles of spirits were seized.

After the raid, which has been described as the biggest ever against one man, Mr Makume made an urgent application to the Minister for the return of his property. In the application he denied being a shebeen king. His business, he claimed, was to transport liquor to those shebeeners who did not have motor cars.

He had also claimed that two motor cars confiscated belonged to other people who were not involved in the business but after investigations police found that all vehicles were his.

Three of Mr Makume's cars, including the Mercedes Benz, have been taken over by the State and the rest were taken over by banks he owed.

According to a police spokesman, the liquor will be thrown down the drain in the next few days.

Meanwhile, Mr Makume who claims he expected the Minister to reject his application, said he would be approaching his legal team soon with the hope of taking the matter to an open court.

CAPE TOWN. TEL: 22-1782.

CAPE TIMES 30/8/83

(30)

Garlicks profits up 24% — dividend raised

By PAUL DOLD
Financial Editor

TIGHT control of expenses and stock helped Garlicks post a 24 percent rise in taxed profits in the past year in spite of dull trading throughout the retail trade and the dividend is being increased.

The chairman, Mr John Garlick, reports that operating profits lifted 17 percent to R7,5m (R6,4m). The percentage rise at the taxed profits stage accelerated 24 percent to R3,6m (R2,9m) due to a lower lifo adjustment.

This in turn reflects that stocks remained unchanged in spite of the turnover and profit increases. Lifo actually fell from just over R1m to R778 000.

Earnings per share for the 12 months were 117,2c as against 94,2c and the final of 26c makes a total for the year of 44c as against 40c last year.

Garlicks Consolidated the pyramid which owns 60,1 percent of the operating company has reported pre-tax profits of R803 000 from October 22 to June 30. Taxed profits were R798 000 and a final of 8,30c is being paid making a total of 14,05c.

Shareholders will have to wait for the annual report for further details of how the stores performed but I understand the new store at Cavendish Square traded well ahead of expectations.

Mr John Garlick referring to current group trading said last night that while July had been a poor month throughout the trade August had been considerably better. It was too soon to predict when the general recovery in the retail trade would take place. Economists were continually pushing back the date for the economic upswing.

Comment: The results again underline Garlicks' expertise in the field of department stores and with the bulk of the retail trade reporting substantially lower profits and turnovers the profits are impressive.

30

Breweries back down on offer

Staff Reporter

PROTESTS by small liquor retailers over a "conditional discount" of five percent offered them on 340ml bottles of beer resulted in a capitulation by Ohlsson's Breweries yesterday.

A condition of the discount was that a minimum of 144 cases of the dumpies be bought at one time, promotional pamphlets told liquor retailers last week.

One small retailer, Mrs Helena Nel, co-owner of the Marine Bottle Store, Simon's Town, termed the campaign "force buying".

"I don't have the space nor the money to buy in such quantity. They are victimizing the small retailer and I would have to reduce my profit to compete with the chain bottle stores."

The pamphlet sent to liquor retailers said the promotion would "play a part in fighting inflation and give the hard-pressed consumer a greater incentive to increase his purchase of beer and for you to increase your profits during this difficult trading time".

An urgent meeting with the manufacturers was called by the Western Cape Hotel, Bottle Store and Restaurant Owners Association yesterday to clarify the position.

According to the chairman of the association, Mr Steven Rom, Ohlsson's Breweries had given an undertaking that any retailer taking part in their promotion would qualify for the discount. The promotion offers, among other things, prizes for window displays.

"They gave us an undertaking that the discount was not a permanent reduction and anyone entering would qualify for the five percent discount. They agreed that at no time could they stipulate conditions."

Mr Rom said he believed the stipulation could have been against the Competition Board rules.

"It's a free-enterprise system — you can't have conditional buying or selling," he said.

When contacted, Mr Raymond Howard, marketing manager for Ohlsson's Breweries, Western Cape, said his company's main intention had been to help the consumer.

"It is not a long-term reduction in price but a promotional campaign."

FM 2/9/83 (30)

BLACK CONSUMERS

Louder voices

Dissatisfied black consumers should soon have a new representative body dedicated to helping them win a better deal. To be known as the Black Consumer Movement (BCM), it plans to start operating early next year, according to president Eldridge Mathebula.

BCM's long-term objective is to open consumer centres in Soweto, Tembisa or Alexandra This will be followed by outlets nationwide and free distribution of a monthly newsletter in English and an African language

It plans to work closely with the National Association of Federated Chambers of Commerce (Nafcoc), which has offered BCM office space in its premises in Johannesburg's Kine Centre. Nafcoc has also promised financial backing and support, and details of the arrangement will be decided later this month.

Mathebula says a six-man executive and a 12-man advisory committee have been appointed. Several people have offered their services free and unhappy consumers are already sending him complaints

A sales correspondent with the Frame group, Mathebula became interested in consumer affairs while studying at the Institute of Marketing Management. He says the furniture industry and the township food retailers will be the first to be scrutinised.

Ignorant of rights

Blacks, he adds, are often ignorant of their rights when buying on HP. And food in black urban areas is often "horrible and of a very low standard," he says, because shopkeepers typically sell food well after the expiry dates.

Critics say there are already enough consumer bodies in SA. But Mathebula contends that established organisations are ineffective and there is a need for new blood. He says the SA Co-ordinating Consumer Council has invited BCM to work with it, but BCM will decide on this later.

A Consumer Council spokesman says he welcomes the BCM. "It is tremendous to see consumers getting together and showing muscle." But, in his opinion, there is no need for another consumer body and funding will be a problem The Consumer Council handles an average of 450 complaints monthly, many of them from blacks.

FASHION

New contender

Calvin Klein designer jeans and garments are to be made locally by Durban-based Kingsgate Clothing, one of the largest privately owned clothing manufacturers in SA.

Said to be top sellers in the US designer jeans market, they will do battle with other international names already established in SA such as Pierre Cardin, Yves St Laurent and Christian Dior.

The US company will supply the designs and monitor quality standards of the locally manufactured goods. It will also provide advertising material for TV, screen and radio.

And to give the new label an upmarket image, an exclusive Calvin Klein boutique, handling imported wear only, is to be opened in Johannesburg

A Kingsgate spokesman says: "We intend putting the range into all the right stores We don't want it to become just another name and end up on the supermarket shelves. The image has to be retained."

Locally made Calvin Klein designer jeans selling at about R40 a pair should be on the market in January.

PROTECTIONISM

Counting the cost

The first interim report of the Bureau for Economic Policy and Analysis (BEPA) on the effect of protection of agriculture contains a major shock for consumers.

It discloses that protection of upstream industries inflated the cost of intermediate farm inputs by about R221m (6,9%) in 1982 — or by R145m (4,4%) if the import surcharge on dips and sprays and fuel levy contributions to Sasols 2 and 3 are discounted.

On the other hand, however, tariff protection of local crops handed farmers an additional R916m in roughly the same period. In other words, they received nearly R1-billion more for their products than if they had been exposed to the full blast of international competition This is the political premium domestic consumers have had to pay to give effect to government's determination to keep farmers on the land. BEPA calculates that in the year 1981/82 the total value of agricultural production was R7 139m

The sectors which benefited most in 1981/82 were wheat (R111,4m), flue-cured tobacco (R24,2m), beef (R315,3m), mutton and lamb (R81,8m), dairy products (R57m), broilers (R116,3m) and sugar (R176m).

The average price difference between SA products and the landed cost of competitive offerings in that year was 28,1%. The report says that 75% of SA agricultural production (by value) is controlled by the control boards who regulate the volume of farm imports. Imports of products which they do not control are regulated by the Department of Agriculture.

The interim report on protection and agriculture has been produced urgently, in response to mounting protest from farmers that protection of locally produced inputs is fuelling inflation at home and pricing farm exports out of world markets. SA's 7 000 specialist maize-growers are in the vanguard of the protest movement.

Not unexpectedly, the BEPA study vindicates the gripes of mealie farmers — up to a point. The report says maize-growing, the most extensive in the farm sector, is most adversely affected by protection of domestic inputs. The biggest of these is fertiliser, which accounted for R384,9m of total intermediate input costs to maize-growers of R860,1m in 1982-1983.

Maize production accounted for 60,2% of total SA fertiliser consumption last year. Protection of the fertiliser industry raised growers' costs R45,4m or 11,8% of actual cost.

Exchange rate

By BEPA's estimate, the absence of protection would have pared growers' total input costs by R83,2m or 9,7% of the total.

The report says this figure is not realistic so far as input costs of farm implements and maintenance and repairs are concerned because it includes the effect of farmers' stockpiles of tractors with imported engines. Once growers are forced to take tractors with ADE engines, the cost of inputs will rise about 16%.

The basic problem, says BEPA, is a structural distortion. In normal circumstances, it would be reasonable to assume that a country's exchange rate would automatically compensate for differences between domestic and foreign rates of inflation — but only in economic sectors whose comparative advantage in international trade suffered no deterioration. In the case of agriculture, due to a profound shift in comparative advantage since the

Tobacco farming . . . behind the barriers

Link up with blacks, businessmen told

(30) RDM 3/9/83

Mail Correspondent

PORT ELIZABETH. — By "linking arms" with black businessmen, white companies could help to bring competitive prices to blacks — consumers most in need of lower prices — Mr Raymond Ackerman, managing director of Pick 'n Pay stores, said this week.

Speaking in Port Elizabeth to the Institute of Citizenship, Mr Ackerman said black extremists argued that because blacks were not permitted to trade in white areas, there was no justification for allowing whites to have a foothold in black areas.

He said certain blacks accused his company of wanting to trade in black areas "only for the profits" and extremists intimidated black businessmen prepared to participate with whites.

These people were trying to polarise businessmen of different races, and low prices were prevented from reaching the consumer who most needed them, he said.

Lower prices could be brought to poorer areas by "opening all areas to all races immediately" and by "going in with black businessmen on a 49% basis for 10 years," he said.

Accusations that one was propping up the system by doing good work were "an excuse to do nothing," he said.

Businessmen had a social responsibility and it was therefore impossible for a businessman not to be a politician, he said.

It was the role of businesses to become become involved in housing, education and training schemes, said Mr Ackerman.

Hypermarket in Bisho 'no threat' — KWT Mayor

30 ~~10~~ C. Post 3/9/83

By KEITH ROSS

EAST LONDON — The news that a major hypermarket will be built in Ciskei's capital, Bisho, was received calmly by civic and business leaders in King William's Town yesterday.

The Mayor, Mr Ray Radue, said he did not see a hypermarket just outside King William's Town as a threat to local business.

The agreement on the hypermarket was signed in Cape Town yesterday by President Lennox Sebe and Mr Raymond Ackerman, chairman of Pick 'n Pay.

Mr Radue said: "The more competition we get from the major chain stores in the area, the more it will benefit the consumer."

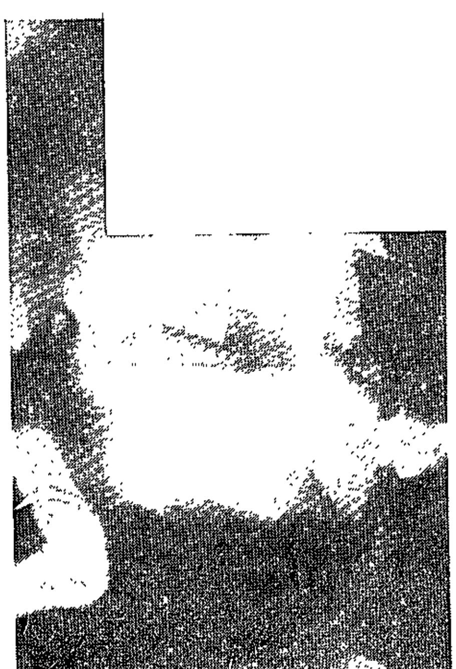
He believed the competition provided by a major hypermarket on the doorstep would not unduly worry King William's Town with its "vibrant economy".

"This has been one of the fortunate towns that did not go through a slump while others did," he said.

"The development of our central business district can leave no doubt that people have confidence in King William's Town. We also have plans for other major developments in our central area."

The chairman of the King William's Town Chamber of Commerce, Mr Stuart Boucher, agreed generally with Mr Radue, but admitted that it was impossible to predict the effect the hypermarket would have on business in the town.

He did expect a "bit of a reaction" from the businessmen of the town, but thought competition was stimulating.



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Mr Ephraim Tshabalala . . . the party's president.

Bottle stores sale: R54-m will be lost

Sowetan 5/4/83

THE government was looking at ways of obtaining alternative funds to replace the much-needed R54-million for black development that will be lost with the sale of Wrab-owned bottle stores to private individuals.

This was told to a Sofasonke Party delegation which recently met the Director of Local Government Mr D J Higte. Sofasonke, which was led by the party's PRO, Mr Ambition Brown, went to Pretoria to protest against the mass sale of liquor outlets. They said the sale would deprive people of much-needed funds.

30

According to Mr Brown, the mass sale of bottle stores meant that R54-million earmarked for black development would not be replaced. Of this 20 percent was being spent on development in the urban areas and the rest was reserved for the homelands.

Mr Makondeleli Muthambi and Ms Busisiwe Ethel Ntuli, who received diplomas in personnel management and were also medal winners in the course.

Maubane lashes sex for jobs

By MONK NKOMO

THE managing director of the African Bank, Mr Moses Maubane, lashed out at certain black personnel managers and officers who victimised and sold jobs to their own people.

Speaking at the School of Business Leadership award-giving ceremony held at the University of South Africa, Mr Maubane condemned practices by certain personnel officers who also demanded sex from women — including married mothers — in exchange for jobs.

Referring to the 36 students who were awarded diplomas in personnel management, Mr Maubane said: "These practices of selling jobs and demanding sex are undesirable and undermine your image. As professionals you must appear to have the highest standards of behaviour.

A total of 56 students were awarded diplomas in personnel management and small business management. Ms Busisiwe Ethel Ntuli, a social worker staying in Dube, Soweto was declared the winner of the small business leadership board medal for the personnel programme after obtaining six distinctions.

Mr Mukondeleli Joseph Muthambi, a businessman from Sibasa in Venda was voted the best student in the small business management programme. Mr Mathambi who is presently studying for a B Com degree had obtained four distinctions.

Mr Maubane also told the more than 200 people who attended the ceremony that South Africa was faced with a critical problem of unemployment and an economy excarcebated by drought. Today's students, he added, were faced with a bleak future and unless a tremendous effort was made to create job opportunities "the conditions in the country will not be conducive to stability."

He added: "It is a known fact that blacks have, for a long time, been discouraged by certain laws of this country not to involve themselves in business. Authorities must utilise black management potential to make South Africa an economic giant".

Manpower indaba

THE MANPOWER and Management Foundation will present a seminar entitled "Industrial Relations - Is your Management team Ready for the Mid-80's?" at the Southern Sun Airport Hotel on Tuesday and Wednesday.

The seminar will take the form of a workshop in which various speakers will identify the needs and problems of different levels of management involved in industrial relations, from the chief executive to the first-line supervisor

The first day of the seminar will be devoted entirely to those levels of management where industrial relations are theoretical and remote rather than the practical face-to-face situation.

Prof Dick Sutton of Unisa's School of Business Leadership said that certain newer increased pressures are likely to develop in the industrial relations scene and that these will place a different emphasis on industrial relations training needs

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Union says firm could save jobs

Sowetan 5/9/83

WHILE the National Automobile and Allied Workers Union (NAWU) appreciates that Sigma management has decided to cut the number of workers to be retrenched to . . . and their families who will definitely not experience any Christmas cheer.

Sigma said it was reducing the number of the retrenched workers because of . . . less than one month's wages, leave pay and a pro rata share of the year-end bonus Those who qualify by service would receive payment from the corporation's supplementary . . .

Chatsworth traders to oppose chains

30

Mercury 5/9/83

Mercury Reporter

THE Chatsworth Traders Association, representing more than 250 shopkeepers, plans to hold a public meeting this month to oppose Durban City Council plans for mixed chain stores in the area.

Many shop owners fear that large supermarkets would seriously affect their shops and threaten their livelihood.

'The days of family and corner stores in Chatsworth will be numbered once big timers such as Pick 'n Pay are allowed to come in,' a pioneer shopkeeper said.

Mr Daddy Naidoo, chairman of the Chatsworth Traders Association, said his executive would meet on Wednesday to plan a meeting of all traders in the area to be held later in the month.

'These are crucial times for the area's shopkeepers.

'We are pleased that many residents are standing by their traditional storekeepers and have expressed full confidence in their services,' he said.

A joint meeting of the council's Management Committee and Southern Durban LAC decided recently that there must be a mixture of giant supermarkets and small shops in sprawling Chatsworth's proposed township centre.

It was also decided to open businesses to all races but major shareholdings in any business groups or consortiums that may want to build supermarkets in Chatsworth must be in Indian hands.

Sensible

'This is very sensible and welcome and is in keeping with our stand that commercial undertakings must be open to all races,' Mr Thulkanna Palan, chairman of the LAC, said.

Giant stores were bound to help tens of thousands of housewives who at present patronised supermarkets outside Chatsworth. 'While large supermarkets act as the nucleus for trade the small shop keeper will also benefit,' he said.

Mr Palan said the time had come for Indian shop owners to start pooling their resources to join hands with experienced entrepreneurs from other groups to start 'big-time' shopping ventures.

Pick 'n Pay's Natal general manager, Mr Colin Clarke, has said his group would be interested in opening a modern supermarket in Chatsworth on the basis of Indians holding 51 percent of shares in a company to be formed and his group holding 49 percent.

"As the job evaluation project progresses, the benefits will also extend to other grades."

Mr Schoeman said he had met representatives of the various staff associations on Monday for final talks and that, in spite of a "deficit situation" on the transport services, he had decided on a 12 per cent increase.

The head of the Economic Research Bureau at the University of Stellenbosch, Professor J. L. Sadie, said the increases would be inflationary.

The economy was in the grip of a perpetual spiral of price increases followed by wage increases, he said.

Professor Sadie said the increases would also create a more favourable climate for the government in the November 2 referendum.

"And the politicians could hardly have accepted their increases, which came into effect in July, without giving something to the people they employ," Professor Sadie said. — PRS-DDC.

to use a shotgun. They are being trained on President Sebe's farm near Izeli to help with state security. Report page 3.

mouth by next spring — SAPA-AP

Mr Alton Bunge, who lives on a property he

EL trade hit by bus boycott

D. Dispatch 7/9/83

(30)

EAST LONDON — Merchants here are reporting significant — and in some cases, huge — drops in sales and customer traffic, and all agree that the Ciskeian bus boycott is the cause.

A survey of local merchants conducted yesterday found that business at some shops had dropped by as much as 80 per cent — according to shop-owners' estimates — since the boycott in protest at a bus-fare increase began in mid-July.

Businesses most severely affected appear to be concentrated in the North End and Buffalo Street shopping areas. Both these areas normally rely heavily on black trade, and depend to a large extent on "passing trade" going to and from nearby bus stops or terminuses.

Both areas are also inconveniently located in relation to city train stations.

With black commuters now relying almost exclusively on trains, many North End and Buffalo Street merchants have seen their passing trade practically vanish. And they point out that the daily schedules of many commuters have been so upset by the boycott that they are unable or unwilling to linger in the city long enough to do much shopping there.

"They're going straight from work to the railway station now," said Mr Ulam Bhana, manager of a clothing store in Porter Street near Buffalo Street. "My trade is about 90 per cent black, and business has been off by about 20 per cent since the boycott began," he said.

For the manager of a furniture store at the corner of Stephenson Street and Buffalo Street, the boycott has had a "tremendous effect".

"August was a complete bomb-out. There's just no way I can go on living with a turnover like this," he said.

For half-a-dozen other Buffalo Street merchants interviewed yesterday, the word chosen repeatedly to describe the effect of the boycott was "drastic."

"Every day we hope that things will turn around," was how a Buffalo Street fruit and vegetable merchant — whose trade had dropped by between 30 and 40 per cent — described the general feeling.

In the North End, general dealer Mr C Geyser said he thought the entire business area would "close down soon" unless the boycott ended, allowing business conditions to return to normal.

"We are totally dependent on the buses for trade. For me business is down 70 to 80 per cent. I've cancelled all my outstanding orders — R95 000-worth," he said.

He said businessmen would reach a critical point in about three weeks' time, when they would have to decide whether to make their usual Christmas orders in the hope that conditions would recover in time for the Christmas shopping period.

Nearby at the Oriental Plaza, fruit merchant Mr Teggie Padayachee said that his trade had also been down by about 80 per cent since the boycott began. Other North End merchants also reported substantial declines in business.

For Mr Geyser, the explanation was simple: "The minimum number of people are staying in town. They're going to the trains as soon as possible."

For more centrally located businessmen — such as those in Oxford Street — the effects of the bus boycott appear to be less dramatic and less consistent.

Many said yesterday that they had noticed little or no decline in business and one or two said that business had in fact improved somewhat since the boycott began.

However a few, including managers of a major department store and a major women's clothing store, said they had seen a small but significant decline in trade.

Almost all of the merchants surveyed yesterday said that their black staff members had periodically been arriving late for work since the beginning of the boycott. — DDR

See also P3:
Editorial opinion P14

Drought: good and bad news

PRETORIA — First the good news. If previous rainfall patterns after a drought hold good this year, the present drought could be broken by October 10.

Now for the bad news. Even if the drought is broken and abundant rains fall they will still not be enough to fill even the Vaal Dam.

The good news and the bad news were disclosed yesterday by a spokesman for the Weather Bureau.

He said there was no real way of forecasting rainfall for the next season.

The tendency in the past, however, was for drought to be followed by above average rainfall.

But even this happened in only 70 per cent of cases, he emphasised. The 30 per cent factor was crucial.

The spokesman said summer rains this year were not overdue as they only started falling in October.

He said October 10 would be the day the country would know if the drought would be broken.

"However one must remember that even the normal summer season rainfall will not be enough to fill the Vaal Dam in the critical situation in which we find ourselves.

"Water restrictions will still have to be retained," he said.

"So while there's optimism on the one hand I'm afraid it must be tempered with pessimism."

24 quit HNP for CP

PRETORIA — The annual congress of the Herstigte Nasionale Party got off to a shaky start here last night with 24 delegates crossing over to the Conservative Party.

The dissidents, led by former HNP parliamentary candidate Mr Johan Language, wrote a letter to the leader Mr Jaap Marais, condemning the HNP's "smear campaign" against the CP, and said the HNP no longer had a future in South African politics. — SAPA

SOWETAN, Wednesday, September 7, 1983 Page 3

Bottle stores battle

30

SOWETO Council chairman, Mr David Thebehali, yesterday dismissed claims by his political rival, Mr Ephraim Tshabalala, that 80 percent of profits accuring from the sale of liquor from Soweto Council bottle stores was used for the development of homelands.

He also said that he opposed the intended mass sale of bottle stores owned by the council because he thought it would be wiser for the council to use liquor profits to pay off the electricity loan debt.

He added that the Soweto Council was making R54-million from the sale of liquor and that if properly used, it could help the council out of its debts.

Mr Thebehali said it was an absolute lie that his council was making R54-million in liquor sales. He said the sale of liquor realised between R35-million and R40-million a year and the council's profit was about R1,5-m.

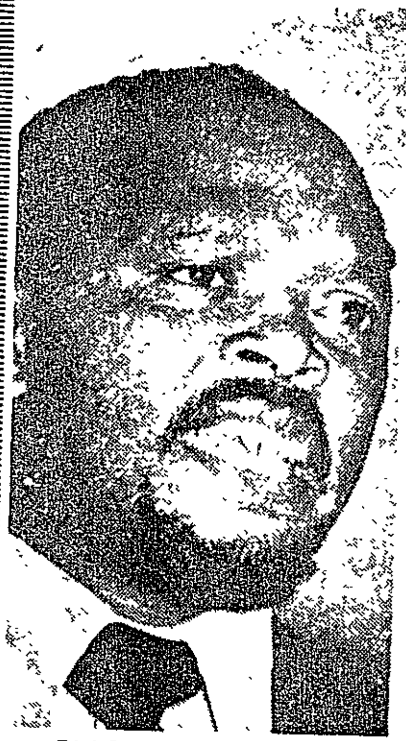
"We are going to sell these bottle stores because to us as a council, they are an economic burden. We have to pay high insurance premiums, employ security staff and should one beer bottle drop and get broken, it has to be reported to Pretoria.

"You can imagine the lengthy procedures we have to go through almost every day. That consumes time and wastes a lot of money because staff has to be paid.

"Mr Tshabalala is just being impossible. He is the only one who owns a bottle store in Soweto and because he wants to remain the only one forever, he opposes the sale of bottle stores to other people," he said.

 Sowetan

Thebehali to be sued for remarks about Blackchain


BLACKCHAIN: Mr Majola.

THE CHAIRMAN of the Soweto Council, Mr David Thebehali, is being sued for R20 000 for describing Blackchain, Soweto's first and biggest shopping complex, as a "white front."

The action for defamation against Mr Thebehali arose from a statement he made earlier this year that Blackchain was a white owned establishment.

Yesterday Mr Thebehali confirmed that summonses have been served on him and that he would defend the action.

By ZWELAKHE SISULU (30)

Blackchain has consistently claimed that its directors and employees have administered its affairs so that no white person(s) or company has at any time owned shares in Blackchain.

In his statement Mr Thebehali had said that special permission had to be obtained from the Minister of Co-operation and Development, Dr Piet Koornhof, before the Blackchain shopping centre could be established, since it was a white company intending to operate in a black residential area.

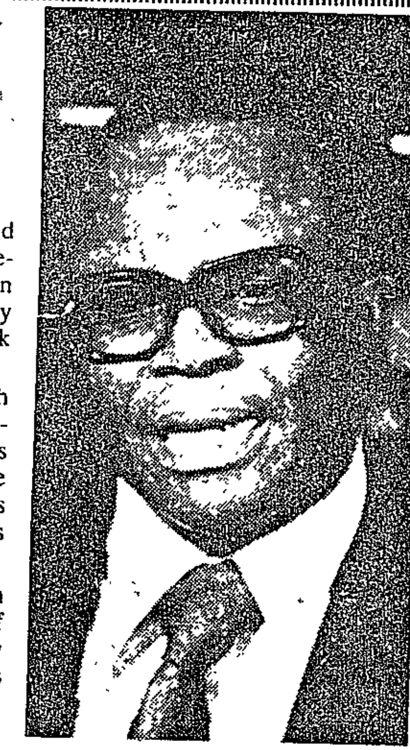
He also said because the centre was not owned by blacks, the site on which it was built was not obtained under the 99-year leasehold system.

Mr Thebehali's allegations created a stir when they were made in April.

Following Mr Thebehali's statement, the managing director of Blackchain, Mr Q H Majola denied Mr Thebehali's allegations and said the entire shareholding in Blackchain was owned exclusively by members of the black community.

"Blackchain, through its directors and employees has administered its affairs so that no white person or company has at any time owned shares in Blackchain," he said.

He said Blackchain enjoyed the goodwill of the black community and of its shareholders because it was black owned and controlled and managed by blacks.


THE 'MAYOR': Mr Thebehali.

Treason trial told of weapons in grave

COURT DRAMA

231
~~231~~

Sowetan 7/9/83

(6) (a) and (b) No, not at present. Contractors have already started with a water supply scheme comprising a 360 kl tower tank and a pipeline from the water supply scheme for the Addo area presently being constructed for the Winterhoek Divisional Council. Tenders will be called for soon to commence with the installation of the internal water reticulation.

339 Hansard Q. Col. 2095

Land for industries/commerce/housing

9/9/83

1110. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

30

(1) (a) How much (i) industrial and (ii) commercial land has been set aside in each Administration Board area and (b) how much of each is serviced already;

(2) (a) how much additional land was provided for Black housing in the urban areas in the latest specified period of two years for which figures are available and (b) how much of this land is serviced already?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) (a) and (b)

Administration board	Industrial land (ha)	Commercial land (ha)
Western Cape	1,72 (serviced)	24,65 (serviced)
Northern Cape	15,74 (partially serviced)	9,22 (partially serviced)
Eastern Cape	16,6 (3 serviced)	38,2 (serviced)
Port Natal	Nil	2,5 (2,34 serviced)
Drakensberg	Nil	0,6 (0,6 serviced but no electricity)
Southern OFS	±34,05 (partially serviced)	±34,18 (partially serviced)
Highveld	±8,64 (±2,56 serviced)	±6,80 (±6,50 serviced)
Orange Vaal	42,10 (11,85 serviced)	207,75 (110,0 serviced)
Eastern Transvaal	1,86 (1,02 serviced)	6,63 (serviced)
Northern Transvaal	Nil	Nil
Central Transvaal	47,43 (not serviced)	31,29 (20,18 serviced)
Western Transvaal	Nil	46,31 (34,13 serviced)
East Rand	104,4 (1,7 serviced)	±30 (serviced)
West Rand	25,45 (16,1 serviced)	14 (identified for future use)

Note: In respect of West Rand Administration Board the land is combined—industrial and commercial land.

(2) (a) ±8 309,5 ha.

(b) +548,8 ha.

FM 9/9/83

(30)

SOWETO

Taking heart

At last Soweto is in line for its long-awaited commercial core. A master plan for Jabulani now before government provides for a whole gamut of land uses, including offices, shops and entertainment facilities.

The proposed CBD will be sited on a rectangular spread of roughly 20 ha, stretching from the Jabulani hostel, along Bulani Street and the railway line, to Koma Street.

The scheme, drawn up by West Rand Administration Board (Wrab) planners, had its beginnings in the controversial Ecoplan which was produced more than four years ago but never received Wrab approval.

Soweto housing director Jack Jacobs agrees that a CBD is long overdue for Soweto's population of about 1,25m. The plan, he says, provides for long-term development of a viable CBD with parking facilities, open areas and walkways in line with accepted planning principles. The traffic requirements of the proposed core have also been looked at and the commercial centre will be connected by public transport within a radius of 20 km.

There is no deadline for implementation, but concurrent developments in Soweto suggest that the plan will receive priority.

Tenders called for by the Soweto Council for the development of a large bundle of the land closed at the end of June and are still being studied.

One prime site covers 4,7 ha and adjoins the R30m Sodev shops and garage development announced earlier this year (*Property*, January 17). The shopping complex, in which Checkers has a 49% interest, will be Soweto's first regional centre, and Holiday Inns plans to build a hotel next door.

A starting point

Checkers' Ian Taylor says the preliminary leg-work has been completed on the shops project. The only outstanding detail is project finance, he says.

More than 10 sites — of about 15 ha in extent — are involved in the council's latest release of land, and if the shopping complex goes up next year as planned, the CBD could receive the necessary boost to get off the ground.

That is if finance is forthcoming. To date the lack of funding has been a major problem for black developers. As the *FM* understands it, there is no plan to set up a revolving fund to provide the cash as suggested for housing in the Ecoplan report.

Because of the politically sensitive nature of investing in commercial or retail property in black areas, few developers, if any, have raised financial backing from the institutions.

One company to submit a tender, the black-controlled African Development and Construction Company (ADC), hopes to build a shops and office project on a 18 000 m^2 portion at a cost of R3m-R5m. Says ADC's Matodzi Liphosa: "The tender document required that the purchase price of the land, at a minimum of R15/m^2, be stated as well as the amount of land required and development proposals."

Another applicant is believed to be the black-controlled retailer, Black Chain, which is looking at a shopping complex of about 25 000 m^2.

Apparently, the council's vote will go to applicants who will develop the land for what is seen as the best use. Unlike other town planning authorities, Wrab and the Soweto Council do not have to make public their reasons for selecting a tender or disclose the price.

Meanwhile, both Wrab and the Soweto council are giving little away because "tenders are still being assessed."

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Hansard Q. Col. 2095 9/9/83

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Development Trust and Land Act

1125. Mr. R. A. F. SWART asked the Minister of Co-operation and Development:

Hansard 9/9/83

Whether any persons were prosecuted in 1982 under section 26 of the Development Trust and Land Act, No. 18 of 1936; if so, how many in each province?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

Yes.

Transvaal	—	3 100
Cape Province	—	487
Orange Free State	—	2 755
Natal	—	147

Prisoners: farm labour

Hansard Q. Col. 2097 9/9/83

1126. Mrs. H. Suzman asked the Minister of Justice:

(1) How many prisoner were hired out as farm labourers in 1981 and 1982, respectively;

(2) whether any inspections of the conditions of these prisoners were carried out in these years; if so, (a) how many inspections were carried out in each of these years and (b) how many inspectors were involved in each inspection;

(3) whether conditions on any of the farms visited were found to be unsatisfactory; if so, (a) on how many farms and (b) what steps were taken by his Department to rectify the position?

The MINISTER OF JUSTICE:

(1) It is unfortunately not clear whether the question refers to—

(a) prisoners who were hired out to various categories of employers from prison daily and/or,

(b) prisoners who were paroled and for whom employment with specified employers was put as a condition of parole and/or,

(c) the practice to hire out prisoners at prison out-posts to applicants for prison labour.
The details which may be required in all of these cases are not readily available as statistics of the different categories of hirers are not kept. At this stage it would be a very time consuming and expensive process to collect all relevatn information from the different prisons and to have it processed.

(2) (a) and (b). Yes, but all details are not readily available for the same reasons as mentioned above.

(3) (a) and (b). These details are not available either, but in applicable cases of misuse or failure to comply with instructions further provision of labour/parolees is halted, or employers are warned and called upon to correct or improve conditions.
Prisoners hired out as labourers also have the daily opportunity to lodge complaints or requests to the Head of the Prison, and occasionaly to visiting inspectors, officers, amgistrates and judges. Parolees, as members of the public, have access to any public institution or person, including the Head of the Prison and/or the Chairman of the Release Board/Institutional committee and as such, are at liberty to report any complaint to any institution or person they prefer.

State: pension funds

Hansard 9/9/83 Q. Col. 2098

1130. Mr. P. H. P. GASTROW asked the Minister of Health and Welfare:†

What amounts of money were contributed by the State to the (a) Government Service Pension Fund, (b) Associated Institutions Pension Fund, (c) Temporary Employees Pension Fund, (d) Authorities' Service Pension Fund and (e) Authorities' Service Superannuation Fund in the 1980, 1981 and 1982 financial years, respectively?

The MINISTER OF HEALTH AND WELFARE:

	1980/81 R	1981/82 R	1982/83 R
(a)	391 236 320,95	483 342 164,61	607 997 874,19
(b)	61 935 019,81	75 689 159,31	98 089 639,33

Westridge Trade Fair hopes to draw 100 000

10/9/83

(30) C. Herald

ROLL UP! The Westridge Trade Fair which will be staged in Mitchells Plain soon is on it s way

And the hosts, the Westridge Sports Board of Control, intend catering for up to 100 000 people, says Mr Graham Adams, executive member of the Board and press liaison officer for the trade fair.

The fair, which is expected to become an annual event, will be held at the Stephen Reagon sports complex in Park Avenue, Westridge, Mitchells Plain, from October 5 to 8.

In a recent interview, Mr Adams said that the coming trade fair would be a cut above "money spinners" like the Soweto and Athlone trade fairs and that the main aim would be to "help improve life in Mitchells Plain".

He said: "We are specifically catering for the homeowner and his family and will give them an opportunity to come into contact with various traders who can display and give advice on home improvements.

THEME

"We chose this theme, so that the community in Mitchells Plain can be improved.

"We are also involving schools, by asking them to send along 10 drum majorettes to participate in the Miss Trade Fair procession from the Town Centre to the Stephen Reagon grounds."

Besides 40 stalls that will be run by the various sporting codes affiliated to the Westridge Sports Board of Control, a large number of companies and traders have been approached to set up stalls where a large variety of merchandise will be available.

The money raised at the fair will be ploughed back into the community in the form of the provision of better sports facilities for everyone, Mr Adams said.

"We are expecting a large number of people and we will be able to handle as many as 100 000. We've made provision for tons of food, health and security services and the fire brigade has also been alerted. So people can come along and relax.

"The fair will, however, be held without the conventional disco and amusement park, because we want to keep it strictly a *trade* fair."

The only major remaining problem is the question of who will open the fair.

"We have been thinking of personalities like Magnum (Tom Selleck) and Kevin Savage (of Radio 5 and TV1's **Open End**), but where are we going to find to a sponsor for that kind of venture?" Mr Adams asked.

"Choosing a speaker is a particularly difficult task, because we do not want to create bad feelings anywhere," he said.

Let's stop fooling ourselves

C. Herald 10/9/83 (30)

SIR, — According to a recent Cape Herald article, the Space Odyssey has now again been declared "kosher". The owner of the night club has apparently satisfied Wepcos (WP Council of Sport) that his business is not funded by the State.

I get the impression that the parties involved referred specifically to the involvement of the "CDC" (Coloured Development Corporation).

ENCOURAGE

There appears to be some uncertainty regarding Government "sponsored" or financed business places. As an avid Wepcos (Sacos) supporter, I feel it is time that we stop making ourselves a laughing stock with statements like these, and by changing decisions daily.

The CDC was formed in 1962 to encourage and promote the advancement of "coloureds" in the fields of industry, trade and finance. In 1980, the name of the Coloured Development Corporation Ltd was changed to the Development and Finance Corporation Ltd.

Because of the low interest rates at which finance was made available, it was imperative that many of our so-called coloureds had to make use of the facilities offered by the corporation. It is therefore not surprising that nearly every third business in Athlone, Retreat and nearly every business in Mitchells Plain was financed by the CDC (It is, however, unbelievable how a great percentage of those who were financed, and who are incidentally well established now, would vehemently deny any CDC involvement).

In 1980, certain assets of the Industrial Development Corporation (IDC), the nett assets of the Development and Finance Corporation, or Coloured Development Corporation if you like, and the nett assets of the Indian Industrial Development Corporation were taken over by the Small Business Development Corporation Ltd. The primary objective of the SBDC is the promotion of private enterprise in the small business sector among all the population groups of Southern Africa.

INTERESTED

The State holds 50 percent of the shareholding in SBDC and the "private sector" the remaining 50 percent. I am particularly interested in the private sector's shareholding, since every conceivable big company forms part of the private sector. This includes nearly all banks, building societies, insurance companies, motor vehicle manufacturers, and so on.

The result is that most of us drive a motor vehicle manufactured by a company which holds shares in the SBDC (CDC or DFC, or call it whatever you like), buy our monthly groceries from a company which holds shares in the SBDC etc. It means that we basically have indirect SBDC linkage daily.

So why do we make such a big fuss over SBDC financed businesses, which we merrily "support"; bank our money at "SBDC" related institutions (all major bamks); and enter SBDC shopping centres?

Why don't we make such a big fuss over Wepcos officials who "play the horses" and go to Kenilworth Race Course where you have separate facilities? Why mention Space Odyssey (they have — ha ha — regained their "kosher" status) when Sacos affiliates hold functions at a certain entertainment centre which is not necessarily kosher at Strandfontein?

Is it not time for us to stop acting so foolishly? Should we not sell or dispose of our motor vehicles and so on immediately?

BAFFLED
Grassy Park

D. Dispatch 12/9/83 (30)

Small business vital says Sebe

ZWELITSHA — Economic development was a priority of the Ciskei Government, President Lennox Sebe said at the inaugural meeting of the Ciskei Chamber of Commerce and Industries (Ciscoc) at the Lennox Sebe Teachers' Training College here at the weekend.

He said the economies of countries around the world demonstrated that where entrepreneurs were free to take the initiative and to develop their businesses, the economies were strong and sound.

And where small businesses thrived, unemployment seemed to be non-existent.

Because of this, the government had preferred free enterprise as its policy in rejection of socialism which caused poverty and stagnation.

"It is, therefore, you, the entrepreneurs in Ciskei, who have the opportunity to create wealth and employment," he said.

"The Ciskei Government, in setting this policy, has taken the required steps to provide a climate in which business will thrive. It has also created the machinery to support business development."

President Sebe said that in June this year he had appointed a commission of inquiry into the economic development of Ciskei. The commission would submit a comprehensive economic development plan based on the development potential of Ciskei, its development objectives and its development policies and strategies.

He had instructed the commission to detail steps which should be taken by government to modify laws, regulations, practices and organisational arrangements which might be impeding or discouraging investors and entrepreneurs, whether they be Ciskeian citizens or from beyond Ciskei borders.

He said to supplement the Ciskei Peoples' Development Bank, which had been the development arm of Ciskei since independence, he created the Ciskeian Small Business Corporation last year to cater for the needs of beginners in industry.

His government had also taken a fresh look at the needs of the Ciskeian farmer. As in commerce and industry, the commercial farmer had to assume his role of producing food in an efficient and profitable manner.

President Sebe said Ciskeians should not hesitate to enter into all spheres of business. The days when the black businessman was equated with being a trader only belonged to the past.

No small backyard manufacturer or small farmer was too insignificant to be assisted with his next step of growth.

Many large industrial corporations around the world originated in a garage or backyard, President Sebe said. — DDR.

New commerce body

ZWELITSHA — The aim of the Ciskei Chamber of Commerce and Industries was to come to grips with the development of Ciskei, its president, Mr W. M. Majiza, said at its inauguration here at the weekend.

The chamber aimed at working in close harmony with the government in a spirit of mutual respect and consultation, he said.

Mr Majiza said it wished to co-operate with all agencies of development, to liaise with chambers of commerce and other private sector organisations and to motivate Ciskeians towards self-help.

The chamber intended to promote entrepreneurship among Ciskeians in the fields of commerce, industry, agriculture and tourism.

In his welcoming speech, the Mayor of Zwelitsha, Mr R. S. T. Mabona, said Ciskei needed fast development. There was growing unemployment, he said.

Black businessmen needed to generate wealth in the country and not to expect this to be the sole responsibility of their white partners.

He advised businessmen to get involved in President Lennox Sebe's rural development scheme to create jobs in rural areas.

"At present black businessmen are concerned with themselves and their families," he said.

"This is a wrong attitude and outlook in business. The community is our business. We must get involved in the community — the schools, the church, the government, sport and so on.

Mr Mabone appealed to white friends for advice and assistance.

The manager of international services of Barclays Bank, Mr L. B. Mehlomakhulu, said big business took an interest in small business, contrary to popular belief. Evidence of that was the good turnout by executives of business organisations at the function.

30 FM 16/9/83

KAIZER MOTAUNG

New goals

30

Saan has chosen well in selecting soccer boss Kaizer Motaung as a partner in its black magazine *Sports Ace* which is to be launched next month. He can show a registered and faithful following of 20 000 and more than double that number in enthusiatic supporters for the favoured football team Iwisa Kaizer Chiefs of which he is chairman.

Last year, 3m seats were filled at soccer matches, with 60% of the customers supporting Chiefs, says Motaung. Reaching the new magazine's initial target circulation of 60 000 should therefore prove no problem, he adds. Longer term, the publishers hope to bump up circulation to 100 000 within two years.

Motaung ... seen as fashionable and stylish

Carefree Marketing, the new company formed by Motaung to handle the diversification, will also market goods with a Chiefs logo (aimed at stopping pirating), negotiate sponsorships and sell school clothing.

Motaung's association with soccer goes back to his school days. He, in fact, dropped out of school at 18 to pursue the game with now opposition team Orlando Pirates, known to headline-writers as Bucs (for Buccaneers). He was the youngest-ever player in the top league.

It proved a good move. In 1968 Motaung was recommended to the GM of the North American Soccer League's Atlanta Chiefs. One trial match and Motaung was booked for the US circuit.

After six seasons Motaung returned to SA permanently and formed his own team with three players who had been expelled from Bucs for minor offences, he recalls.

After a successful tour of the country, the team that was then called Kaizer's XI changed its name in 1970 to Kaizer Chiefs. "From the beginning, the club was run on professional lines. Also, I had learnt the lesson that too many cooks spoil the broth, so the club was not run by the masses. That could only have led to squabbling," says Motaung, who still sports an athletic build though his playing days are long since over.

Not only did he set up a team that looked very different from those that had gone be-

30

Joe Openshaw of Star Line surrounded by the 54 complaints — and three expressing satisfaction — received by The Star since July.

Car industry takes a battering from consumers

By Joe Openshaw and Jenni Tennant of Star Line

Since July, Star Line has had 54 documented complaints from car owners about profiteering in spare parts, overcharging, bad workmanship and cavalier treatment dished out by the motor industry.

During this time three letters were received praising garages for satisfactory treatment.

Complaints ranged from the excessive price of spare parts, the cost of repairs, cars damaged and written off while in for repairs, lack of supervision in garages, paying for services not rendered, problems with new cars and the cost and quality of panel beating.

The complaints have been forwarded to the Southern Transvaal branch of the Motor Industries Federation which is doing a survey on spares and repairs in the industry.

Some car owners were able to smile in their letters — like Mr I Luker of Glascow Road, Westdene, who wrote: "While buying spare parts from a Melville garage during the last eight years, I have watched their mechanics spend a great deal of time doing what I was doing; waiting for their spare parts."

However most letters reflected anger, frustration and disappointment.

Here are some of them:

- Mr J Rushton, divisional manager of Alfa-Laval, Isando, received a bill for R1 900 for additional repairs after he sent a car in for a 120 000km service. He asked a Kempton Park Garage to repair a front headlight, tranmission oil leak and heater fan and fit new rear reflectors.

Three days after the car was returned Mr Rushton found these defects: the new front headlight did not work on dip; there was still a transmission oil leak; the radio did not work; and the carburettor jammed on acceleration.

"When my friend and I looked at the engine we found a rotten hose lead to the engine block. I took the car back and was told: 'Now you can come and tow your car away, we don't want to see it again. You can complain to the papers and who the hell you want, we will not mend your car'."

★ ★ ★

"When they baked the enamel in the oven, they baked the plastic hood-vent with it, so it looked like a wet koeksister."

- Mr B Thibedi of Mavimbela Street, Orlando East, took his Volkswagen Kombi to a Johannesburg garage for an engine repair and general tune-up and was charged R950 which he was able to pay off in instalments.

He was given a guarantee of six months or 10 000km.

He took the kombi back because of more engine trouble and was charged for it.

When the kombi neared the 10 000km mark, he took it back for a tune-up and was told to bring it back next week and was assured it would not affect the guarantee. When he did take it in, the garage refused to honour the guarantee.

- Mrs Iren Filgate of Macowan Street, Vanderbijlpark, bought a new Toyota Corolla station wagon and the first time the car was washed, putty came off the underside of the door handle and they noticed a dent in one of the front doors.

She took it back and a garage inspector said it would be repaired. "We told him we did not want the car repaired as we had bought a new car and wanted a new car.'

- Mr Stephen Drabble of Third Avenue, Florida Lake, took his Renault to a garage after the head gasket blew. It was repaired and he was charged R211.

The gasket blew again four days later. It was repaired again and the garage charged him a tow-in charge.

Four weeks later the gasket blew again. "When my friend and I looked at the engine we found a rotten hose lead to the engine block."

Mr Drabble took his car back to the garage and was told his engine needed a complete overhaul which would cost him R1 000. He felt it was up to the garage to repair the car because they had fitted a rotten hose.

He was told by the garage foreman: "Now you can come and tow your car away we don't want to see it again. You can complain to the papers and who the hell you want, we will not mend your car."

- Mr Peter van Zwieten of Lea Glen, Florida, wrote a letter headed "Panel beating catastrophe". In it he says he took his car in for panel beating and was assured that his "baby" would be as good as new.

When he arrived to pick up his car he found:

The bumper was skew and they had neglected to fit the number plates.

"When they baked the enamel in the oven they baked the plastic hood-vent with it, so it looked like a wet 'koeksister'."

The overriders of the bumpers were skew and there was overspray

Mr van Zwieten had words with the panel beaters and took it back but all that was done to the car was "they cleaned it a little".

- Mr Mike Tissong of Cedarberg Road, Eldorado Park, bought a fuse for his Toyota from a Toyota dealer for 75c. The fuse blew and he went to a motor accessories store and bought five fuses, identical to the one he got from the dealer, for 45c.

- On the credit side, a letter was sent in by Mr C E T Ware, purchasing and distribution director of Wilson Rowntree, East London, saying he had trouble with his 'Alfetta during a visit to Johannesburg. He took the car to a couple of garages where he was told repairs would cost about R300.

"I took the car into Italian Cars Tune-up Centre, in Albert Street where the reception I received was excellent.

"The total bill, which included more work than the other garages quoted for, came to R35,65."

Sweeping measures aimed at ending rip-offs

Star 19/9/87 (30)

New trade code to protect car owners

By Michael Chester

Sweeping new measures have been planned by the Motor Industries Federation to combat the wave of complaints from car owners of profiteering and shoddy workmanship at garages and repair workshops.

The main thrust will come from a strict new code of ethics that will pledge members to high quality in services and fair and reasonable prices — or risk disciplinary action as severe as expulsion or fines of as much as R2 000.

Aside from a steady flow of complaints reaching Star Line and the SA Consumer Council, MIF offices are receiving between 30 and 35 complaints a day from telephone callers angered by poor garage service or spare-part prices.

The new code, now in draft form, is due for approval at the next meeting of the MIF Federal Council.

It will oblige garage owners to honour the spirit as well as the letter of guarantees and warranties on new or used cars and clamp a total ban on the use of pirate spare parts. It will be obligatory to declare and explain the use of any reconditioned components in repairs or servicing.

24 HOURS

Garages and repair firms will be forced to display the code and customers will be invited to alert MIF disciplinary committees if they encounter grievances that cannot be settled.

In turn, the MIF will make public the names of offenders and penalties imposed in its regular trade journals.

The promise of better protection of car owners from rip-offs also stems from the publication by the MIF, in a joint exercise with the SA Motor Industry Employers Association, of a 580-page manual listing virtually every model of every make of car put on the market in the past 10 years.

The manual provides a comprehensive list of any jobs that may need to be done — from minor services and brake adjustments to major overhauls — and gives guidelines to precisely how long the jobs should take, and at what cost.

It is being distributed among garages and repair shops — and the MIF advises car owners to insist on checking it if they suspect repair bills have been inflated.

The presidents of the MIF and MIEA claim in a foreword that the manual promises to achieve a prime objective — "a square deal to both the customer and the trade".

"All industries have their rogues," says Mr Jannie van Huyssteen, executive director of the MIF. "Though in a small minority, they can damage the image of the entire trade.

"The motor trade has had more than its fair share of criticism and we are determined to improve our relations with the general public.

"It is now fully embedded in our basic policy that we are pledged to provide good service to the consumer as well as to members".

The MIF has also undertaken to start full investigations into the daily flow of complaints about the motor trade from readers of The Star.

In the past seven weeks alone no fewer than 54 complaints have been received by Star Line and forwarded to Mr Albert van Loggerenberg, who has been appointed chief investigator of the federation. Only three letters praised the trade.

The MIF is expected to announce the results of its first investigations in the next few days for publication in The Star.

● See Page 3, Metro section.

30

RETAIL

Shootout in the supers

With zero real growth in consumer spending and with Checkers hell bent on recovering customers and market share, competition in the SA retail sector is at its fiercest in decades. The grocery trade is the hardest hit.

"It's the toughest competition I have faced in my career," says Pick 'n Pay's Raymond Ackerman.

"The worst I've seen in 40 years in businesss," laments Manual Sachar of Grand Bazaars.

"Things are as tough as they have ever been," adds the OK's Gordon Hood.

Although the downturn has a lot to do with it, some competitors single out Checkers as the catalyst. Ackerman says he is not criticising, but it is partly due to Checkers' policy of opening additional stores (it now has 183 against P 'n P's 73) and spreading the market more thinly.

Sachar blames price-cutting "by a certain chain" which, he says, is using price in an attempt to retrieve market share.

The OK, which is traditionally stronger in non-foods than the other major chains, has noted a change in the merchandise mix. Admitting that "margins are tight," Hood says food and staples now account for a higher percentage of group sales because non-food has been hardest hit by the flattening out of consumer spending.

But if Checkers is partly the cause of the problem, MD Gordon Utian is unrepentant. "We are aggressive, sure," he tells the *FM*. "If the other chains are having problems, it's because, for the first time in their lives, they are getting real competition. Checkers was so badly run and ineffective in the past, and it had so many apendages, that it couldn't get itself together. Now we want our customers back."

Along with price cuts, Checkers is fighting back with a series of expensive promotions (a current competition is costing R1m), and the inevitable question, competitors ask, is whether the group can afford it (see *Fox*).

But with customers happy to play one chain off against another, bottom line profits are taking a birching. Ackerman reckons that current price levels are chopping a full percentage point off company profit margins. With net return on turnover at around a slender 2%, that means a halving of profits.

However, the end result is unlikely to be that critical. For one thing, retailers hope the battle will be short-lived (although Ackerman sees it continuing until Christmas). For another, Pick 'n Pay at least claims substantial increases in turnover which will help cushion the effect of lower margins. P 'n P turnover, says Ackerman, was R4m above budget in August and R22m or 24% ahead of the same month last year.

With all the major chains taking evasive action, suppliers are being dragged reluctantly into the battle and are being pressured into giving bigger discounts.

"They are not exactly co-operating," says Ackerman, "but we are managing to get more out of them, using all three negotiating tools of trade and target discounts as well as advertising allowances."

At the same time, Ackerman reports that P 'n P has managed a further cut in shrinkage and, for the rest, the cost is "coming out of our profits."

The situation, he adds, is "very, very ag-

ROOM FOR EXPANSION?

Despite recession gloom, stagnant consumer spending and a murderous price war, the number of grocery outlets continues to mushroom.

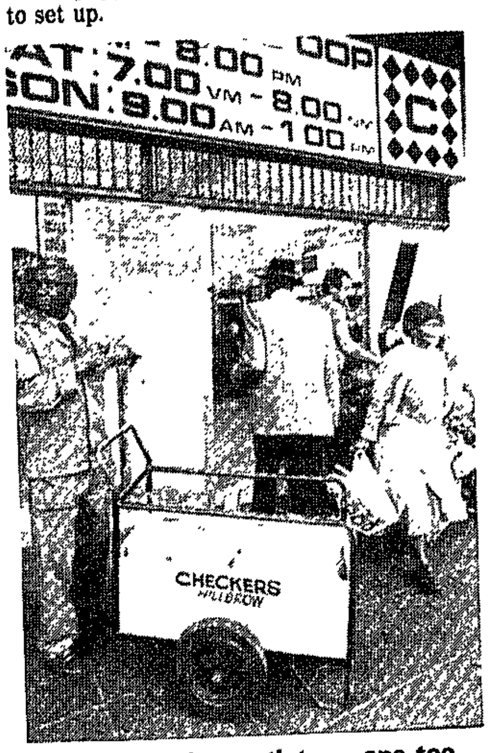
Some say the expansion is being overdone, but Spar plans to expand its 476-outlet group by 10%/year and OK Bazaars, with 160 stores, wants nine new stores/year. Pick 'n Pay plans 28 more outlets by 1988, to bring its total to 100; and in the same period, Checkers plans another 33 to bring its total to 215.

Retailers say steady population growth and increased black spending power will justify the expansion. But that is not to say there will be no casualties from the present price war.

Nobody in the trade is prepared to suggest that any of the big three supermarket chains, OK Bazaars, Checkers and Pick 'n Pay, will be forced out of business. "There's a place for all of us provided everybody does his homework properly," says OK Bazaars' MD Gordon Hood.

The feeling is that failures are likely to come from the ranks of the smaller independents which lack the buying power of the big groups.

It is also becoming more difficult for the small operator to enter the supermarket game. Increased technology, such as computerised price coding and scanning, demands hefty capital injections; and a well-equipped store costs at least R250 000 to set up.



Supermarket outlet . . . one too many?

The Transvaal is at the top of the expansion list. Formerly bare stretches of Reef land — between Pretoria and Johannesburg, for example — are now high-demand retail sites.

Rural areas are also crying out for supermarkets, claim some retailers. "We haven't scratched the surface of the black market," says Spar MD Sid Matus. "We could open a couple of hundred more stores, given suitable owners with the funds."

Overtraded

But retailers say there are some areas (like Worcester, Empangeni, Vereeniging and Vanderbijlpark) which are heavily overtraded.

And there is doubt about how many more hypermarkets the country could profitably support. Matus sets the figure at only three or four.

One of the problems is that hypermarkets tend to rob business from smaller outlets of the same group. And retailers go to great lengths to minimise this sort of competition.

CBD areas, which rely heavily on black custom, could also end up with a surfeit of supermarkets if similar stores open in the townships. Black customers, runs the logic, would probably buy closer to home if prices were right.

FM 23/9/83

(30)

fox

CHECKERS

Cabbages and kings

After 17 months of Kirsh Industries' control, Checkers was still deep in the red at the June year end, though the losses were lower than those of the previous year. Attributable losses (before extraordinary items) eased from R21,2m in financial 1982 to R15,5m, mainly as a result of a lower interest bill and a sharp reduction in losses from discontinued operations.

Another major improvement is the fact that extraordinary write-offs totalling R11m in financial 1982, were not repeated last year. Instead, the group has recorded a R7,2m extraordinary profit, mainly from property sales. The benefits of the drastic surgery carried out by the present management are therefore very much in evidence.

Even so, last year's trading results show plainly that the stores group has some distance to go before it is restored to full financial health — or profitability. Turnover of continuing operations remained virtually static last year, while operating losses, before interest, were reduced to R5,6m from the previous year's R7m.

That might seem encouraging were it not for the fact that Checkers turned in an operating profit of R0,5m at the December interim, amid much trumpeting by management that the group had finally succeeded in turning the corner. Checkers put paid to that by promptly diving back into the red in the year's second-half. Since then, despite the lack of confirmatory evidence, talk of a turnaround has been revived.

MD Gordon Utian says Checkers has been trading in the black since June, and gets hot under the collar when asked about last year's trading losses. He says they are the legacy of the previous management. Utian insists the company has achieved its objective of "a monthly break-even by June 1983," though it is not clear whether this is before or after interest payments.

CHECKERS' CHUNKS
Half-yearly results*

	27 weeks ended 3.7.82	26 weeks ended 1.1.83	26 weeks ended 2.6.83
Turnover (Rm)	587,5	572,6	573,8
Operating profit (loss) (Rm)	(17,5)	0,5	(6,1)
Pre-tax loss (Rm) .	(22,3)	(4,0)	(8,3)
Earnings (c)	(188,2)	(92,4)	(183,8)
Dividends (c)	—	—	5

* Continuing operations only.

Either way, the board is forecasting profits from Checkers this year which, if they materialise, will do more to reassure investors than all management's optimistic talk to date. The road to profitability is, however, likely to be steeply uphill. In a static retail sector, Checkers has lost a large chunk of its market share to competitors. This could be difficult — and expensive — to regain, particularly since the country's major supermarket chains seem poised to enter a price war which could prove damaging to profitability (see *Business*).

Meanwhile, Checkers' directors are brimming with confidence. Despite last year's heavy losses, a 5c dividend has been declared — partly as a device to prevent the company's non-voting shares from gaining a vote. Some R284 000 has been paid out of reserves to fund the dividend. If this seems odd, it is also an extraordinarily cheap way for Kirsh Industries to retain control of the stores group. "Preservation of the existing control situation is in the best interests of all the parties concerned . . ." is the board's hard-nosed, laconic statement on the subject. Non-voting minorities may disagree — but who listens to them anyway?

Chris Wilson

Checkers' Utian . . . profits out of deep freeze?

GENCOR

Back to business

Gencor's industrial interests took some hard knocks in the six months to June. But the house's view is that the sector should have bottomed out by now and some of the worst hit could well show some early recovery. Hence the directors' forecast that provided business conditions deteriorate no further, earnings for the second half should be no less than the June performance.

The contribution to attributable earnings of the commercial and industrial interests dipped 11,8% to R47,1m in the June half. But Tom de Beer, Gencor's executive director finance, notes that earnings from Kanhym, for example, could approach last year's levels if — and it is a big if — the drought breaks early enough. Kanhym earned only 10c a share and skipped its dividend in June after earnings of 47,8c and a 40c dividend in the six months to December.

The drought could also have an impact either way on earnings from Sappi, which, because of its size, is a key component in Gencor's industrial interests. Sappi did creditably to maintain its earnings in the first half and is expected to be level or slightly better in the second half. The R800m pulp and paper project at Ngodwana is due to commission its newsprint plant this month and will start providing some tax benefits. Gencor's June results were boosted by R6m capitalised interest by Sappi as Ngodwana has not been commissioned, and De Beer says more could be capitalised this half.

Darling & Hodgson, now well rid of the Amardah albatross and with Group 5 getting back on its feet, should also look far healthier by December. The disposal to Iscor of Dunswart with its aged plant and limited markets can only benefit Gencor, but there will be no sweeteners from Samancor for the next 12 months at least. Other interests like Kohler, Haggie and

LEAD EDGE TO HORIZONTAL REF.

Transkeians oppose SA firms

30 (.....) Rdm 22/9/83

Own Correspondent

UMTATA. — The Transkei Chamber of Commerce has made a strong call on the government to abandon plans to invite white South African retail commercial firms to operate there.

The call emerged from a regional meeting of Tracoc, where several motions were passed on the government's intentions on SA entrepreneurs as outlined in a recent white paper on development.

Tracoc asked that the idea be abandoned irrespective of whether the operations would be launched as joint ventures with the government or with anybody else.

The government white paper said it was recognised that outside investment was needed for development of the Transkeian economy,

It said in this respect, SA concerns in the wholesale chain store business could have an important role to play in developing the business capacity for Transkei's commercial sector.

It said the government was exploring ways of bringing in such enterprises in the form of joint ventures to promote the development of commercial expertise in wholesaling and retrading.

It is understood negotiations with a major supermarket chain are already at an advanced stage.

Motivating its call for such ventures to be halted immediately, Tracoc acknowledged its belief in free enterprise, but gave reasons for the possible imbalance in white-black entrepreneurial skills and called on Transkeians to come in on a supermarket venture the chamber was planning for Transkei.

The chamber said: "We acknowledge that in Southern Africa, the operation of free enterprise has been hampered by South Africa's racial policies.

"This has hampered the ability of black retailers to compete with their white counterparts. This (ability) has been nullified by laws which were specifically intended to exclude blacks from the mainstream of real economic development.

"While reaffirming our belief in free enterprise and the need to provide for proper competition between all retailers, the chamber believes that some measure of protection should be extended towards black retailers to bring their standard of business expertise on a par with that of their white counterparts."

Tracoc called on the Transkei government to encourage the provision of a climate in which the upgrading of local business expertise could become a reality and to adopt a policy immediately to exclude white retail giants from the Transkei.

"We request that all economic, political and social organs of development join in initiating a campaign of educating Transkeians to support their own ventures in the interest of regional development."

The chamber rejected any suggestion or insinuation that blacks were unable to manage sophisticated supermarket ventures if given the necessary training and opportunity.

New Blackchain

(30)

Sowetan 26/9/83

By MZIKAYISE EDOM

THE first black-owned supermarket in the East Rand and the second of its kind in the country will be built at a cost of more than R3 million in Katlehong before the end of the year, if all goes according to plan.

The Blackchain supermarket, similar to the one in Diepkloof near Baragwanath hospital, will be built and sponsored by the African Development Construction, a subsidiary group of the National African Federated Chamber of Commerce (Nafcoc).

It will be run by the Katlehong Chamber of Commerce and Industry which is in the southern Transvaal region of Nafcoc.

The launching of the Katlehong Blackchain took place at the nightspot, Easy Street by Night last Wednesday and was attended by more than 100 traders.

28/9/83

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CROSSROADS

Happiness is — a cheque for R300

A STORY TO TOUCH YOUR HEART

By Staff Reporter BRUCE GORDON

A Crossroads businessman, struggling to get back on his feet after his business was destroyed by fire, was overwhelmed when he received a cheque from an Argus reader.

Mr Alfred Pupe's home and business premises were burnt out on September 14. He tried in vain to rescue two babies from the shack fire but was forced back by the flames. His three-month-old niece, Monica Dleke, and Ntombizanele Nobongoza, the nine-month-old daughter of one of his employees, died in the fire which destroyed about R12 000 in stock, machinery and cash.

Mr Pupe, a father of three, had built up his business since 1977. All his and his wife's personal possessions were destroyed in the blaze.

Insurance companies had refused him cover, he said.

Debts

Now, saddled with debts for destroyed stock and a vehicle which is not paid for, he is fighting depression as he struggles to build up his grocery and knitting business and to support six people.

Mrs A Melvill of Wynberg read of Mr Pupe's plight in The Argus and decided to send him a cheque for R300.

"I am absolutely delighted. I just don't know what to say," said Mr Pupe as he hugged his wife.

The couple have bought a sewing machine with the money they had saved. Mr Pupe has had to cancel a trip to Israel which he earned from one of his suppliers. All his attention is on rebuilding his home and business and making it possible for his 15-year-old adopted niece to return to school next year.

Picture: LES HAMMOND, The Argus

Crossroads businessman Mr Alfred Pupe hugs his wife, Olga, after receiving a cheque from a woman who read of his plight in The Argus

S Africa economy needs small businesses as well as giants

The national debate on company take-overs and the concentration of economic power has evoked comment from many prominent financiers and entrepreneurs. One of them, DR ANTON RUPERT, has spoken up strongly for the small businessman in a lecture at Pretoria University. These are extracts from his speech.

30 Argus 28/9/83

WHILE big businesses in South Africa are still steering full steam ahead on a take-over course, the pendulum has started to swing back in America. Many big corporations that displayed an insatiable appetite for take-overs during the past decade or so, are now offloading unnecessary ballast. I predict that it is going to happen here too.

According to a financial research concern in the United States, there were 875 cases of selling off in 1982. In 1981 there were 830 and thus far this year the trend has continued.

Although the recession has contributed to the process of selling off, many corporations now realise that they have stretched their management ability too thinly. Others have realised too late that they have lost control over marketing and product development through over-ambitious diversification in industries they did not know.

Japanese approach

We are undoubtedly living in a world where big is the norm. Yet it is always surprising to see how the initiative of the single individual, like a flower struggling through a rock crevice to bloom in the sun, cannot be restrained.

For every enterprise that fails, there are usually two or more starting up. Two years ago, in a country of giants, America's Chamber of Commerce had 200 000 members of whom 91 percent employed fewer than 100 workers.

The average growth in income of the top 100 small companies in the US was 61 percent in 1982 as against the paltry two percent whereby the average income of America's 500 biggest corporations increased during the same year.

Large organisations can give great impetus to research, development and technological innovation by making more use of smaller specialist enterprises and by not trying to combine everything under one roof.

This approach is one of the foundation stones of Japanese industry. Almost 66 percent of all Japenese concerns are involved in sub-contracting. In factories, floor space is not wasted unnecessarily because months of supplies have to be stored. Deliveries are made almost daily by numerous small suppliers.

Although Japan's image abroad is dominated by large organisations, the picture at home is quite different. No less than 91 percent of all private sector employees work for undertakings employing fewer than 500 people, and 76 percent for undertakings with fewer than 100 employees.

It is important that big businesses develop a positive attitude towards the small enterprises and consider where they can help to create new opportunities for new development. But we should also realise that big does not easily think small. There are numerous examples of giants that tried, without success, to get small enterprises going within their own ranks.

It is quite understandable that there should be despair in the heart of the small businessman when he surveys the increasing concentration of economic power in the country.

More and more he finds himself on the horns of a dilemma with the State on one hand and gigantic business groups on the other. He may well wonder whether what is happening does not make a mockery of the enthusiastic efforts being made to promote the small man's interests

Positive angle

We should, however, view the matter from a positive angle. An army needs both heavy artillery and infantry to launch a successful offensive. In the same way the South African economy needs both small and big businesses. Promoting one need not be at the expense of the other. We need a close alliance between them.

Group formation has unquestionable advantage as long as it does not result in bigger business being taken from good, small hands and being placed in bigger, but weaker hands. For the small man who can move fast and give service there will always be a gap.

Personally, I am concerned about the few really new businesses which are being founded in South Africa. Merely to shift assets about on paper does not constitute growth.

Great need

No economy can remain vigorous without a constant stream of innovations and new enterprises. This requires risk capital. Experience has shown that entrepreneurial capital has a fertile seedbed not in big corporations, but rather in small enterprises.

As a developing country, South Africa has a great need of greater investment in entrepreneurship. The provider of risk capital must expect that there may be failures. There is no way of determining in advance and beyond all doubt what percentage of investments in new enterprises will be successful.

Annually the labour market in South Africa grows by some 300 000 workers. They must find ways of earning a living. At a conservative average cost of R10 000 a job opportunity, we need an investment of R3 000 million simply to keep up.

Development capital is the lubricating oil of an economy. The economic growth we hope for in the years to come is not growth through take-overs and mergers, or growth based on consumption only, or growth bloated by inflation, but it is growth in economic capacity; in production; in efficient performance — that is, growth based on capital investment and knowledgeable management.

The question we must ask ourselves is whether we should make the big corporations bigger or increase the number of smaller companies and make them stronger. Whatever our answer, it will determine to a large extent the direction and prosperity of our economy in the years to come.

...uses working equality'

...le Grange

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...longer have a say in his ...olice or foreign affairs, and ...ture on his own education ...affairs will also be a com-

...Sauer Street, Johannesburg.)

...many liberal/Prog 'noes' are tacked on top of the Treurnicht bulk.

"The size of the 'no' simply means the size of the right-wing resistance. The bigger it is, the less mobility it results in.

"It is common now for liberals to announce that their consciences require them to vote 'no'. Let them inject some recognition of the real world into the input they're giving their consciences.

"To indulge your conscience at the expense of contributing to exactly the opposite practical effect from that which you seek is not conscientiousness; it's sheer irresponsible indulgence."

Mr Beckett says he cannot be party to cutting off the new relationship with people of colour taking part in the real stuff of government.

At the same time he cannot be party to sending a message of rejection to blacks.

That left two options.

"Abstention — essentially a cop-out, a passive throwing up of hands in despair. Or a spoilt paper — an active, legitimate and relatively measurable way of denoting a demand for more movement."

(Report by David Braun, 47 Sauer Street, Johannesburg).

...Mrs Suzman told the students well".

...To say there would be no re-

(News by Peter Sullivan 47 Sauer Street Johannesburg 2000)

Indian traders opposed to constitution

Star 4/10/83

By David Braun, Political Reporter

30

A clear majority of Indian businessmen at Johannesburg's Oriental Plaza is against the new constitution.

This was the finding after The Star had talked to 50 traders selected at random.

The Indians of the Oriental Plaza are a highly politicised group, many still smarting from their forced removal from Pageview to Lenasia, and from the forced closure of established enterprises a few years ago when they had to set up shop in the plaza.

Of the minority who did not express a "no" for the constitution, only a third said they welcomed the new dispensation while the rest had no views or would not admit them.

Many of the "no" voters spoke angrily of the new constitution, calling it a bluff, a sham or a trick by the Government to pretend to the world that it was serious about changing its segregationist ideologies.

"I vote a big 'no' because it leaves out the blacks. The day all the races are involved equally will be the day that I say 'yes'," said one trader.

"How can this be a step in the right direction?" asked another.

"If your father gave something to you and your brother, but left out another brother, would you say that was a step in the right direction?"

An elderly gentleman shook his head: "We get nothing out of this, no power at all.

"We will still have to say 'yes baas and no baas.'"

The owner of a clothing shop said Indians rejected the measures because they were a farce.

"It gives us nothing more than we have now, and then I think the Government has a lot of hidden purposes in implementing it. The main aim is obviously to alienate us from the blacks."

For many, the constitution did not address the central problems in their lives: they must still live in Lenasia, must live in specially designated group areas, may not own businesses where they like.

These things, they say, are what count, not "gimmicky" schemes to give them sterile representation in a white-dominated Parliament.

"We have been dumped in Lenasia; we must commute all that way to our place of work every day.

"Half our lives have been ruined in this way," complained a middle-aged man.

"The whole thing is a trap to bring us into Parliament so that we must send our sons to the border.

"But who wants to fight for a country where you are not treated equally? Who wants die for a land to which you do not really belong?" asked one.

On the matter of taxation two businessmen complained that they paid tax at the same rate as whites.

One said he probably paid more than most whites, yet was forced to live in a depressed urban area not of his choosing and not in keeping with his economic status.

The new constitution would do nothing to change this, he said.

The minority who said they welcomed the 'reform' believed it was a start, the famous step in the right direction.

"It will give us a voice in Parliament," said a tailor, "and that is more than the nothing we have now."

"Yes, it is a good plan. We are part of South Africa so we must take our place in Parliament," said another.

"Yes, we must support it," said a young man. "This is the beginning of something new and exciting for us.

"I believe the Government is sincere and we must take the hand of friendship extended to us.

"Let us forget the past and work together for something that will truly be significant and that will enable us to include all the people of this country," he said.

Of the people who had no comment, several said they had not had an opportunity to study all the details and the arguments in favour or against.

One man shuffled his feet, glanced at the door and said: "If I say anything, 'they' will lock me up. No comment."

(Report by David Braun, 47 Sauer Street, Johannesburg).

Offers made to Russells and Metcash

Checkers tops the pile in Kirsh restructure

30 RDM 5/10/83

By JOHN MULCAHY

AN extensive reorganisation and restructure of the Kirsh group of companies was announced yesterday.

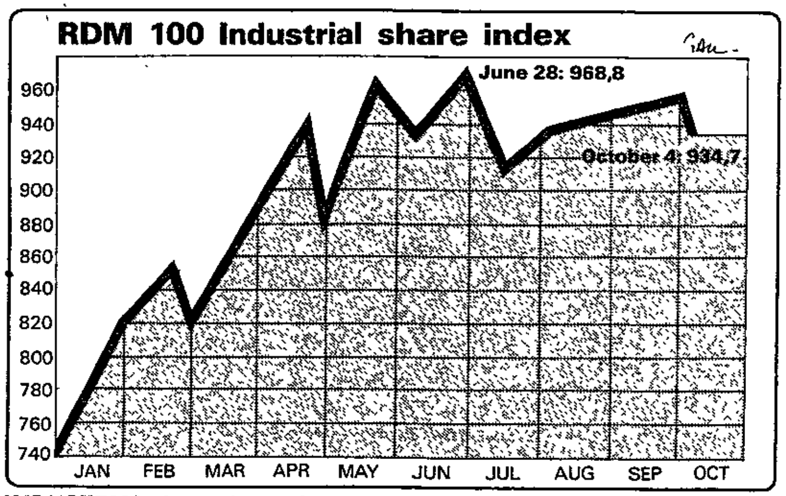
The key points are:

- Checkers will become the holding company for the Kirsh Group's wholesaling and retailing interests, and its name will be changed to Kirsh Trading Corporation (Kirsh Trading).
- Metro Corporation (Metcorp) becomes an intermediary holding company for the Kirsh Group's investment in Kirsh Trading.
- Kirsh Trading will acquire 100% of Metcash and 100% of Russells Holdings, and it will also hold the group's 50% interest in Dee Bee, the 36,97% of Union Wine and 30,67% of Dion's.
- In exchange for their existing shares in Russells, minorities will receive 100 Kirsh Trading shares for every 100 Russells shares held, while Metcash shareholders will receive 65 Kirsh Trading shares for every 100 Metcash shares held.

There is an underlying cash option for Russells and Metcash shareholders of 400c a share for each Kirsh Trading share they receive, and this offer is being underpinned by a consortium of investors.

Indications are that several major institutional investors will accept the terms of the offer, and will not opt for the cash alternative.

This undertaking from institutional investors will limit the cash outlay to a maximum of R30-million.



INDUSTRIAL shares have shown astonishing buoyancy on the Johannesburg Stock Exchange this year in spite of the severe recession in the economy. But investment analysts are now divided about the prospects. The tumble in the gold price had added an extra element of nervousness. Business Day looks at the industrial scene on Page 5

Before the arrangement the Kirsh group was structured as follows:

- Kimet held 50% of Metcorp and 50% of Dee Bee;
- Metcorp, in turn, held 95,6% of Metcash and 70,05% of Coki Corporation;
- Coki held 24,06% of Checkers; 48,8% of Russells; 36,97% of Union Wine and 30,67% of Dion's;

After the proposed new arrangement the following structure will apply:

- Kimet will hold 50% of Metcorp and 50% of Dee Bee;
- Metcorp will hold 56% of Kirsh Trading (formerly Checkers);
- Kirsh Trading will hold 100% of Checkers operating company; 100% of Metcash; 50% of Dee Bee; 36,97% of Union Wine and 30,67% of Dion's.

Critical to the entire exercise is overall consensus by all minorities, and to sweeten the offer Russells shareholders are being offered a premium of about 20% on the pre-suspension price, while Metcash minorities are also being offered a premium, but lower than that for Russells.

The statement from Barclays National Merchant Bank, which put together the scheme, draws the attention of Checkers shareholders to an announcement made in preliminary profit statement.

"Sales thus far in the new financial year are in excess of budget and reflect real growth over the levels achieved in the previous year.

"In accordance with expectations a satisfactory profit was earned in the month of July and preliminary estimates for August indicate that this trend is continuing.

"It is expected that the company will trade profitably throughout the yuear given no marked deterioration in present business conditions."

The trend has continued into September and the financial effect as set out in the announcement do not reflect Checkers current trading conditions.

According to Barname in evaluating the financial effects it should be borne in mind that the calculations of earnings and net asset value a share of Coki, Metcorp and Kimet, before the reorganisation, do not reflect the losses in Checkers in 1983.

Black businessmen get R3m in US aid

(30) 6/10/83

By CAMUEL DIKOTLA

BLACK entrepreneurs wanting to break into retailing and industry have been offered a R3m grant by the US Agency for International Development.

The grants may be renewed every four years.

Hundreds of blacks experiencing problems in getting capital and trader's licences will benefit from the grant under a joint programme by Nafcoc and USAID.

Mr Herman Nickel, the US Ambassador to South Africa, and Dr Sam Motsuenyane, the Nafcoc president, have signed an agreement which will be implemented soon.

Mr Nickel said it was appropriate that his Government, as the world's foremost exponent of free enterprise, should assist black businessmen to increase their skills in the market place.

Dr Motsuenyane said Nafcoc was in the second decade of providing assistance to black businessmen.

The difficulty in acquiring starting capital had been a hindrance to black entrepreneurs.

"The grant will enable us to offer better services more widely and effectively," said Dr Motsuenyane.

Trainees would receive instructions from professional marketing specialists. Courses and materials would be developed for black businessmen who needed help in keeping books, obtaining licences and learning stock rotation.

Advance concepts in cash flow, market analysis and staff training would also be taught.

The grant comes after criticism by South Africa's black organisations which have accused the US Ambassador of keeping a low profile on black issues.

Mr Nickel, a Reagan appointee, has allegedly not made as much of an effort as his Carter-appointed predecessor to strengthen ties with South Africa's black communities.

1 000 little men create jobs for 18 000 people

(30) RDM 6/10/83

SMALL BUSINESS
By LIN MENGE

BOTTOM UP: that is the way free enterprise grows and that is why organisations and offices are springing up around the country to assist the small businessman.

Lack of expertise, lack of capital and the existence of restrictive legislation are all being tackled on a broad front by the private sector in partnership with academic institutions and the Government.

Facilities such as training and counselling, loans and premises are being provided by the Small Business Development Corporation (SBDC) in which the Government and the private sector have equal shares; the Council for the Promotion of Small Business (CPSB), which is subsidised by the Department of Industries, Commerce and Tourism; the various development corporations in both the independent and the self-governing national states; specialist departments of major banks; the Urban Foundation and individual companies, such as the joint Barlow Rand-Norton Abrasives service.

The SBDC is only in the second year of full operation, but it has helped more than 1 000 individual entrepreneurs financially and jobs have been created for 18 000 people.

By March 1983 it owned 129 development projects in white, coloured, black, Indian and "open" industrial areas.

The SBDC does not grant financial assistance facilities to businessmen with gross assets of more than R500 000, nor does it usually consider applications for more than R150 000.

Clients range from the small, usually white entrepreneur short on security as he seeks R60 000 to R70 000, right down to the unsophisticated man in the informal sector who will work wonders with an SBDC mini-loan for which the credit ceiling is R1 000.

The corporation's headquarters and northern regional office recently moved into large new premises in Wellington Road, Parktown, Johannesburg, where the telephone number is 643-7351.

The Council for the Promotion of Small Business supports training and consulting officers at the universities of the Witwatersrand, Potchefstroom, Stellenbosch, Fort Hare, the North, Zululand, the Western Cape and Pretoria. It also offers a rebate scheme for the small businessman involving more than 500 private sector consultants and it has established nine information centres in the four provinces.

The mushrooming of almost 30 organisations, in both the public and private sectors, which promote small business has been analysed by Professor Jurgen Smith, formerly director of the Small Business Advisory Bureau at Potchefstroom University, and now senior manager, development, of the SBDC in Johannesburg.

Even the smallest businessman now has access to advice which can point him in the direction in which to seek training, loans or premises.

Rural plight repercussions in township trade

SMALL BUSINESS — by LIN MENGE

SMALL retailers in urban townships are feeling the effects of the drought in rural areas as their customers increase relief aid to relatives in the homelands.

But the recession stemming from drought and unemployment is also providing more successful traders with opportunities for expansion and consolidation.

These conflicting trends have been observed by Mr Gray Thathane, a Vosloorus businessman who is a consultant to the Centre for Developing Business at the Graduate School of Business Administration of the University of the Witwatersrand.

Because Mr Thathane is involved in follow-up visits to businessmen who attend the centre's courses in retail management, he is aware of the problems of township trade.

In the course of visits to 20 retailers in black townships on the Reef in the past few weeks he has been told repeatedly of falling sales. Traders attribute the drop in spending money to their clients having to send increasing amounts to relatives in the drought-stricken homelands.

"But there is also the unusual situation that whereas we normally have job inquiries from rural people, we are now being approached by a higher calibre — better-educated locals — of applicant for work as counter assistants, clerks and cashiers," says Mr Thathane.

"They are not fussy about salary either. Anything goes if you have to keep your children fed. But businessmen cannot simply pay these people the same amount as they would pay rural workers. Standards must be preserved."

But if that is small comfort for the out-of-works, it is also true that some firms are using this opportunity to upgrade staff.

There are also moves to expand business, taking over weaker traders in the process, says Mr Thathane. He has found this among traders in Vereeniging, Tembisa and Vosloorus. Mr Thathane is part of the trend — in addition to running a supermarket he is joining in a roadhouse and service station venture in Vosloorus. The township of 60 000 people is within easy reach of Boksburg, Benoni and other centres.

Victims of these mini-takeovers do not have much choice, he says. If they merge with a stronger business, they can at least remain in trade and be assured of an income.

Award date is extended

By LIN MENGE

CLOSING date for entries for the Legal & General Volkskas competition for the Emergent Businessman of the Year has been extended to December 31.

The award will go this year to the small-to-medium businessman who started with a good idea for a fast-growing business and has, since the beginning of 1979, succeeded in rapidly increasing his assets.

The judges, selected by the Finance Writers Club, will be financial journalists and representatives of L&GV and the Small Business Development Corporation.

The nominations received reflect an astonishing degree of courage and initiative among South Africa's small businessmen.

Take for example Dr Bert Potgieter, an academic with a doctorate in geo-hydrology, who went into the business of making concrete lintels. His enterprise was floundering for lack of capital when a strong wind halted production — it blew down the steel structure covering his working area.

But Dr Potgieter succeeded in obtaining the orders which got him into production and his first plant produced 4 000m a month. The quality of those products generated more orders. In only one year his company's assets grew from R60 000 to more than R1,3m. His factory staff increased from 12 to 40.

There is also Mr Jack Ngonyama, who has set up a prosperous bar lounge and discotheque in Letaba without financial assistance. Three years after starting he has 24 employees. Construction has started on an off-sales.

(30) FM 7/10/83

POPULATION REMOVALS

Stalling development

A R2,5m shopping centre in Cape Town's Guguletu township has been delayed because of uncertainty about the future of business and residential development for blacks in the Peninsula.

Black businessmen fear that Pretoria's reluctance to formally approve the Guguletu development, which is to be funded by the Small Business Development Corporation (SBDC), is a clear signal that all Peninsula blacks are to be removed from Langa, Nyanga and Guguletu and settled at Khayelitsha, a 3 500 ha State-owned site between Mitchells Plain and Macassar.

The Guguletu development, comprising 26 shops, a supermarket, a post office, banks, building societies, a service station, factory flats for the informal sector, parking for 300 cars and open-air trading stalls for hawkers, was announced a few months ago. It was warmly welcomed by Western Cape Administration Board chairman Franko Maritz and his officials. Guguletu, by far the most populous and capacious (650 ha) of the three black townships, badly needed some form of "CBD" development, the officials said. The location of the project was ideal, they said, on a large slab of vacant land in the centre of the township. By no stretch of the imagination could this development add to the density of living in the township, officials conceded.

Now, officials at the Department of Co-operation and Development (CAD) in Pretoria are not so sure. And for fear of committing a bureaucratic blunder they have held up signing of the lease between WCAB and the Small Business Development Corporation (SBDC).

The *FM's* inquiries in Pretoria have failed to shed light on the subject. CAD, it seems, is waiting for the Minister, Piet Koornhof, to decide. At the heart of the matter is a statement by Koornhof in Parliament about three months ago. He said: "It is necessary for the orderly development of the Cape Peninsula that provision be made for the consolidated housing needs of the black people. For this purpose, the development of the Driftsands/Swartklip area should be undertaken without delay and funds will be made available to ensure that the development of the residential area can be started as soon as possible, on an imaginative scale.

"To promote these objectives, no further filling in between or increasing of the density of the existing black residential areas in the Peninsula should take place."

In Pretoria this is taken to mean that all development in existing townships may have to be frozen, although it is hard to see how a fairly modest project like the SBDC development could conceivably add to population density. This, as Cape Town newspaper readers are reminded daily, is prevented by assiduous application of the pass laws and by scheduled demolition of squatter shacks and shelters. Deputy CAD Minister George Morrison told the Cape NP congress that "strict measures are being taken as shown by the fact that from October 1982 to the end of January this year 13 000 blacks were convicted for being in the Western Cape illegally."

Senior officials in Pretoria say that Koornhof and/or the Cabinet will have to make the final decision, but this is unlikely to be forthcoming until after the referendum. The officials say the final decision will have to be preceded by consultations with the SBDC to try to persuade the corporation to "investigate the attractions" of taking its development to Khayelitsha. The government does not want to apply coercion, they say.

What they will not say is whether government will forbid the Guguletu development if, as seems likely, SBDC fails to see the attractions of Khayelitsha. The corporation is not keen to discuss the matter. After numerous attempts to get the lease signed, it has now written to CAD in Pretoria asking for reasons for the delay. Officials at the corporation say it is unlikely that the Guguletu project will work in Khayelitsha, which is in a very early stage of development. The Guguletu project's viability is based on heavy consumer flows of relatively well-off permanent residents.

For SBDC local director Leslie Kakaza, the delay is acutely embarrassing. Kakaza is MD of Eyona Ltd, a company with issued share capital of R25 000 which was to operate a supermarket at the new Guguletu business centre. On Monday night he is giving a cocktail party to hand out share certificates to people who subscribed for Eyona shares. He may now have to hand their money back instead.

Kakaza shares the widespread fear in the black townships that the Guguletu incident is a clear indication that future ministrations of "co-operation and development" are going to be very painful.

Even before the WCAB announced the development of Khayelitsha, Cape Town's three black townships were seething with rumours of a massive, phased removal of all Peninsula blacks to the new area, to create *lebensraum* for the constitutionally acceptable coloured population group. The current *de facto* black population of greater Cape Town is 226 224, of whom about 155 000 have "legal" residential rights.

Their removal, and the deportation of about 72 000 "illegals" under the Aliens Act, would add up to the most ambitious exercise in applied separate development since the forced depopulation of District 6.

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Behind the big battle

Consumers will applaud the present grocery war. But if it goes on for too long, someone in the industry is going to get hurt.

There is nothing more irritating to a successful retailer than intense competition from an unprofitable rival. In the long run, the rival may seal his own fate — and make life difficult overall. And in the short run he can play havoc with his competitors' margins and inhibit future investment.

In an effort to regain a depleted market share, the much-battered Checkers has embarked on a campaign to bring its prices into line with those of its competitors. This came just before a price promotion on petrol by Pick 'n Pay. Whether or not either of these moves was intended as a provocation to all-out war will never be known. The fact remains that these two supermarket chains are now locked in combat.

Inevitably, OK Bazaars (OK) is being drawn in as well (see table "The Balance of Power"). As there is no growth in retail sales at present, both OK and Pick 'n Pay could suffer a real sales decline if Checkers succeeds. If it does not, the cost of defending themselves could weigh heavily on profitability.

Pick 'n Pay may feel the heat more because, like Checkers, it relies on grocery items for more than 80% of its turnover. The figure for OK is closer to 55%. Pick 'n Pay chairman Raymond Ackerman's earlier association with Checkers might also have added an element of personal rivalry.

Poaching?

As it is, Ackerman has already traded accusations with Checkers MD Gordon Utian over the two groups "getting at" one another in their promotions. He says Checkers is trying to poach his staff by offering unrealistically high salaries — a charge which Checkers denies categorically. And he contests Utian's claim that Checkers is still the country's biggest retailer in food products.

"Price-cutting by Checkers has given us the hardest six months ever. And my guys are steamed up to fight them tooth and nail. So far OK seems to be sitting on the sidelines but their results will show whether this was the right decision," Ackerman says.

Checkers enters the battle with several handicaps. One is its merchandise mix. On this score OK holds the strongest cards with its high proportion of non-grocery items which carry relatively high markups. This allows it to cut grocery prices while maintaining acceptable margins on total sales.

Pick 'n Pay also carries a higher proportion of non-grocery lines than Checkers, mainly in its hypermarkets, and Utian admits the group was "nearly killed" when it followed Pick 'n Pay into hypermarketing.

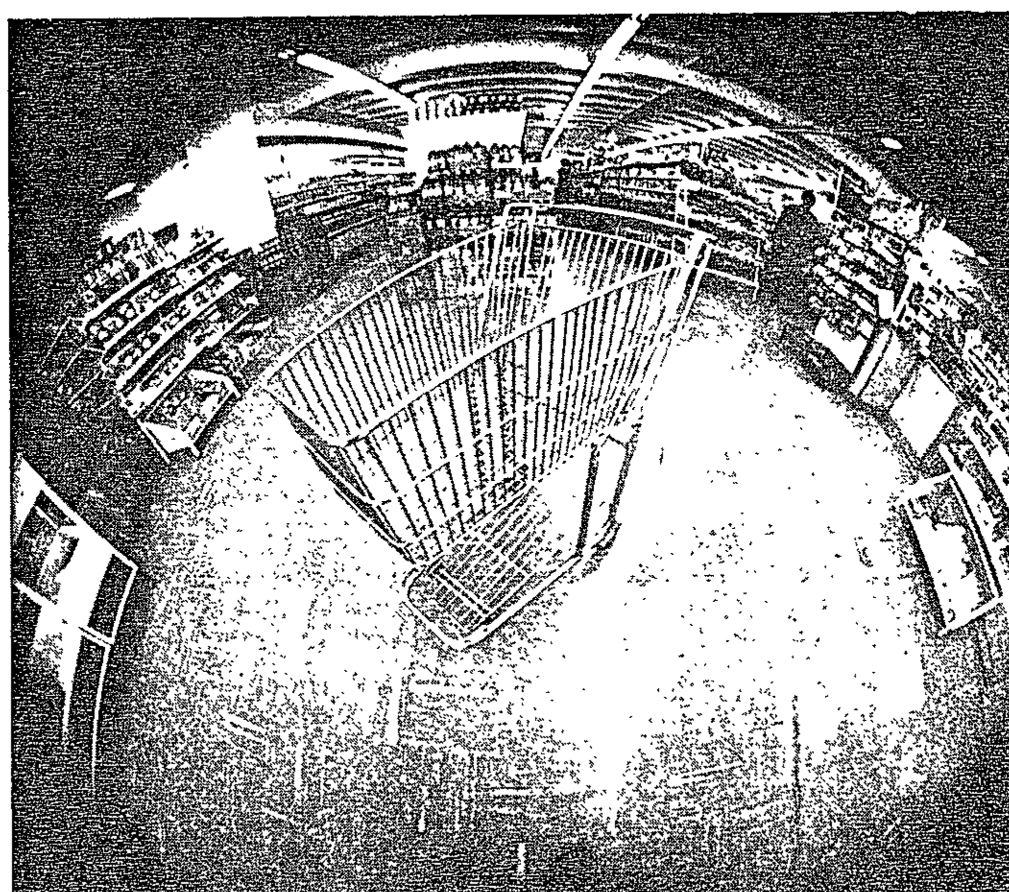
Its lack of a long-term strategy in this respect led to its outlets carrying four different names in the space of a few years: Multimarkets, Hypermarkets, Big-D and now, simply Checkers. Checkers has not yet found the right formula for marketing the big-ticket items it needs to help fight the grocery war. And rumours are that the hypers will be closed.

It is also probably being out-manoeuvred by Pick 'n Pay in store siting. At present it has 183 outlets, but Pick 'n Pay does a bigger turnover through only about 70. Both plan to open more, but Pick 'n Pay does so from a position of greater strength.

Ackerman says: "There is still so much virgin territory open to us. Others put down new stores in areas where they are already trading. But the fact that we have fewer outlets enables us to pick new sites more carefully.

"Our aim is not for market share but to maximise turnover in each outlet. This is the secret of our profitability as it keeps down overhead expenses."

Many Checkers stores have inadequate



THE BALANCE OF POWER

	Pick 'n Pay	Checkers	OK Hyperama	OK Bazaars
Turnover '82/'83	R1 235m	R1 146m	R300m	R1 285m
After-tax profit/(loss)	R27,5m	(R37,7m)	—	R26,8m*
Number of stores	69	183	7	153
Number of employees	15 600	14 274	2 800	21 200
Trading area (m^2)	184 000	284 093	80 637	519 363
Turnover/store	R17,90m	R6,26m	R42,86m	R8,40m
Turnover/employee	R79 167	R80 286	R107 143	R60 613
Turnover/m^2	R6 712	R4 034	R3 720	R2 474

NOTE: Calculations based on year-end figures
* Combined profit of OK Bazaars and OK Hyperama

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RETAILING

Behind the big battle

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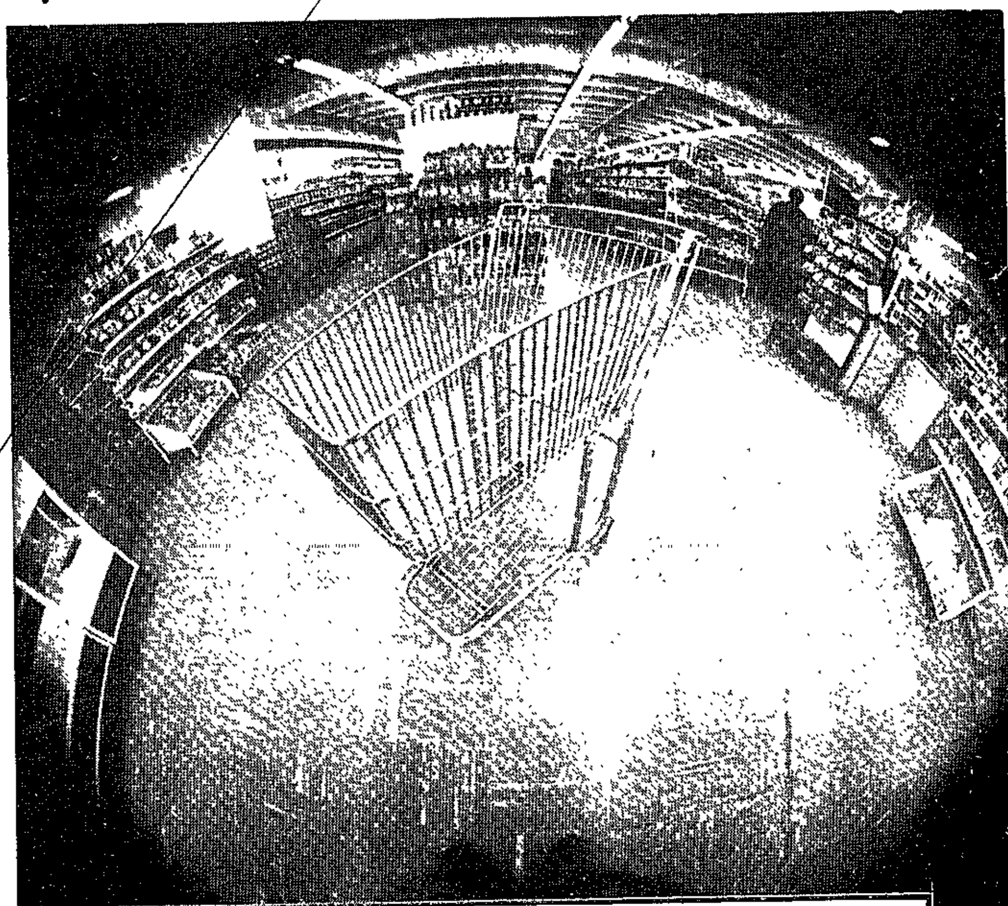

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(30) FM 7/10/83

KIRSH GROUP

Reshuffling the pack

As befits the scale of the problem, the restructuring of the Kirsh group's trading interests around Checkers is far-reaching. As expected, Checkers, for all its past problems, has been chosen as the main vehicle for the housing of the group's retailing and wholesaling operations. The enlarged stores group will be renamed Kirsh Trading (KT) and all the trading assets of furniture group Russell and wholesaler Metcash will be injected into the company. KT will also hold the Kirsh minority shareholdings in Dion, Union Wine and the Dee Bee supermarket chain.

KT intends to use Section 311 of the Companies Act in its bid to acquire the entire issued share capital of Russell and Metcash. In terms of the Act, the scheme of arrangement must be approved by shareholders and sanctioned by the court. In addition, KT will acquire 50% in Dee Bee, 37% of Union Wine and 30,7% of Dion. The troubled supermarket chain will continue to trade under the name "Checkers," which will, of course, be 100%-held by KT.

Assuming that the proposals are accepted, the immediate effect will be that KT will have 55,8m shares in issue. And, after dilution (allowing for the conversion of Checkers' preference shares) there will be 68,94m issued shares with an estimated market capitalisation of some R250m, according to Kirsh's merchant bank, Barclays.

Chairman Natie Kirsh is still battling to recover the exorbitant price paid for his group's controlling stake in Checkers. The new arrangement is a way of reducing the average cost of his increased holding in the company to roughly R6 per share, against the R15 paid for control. Also, Metcorp will end up controlling 56% of KT, after full dilution, which ensures that Kirsh will firmly control the restructured group.

Kirsh's increased stake in Checkers amounts to a vote of confidence in management's ability to turn the supermarket chain around. Management has stated that satisfactory profits were earned in July and that this trend continued in August. Even so, these profits have been neither quantified nor specified, though MD Gordon Utian assures the *FM* that profits will eventually be disclosed. After 18 months of heavy write-downs and major losses, the need for which was blamed on Checkers' previous management, the stores group now has to produce the respectable profits which have long been promised.

This financial year's profits will certainly have to be disclosed soon if the notional price of 400c, which has been placed on a Checkers share, is to be seen to be fair. It certainly is not if it is based on last year's loss. The price represents a rough 15% discount on the pre-suspension price. On relisting on Wednesday, the share traded at 425c. But minorities in Russell and Metcash may opt for cash.

Coki minorities will find themselves invested in a larger, more diversified group which could derive enormous financial benefits from the proposed rationalisation. Some existing Checkers minorities may dislike the dilution in their speculative holdings, but others — particularly the voteless "A" shareholders — could well be pleased that Kirsh has enfranchised them.

There are, of course, other advantages in

Natie Kirsh ... building a broader trading base

THE NUTS & BOLTS

The restructuring of the Kirsh group's trading interests is straightforward though comprehensive:

□ Metro Corporation will exchange its 95,6% holding in Metcash at the rate of 60 Kirsh Trading (KT) voting ords for 100 Metcash shares;

□ Coki will receive approximately 17,5m shares in KT for its holdings in Russell, Union Wine and Dion. Metro will assume all the preference share capital and short-term loans of Coki in exchange for 3,7m KT ords, and will issue listed preference shares on equivalent terms to the holders of Coki's preference shares. Coki will distribute the remaining 13,8m KT ords to its shareholders in proportion to their holdings. This will result in Metro receiving an additional 9,7m KT ords;

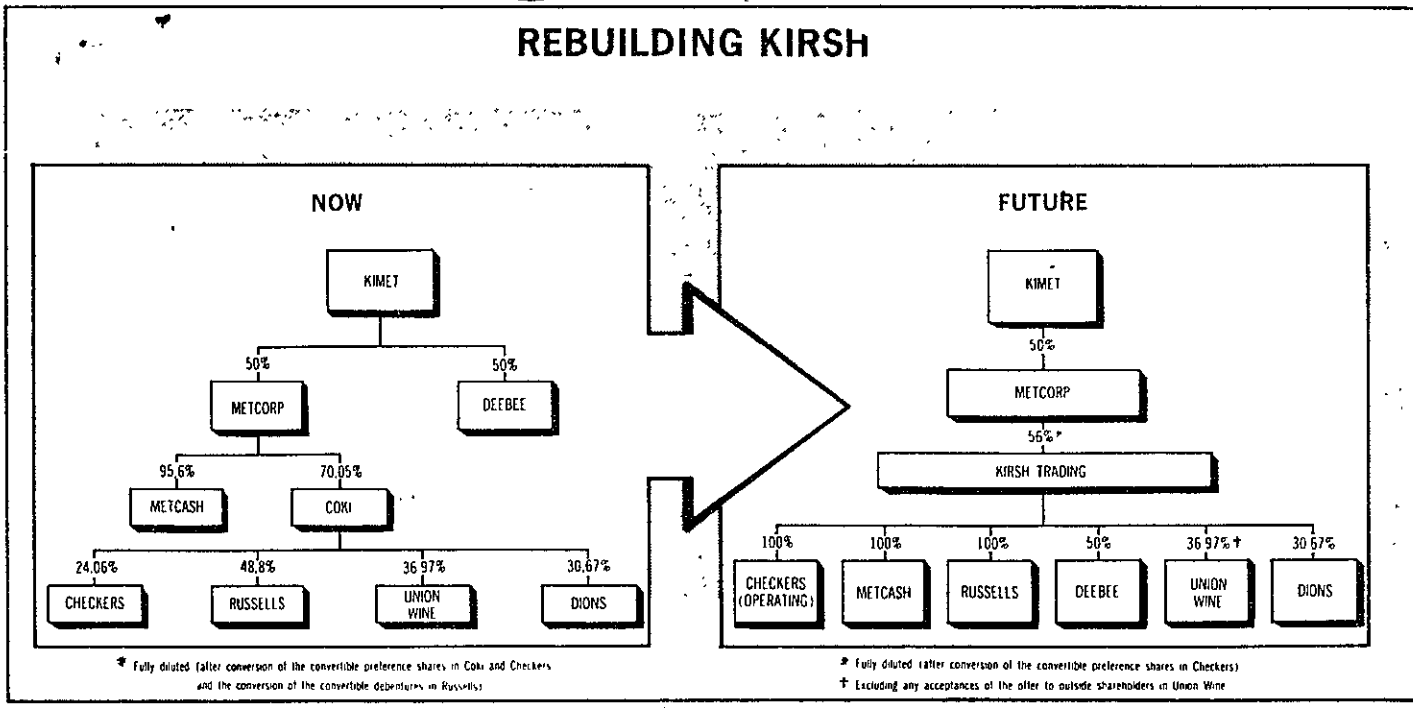
□ Metcash's minorities will be offered 65 KT ords for 100 Metcash. Russell's minorities will be offered 100 KT ords for 100 Russell. In either company minorities can opt for the cash alternative of 400c per KT share, subject to a formula. The cash alternative will be reduced in proportion to any fall in the JSE industrial index between September 26 and the last date of election to receive cash. There is no comparable provision for an increase;

□ Kimet is to dispose of its 50% interest in the Dee Bee supermarkets for 925 000 KT ords;

□ Russell's listed unsecured debenture holders will receive listed KT unsecured debentures in exchange for their holdings at slightly better rates of return; and

□ At the end of the reorganisation, existing non-voting Checkers "A" ords will be converted into voting shares ranking equally with all other voting KT shares.

FM 7/10/83



the new structure: the group will obviously have much greater negotiating muscle in the market place, with a combined turnover in the region of R2,5 billion. Profits from other operations, can be swung into the Checkers trading division to take advantage of that company's huge assessed tax losses. There will also be unrestricted movement of cash from one side of the operation to another.

The point is that under the new structure Checkers can live with any profit squeeze necessary to regain market share. And management has been given the basis to ensure that the hair-raising losses of the past 18 months are not repeated and that Checkers does not sink. *Brian Zlotnick*

PICK 'N PAY
Surging ahead

When is Pick 'n Pay going to run out of steam? If the latest results are anything to go by, it will take more than a recession to halt the growth of the country's fastest expanding retail chain.

Despite an economic downturn, a slowdown in consumer spending and the serious drought, earnings were up by 15% in the six months to end-August. And it is possible that by the year-end this figure will have risen to 20%.

The pace has, however, been slowing in the past few months and the last couple must have been particularly difficult. Sales growth after 12 weeks of the current half-year was 26% up on the year-ago period, while the turnover rise for the full six months was down to 23%.

Margins are obviously under pressure as the war for customers hots up between the supermarket chains (See *Leaders*) and Pick 'n Pay has not been exempt. But the combination of aggressive marketing and price cuts on strategic foodstuffs kept the customers flooding through the doors.

The product mix has been extended, which for a lesser company would have proved difficult in the current depressed economic climate. But sales of durables and hardware exceeded budgeted earnings forecasts during the first half and were well ahead of expected sales.

P 'n P's PROGRESS

Six months ended	Aug 31 '82	Feb 28 '83	Aug 31 '83
Turnover (Rm)	566,2	668,5	696,2
Pre-tax profit (Rm)	17,6	30,5	20,2
Earnings (c)	49,6	91,2	57,1
Dividends (c)	14,0	47,0	16,5

The group's expansion programme continues, despite a few problems. A new store was opened in Empangeni and a superstore was started in Ormonde. The new Pretoria Hypermarket, the group's 10th, is on schedule for a December opening and the foundations have been started for the first overseas store — in Brisbane, Australia.

During the second half a further four supermarkets are due to open, which will increase the chain to 65 supermarkets and 10 hypers. In addition, extensive renovations are being undertaken at several stores.

A significant contribution to the first half's earnings rise was the reduction of shrinkage to below 1% of turnover. Annualised, it is estimated that 1% represents about R15m at the pre-tax level. So any savings here go straight onto the bottom line.

Another factor which should enhance second-half earnings is the absence of one-off write-offs. These took some R2,5m from the pre-tax level in the first six months, due to expenses incurred with the opening of the Pretoria hyper and various renovations at other stores.

The share is seemingly oblivious to the depressed surroundings and at 2 800c it is unchanged from five months ago. At this level, and given the increased interim dividend, it offers an historic 2,3% yield. Not the most attractive return on the market but the rating is still spot on. *Peter Farley*

SENTRUST/UCI
Pros and cons

Dissent has stirred within the ranks of Gencor's mining holding companies as to the merits and demerits of the merger be-

IEA pledged to train black and white

30 E. Post 8/10/83

THE Institute of Estate Agents of South Africa, during the coming year, is committed to the training and education of estate agents at all levels and PROPERTY '83, presented by the Port Elizabeth and Midlands branch of the institute, is an excellent example of the type of seminar that will be held at the various branches throughout South Africa.

In addition to similar seminars, the institute has undertaken to assist the Estate Agents Board in the organisation of the compulsory examination in terms of the Act, which will come into force in 1984.

Through the non-profit-making company Home Ownership Marketing Enterprises (Home), it will assist the Estate Agents Board in the training of black estate agents whose function initially will be to market homes in the black areas under the 99-year leasehold scheme.

During 1984 the institute will also introduce its own professional designation examinations, which will concentrate on the training of residential sales staff, industrial and commercial sales staff and those involved in the management of property.

These professional designation examinations must not be seen to be competing with the Estate Agents Board compulsory examinations, but rather as complementing them.

This is because the Estate Agents Board examinations will deal more with education of estate agents while the institute's own professional designation examinations will deal more with the training of estate agents.

The function of the institute will, in the future, be directed to creating a more professional outlook and will equip its members through...

— A MESSAGE FROM —

Mr DEREK SMITH, national president of the Institute of Estate Agents of South Africa

Mr ANDREW HARRISON, manager of the Estate Agents Board.

Seminar success

For the first time ever, the Port Elizabeth and Midlands branch of the Institute of Estate Agents of South Africa held a full-day seminar, PROPERTY '83, in the city this week.

It was a great success, and promises to become a well-supported annual event in the future.

On this page are pictured some of the top men in the industry who explained at the seminar the new drive for ever-improving standards and the growing emphasis on training and professionalism.

Mr BASIL ELK, a member of the Estate Agents Board, whose subject concerned education, training and licensing.

Non-profit firm to aid education

S.Times

30

R3m U.S. grant likely for Nafcoc

By CHARMAIN NAIDOO

AN American grant of R3-million for the training of young black businessmen is being negotiated.

The money will be put up by the United States Agency for International Development (USAID) and the National African Federated Chamber of Commerce (Nafcoc) will spend it.

The Sunday Times this week learned from a reliable source that USAID has offered the grant over a four-year period to be used for the training of black businessmen.

The executive director of Nafcoc, Mr S M Kubeka, said: "Nafcoc will hire eight black people in staggered groups of two."

Expertise

Mr Kubeka said that Nafcoc would be responsible for paying their salaries.

The grant would be used to cover all these costs as well as pay the salary of a South African co-ordinator who will liaise with the American contractor — who has been hired by USAID.

This co-ordinator — who has not been chosen yet — will provide curriculum aid and expertise in areas that are not available in South Africa.

When the four-year training programme is complete, those who have been trained will in turn train other black businessmen.

"We are planning to establish offices in four major cities — Port Elizabeth, Cape Town, Johannesburg and Durban," Mr Kubeka said.

Candidates will be selected once the transfer of money has been finalised.

Mr Kubeka said: "I think it's a super idea especially since blacks have not been considered for a long time by donor countries because of the political climate in South Africa.

"We desperately need training programmes — it's one of the areas in which we are sadly lacking."

(30)

Sunny Side Up!

The sun shines on many things in South Africa. There are many stories of love and laughter; of blacks and whites helping each other; of triumphs outnumbering tribulations. Mrs Florine Ntholeng's story is one of them. And, what is even more encouraging, it is not unusual. Under the surface of the big events in South Africa there are plenty of people helping each other towards a better life.

If you have anything to tell us about the sunny side of life in this country please write to SUNNY SIDE UP, c/o The Editor, The Star, Box 1014, Johannesburg. Or phone 633-2487. Share the good news with our readers.

Once struggling mother now owns small business

By Anthony Duigan

As long as she could remember Mrs Florine Ntholeng of Katlehong struggled to make ends meet. But with six children, and with her husband's monthly income too low to pay all the bills, she had no time for self-pity.

Now the initiative and imagination she used to tackle her problem have paid off and today Mrs Ntholeng runs her own small factory in one of the industrial areas of Katlehong.

"As long as I can remember I had to sew and stitch to make garments I could sell because we needed money desperately," says Mrs Ntholeng, a bright personality who greets visitors to her little factory premises with warmth.

The only extra space she had in her small township house was the kitchen and she sat there for hours each day at her sewing machine where she developed the skills that today make her one of Katlehong's top seamstresses.

"I decided that I wanted to bring up my children myself and not leave them alone while I went off to work in the city," said Mrs Ntholeng.

"As a result I began sewing up garments, especially lady's lingerie, at home and selling them in the township."

But the break for Mrs Ntholeng came with the advent in Katlehong of the Urban Foundation which began a counselling service to identify entrepreneurs.

One thing led to another, and an industrial park to accommodate just over 20 of Katlehong's small industrialists and businessmen was opened 14 months ago with the help of the foundation, the Small Business Development Corporation and large companies.

This has opened a new world to black entrepreneurs. Several of them are manufacturing for the wider South African market through contracts they have entered into with large firms. Others serve their immediate market in Katlehong.

"It must be stressed that what we have here is not an 'ag, shame' operation," said Mr Hennie Bornman, the Urban Foundation extension officer whose job it is to help the black entrepreneurs get outside markets for their goods.

"It is a business arrangement through and through and the people here produce articles to compete on any market."

Proof of this is Mrs Ntholeng. A Pinetown firm is presently doing a market test on her lingerie and all the signs are that she will land a big contract to supply them with her products.

At the moment she is working on a contract to produce as many men's overalls as she can and must consider taking on more staff to cope — a long way from sitting at her kitchen table turning out articles she never knew from one day to the next would sell or not.

The smiles tell it all. Mrs Florine Ntho- Bellina Masangane and Mr Benedict

(30)

SAMUEL MOTSUENYANE

Grassroots black business

Dr Samuel Motsuenyane, president the National African Federated Chamber of Commerce (Nafcoc) and chairman of the African Bank, this week wound up an eight-day visit in Israel, where he explored the possiblities of Israeli-black SA economic relations. He was interviewed by our Middle East correspondent in Jerusalem.

***FM*: What is the reason for your visit to Israel?**

Motsuenyane: I came to see if there was anything black SA could learn in Israel and what Israel could contribute to the development of the emerging black business community. I am now convinced there is a desire in Israel to become involved.

How do you see this involvement?

We in Nafcoc will have to compile a "short list" of areas where we will benefit most from Israeli help; rural development is one certain area.

Can you be more specific?

I contemplate some measure of private sector help but the Israeli government can also play a role. I refer to State training of SA blacks within existing Israeli programmes for rural development in developing countries.

I am thinking less of black South Africans going to Israel to train — which may be expensive — and more of Israelis bringing their expertise to SA.

They are needed because black agriculture in SA is underproductive due to under-utilisation of land, lack of skills, lack of capital, over-crowding and inadequate-sized plots.

Does Israel offer any agricultural model for black SA rural development?

Yes. I do not think the kibbutz would suit local farmers, who are basically capitalist at heart. But the co-operative moshav — in which land is privately owned, but produce is jointly marketed and farming equipment jointly owned might suit us well. I believe there are already several moshavim in SA.

Can Israel help SA's black industrialists?

Yes. Especially small operations in metal working, carpentry, clothing, and agriculture-based industries, such as canned foods. Once agriculture improves, such industries can be envisaged.

What's in it for Israel?

Israelis should be motivated not purely by short-term business interests but by a sense of public spirit. God has blessed Israel with a surplus of skills. The model should be the same as when the US embarked on the Peace Corps.

Non-business motivation should be part of the package, but once Israeli expertise is introduced and black SA agriculture improves, there will perhaps be a market for Israeli agricultural technological exports.

Black farmers might well need Israeli agricultural technology and equipment, drip irrigation systems and so on. And black SA represents a vast market. By the year 2 000 there will be some 43m blacks compared with 7m whites.

There will come a time when large numbers of blacks are entrepreneurs in their own right playing an important role in the SA economy.

Do you expect Israel to help also with financial investments?

I know Israel's problems — lack of money and high interest rates. So I don't see much scope for such thinking.

Black bosses abuse us, say Pretoria workers

30

BLACK EXPLOITATION

Sowetan **By MONK NKOMO** 4/10/83

SCORES of workers in business centres around the Pretoria townships have claimed they are subjected to exploitation by their black bosses who make them work up to 12 hours daily while paying them low wages.

Investigations by **The SOWETAN** revealed that the workers were also refused leave and if they did go on leave they were not given leave pay.

Further investigations also revealed that about 98 percent of the workers were not registered at the labour bureau.

Employees at shops and filling stations in Mamelodi and Atteridgeville/Saulsville told **The SOWETAN** they were afraid to go to town because their reference books were not in order, despite having worked for the same employer for periods of between two and five years.

A young man employed at a filling station in Atteridgeville for almost two years said he was not registered and earned R25 per week and had to work from 7 am to 8 pm daily, including Sundays. "We get no days off or leave. We do not even have time to have lunch. We just work until you feel like a non-person," said the worker who refused to have his name published for fear of reprisal.

The presidents of the Atteridgeville/Saulsville Chamber of Commerce and Industries, Mr Z Z Mashao, yesterday condemned the exploitation "in the strongest possible terms" and demanded "the redress of this inhuman practice".

Mr Mashao, who is also deputy-chairman of the local community council, appealed to all black businessmen to stop frustrating their own people and instead improve their working conditions.

Mr X, a labourer, told **The SOWETAN** he was fired when he refused to go into hiding when inspectors from the Department of Manpower came to the business complex early this year. He had worked for about 10 months without being registered and earned R20 per week.

He added: "I was fired immediately after the inspector left. Because I was not registered I cannot claim anything from the Unemployment Insurance Fund. It is terrible to be subjected to these inhuman conditions by your brother."

Mr L J Grobler, the divisional inspector of the Department of Manpower, yesterday promised to launch an intensive investigation into labour malpractices in the township. "We also appeal to workers to come forward and report to us so that we can help them," he said.

A labourer at a dry cleaning factory told **The SOWETAN** he was assaulted for almost two days after he was accused of having stolen two pairs of trousers

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S.Times 16/10/83

Small-business problems

'There are too many legal obstacles'

VP

By Julian Kraft

SMALL-business development among blacks in South Africa will not achieve targeted results unless steps are taken to make the businesses economically viable.

Brian Tresidder, Standard Bank's senior manager, retail market, whose responsibilities include overseeing the activities of the bank's small-business development unit, claims that the way the task is being tackled at present in South Africa needs modification.

■■■

He has just returned from the international small-business congress in Singapore, which served to highlight the faults of South African efforts.

"Too often one hears the claim that South Africa is different and that its problems are unique, but this is not so. Small-business development is unco-ordinated and its objectives have not been clearly defined," he says.

A basic problem was that — at least as far as the black entrepreneur was concerned — the emphasis was on socio-political as well as economic factors.

"By contrast, in Hong Kong and Taiwan free enterprise in the true sense exists and every encouragement is given to small businesses.

■■■

"A most vital element is that the small businessman is encouraged to harness modern technology as much as possible and to be competitive on the world market. The small manufacturer makes products for export to the US and other world markets."

Another key fault of South African initiatives was that they placed a high emphasis on labour-intensiveness with the aim of providing maximum employment.

BRIAN TRESIDDER

Instead, the major emphasis should be on efficiency, modernisation and competitiveness in the marketplace.

Mr Tresidder believes joint ventures between small manufacturers in South Africa and the Far East could do much to get local operations on the right footing.

■■■

Among other important elements which were present in many countries actively encouraging small-business development but lacking in South Africa were:

- A banking system devoted solely to financially serving and assisting medium and small businesses.
- Complete absence of petty legal restraints.
- The infrastructure to monitor the efficiency and competitivenes of the small manufacturer.
- A joint marketing facility responsible for marketing small manufacturers' products to overseas customers.
- Sharing by manufacturers of plant, machinery and computer power which they could not afford to obtain individually.

"In the Far East everything is geared to encourage small businesses, whereas in South Africa there are too many legal obstacles."

■■■

Nafcoc had found that not one of the 44 000 factory flats in Hong Kong complied with South Africa's factory regulations.

The Factories Act made the cost of establishing a factory prohibitive, especially for the black man, who was also geographically restricted to areas not provided with proper services, which further added to his costs.

Hong Kong also provided one office where queries by small businessmen could be answered, whereas in South Africa the situation was so fragmented that it was just a maze of red tape.

"The whole legal environment is the biggest single factor holding back development in this country," says Mr Tresidder.

Regarding financing, Taiwan has a bank which is a joint private-enterprise and government venture devoted almost solely to handling small and medium business enterprises, including guaranteeing of other banks providing capital for such businesses.

"The guarantee commission is only 0,75% because of the volume. In South Africa it is up to 2,5% and there is talk of increasing it further.

"That comes on top of the prime plus a margin, which is the generally accepted basis for loan capital for small businesses in South Africa at present."

In the training and advice field there was also a lot of duplication and confusion.

Mr Tresidder made the following recommendations:

■■■

- The banks should co-ordinate their efforts, or alternatively establish a small-business-development bank.
- The body co-ordinating small-business development should not have direct links with the Government and must devise and execute a national small-business strategy.
- A national conference featuring overseas small-business experts should be held to increase awareness about effective small-business development.

Steps towards black ties with Taiwan

By Julian Kraft

STANDARD Bank's small-business unit has taken the first steps to establish joint ventures with Taiwanese manufacturers and black entrepreneurs in South Africa.

The initiative has the two-fold purpose of providing South African blacks with the opportunity of setting up viable and competitive small manufacturing ventures — and of bringing down the prices of imported merchandise to reasonable levels to the benefit of local consumers.

"It is no secret that many Far East manufacturers regard South Africa as a sitting duck for their products, regardless of quality, as the quality vetting for imports in South Africa is poor," says Brian Tresidder, the bank's senior manager, retail market, responsible for the bank's small-business development unit.

Consequently, many imported consumer goods from such countries were highly inflationary, with only the middleman gaining the benefit while the South African consumer had to bear the cost.

Mr Tresidder, who visited several Far East countries recently when he attended an international small-business congress in Singapore, has written to the head of the medium and small business administration body in Taiwan proposing that joint ventures be undertaken which would reduce costs of goods imported to South Africa to more acceptable levels.

In terms of the proposal, local small manufacturers, chiefly black, could undertake the final manufacture and assembly operations of goods.

"This could apply to a radio, for example, where the high-technology manufacturing would be done in Taiwan and the local entrepreneur could look after the manufacture of the casings and final wiring and assembly.

"This would achieve some import replacement and bring down the final cost of the product to the consumer, as the import duties applying to components are much lower than those for finished products," Mr Tresidder said.

From a low technology base the manufacturer could then progress to higher levels as the expertise in the factory improved.

Black consumers gain more muscle

Marketplace

A column on the media, PR and advertising

By GORDON KLING

BLACK consumer power is rapidly gaining the kind of muscle that should soon make it the dominant market force, according to recent research, but insufficient effort is being directed towards making an impact on black buyers.

The latest forecast of retail sales by Unisa's Bureau of Market Research has found that blacks will be the major consumers this year in at least 6 of 17 merchandise categories, accounting for 40 percent of total sales, while whites will make up 46 percent of the market.

Two years later the picture is expected to have altered radically, with the black share rising some 15 percent above white consumption.

Commenting on the findings, Rightford Searle-Tripp and Makin Advertising says in its monthly "Indaba" report on urban black social, cultural and economic trends, that the significant shift in market share is now being noticed by marketers, but very little effort is being made to make an impact on black consumers. Only about 15 percent of total media expenditure is now devoted to attacting black custom.

"One complicating problem, of course, is the lack of suitable above-the-line media to reach the various subsegments of the market. However, many cluedup marketers have not allowed this lack of conventional media to stifle their marketing effort and are using other equally effective communication tactics to put their message across."

The Unisa survey found that black spending was above whites' in food, non-edible groceries (their term), both alcoholic and soft beverages, adult footwear, TV sets, radios, tape-recorders, and men's and boy's clothing and accessories.

Black children seem to lag in the Unisa categories, but Market Research Africa has found in another study that they too are becoming a very big factor in the marketplace.

The largest single market for canned foods is black schoolchildren under 16.

They eat 53 percent of soups and 36 percent of canned ready meals, and in terms of volume, the black-child market for canned soup is eight times the size of the white-child market.

To keep things in context though, RS-T&M notes that if the figures are related to per capita consumption, the blacks don't do so well at all.

The latest information on household income of all races from AMPS 1983, based on fieldwork conducted during the first half of the year, shows the wage gap has widened.

The University of Stellenbosch Bureau for Economic Research has found a marked divergence in outlook between blacks and whites, with only the latter putting an optimistic face on economic expectations for the next five years.

Computers ...

Sowetan (30)

Businessmen clinch first

By LEN MASEKO

18/10/83

A WHOLESALE cash and carry distributor believed to be the first such business having a black majority shareholding in the townships, has been launched.

The company, Afrimet Limited, will conduct business as wholesaler supplying traders in the townships. Fifty-one percent of the shareholding in this company will be issued to blacks, and the balance of 49 per cent will be held by a white company, Metcash.

Already the company has purchased a wholesale cash and carry business in Jabulani, Soweto, Cash and Carry, where it will trade temporarily while seeking an alternative site. It has also bought another wholesale business in Thokoza, Alberton.

Among its directors are Soweto Chamber of Commerce president Mr Vela Kraai (chairman), Mr Richard Maponya (vice-chairman), Mr L Katz, Mr David Pooe and Mr G Mshile.

Addressing a Press conference in Soweto last week, Mr Kraai said: "The formation of the company is a historic event for us as a black community. Firstly, it is the first publicly-owned wholesaler in urban black areas. Secondly, it is the first to have a black majority shareholding."

The company has invited the black community, especially traders, to buy shares in the wholesale outlet.

Mr Richard Maponya: Vice-chairman.

Mr Vela Kraai; Historic venture.

Mr David Pooe: Director.

East Rand traders to boycott store

Sowetan 14/10/87

By MZIKAYISE EDOM

TRADERS in Katlehong and Thokoza townships in the East Rand have threatened to boycott a wholesale store which was recently launched in Thokoza.

The concern, and another in Soweto, were launched a few days ago by Afrimet Limited, a black owned company. Among the company's directors are Soweto Chamber of Commerce president Mr Veli Kraai, Mr Richard Maponya, Mr L Katz, Mr David Pooe and Mr C Mahile.

The company will conduct business as a wholesaler supplying traders in the townships. Fifty-one percent of the shares in this company will be issued to blacks, and the balance of 49 percent will be held by a white company, Metcash. Metcash also owns Metro Cash and Carry wholesale distributors which has branches throughout the country.

TRADERS

Speaking on behalf of traders in Katlehong and Thokoza, Mr Joe Namani said yesterday: "We are against Metcash and Afrimet entering our area and competing with us. At a joint meeting recently we decided to boycott the wholesale distributors in Thokoza until such time as Metro withdraws and the cash and carry business is run entirely by blacks."

Mr Namani said traders would boycott all Metro Cash and Carry outlets on the Reef. He also said that the traders in the two townships were finalising plans of taking over the Ikhwezi Cash and Carry wholesale business in Katlehong and converting it into a Blackchain Cash and Carry outlet. Mr Namani further stated that most traders in both townships had invested in a Blackchain project.

Mr Namani is chairman of the Katlehong Chamber of Commerce and Industries.

Assocom backing for all-race trading

21/10/83 RDM 30

Industrial Editor

LEGAL obstacles to black entrepreneurs must be removed to gain maximum benefit from free enterprise, said Mr Neville Davies, of Port Elizabeth Chamber of Commerce, at the annual congress in Pretoria of the Association of Chambers of Commerce.

His resolution urging the Government to open up immediately white central business districts to all races was approved.

He called for the repeal of legislation prohibiting the employment of non-white managers in white-owned businesses in white urban areas.

"The credibility of business is at stake on this issue because we are without proof that free enterprise is working properly. We have yet to convince blacks that it works in their favour."

Incorporation of blacks into the free-enterprise system was, however, a prerequsite to the attainment of economic growth goals. The Government had to remove legal obstructions in the path of economic development. The alternative was that socialism might become more attractive tothe population as a re-distributor of wealth.

Black trading should be phased in with white CBDs. It would not be a smooth transition, but free enterprise had to be seen to be working.

Clicks pyramid given shareholders' go-ahead

Cape Times 21/10/83 (30)

By ALEX PETERSEN

CLICKS shareholders yesterday approved a set of proposals giving the go-ahead for the formation of a holding company, Clikdin, which will hold a 51 percent interest in Clicks Stores.

In terms of the proposals which include a capitalization issue, Clicks shareholders can choose to continue holding just Clicks shares, or a mix of Clicks and Clikdin shares.

Clicks chairman, Mr Jack Goldin, who at present controls 33 percent of the existing shareholding through his personal and family holdings, will be enabled to hold a clear controlling share of Clikdin.

The proposals were passed unanimously, and minorities champion Mr Issy Goldberg commented from the floor that the proposals were "eminently fair", although he advised other shareholders that they should seek their full entitlement of shares in the top company Clikdin, since in the event of a successful takeover offer for Clikdin, there was no provision for an equivalent offer to Clicks shareholders.

In terms of the proposals for each 100 shares presently held Clicks shareholders may choose to hold either 100 Clicks shares of no par value and 200 Clikdin shares, or 200 Clicks shares but no Clikdin shares.

The mechanics of the operation are that the 10m issued and 2m unissued shares of 50c each will be consolidated into 5m issued and 1m unissued shares of 100c each.

The authorized share capital will be increased by a further 14m shares of 100c each, and the total authorized capital will be converted into shares of no par value.

Shareholders will then be made a capital issue of three new shares for every one held. They will then be entitled to exchange two of the three capitalization share for Clikdin shares, receiving two Clikdin shares for each Clicks share.

Mr Goldin told the annual meeting preceding the approval of the proposals that Clicks was proceeding with its planned expansion programme, and would open a store in Bloemfontein shortly, the group's first in the Orange Free State.

The deputy managing director, Mrs June Kritzinger, who manages the group's property portfolio said that the new store would be in the former Greatermans department store, with 1 200 m² of trading area and 300 m² storage space.

The group had also recently bought a warehouse in Durban for R1,7m to serve the Natal operation. This would provide 1 200 m² in warehouse space, 250 m² in office space, while the site would allow for further expansion.

The expansion would be funded internally, and Kimberley and Welkom had been earmarked as areas for further stores.

Questioned on the need for consolidation, Mr Goldin told shareholders that in the financial year from July 1982 to June 1983 the group had indeed consolidated, opening only three new stores.

He said that while the current year had reflected depressed trading conditions, figures for October had shown a welcome upturn, and augured well for the Christmas season.

Recession hits OK Baz — earnings down 38%

By HOWARD PREECE

Cape Times 26/10/83 (30)

JOHANNESBURG. — OK Bazaars has cut its interim dividend for the first time since 1977-78 as half-year earnings to September 30 crashed 38 percent in the wake of the severe economic recession and a rough and tumble retail war.

The food, retail giant managed to increase turnover by 10,8 percent from R731m to R810m — almost exactly in line with inflation — for the first six months of 1983-84.

But soaring costs, and some switch in the sales mix which reduced overall profit margins, sent pre-tax profit falling from R19,15m to R12,14m.

Dividend income

After adding in dividend income but deducting tax, preference dividends and outside shareholders interests net attributable profit dipped from R10,64m to R6,6m.

That meant a reduction in half-year earnings a share from 88,3c to 54,6c — a fall of 38 percent.

The interim dividend has been cut by 25 percent, from 44c to 33c.

The chairman of OK, Mr Meyer Kahn, warned in June that the recession and the drought would lead to a further worsening of trading conditions.

He said earnings in the first half of 1983-84 were expected to be down on those of the 1982-83 equivalent.

It is clear that profits have actually been hit considerably harder than then seemed likely.

Statement

A statement accompanying the interim results yesterday said: "The OK group is largely dependent on the purchasing power of the middle and lower income groups whose disposable income in the period under review was dramatically affected.

"Coupled with this, the trend away from sales of durables and semi-durables became pronounced with an adverse impact on overall gross margins."

Food rose from 57,4 percent to 59,5 percent as a proportion of business, while clothing dropped from 13,8 percent to 12,4 percent and "big ticket" furniture eased from 19,6 percent to 19 percent.

OK maintained its total 7,1 percent share of the national retail market.

Comment. The managing director, Mr Gordon Hood, says: "It is not anticipated that any meaningful recovery in the economy will manifest itself in the second half of the year.

But adds, with some reassurance for shareholders: "The downward trend in the economy was, however, already firmly established in the second half of last year and, therefore, the rate of decline in earnings is expected to reduce significantly in the next six months."

Seasonal

OK traditionally earns, for obvious seasonal reasons, the bulk of its profit in the second half of the year.

In 1982-83 it made R27,7m attributable profit (230c earnings a share) of which just over R20m came in the second six months.

That means that the expected lower rate of fall of earnings in the second half of this year will be proportionately much more important than the 38 percent drop in the first half.

In addition the second half of this year will also have the advantage of comparing against poor results in the second half of last year.

Buoyant

In the the first half of 1982-83 business was still fairly buoyant and these latest interim figures for 1983-83 inevitably suffer badly by comparison.

There is a chance, therefore, that the final dividend this year could still be maintained at the 1982-83 level of 98c.

If so that would give a total payment of 131c from earnings of 185c or so.

However, that has to be guesswork at this stage.

D. Dispatch 27/10/83

Traders can apply for aid

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EAST LONDON — Oriental Plaza traders can apply for financial aid from the Department of Community Development to launch a promotion campaign to boost the shopping centre.

The acting chairman of the Indian Management Committee, Mr Mike Williams, received this news in a report back from the department, following a meeting between IMC representatives and government officials in Cape Town earlier this year.

Mr Williams said: "It is now in the hands of the Indian Traders Association to organise a campaign."

The Department of Community Development reported to the IMC that should Plaza traders show a willingness to undertake a promotion campaign, a "limited amount" of financial aid could be applied for.

The chairman of the traders association, Mr P. Harry, said: "Any assistance is good news. We are going to give it a go and start a late November campaign for the Christmas season."

The Department of Community Development also reported to the IMC that:

- The security service provided at the shopping complex would continue until the end of December.

- A rental of 88 cents a square metre, which came into effect on October 1 this year, will apply for a period of two years, after which it will be reviewed. The department has also promised that special attention will be given to re-planning the street networks around the plaza.

This will make it possible for a supermarket site to be found, and also the establishment of shops for white traders in Milner Road. — DDR

Operate in your own area, black bank told

● African Bank's Mr Moses Maubane. 30/10/83
Picture: Herbert Mabuza

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S. Times

The black-owned African Bank is angry that white-owned banking institutions are permitted to trade in black areas but it may not do so in white areas.

What's mine is mine: What's yours is ... well, also mine

By LAUREN GOWER

Mr Moses Maubane, the bank's manager and chief executive, said his bank had tried for more than two years to get permission to trade in white central business districts.

"As a bank subject to the same financial restrictions as other financial institutions, we feel we should be able to operate on the same footing," he said.

Authorities with whom the bank dealt had been positive but the bank's appeals had been unsuccessful.

"In fact we are back to square one," Mr Maubane said.

He criticised "the double standards" being used against his bank.

"Free enterprise seems to be a privilege of a chosen few and this is very serious criticism," he said.

This week the Department of Co-operation and Development put paid to any ideas of the bank operating in white areas.

It said in a statement: "At present there is no indication that there will be any change of policy as it is the contention that black businesses are there for the benefit of the black communities and they should be sited in close proximity to these people".

Mr Maubane said the African Bank was greatly disadvantaged by the restriction because "the bulk of our customers and people with investment funds are actually working and shopping in the white CBDs".

"We lose an important slice of our business to our competitors. And while the African Bank can offer clients certain benefits and may be attractive for ideological and psychological reasons, banking is essentially a matter of convenience," he said.

The department says it is policy for black businesses to be sited in areas set aside for black occupation, "for example in the national states and towns for members of black communities".

"In addition, these businesses may be sited in areas proclaimed in terms of section 19 of the Group Areas Act as areas in which members of different communities may trade," a spokesman for the department said.

He said there had been exceptions in one or two cases "in that branch offices of the black bank have been allowed to open in other areas".

Mr Maubane said the mini-branches of the African Bank which had opened were severely restricted in the services they were allowed to offer.

He said another aspect of the group areas restrictions on black businessmen was the row raging over whether white businessmen should be allowed into the planned Soweto CBD.

"If it is to be made plausible, blacks should be allowed into the white CBD before we think of letting whites into the township," he said.

Mr Maubane said the white CBDs already had 80% of black spending power.

"If the whites are allowed into Soweto as well then they will have access to the remaining 20%."

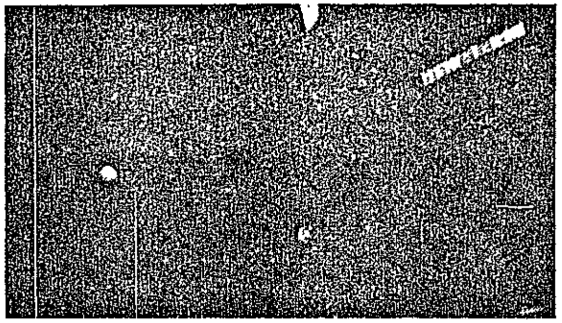
● The assets of African Bank — only R8-million in 1978 — totalled R20-million last year.

cial group, have made an impact on the rock music scene in Washington and New York in spite of limited pre-tour publicity.

About 750 fans, including more than 100 South Africans, saw the opening of their three-and-a-half week North American tour in Washington last Friday night, and more than 1 000 saw them perform at New York's Ritz Club the following night.

The group played in Chicago on Sunday and moved on to Dallas last night.

They perform in Los Angeles on Friday, San Francisco on Saturday and San Diego on Sunday, before moving on to other American cities and to Canada. Their Toronto concert is sold out.



Major O P Mazibuko.

ER traders aid needy

30

2/11/83 Sowetan

By MZIKAYISE EDOM

TRADERS in Katlehong and Thokoza townships in the East Rand have raised R3 200 for needy students and organisations in both townships.

Thirty-two traders donated R100 each to raise the money last week. The traders have set aside R1 600 to help high school pupils to further their studies next year. According to Mr Joe Namane, chairman of the Katlehong Chamber of Commerce and Industries, 11 students from Katlehong and five from Thokoza will benefit from the bursary fund.

He said: "The Chamber of Commerce has been offering bursaries to high school pupils each and every year for the past ten years and this year, we decided to form one bursary fund scheme with the Thokoza traders because we feel they are part and parcel of Katlehong. Students can start applying for the bursaries as soon as possible because only 16 students will benefit next year — at R100 each."

The traders have also donated R200 each to six needy organisations in Katlehong and Thokoza. The organisations which were presented with cheques of R200 each are the Katlehong Society for the Blind, the Katlehong and Thokoza Societies of the Aged, the Katlehong Society for Mentally Retarded Children and the Ezibeleni School for Crippled Children and the National Drought Relief Fund.

The cheques were presented to these organsiations at the annual mayors" bursary fund raising dinner recently held at the Easy Street Night Club.

More land for Davey

Sowetan 2/11/83

By MZIKAYISE EDOM

HOLFONTEIN Farm in Benoni has been declared a residential area and has been incorporated into Daveyton — and this is official.

The declaration was announced last Friday by Dr G de V Morrison, the Deputy Minister of Co-operation and Development, on behalf of Dr Piet Koornhof, the Department's Minister. It was also gazetted in Pretoria on the same day.

The Daveyton Community Council will introduce a site-and-service scheme in Holfontein, whereby residents are expected to build their own houses within a period of two years after acquiring sites.

Mr Tom Boya, chairman of the Daveyton Council said yesterday there would be about 10 000 sites available in Holfontein after the council had laid water pipes, provided toilet facilities and electricity at a cost of about R6-million. For a start, 1 300 sites would be made available for residents to occupy in Holfontein and each site would cost a minimum of R1 000.

Presently, there are about 4 000 backyard tin shacks in Daveyton and, according to Mr Boya, most of the shack dwellers would be given sites in Holfontein. He said the council would start with infra-structure at the farm as soon as funds were available.

Cape Times 3/11/83 (30)

Pepkor earnings plunge by 29%

Own Correspondent

JOHANNESBURG. — Pepkor, the retailing and manufacturing group, suffered a 29 percent drop in earnings for the six months ended August — mainly because of R2,78m unrealized currency losses from overseas borrowing.

The interim dividend has been increased — from 23,3c to 23,5c — but is really unchanged.

The minimal rise is simply a rounding-up operation after adjusting the previous figure for a capitalization issue.

Pep increased its half-year turnover by 14 percent, just ahead of inflation, from R153m to R175m.

Complications

Leaving aside, for the moment, all the complications of its foreign exchange and related interest payments there was a 13 percent drop in actual trading profit.

That is a fair reflection of the general squeeze in the economy.

As the figures come out, however, and after adjustment for the cap issue last year, operating profit fell 34 percent from R13,295m in the first half of 1982-83 to R8,8m.

Interest was down from R5,77m to R3,69m.

The company makes the point, though, that this plus has to be seen in the same context as the exchange rate loss since they are directly joined.

Taking the whole package together Pep reckons that full interst charges (that is, including the foreing exchange element) were up from R5,77m to R6,47m.

The end result, however, is that attributable profit dipped by 29 percent from R5,975m to R4,23m.

Earnings a share fell in line from 71,1c to 50,3c.

Trading

The chairman, Mr Christo Wiese, says he still expects Pepkor to end the year with a 10 percent rise in pre-tax income from trading activities.

But he can offer no guidance as to how the final net figures may look after the exchange factor has been taken into account.

A 10 percent rise would see pre-tax profit for 1983-84 at R22,7m but even if the dollar/rand situation is neutral over the whole of the second half of this financial year — and that hardly seems likely — some R2,8m has already been lost on foreign exchange in the first half.

Comment. Some companies would treat the foreign exchange factor as extraordinary but Pep includes it above the line.

Last year the company had a R4,5m gain from foreign exchange. This year it is going the other way.

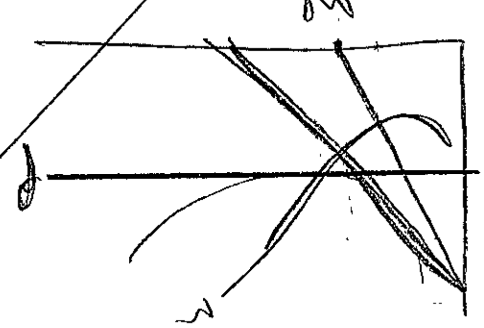
For shareholders the most encouraging factor is that the half-year drop in trading profit was held to 13 percent in difficult recessionary times.

However, the second half of the year is the most important for Pep and the full test has yet to be met.

Mr Wiese says: "Competition in the retailing sector intensified in these (first) six months.

"Our policy has always been to maintain market share, if necessary at the expense of short-term profitability, in order to benefit fully from the economic recovery that follows every downturn.

"The fact that all retail divisions achieved turnover targets and the group as a whole recorded worthwhile gains in market share is therefore a source of satisfaction."



were available for comment at the time of going to press.

30

BLACK BUSINESS

Help from the US.

FM 4/11/83

The US policy of Constructive Engagement with SA should soon directly affect black South Africans.

The US government AID agency, is to provide R3m over four years to train black businessmen. It signed an agreement with the National African Federated Chambers of Commerce (Nafcoc) in September and the first projects should start next year.

"The aid is a way of saying that constructive engagement is not only aimed at Pretoria, but that blacks can benefit too," says one source close to the project. There are about 100 000 black traders in SA, so there is plenty of scope for growth."

He says the agency chose to work with Nafcoc because it is well-established and non-political.

It already runs its own training programmes and has no links with government or parastatal organisations that could cause embarrassment in the US.

He adds that if the scheme works well, aid might be stepped up to include direct financing of local black businesses as well.

Training will take place on three levels and includes simple business practices such as bookkeeping and stock control for those new to business as well as intermediate and advanced courses for established businessmen.

Courses will initially be available in the Transvaal and Orange Free State and later, in Port Elizabeth, Durban and Cape Town.

Only about half of the AID funds will be spent in SA as an American contractor will assemble training information in the US and will assist Nafcoc in launching the scheme.

RAND DAILY MAIL, Friday, November 4, 1983

730

Motor firm code to protect consumers

By J MANUEL CORREIA

IN AN effort to render a better service to the consumer and to improve its image, the Motor Industries Federation yesterday proposed a code of conduct to be adopted by all its members.

Its adoption at the MIF and South African Motor Industries' Employers' Association congress in Johannesburg next week is a foregone conclusion.

Details of the code were announced in Johannesburg yesterday at the first of an ongoing series of regular media briefings by the MIF.

The code will bind members to provide spares and other vehicle requirements at a fair and reasonable price.

It also binds members to honour guarantees accompanying the sale of MIF products and services.

If a complaint cannot be settled at member management level the customer can seek redress from any of the numerous MIF complaints committees.

A new main agreement for the retail motor industry, which will include conditions of service and overtime, could also be finalised by next Friday.

Mr J H van Huyssteen, executive director of the MIF, said he believed consumerism would assume important dimensions in years to come. It was, therefore, important to educate the consumer and to improve communication between the MIF and the consumer.

He believed that nine out of 10 complaints arose from poor communication.

Mr Van Huyssteen emphasised that the MIF was a voluntary organisation comprising several sectors of the trade.

It had the power to expel members in extreme instances and impose fines of up to R2 000 on members. The MIF did not want to become involved in litigation between its members and aggrieved parties.

Other points made were:

- The MIF was against price fixing for parts and had drawn up a comprehensive guide to prices. In the event of overcharging it acted on complaints immediately.
- The Government had refused to regulate the industry by law as this was against the free enterprise system. The MIF believed the Government tended to overreact to complaints by voters and the industry believed, therefore, it had to regulate itself.
- The MIF was concerned about and aware of alleged bribery and corruption in the panel-beating industry and there was still doubt whether the industry should be admitted as an autonomous constituent association of the MIF. There were signs, however, that the panel-beating industry was making strenuous efforts to get its house in order.
- The MIF received about six complaints a day of shoddy workmanship, but given the size of the industry the number was not disproportionate.

S. Times 6/11/83

Interest-free Islamic Corp forging ahead

(30)

By Amrit Manga

THE recently launched Islamic Corporation (IC) based on interest-free principles continues to operate successfully in an economy premised on the profit motive.

The corporation was officially launched in October this year, almost four months after it started business and about a year since being registered as a company.

Its managing director, Ebrahim Kharsany, is confidently investigating new avenues to extend its operations.

"The biggest problem faced by the corporation is the extremely limited market in which it is required to operate in terms of its licence," says Mr Kharsany.

The corporation is required to accept investments from people of the Islamic faith only, which makes up about 1% of South Africa's total population.

"We would under different circumstances gladly accept investment from any person irrespective of religious beliefs," he says.

But, with profit relegated to second place in its list of priorities, not many other investors would be attracted, especially in a market where high interest rates are offered and investments guaranteed.

The IC does not guarantee returns on investments (ROI), according to Mr Kharsany.

But the corporation would be happy with a 10% ROI.

"We will not, however, resort to generating profits at the cost of our religious principles," he says.

One of the major differences between interest earnings as opposed to other incomes is that it is a pre-determined rate of return, independent or irrespective of the actual productivity or profitability of investments, according to Mr Kharsany.

"There is no justification for earnings on this basis from an Islamic point of view."

Mr Kharsany thinks that interest does not provide any insurance against inflation.

"In some cases high interest rates add to cost push inflation, with the consumer having to bear the added costs," he claims.

"In an interest-free financing system, funds provided by banks will approximate to a greater degree to actual profitability.

"The bank's share of profits and that which it can pass on to depositors will be higher than in any interest-based economy," says Mr Kharsany.

The Islamic Corporation has in the short space of four months developed a range of business contracts.

"We operate a commodity portfolio and are prepared to buy and sell anything within the confines of Islamic principles," he says.

Liquor is explicitly excluded from the list of commodities traded.

Property sales and development, and investment in legitimate business ventures make up a major part of the corporation's transactions.

6/11/83

Slow death of a 30 small d

In the wake of the Pretoria bomb blast, strict measures were introduced at border posts between South Africa and Lesotho. Nou

FICKSBURG, the once flourishing trading post on the border between South Africa and Lesotho, is being "strangled to death".

Traffic between the two countries has been reduced to a snail's pace by harsh security measures enforced by South African police at the border post.

Report by LIZ VAN DEN NIEUWENHOF
Pictures: DOUG LEE

In a desperate attempt to avoid financial disaster, Ficksburg businessmen have made representations to the Department of Foreign Affairs and the security police in Pretoria — but with no apparent success.

Angry residents were assured by government officials that the security measures responsible for the slowing down of border traffic would be only temporary.

Prior to the security clampdown — on May 27, following the Pretoria bomb blast — the 32 border personnel had allowed about two million pedestrians and 430 000 cars through their gates a year.

But there have been no signs of improvement. Months of waiting have taken their toll.

The normal business turnover in Ficksburg is about R80-million annually, but during the past months the figure has dropped by about R14-million.

And most of the blame, said the businessmen, lay with the border post, regarded as the busiest in South Africa.

Lesotho citizens — desperate to shop or conduct business in Ficksburg — are being kept in queues for up to 10 hours each day.

Local businessmen and traders established that only about 250 people are now passing through the border checkpoints a day, at which rate only some 91 000 people would be allowed through per year.

"About 5 000 people used to cross from Lesotho a day and in the pre-Christmas rush about 15 000 pedestrians come shopping in Ficksburg in one day," said a general dealer.

Accounts given by Lesotho residents — kept waiting from sunrise to late afternoon — are grim.

An old man had an overdue account at one of the Ficksburg stores but attempts to settle it were frustrated. Border officials kept him waiting for five days.

He finally managed to get a message through to the shop and the debt had to be collected from him at the border.

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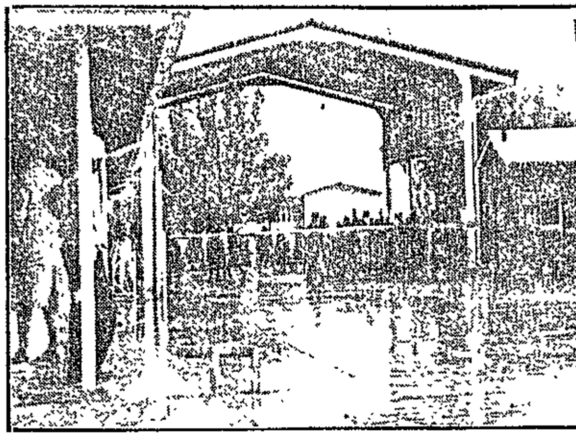
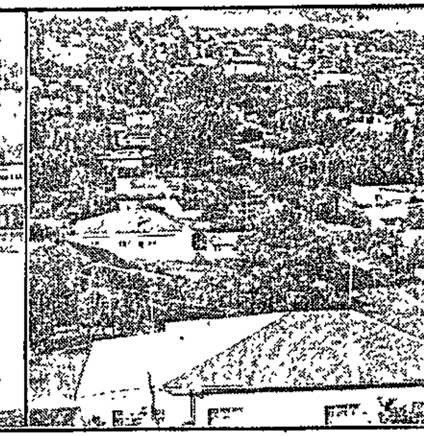


● The waiting at the border post continues.

● Pharmacist Mr Clive Acker: "Mood has changed".



●A once-bustling border town n

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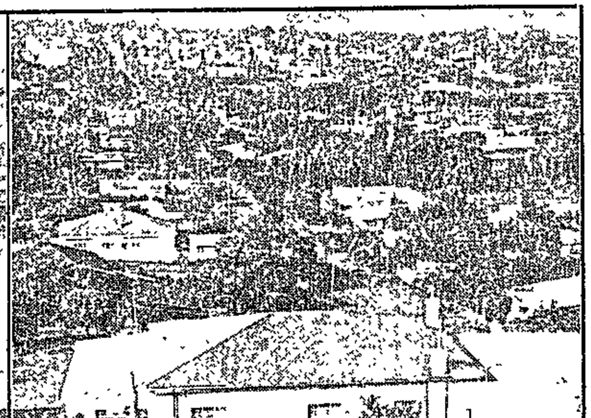
posts between South Africa and Lesotho. Now Ficksburg counts the costs.

…ive Acker: "Mood has changed".



●A once-bustling border town now struggles.

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People queueing for renewals of their six-month permits are passed from one official to the next, often landing at the back of the queue several times a day.

When the Sunday Express visited Ficksburg this week, people waiting to have their permits renewed before being able to cross the border were told by South African border police there were no more forms.

Those who obtain six-month permits are seldom delayed in getting through the border . . . but getting the permits creates the bottleneck.

Ficksburg residents are very much aware of the security problems posed on the border but they feel border officials are going on a "dead slow", taking 20 minutes to search one car and an hour to let through five pedestrians.

"We cannot carry on much longer," said a distressed businessman who did not wish to have his name published for fear of reprisals.

"If nothing is done before Christmas this place is going to become a ghost town."

● Undertaker Mr Frikkie van Blerk: "Can't carry on".

Retail turnover in the town is down by 60% and people running the more than 120 businesses are fast approaching bank overdraft limits.

A survey of 36 Ficksburg businesses by University of Natal students found that 60% of their turnover resulted from business with Lesotho. This figure had remained more or less constant for the past five years.

Their total turnover was R69 535 000. In effect R41 721 000 of the overall figure was derived from business with Lesotho.

All but two of the businessmen interviewed felt Lesotho would become an increasingly important market to Ficksburg.

But would-be developers are so pessimistic about the present slump that some premises built recently have been left vacant.

Even the licensing board, at its sitting last week, had no new applications for trade licenses for the first time in several years.

"The credit squeeze has changed the mood of this place considerably and people know that by the end of the year, if the situation has not improved, they will have to pack up and leave," said Mr Clive Acker, the owner of a pharmacy.

"Now, for so-called security reasons, the traffic is being slowed down and we are losing business.

"And no matter how many times we stress the crisis, government officials tell us that everything is back to normal.

"It will take only one person to panic . . . then all hell will break loose and the bank managers will be coming down on us like a ton of bricks.

OFFICIAL VIEW

A DEPARTMENT of Foreign Affairs official said the department was aware of the problems in Ficksburg.

"But I think it is entirely a police matter and I am therefore not able to give you an official comment.

"I don't know which measures are being applied by the border police, but I don't think they were stepped up," he said.

A spokesman for the directorate of public relations of the South African Police said that border control between South Africa and neighbouring countries had been tightened to safeguard life and property in South Africa.

"In exercising this control, the SAP are doing everything possible to limit the hardship to South African citizens and citizens of neighbouring countries.

"To achieve this end, staff has, as far as possible, been increased at border posts and everything possible is being done to prevent inconvenience to any of the users of border posts."

The spokesman added that the more stringent security measures at border posts had been necessitated by the continuous threats of terrorist incursions and the flow of weapons from countries such as Lesotho.

...burg this week, ...ing to have their

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"And no matter how many times we stress the crisis, government officials tell us that everything is back to normal.

"It will take only one person to panic ... then all hell will break loose and the bank managers will be coming down on us like a ton of bricks.

"It's also ironic that for years the Lesotho government has tried to make its citizens buy locally and within months the South African government has succeeded in helping them achieve this," he said.

Mr Peter Richards, manager of Federated Timbers, said the overall retail business in the town was down by 70%.

"Our retail business is down by between 50% and 60% and our council has taken the matter as far as it can with little promise.

"We are told that it is for security reasons, but then if people really want to cross they can do so by merely walking across a bone dry river," said Mr Richards.

Also fuming about the business slump is Mr Frikkie van Blerk, Ficksburg's only undertaker.

"All my customers are from Lesotho. Funerals are very important to them and it was not unusual to have someone buying coffins for up to R3 000 every third week.

"I used to sell R11 000 worth of tombstones in one week and now I'm lucky if I sell R2 500 in one month."

Business is so bad for Mr van Blerk that he needs to let his hearse run to prevent the battery from going flat.

He has set his deadline for the end of December.

"If business has not picked up by then, I'm packing up.

"If I have to depend on the local residents to die, it would be catastrophic. Only 2% of my customers were from Ficksburg and the surrounding area."

Mr van Blerk said people in Lesotho were so desperate to get coffins that he was often summoned to the border by a family wanting to buy a coffin.

"I had a customer who came in to buy 15 coffins and when he arrived at the border post going into Lesotho, was instructed to off-load the lot on the border — and had them all searched," he said.

● Undertaker Mr Frikkie van Blerk: "Can't carry on".

...border posts.

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Black loan problem

By Amrit Manga

(30) S Times 6/11/83

MONEYLENDERS will have to adopt a more flexible approach to evaluating loan applications from emerging black businessmen, according to Afribank's managing director, Moses Maubane.

"There is no way we can address the problem of lack of capital available to black businessmen along conventional banking approaches," he says.

It was inevitable that lenders demand security and proof of ability to generate sufficient cash flow to service interest and loan repayments.

But the difficulty arose in the semi-formal sector, where in most cases borrowers could not provide adequate quantitative information to determine the cash-flow position of the business.

"In principle, funds are available if the venture is viable, and it is up to the entrepreneur to show quantitatively that it is feasible," says Mr Maubane.

In addition, emerging businessmen must show how funds would be commissioned.

Another constraint was the required contribution by the borrower to the financing of the project.

John Holloway, general manager of Standard Bank's small business division, reckons that a 50% contribution by the borrower appears to be the norm compared with relatively low-risk cases, where entrepreneurial contribution could be as low as 25%.

Mr Maubane says: "Besides developing a more flexible approach to loan application evaluation, there is also the problem of an inadequate capital stock in the black financial institution."

He claims that R8 000-million of black savings is siphoned off into white financial institutions.

But blacks found it extremely difficult to borrow from these institutions without the loan agreement being loaded with additional measures to reduce risks.

"You need to have highly developed capital and money markets, which in South Africa do not and cannot serve the black community in meaningful terms," says Mr Maubane.

Lenders should eliminate formal and informal discrimination when considering loan applications.

"This was one of the major reasons for the establishment of the African Bank, but restrictions on its operations have prevented it from building a significant deposit base," says Mr Maubane.

Whatever criteria are imposed, it was most unlikely that the need for security would fall away completely, according to Mr Holloway.

"Freehold property is all that the emerging businessman can offer, but very often this, when available, is already substantially bonded."

Empophomeni buys three bottle stores in Soweto

(30) Sowetan 2/11/83

From Page 1

chamber, affiliated to the Southern Transvaal Chamber of Commerce and to the mother body.

"We did not enter into this arrangement blindfolded or with blinkers on. We got into it to benefit the Soweto trader. It is the same as when we took over the Soweto Cash and Carry group which we did after a considerable period of thinking and negotiations. We would hate to have other people trying to tell us how to do our business. No sane person would refuse an investment."

Meanwhile Empophomeni (Pty) Limited, whose sole director is a 23-year-old University of the Witwatersrand student, Mr Julian Smerkovitz, has sparked off a controversy in its acquisation of three unused bottlestores in Soweto at a cost of R1,6-million. These liquor outlets were damaged during the 1976 upheavals.

Mr Smerkovitz and his partners, Soweto businessman Mr Edward Dube, successfully tendered for outlets in Mapetla and Meadowlands (two sites). In papers forwarded to the Soweto Council, the company said its partnership was based on a 51-49 percent structure with Mr Dube holding majority shares. Mr Dube was listed as a director in the papers.

Conflicting statements on who heads the company emerged during investigations by **The SOWETAN** when Mr Dube said in an interview that he was a co-director of Empophomeni. However, the Registrar of Companies in Pretoria revealed that Mr Smerkovitz was the company's sole director.

"The whole thing is a mistake. I am a co-director of the company. I wonder how my name was left out," Mr Dube commented when told about this.

Mr Smerkovitz confirmed that he was the sole director of the company, but added that Mr Dube held the majority of shares.

Meanwhile Empophomeni's acquisition of the bottlestores has angered a consortium of businessmen who had tendered for the two Meadowlands outlets bought by the company. The group, Mzamo Moleko and L Mabeba, has sought legal help to fight the purchase.

The Soweto Council is to launch investigations into Empophomeni following the controversy surrounding the company.

Empophomeni is still awaiting a decision from the National Liquor Board regarding the transfer of the bottlestores' licences from the West Rand Administration Board — which owned the outlets — to the company.

Meanwhile Mr Gibson Thula, a KwaZulu Government urban representative, yesterday denied reports that he had been awarded 13 liquor outlets on the East Rand, saying an article in a Sunday newspaper to this effect was "premature."

"A group comprising of several black businessmen and me have been involved in discussion on the matter. Nothing has been finalised yet. We are still consulting with Nafcoc with the aim of ensuring that, if such a venture materialises, the whole business should be completely black-owned," Mr Thula said.

Mr Thula said his group would hold a meeting this week whereafter a statement will be issued on the 51/49 partnerships with whites. "Our statement will be to the effect that our group, in consultation with Nafcoc, will strive to ensure that black interests are not misrepresented by front organisations," he added.

Referring to the whole concept of 51-49 percent partnerships, Mr Kraai and Mr Maponya said it was unfortunate that the Nafcoc president did not come to them as black business brothers before going to the Press. They said the partnership they entered into with Metro was for the good of the trader. It is similar to the partnership that Mr Motsuenyane entered into with other companies. The black trader and the community, they claimed, stood to benefit from this set-up as it was a public company.

They said they once asked Nafcoc to intervene in a similar situation before, when they fought a white fronted retail business.

And, according to reports, National Taverners Association chairman Mr Lucky Michaels rejected an offer from Empophomeni to participate in the deal. His association was also involved in plans to buy bottlestores whose shares would be held by members.

Battle flares over black-white business deals

BOOZE WARS

Sowetan 7/11/83

80

THE issue of 51-49 percent black-white business partnerships has once more escalated into a major battle.

This time the battle is waged on two fronts:

- The establishment of Afrimet outlets in Soweto and the East Rand; and
- the attempt by a new company, Emphophomeni, to gain control of liquor outlets in black areas.

Both companies are, according to their spokesmen, structured on a 51-49 percent ownership ratio. This means for any white to operate in a black area he must first form a company in which blacks enjoy a 51 percent shareholding, thus, technically, maintaining control of the company.

The battle came to a head at

By SELLO RABOTHATA and LEN MASEKO

the weekend when the president of the National African Federated Chamber of Commerce, Mr Sam Motsuenyane, issued a statement calling for a boycott of Afrimet, which has been formed as a partnership between Metro Cash and Carry and a group of black traders.

Mr Motsuenyane's statement read: "Since early this year, Nafcoc representatives have had several meetings with the Metro Cash and Carry organisation at which Metro was strongly advised against entering into a 51-49 percent partnership arrangement with black traders as this would violate Nafcoc's policy which is presently opposed to 51-49 percent black/white partnerships in the retail trade — this includes wholesale businesses as well."

However, yesterday two Afrimet directors, Mr Richard Maponya and Mr Veli Kraai, claimed that Mr Motsuenyane's statement came as a surprise to them because they had been in consultation with him on a number of occasions. "He has never been unaware of the emergence of Afrimet, and he never raised any objection or strong reaction as he has done now," they said.

The two businessmen said: "While it is regrettable dragging our organisation into a mud-slinging type of situation and finding outselves arguing with the national president, it is our duty as directors of Afrimet to put the record straight. As business people capable of thinking for themselves we do not believe we have done anything that deserved a Press statement without being consulted as members of the

To Page 3

Vicious war brews for control of township liquor industry

BATTLE STORES

Sowetan 9/11/83 (30)

THIS WEEK: Dube and Smerkowitz at their office.

By MZIKAYISE EDOM and LEN MASEKO

A VICIOUS war looms between the National Taverners Association (NTA) and two newly-established companies for control of the more than R40-million per annum liquor industry in Soweto and the East Rand.

The SOWETAN this week confirmed that about 17 bottle stores have now been sold — and none to the NTA.

And, in a shock disclosure, Mr J J Oosthuizen, Director of Townships in the Soweto Council, told The SOWETAN that Mr Edward Manyosi was also a successful tenderer for a bottle store in Soweto.

Mr Manyosi could not be contacted yesterday.

He is a senior member of the Sofasonke Party — the Soweto group campaigning against the sale of bottle stores. This group has even gone to Pretoria to petition the government not to sell bottle stores as they are a major source of income for the councils.

Although the sale of these bottle stores and lounges is still to be confirmed by Dr Piet Koornhof, the buyers have been given unofficial confirmation that they have been successful.

The buyers include a consortium of black businessmen led by Mr Gibson Thula for 13 East Rand liquor outlets, and a partnership of a white investor and a black businessman for three Soweto bottle stores.

As the war for control of the liquor outlets hotted up this week, NTA president Mr Peggy Senne said the new owners would be boycotted. The NTA will launch a major campaign for the boycott of these liquor outlets.

Writing in the October issue of its official mouthpiece, eSpotini, the NTA says: "The NTA recently convened a meeting to announce their support for their own plans to develop liquor distribution outlets where all our members will get their supply. Legalisation of our business is our priority and then we will start our distribution company.

"If we are going to give our total support to anyone in this business it is going to be to ourselves just in case some smart people think it's going to be any different," the newspaper says.

To Page 3

Cape Times 9/11/83

Steep drop in sales knocks Edgars earnings

30 [redacted] [redacted]

By PATRICK McLOUGHLIN

JOHANNESBURG. — A steep fall in sales to blacks helped cause a sharp earnings crash by the Edgars stores group in the half-year to October 1 and resulted in a cut in the interim dividend from 187c to 150c.

The company suffered a 36 percent drop in fifo earnings, from 739c to 470c.

Announcing the shock earnings fall the Edgars managing director and chief executive, Mr Vic Hammond, warned yesterday that the clothing retail giant was heading for the first ever cut in its annual dividend.

That is even with an expected business improvement in the second half of this financial year.

Confident

Edgars, which is controlled by South African Breweries, is strongly confident about medium to long-term prospects.

"I have been with the company for 24 years and the black consumer market has never been as bad as this," Mr Hammond said yesterday.

Group sales for the 26-week interim period managed an 11 percent increase, from R276m to R307m.

But operating profit was down 26 percent, to R25,498m compared with R34,570m previously.

Edgars, which last year had to report its first profit fall since 1977, says the main reason was the poor performance from its three smaller chains — Jet, Sales House and Ackermans — which depend heavily on the black consumer market.

These performed well below budget after suffering from a "significantly weaker" black consumer market.

The group clearly approached the year with stock levels that were far too high, stockturn was eroded and a great deal of potential earnings was lost in the attempt to clear stocks at rock-bottom prices.

Group sales

Black consumer business currently contributes around 40 percent to total group sales.

"Edgars is a very fair weather company. The black consumer market is very volatile and in 18 months we will be looking like gods."

Mr Hammond said black discretionary consumer expenditure had "evaporated" with the drought, cut-backs in overtime in industry and the general effects of the economic downturn.

"The combination of the three has pushed this market over the cliff.

"We found, particularly with Jet, that in spite of promotional action, we were saddled with a lot of stock that we just had to move."

Edgars had not lost any market share in the black operations, the crash had occurred throughout the industry.

What compounded matters for Edgars is the extreme sensitiveness of fashion stocks to the seasons and design changes.

Helping to limit the fall in group earnings was a strong performance by the Edgars chain — which pushed up its sales for the half by 11 percent — ahead of budget. The white market remains strong and the chain continues to dominate group profits.

Interest bill

The interest bill came down from R9,110m to R7,107m following the conversion of the R8,5m convertible debentures into participating preference shares in January. However, at the same time it diluted the ordinary earnings a share.

Profit before tax weighed in at R18,391m compared with R25,460m previously. After a tax bill of R7,784m (R11,500m) — helping matters was a fall in the tax rate from 45 percent to 42 percent — taxed earnings were R10,502m (R13,960m).

Attributable earnings, after a lifo adjustment of R6,129m (R7,371m), was down 29 percent to R6,877m (R9,693m).

Comment: According to the group finance director, Mr Kevin Brewer, Edgars is "coming out of a 12-month retailing tunnel" which began in the second half of last year.

In response to the tougher environment, the group has tightened control on stocks, revised its advertising campaign to concentrate on cheaper prices and rigorously controlled costs.

Mr Hammond believes that a turnaround in consumer discretionary expenditure will only occur in the third quarter of next year at the earliest.

Cape Times 9/11/83 (30)

Checkers profit trend continuing — Natie Kirsh

Own Correspondent

JOHANNESBURG. — The outlook for Checkers Stores this year looks immeasurably brighter than at any time since he became chairman of the group, Mr Natie Kirsh says in his annual review.

He says market share is being regained and management accounts reflect good profits.

Referring to the restructuring proposals, in terms of which Checkers (to be renamed Kirsh Trading) will be the vehicle for all of the Kirsh group wholesaling and retailing interests, Mr Kirsh advises shareholders to accept the proposals.

Offer to convert

"In spite of the appalling results of Checkers over the last two years, and in spite of the fact that the loss in the second half of last year was twice as great as in the first half, I am firmly convinced that shareholders in all the companies who are receiving an offer to convert their existing Russells, Metcash or Union Wine shares into new Kirsh Trading Corporation shares, should accept the offer."

Mr Kirsh says it is too early to project Checkers profit for the year to June, "but given the existing trend of trading, I would not be surprised to find at the end of the year that profits are significantly ahead of our budget projections".

The effects of the drought and the recession are creating problems for Metcash, Russells and Dions, says Mr Kirsh, and if the trend continues, and especially if the drought is not broken, the results from all of these companies will be poor.

"However, the reorganization that is proposed is not based on one year's trading.

Trading group

"What we will achieve is a powerful trading group with the muscle to maximise, in each of our chains, the opportunity to expand profits and the ability to withstand the vigorous competition that will inevitably intensify.

"We will have the ability to expand the number of branches and to replace those which are no longer profitable, either because of size or location, and to remove once and for all any notion that Checkers is not here to stay."

Under the proposed reconstruction, Checkers will continue to operate under that name as a wholly-owned subsidiary of Kirsh Trading.

While accepting that there will be some opposition to the proposals, Mr Kirsh describes as daunting the task faced by Barclays Merchant Bank in evaluating the various companies in the group in relation to each other and in formulating a new corporate structure.

Proposals

"No matter what the proposals were, it is unrealistic to expect universal acclaim from all the shareholders of all the companies involved, and it will be a few years before an accurate assessment of Barclays judgement will be possible."

The Kirsh group did do its homework, however, and Mr Kirsh says that during the suspension period the views of major institutional investors were canvassed.

"As at the date of writing (October 21) this review, no adverse comments have been received. This is to the credit of the Barclays team who had to judge relevant values against a wide divergence of views among various executives in the group on relative values, and also prospects for the future."

BLACK BUSINESS (30)

Boycott vs boycott

FM 11/11/83

What business organisation would call for a boycott of its own members? The National African Federated Chamber of Commerce (Nafcoc) that's who.

This week Nafcoc chairman Sam Motsuenyane called for a boycott of Afrimet, the 51% black, 49% white partnership between Metro Cash and Carry and a group of black traders who belong to the Nafcoc-affiliated Soweto Chamber of Commerce.

Nafcoc takes the view that white investment, specifically in the wholesale/retail trade in black areas, hinders black entrepreneurs entering the fields in which they can best get a toehold. Nafcoc stands for 100% black financing and control, as in the case of the Black Chain stores which it sponsored with the African Bank — which ironically was started with white assistance.

Nafcoc's is but one of the many conflicting viewpoints held by black entrepreneurs drawn from a broad spectrum of special interest groups. Some of the positions:

☐ The *status quo* line taken by Lucky Michaels' National Taverners' Association (NTA) which represents the technically illegal shebeeners. Some 17 liquor outlets in Soweto and the east Rand were up for tender, but none has gone to the NTA. Consequently it is calling for a boycott of the winners.

These include the company Empophomeni, run by Isaac Kay protege Julian Smerkowitz in partnership with Edward Dube and a black consortium led by Inkatha's Gibson Thula;

☐ The "local protection" line (articulated by the Soweto Chamber of Commerce) which holds that only Soweto residents should be allowed to invest in Soweto's CBD, with or without some form of white participation. This puts them at loggerheads with Nafcoc, the majority of whose members are not Soweto-based and include homeland-based black business interests;

☐ The line against anything which is not 100% black-owned as pushed by Nafcoc; and

☐ The almost universal opposition to granting unrestricted entry to white, coloured or Indian investment.

And meanwhile, township consumers wait silently in the wings. In the long-term, their purchasing power will presumably give them the casting vote.

Pick 'n Pay eyes US hyper

[redacted] 30 RDM

11/11/83

CAPE TOWN. — Pick 'n Pay has had preliminary talks with US supermarket food chains on opening joint-venture hypermarkets in America, according to Mr Raymond Ackerman.

The chairman of Pick 'n Pay said in an interview that entry into the US market hinged on building up a hypermarket chain in Australia, the group's first overseas venture. Pick 'n Pay's hypermarket in Brisbane is due to open at the end of next year. Two-thirds of the venture is owned by Permewan of Australia and the balance by Pick 'n Pay.

Mr Ackerman said Pick 'n Pay intended to take a 50% stake in later hypermarket ventures with Permewan. "Our aim over the next eight to 10 years is to build 10 hypermarkets in Australia. If it goes well after hypermarket five, we may well pick a country like the US and do a similar deal on a 50-50 basis."

He had had discussions with US supermarket food chains, but he declined to name them. "Americans don't know hypermarkets and there are some interested people who would like to link arms with us and open a group of hypermarkets. But it is embryonic. I wouldn't dare touch it until I get Australia off the ground."

He was confident Pick 'n Pay would increase pre-tax earnings to R55m in the year to February from R48,14m in 1983. Mr Ackerman attributed the first-half gains, achieved when other chains were reporting huge drops in profit, to aggressive marketing, an increase in advertising and an improvement in meat and produce quality with better margins.

Figures for the year to date showed turnover up nearly 23%. There were signs from the group's sales and the way consumers were considering buying appliances and hardware that the economic upswing would begin early next year and not in the second half of 1984 as predicted by many people. "Even Christmas is going to show the beginning of an upturn."

Pick 'n Pay planned to increase the number of its supermarkets and hypermarkets in South Africa from 72 by five a year until the end of the decade.

Mr Ackerman criticised the expansion policy of Checkers, which has about 185 stores. "I would be closing at least five or six a month and concentrating on my good ones."

Pick 'n Pay was anxious to enter the black market and planned on a conservative estimate to open one venture a year in partnership with blacks by 1990.

Pick 'n Pay (Mitchells Plain), 51% owned by black shareholders and 49% by Pick 'n Pay, outperformed the rest of the group in the first half. A joint venture supermarket with black businessmen would open next year in Soweto. — Reuter.

MR RAYMOND ACKERMAN

(30) R204

Blacks 'are out to flex their muscle'

12/11/85

By PAT SIDLEY
Consumer Mail

CONSUMER MAIL

SINCE blacks in South Africa are politically disenfranchised, they have little choice but to use their collective economic power in the market place to express their political aspirations.

This means that the market place and the industrial relations system are being called upon to bear a weight they are not designed to carry.

This is the view of Professor James Leatt, of the Graduate School of Business of the University of Cape Town, who was speaking in Sandton this week at a seminar on "Business Ethics and the Consumer".

Prof Leatt said textbook distinctions could not be made between the shopfloor and the market place or consumer issues when referring to the black person as worker and consumer.

"He will continue to bring community-based issues onto the shopfloor, and take shopfloor issues into the community. His trade union leaders will continue to be concerned with wages and conditions of employment, but employers will increasingly find themselves confronted with community-based issues such as bus fares, housing and consumer boycotts of company products.

"The worker struggle for a place in the South African sun will be carried about on a broad front because the worker is also a citizen, consumer and a parent. And community based issues and market place concerns are grist for his mill," Prof Leatt said.

This contention was illustrated by the following examples:

- Worker/community pressure was allowing *de facto* a new public holiday to develop — June 16, Soweto Day.
- The Fattis and Monis dispute involving a consumer boycott almost halved profits of the company.
- The racist remarks of an Old Mutual employee caused black salesman to refuse to go into the black communities to sell policies.
- The current move at a Liberty Life union to boycott what it sees as a "racist" firm. The union has called on the community not only to boycott Liberty Life but to watch for the interlocking directorships and boycott associated firms.

They have drawn attention to the relationship, for instance with the United Building Society and Sales House, and are urging community boycotts of both.

- The Constitution and the Orderly Movement of Black Persons' Bills have caused the birth of two community-based organisations the United Democratic Front and the National Forum "both of which boast support from a very broad base in the community".

"If the past history of black politics is anything to go by I believe civil and human rights issues are going to be in the spotlight in industrial relations and in the market place in the future and with greater sophistication and organisational support.

"Industrial relations practitioners and people at the producer/retailer-consumer interface will bear the brunt of growing black anger and frustration, especially as the effects of recession and drought are felt by the consumer," Prof Leatt said.

Prof Leatt views as very significant for consumers and consumerism a shift towards "participatory democracy". Consumers are to economics what voters are to politics, he said.

"Consumers have ceased looking to government to create even more regulations to protect their rights. Not the State, not institutions, but consumers themselves will find ways to protect their interests.

"Corporations will need to accept participatory democracy is a model for consumer relations policy."

He quoted a study which said producers would have about 10 years to begin "including consumers in the corporate decision-making process" — or face a virulent strain of militant consumer action.

The point at which producer and consumer met was at the point of purchase.

AFRIMET IS LAUNCHED

30

AFRIMET, a black-controlled wholesale company with two outlets — one in Soweto and the other in Thokoza — has been formed, a Press release on behalf of the company said at the weekend.

"The 51 percent majority of Afrimet shares are reserved for blacks, and these shares are in the process of being offered to black investors," the statement said.

Over a hundred black investors had already applied for shares, the statement said, and these accounted for more than a quarter of the shares on offer.

Metro Cash and Carry has a 49 percent stake in Afrimet

A statement by the chairman of Afrimet said the company offers all black people an opportunity to participate as majority shareholders in a company that already owns two wholesale outlets.

"Afrimet will not limit itself to owning and operating wholesale stores in black areas. In fact plans have already been made for Afrimet to participate in the ownership of Metro Cash and Carry outlets which operate in those white areas which are close to black areas," said the statement.

It continued: "In this way Afrimet's black shareholders will be able to share in the ownership and profits of businesses located in white areas.

"We know that black investors in other areas have been partners of Metro for many years, and have seen their joint companies prosper and grow. We want the expertise and strength of Metro behind Afrimet, so that Afrimet can negotiate really good prices from the makers of groceries and allied products.

"The 51 percent majority of Afrimet shares is reserved for blacks, and these shares are in the process of being offered to black investors in all areas. By Saturday 111 black investors had already sent in their money to buy Afrimet shares, and these people had applied for more than a quarter of all the shares on offer.

"There is no restriction on who may buy shares in Afrimet, so long as they are black. There are still more than two weeks to go before the Afrimet share offer closes, and offer documents are still available from several branches of Barclays Bank and from every Metro Cash and Carry outlet in the country.

"Afrimet is a public company and the law states that each year shareholders must meet to elect the people they want as directors of Afrimet.

"I, as first chairman of Afrimet, and Afrimet's other black directors, regret that the national president of Nafcoc has been misinformed about the facts on Afrimet that are set out here.

"If he had full knowledge of what Afrimet is doing to help the black trader and the black investor, I am sure he would not have started a call for traders to boycott Metro Cash and Afrimet.

"As is well known, we are all staunch and longstanding members of Nafcoc. In fact, Richard Maponya, who is deputy chairman of Afrimet, was the very first president of Nafcoc. We will support Nafcoc's opposition to the intrusion of white retailers into black areas. We are convinced that we are in no way going against the principles of Nafcoc.

"Afrimet is a wholesaler and its outlets will deal only with traders. Afrimet will never sell direct to the public," said the statement. — Sapa

WE'LL LEAVE NAFCOC — AFRIMET

(30)

City Press

13/11/83

● VELI KRAAI . . . "directors may leave Nafcoc".

THE controversy surrounding the formation of Afrimet — a Soweto wholesale business — took a new turn yesterday when four directors of Afrimet threatened to withdraw their membership from the National African Federated Chamber of Commerce (Nafcoc).

By KHULU SIBIYA

Afrimet's board of directors are: Mr Veli Kraai (chairman), Mr Richard Maponya (deputy chairman), Mr David Pooe and Mr Godfrey Mashile. They said that they were seriously contemplating resigning from Nafcoc, after Nafcoc president Sam Motsuenyane had called for a boycott of the wholesale organisation.

"One has to understand what the president has said and seriously consider our stand in Nafcoc," said the directors. "It is unfortunate that Mr Motsuenyane called for a boycott of Afrimet without having full knowledge of what it's all about."

Mr Motsuenyane has called for all Nafcoc and black people to boycott the wholesale business, because he said its 49/51 percent partnership with Metro Cash and Carry made Afrimet a white "front".

But the directors of Afrimet said they don't believe they have moved away from Nafcoc's policy.

Mr Kraai said the 51 percent majority of Afrimet shares were still reserved for blacks and they would be offered to blacks in all areas.

Mr Kraai, who last year was in the forefront in calling for a boycott of "front" organisations, said he still maintained that principle, because he believed blacks should have majority shares in any business venture in the black areas.

Black wholesale company formed

CSO RDM 14/11/83

A BLACK-controlled wholesale company with two outlets, one in Soweto and the other in Thokoza, has been formed, it was announced at the weekend.

Afrimet, the new company, says 51% of its shares will be reserved for black investors, more than 100 of whom it claims have have already applied for such shares, accounting for more than a quarter of shares on offer.

Metro Cash and Carry holds the remaining 49%. — Sapa.

Appeal to Govt on minibus taxis

Argus Correspondent

JOHANNESBURG. — The Association of Chambers of Commerce (Assocom) has lodged an urgent appeal with the Minister of Transport Affairs, Mr Hendrik Schoeman, to block moves to force minibus taxis out of business.

The appeal is an 11th-hour attempt to persuade the Government to delay any decision on implementing the recommendations of the Welgemoed commission of inquiry into bus passenger services, regarded as one of the most explosive issues since the referendum.

Blockage of a gradual ban on minibus taxis has also been advocated by the Chamber of Mines and by the SA Black Taxi Association in a growing wave of apprehension about the repercussions.

Many of the recommendations of the commission — in particular proposed new controls on minibus taxi fleets — came under fierce attack at the recent Assocom annual congress.

Concern that Government approval of all the recommendations may be hurried through without a re-think on several key issues has been heightened by hints by Mr R Eksteen, Director-General of the Department of Transport, that a decision on the proposals may be imminent.

Assocom has rushed a formal memorandum to Mr Schoeman warning that a withdrawal of minibus taxi services is "a potential flash point which could spark unrest in the already sensitive labour relations and political arenas".

The commission has proposed that taxi status should be restricted to vehicles carrying up to only four passengers and that all vehicles capable of carrying between five and 25 passengers must be licensed as buses following set routes and timetables subject to official approval.

Assocom calls for a compromise, arguing that the freedom of taxi status should be extended to vehicles carrying up to eight passengers and so cover the big fleets of minibuses now in operation, especially between metropolitan centres and satellite black townships in peak rush hours.

Services

Vehicles in between minibuses and full-size buses in passenger capacity should be encouraged to form feeder services at both ends of the main bus and rail routes.

The minibus taxi fleets should be painted a uniform colour and clearly identified so they can be easily spotted by commuters. They should also be provided with their own recognised taxi ranks at strategic points.

Minibuses have been in operation for five years and have proved vital at peak rush hours to supplement mass bus and train transport systems, states Assocom.

Assocom acknowledges that many of the current minibus taxis operate illegally as they have not obtained necessary permits, but argues that the fact that all of the taxis, legal or illegal, run at capacity at peak hours provides a clear demonstration of an essential role.

The memo says that many passengers prefer to travel by minibus not only for comfort and convenience but also speed and security, even if fares may stand at a premium.

Minibus use to convey passengers from urban areas to the homelands over weekends also provides a valuable service that cannot be filled by normal bus sevices.

Though the minibus taxi issue is regarded as the most urgent to be resolved, the Assocom memorandum also raises several other aspects in need of more attention, including the use of subsidies handed over to bus services, which grew from R2,3-million a year in 1966/67 to R127-million in 1981/82.

Its primary concern is that subsidies should go only to bus operations that can prove optimum efficiency.

Commerce's general advice to the Minister of Transport Affairs is to delay any decisions until more consultations have been held with the private sector and ensure that new proposals do not run into conflict with the decisions that may emerge from the policy studies being carried out by the National Transport Commission.

'Call to boycott stores unfair'

NDM 16/11/83

By STEVEN FRIEDMAN
Labour Correspondent

ATTEMPTS by a union to call a boycott of Sales House stores because of the sacking of strikers at Liberty Life were unfair, since the stores have only a "limited" relationship with the insurance company, said Edgars Stores, which owns Sales House, yesterday.

The Insurance and Assurance Workers' Union of SA (IAWUSA), 90 of whose members were fired by Liberty for striking, recently announced it was calling for a boycott of Sales House as part of its campaign against Liberty.

It described Sales House as an "associate company" of Liberty and implied that a boycott of the stores would put pressure on Liberty to settle the dispute.

Yesterday, however, Edgars rejected attempts to involve Sales House.

Edgars said it "wishes it to be understood" that it is "incorrect to describe Edgars Stores Limited or its division, Sales House, as an associate company of Liberty Life".

The company said it was "generally known" that Liberty had an investment in the Premier Group, which in turn had a minority shareholding in SA Breweries, which controls Edgars.

"Such an extended and immaterial investment relationship between Sales House and Liberty Life can in no way be construed as an 'associate company' relationship," the company said.

It said neither Sales House nor any other Edgars Division had been a party to the dispute between Liberty and IAWUSA.

Liberty boycott gathers force

17/11/83

By THAMI MAZWAI and JOSHUA RABOROKO

THE boycott against Liberty Life "associates" intensified this week with the distribution of pamphlets calling for a boycott of Sales House, a major clothing shop dealing with the black community.

The pamphlets also repeated a call for the boycott of the United Building Society, a campaign which has been going on for the past two weeks.

In an interview this week a spokesman for the Insurance and Assurance Workers' Union of South Africa (IAWUSA), claimed his organisation had successfully mobilised a number of account holders at the Dube branch, Soweto, of the UBS to withdraw their accounts.

A spokesman for the UBS yesterday denied the claims.

Sales House, a member of the Edgars Group, has also reacted to the campaign by stating that it is not an associate of Liberty Life. A statement issued by the company said: "Neither Sales House or any member of the Edgars Group is in any way a party to the dispute between Liberty Life and IAWUSA or any other union."

In its pamphlets IAWUSA states that Liberty Life workers have been on strike for the past two months because of a demand that their union be recognised. "It is our belief that the exploitation, degradation and discrimination we experience at work can be ended through a union of our own choice," it states.

Sowetan

TOWNSHIP TRADING

29

Black broedertwis

FM 18/11/83

Boycott calls are becoming an accepted black business technique, it seems.

As black investors poured in applications for shares in the new bi-racial Afrimet wholesale organisation, Nafcoc chairman Sam Motsuenyane admitted to the *FM* that his boycott call against the venture stems more from a desire to protect Black Chain than from political objections (*Business* November 11).

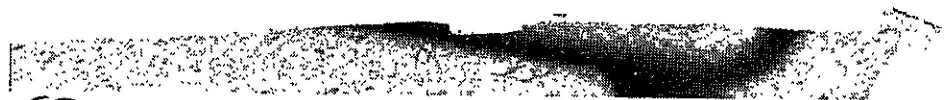
Afrimet is to be 49%-owned by Metro Cash & Carry (Metcash) with the balance held by black shareholders who are being offered 1 020 000 of the 2m shares.

By midweek, 10 days after the Nafcoc boycott call, 143 black investors had applied for 350 000 50c shares in blocks ranging from 200 to 20 000.

The Afrimet set-up may also represent the first major use of a financial structuring device which could open the floodgate to investment in black areas.

If, by closing date on November 25, the 670 000 balance of the black-allocated voting shares is not subscribed for, Barclays Merchant Bank will hold them in trust as non-voting shares. The voting shares will then be re-allocated to maintain the 51:49 ratio. But both Metcash and Afrimet chairman Vela Kraai think that under-subscription is unlikely

Initially, Afrimet will develop two wholesale outlets, one in Soweto's Jabulani district, eventually to cover 2 787 m², and another of 465 m² in Thokoza, Alberton.



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Metcash outlet ... model for Afrimet

Black Chain unsuccessfully attempted to buy the same sites for its own wholesaling operation.

"The boycott call is mainly due to this," says Motsuenyane. Originally he justified the boycott call on the grounds of Nafcoc's official objection to 49%:51% schemes.

Yet Nafcoc has condoned similar deals such as the African Construction Company with which minority partner Murray & Roberts has a seven-year management contract. Motsuenyane explains that this is "a sophisticated, highly specialised area" which merits exception.

"It's in retailing where we totally oppose white involvement of any kind," he says.

Asked by the *FM* how Nafcoc could then object to wholesaling joint ventures, Motsuenyane says: "We regard wholesaling as part of retailing."

The new outlets will sell the full range of Metcash lines which includes food, soap powder, hardware, softdrinks, cigarettes, healthcare and beauty aids.

Both stores will be operational at the end of this month, and Afrimet hopes to declare a maiden dividend yielding 12,5%.

Although Metcash has only 49%, it could have effective control because of the dispersal of the black shares. Black shareholders, however, have the option to operate through a subsidiary holding company which would hold the 51% Afrimet shares and ensure majority control. Metcash, however, will hold an "external" management contract with Afrimet for 20 years.

"This means," says Metcash chairman Lionel Katz, "Metcash will train the store management, provide the central buying and perform the accounting, secretarial and general supervisory functions."

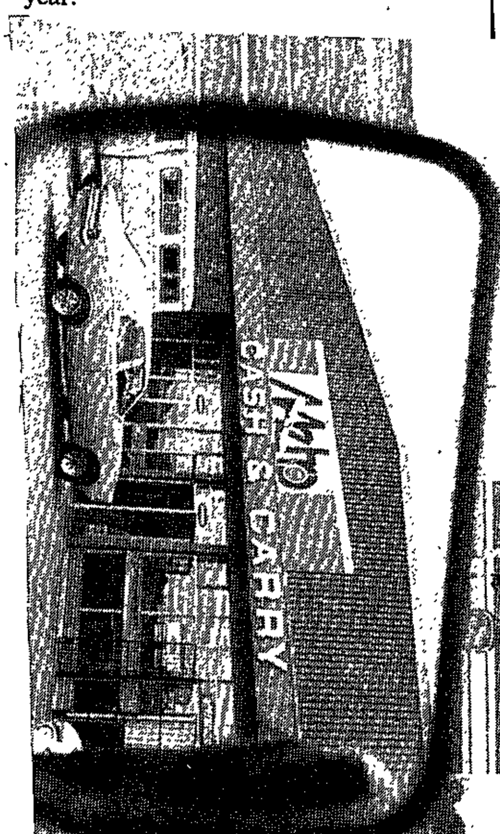
Thus the "white" entrepreneur retains management control while 51% of the ownership is entrenched in black hands.

In the past, the twin arguments of allegedly insufficient black finance and of loss of control has been the most commonly quoted reason for white reluctance to open such businesses in the townships.

Motsuenyane sees the Afrimet deal not only as a "breach of understanding" by Natie Kirsh's Kirsh Industries with Nafcoc associate Black Chain, but as the first in a klondyke of "white" chain stores moving into black areas.

"The moment we open to Afrimet, all the chain stores will flock into Soweto," he says.

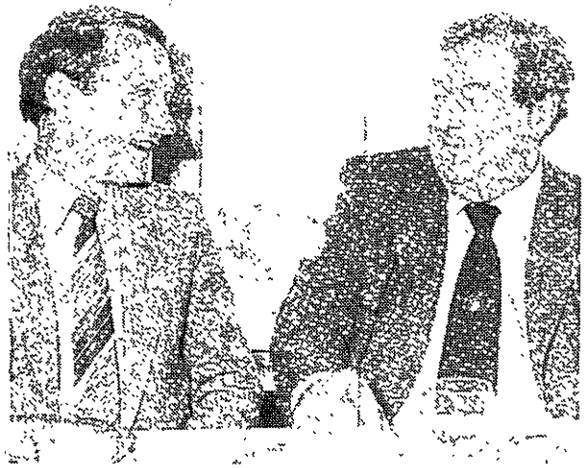
He may be right. Checkers' has plans for a Soweto outlet and Pick 'n Pay's Raymond Ackerman says he is "nearing a breakthrough" in negotiations to open there as well. He points to P 'n P's successful Mitchells Plain store, which has a majority of coloured shareholders and which produced spectacular results in the first half of this year.



(30) D. Dispatch 23/11/83

Reports by TOM LOUW
Business Editor

Government must play its part — Orsmond



The guest speaker at the East London Chamber of Commerce meeting, Mr Louis du Toit, System Manager of the South African Transport Services (left) with the chamber's president, Mr George Orsmond.

EAST LONDON —"It's all very well to call on the private sector to play its part in the development of this region, but the government sector must co-operate," the president of the East London Chamber of Commerce, Mr George Orsmond, said yesterday.

Mr Orsmond was speaking at the quarterly luncheon meeting of the chamber.

He said he had been disturbed by the lack of interest in the Border region on the part of government departments.

"Yet this is the area that must go ahead, the area that contains 25 per cent of the mass labour force in the Republic," said Mr Orsmond.

He believed there could be greater co-operation from the Government and he found it disturbing and distressing "that here we have to fight for everything."

There were even attempts to wean away traffic from East London's port, yet this port was able to move all the traffic that came its way and was one of the few systems in the country actually showing a profit.

Mr Orsmond said he felt a substantial government presence was essential for the welfare of the area.

He praised the presentation, "A New Dimension", staged in Johannesburg by the Region D Advisory Committee and said he was deeply impressed by the way the chairman, Mr Louis Koch, handled it. But the excellent work done at the symposium by the delegates from Transkei, Ciskei and East London all with much the same to offer, would have left an intending investor somewhat confused.

Mr Orsmond expressed concern about the Mdantsane bus boycott and said it would be in the interests of all if this situation could be resolved.

He was concerned, too, about the effect on tourist traffic of road blocks on the main roads, even the border posts at Kei Bridge.

"We believe in the free movement of people," he said.

Electric railway line danger

EAST LONDON — Electrification of the railway line serving East London and the Border carries with it a danger to human beings.

The System Manager of South African Transport Services in East London, Mr Louis du Toit, told the East London Chamber of Commerce yesterday that the dangers implicit in the use of 25 KV power made it necessary for every citizen living near the line to be educated with regard to the dangers involved.

This, he pointed out, was necessary wherever there was electrification, but the situation in the Eastern Cape was much more difficult as there was not electrification at all and the whole idea was new to the people.

Accordingly, his department would embark on a programme using the information media, it would visit schools, give talks and distribute pamphlets in an effort to warn the public of the dangers involved.

He added: "Even our own staff will undergo training in respect of electrification and the dangers involved."

ARGUS 23/11/83 (30)

METROPOLITAN

Hotel group to oppose bid for liquor licences

Mr Steven Rom

Staff Reporter

THE Cape Hotel, Bottle Store and Restaurant Association will oppose all Western Cape applications for new bottle store and grocers' wine licences.

Applications for 23 new grocers' wine licences and a number of new bottle stores will come before the Liquor Board early next year.

Mr Steven Rom, chairman of the Cape Hotel Association, which opposed the existing six grocers' licences in the Western Cape, said the association would again oppose all applications for grocers' licences in the area.

"The association feels that the Cape is over-traded as it is There are sufficient liquor stores to meet the needs of the public and we will oppose all new applications for grocers' licences and for new bottle store licences."

Mr Rom said the association was not opposed to the granting of licences to restaurants, either malt and wine licences or general restaurant licences — the difference between these two licences relates to hours of trading and trading on days when bars are normally closed.

"Restaurants are in a different category. They cater for tourists and people who go out for a meal."

Of the seven new applications for licences in the magisterial district of Bellville, four are for new liquor stores and three are for grocers' licences.

Of the 15 Cape Town applications, two are for liquor stores and two for grocers' licences.

Of the six Goodwood applications, two are for liquor stores one for a grocers' licence.

Of the 15 Wynberg applications, six are for grocers' licences.

Of the five Stellenbosch applications, one relates to a liquor store and two, submitted by Keurwyn-Vennootskap at Farmstead Bartinney and by Die Bergkelder at Papegaaiberg, are for wholesale licences.

C. Herald

(30) 24/11/83

'Hobby' now a booming business!

MR Len Wilson and his wife Lois decided a year ago to open a little factory shop on the border of Steenberg. They thought that it would keep them busy as a hobby. Today it is a thriving business with a turnover that keeps the couple smiling.

The Wilsons don't own a manufacturing company but buy clothing in bulk and sell it in their factory shop at the lowest prices possible.

"Our markup is very low but the quality of the garments is very high," said Mr Wilson.

He said the garments they bought were seconds, cancelled orders or overruns.

"In some cases the labels are removed but the same article could be on sale at a retail outlet for double the price. As far as we are concerned this is a successful formula.

"I must mention the seconds that we sell. It will take an expert to spot the defect in the garment but to be honest and above aboard we clearly mark the defect so that the customer can see what he or she is buying.

"Our customers come from all walks of life. It is not restricted to the lower income group. Everyone shops here."

He said that his busiest period was just before the start of winter and summer.

"I know that retailers are not very happy with our operation but I believe in free enterprise. We are offering a service to the public and they know where they can get more for their money," said Mr Wilson.

● *SOUTHERN Warehouse in Main Road Steenberg — all flaws are clearly marked although most customers can't spot them.*

SALT RIVER

The 'marktjie' — a shoppers' Mecca

(30)

FOR nearly 70 years the Salt River Market has been a gathering place for those who live in the area, but today, with the competition from supermarkets, less people are visiting the market.

The market has always been a place of smiles and smells, with hurried and sometimes harried vendors and buyers ... and skulking fish-fattened cats.

Black, white and marmalade, sleek with health, the cats lurk under cars and crates and from the rooftops they look down at a scene which, over the years, has grown less busy, but the market shows no signs of dying out.

When the market started out 70 years ago, it was a meeting place, like a village a centre of social activity at which relationships were struck, cemented and continued.

Families which started out with small stalls when the market opened, today own bigger stalls and today's vendor's still sell to the people they once played with among the racks and boxes when they were children. Many of the vendors have grown up together and today they manage their parents' stalls, still the strong friends they were many years ago.

RUMOURS

Recently, rumours of the market having to close down were rife. People thought that the new Salt River bridge would run through the area presently being used as a market, but these rumours proved unfounded. The Salt River market is there to stay.

Two sisters, the wives of men in the legal profession, manage one of the bigger stalls at the market. Their father started the stall about 48 years ago and today the two sisters run the busy business.

"We first grew to know and love the market when we were still at school," said Mrs Fazlin Ally, elder of the two sisters. The youngers sister is Mrs Farieda Omar.

As she packed out her fresh fruit, Mrs Ally said: "Since then I have decided that no matter what, I want to keep this store's doors open.

HONOURS

"Business has slowed down over the past few years as more and more people are starting to do all their shopping at supermarkets, but there is no chance that we will close down," Mrs Ally said. Mrs Ally pointed out that lots of people still visit the market to buy fresh fruit and vegetables.

Immediately after the two sisters completed their schooling, they started working in the stall. Today, the two of them run the stall, and a very good job they are doing of it. Some of the honours they have won are the Outspan Regional Green Grocer of the year award and the Potato award.

Stall rentals have skyrocketed and many stall holders complain of the high rents they have to fork out every week. Rentals were increased by 25 percent in 1978, by 100 percent in 1981 and again by 75 percent earlier this year. Even though vendors complain about high rents there is no talk of closing their stalls because of it, they love the market too much.

BRINJAL

Miss Fatima Patel, another stall holder, holds sweet childhood memories of sitting up late at night polishing and washing fresh fruit which her father had brought down.

"The next day the fruit would go on display at the stalls, but of course all the other stalls had fruit which was just as highly polished.

"We worked in the stalls as a family and we would do almost anything to get a sale. In those days people did not really know what brinjal and grape-fruit was. My brother use to make up recipes so that people would buy our wares.

"We built up many personal relationships with our clients and the years have just cemented our relationship.

"Its not like the old days when people used to come to the market after supper and everybody would stand around talking and joking," Miss Patel said.

At the entrance to the market, the smell of fresh fruit and vegetables makes way for the strong smell of fish. This is the fish market.

In pink and silver piles the kabeljou, Cape Salmon, red roman, kingklip, chokka, skate, snoek, harders, sole and stumpnose lay neatly stacked.

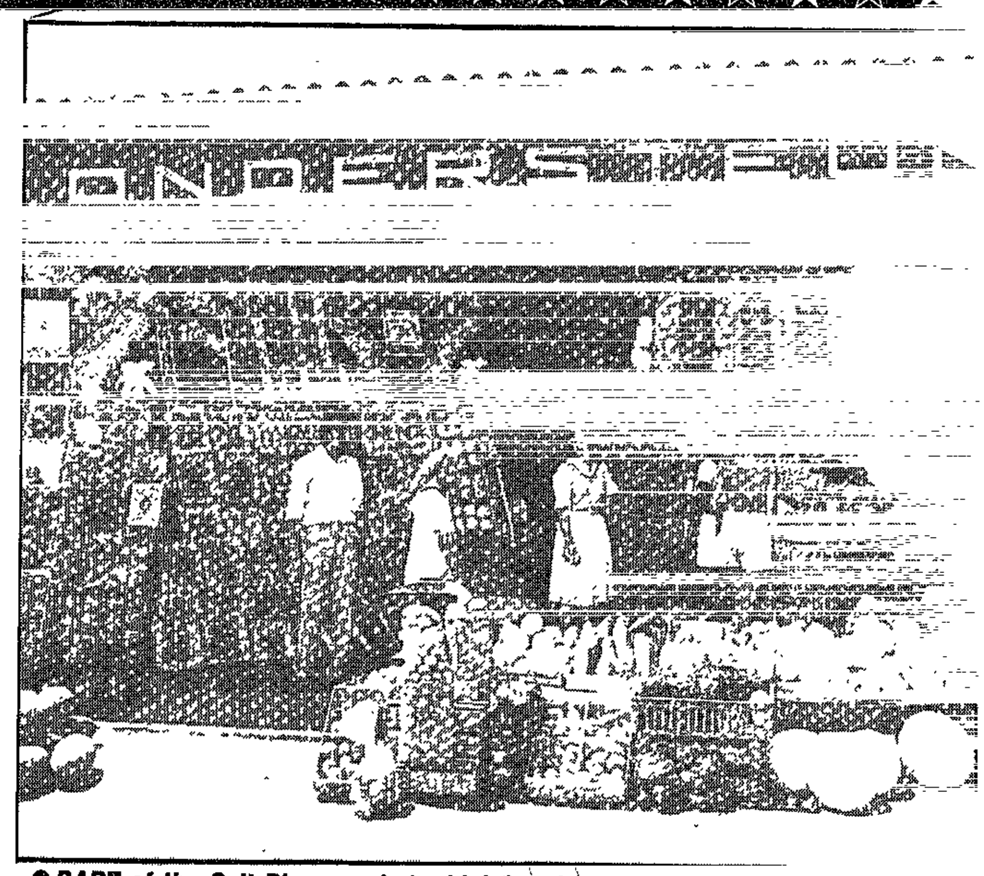
The fish is brought to the market from any places, some of them quite far off. These include Hout Bay, Kalk Bay, Hermanus and Struisbaai.

Behind the white tiled fish market a fish monger was cutting a large snoek. He drove the knife through the fish with a mallet, neatly slicing it into steaks.

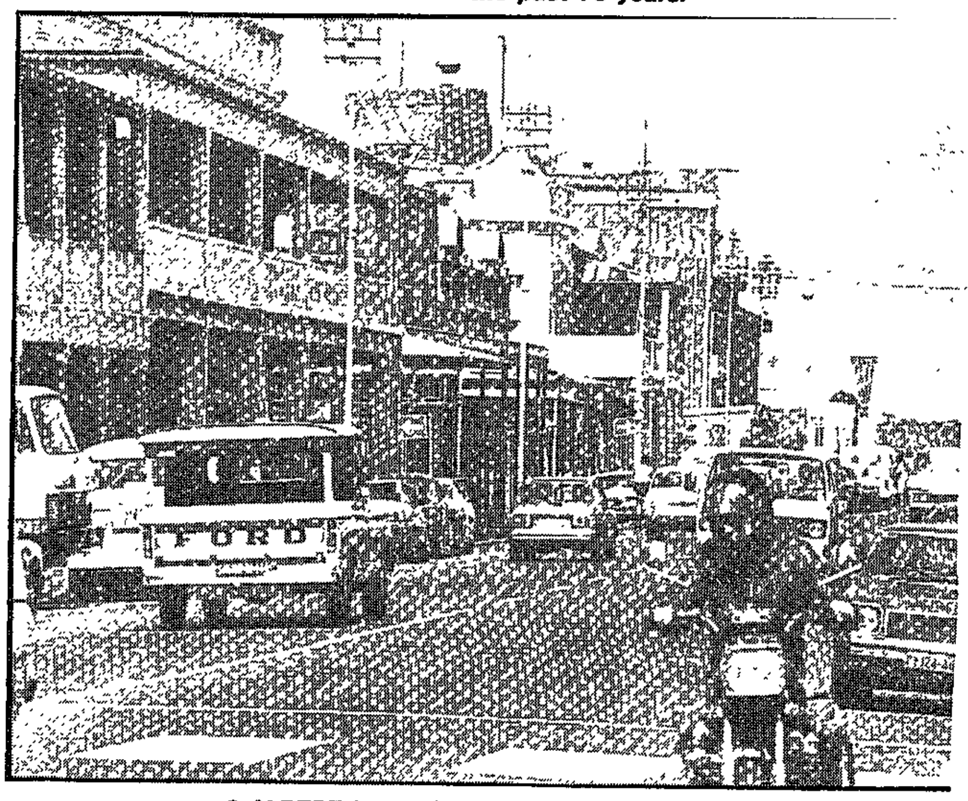
40 YEARS

A fish monger, who asked us not to use his name, joined his father in the fish business after he completed his schooling. He has now been running the business for 40 years.

"One of the shortcomings of the market is that not many people outside of Salt River know of the place. The market must be built up and well advertised so that people know where they can come for fresh produce," he said.



● PART of the Salt River market which has been the meeting place of people in the past 70 years.



● ALBERT Road, Salt River — always a hive of activity.

● MRS F Ally and Mrs Farieda Omar (right) at their stall at the Salt River market.

Salt River revisited

THIRTEEN years after Jan van Riebeeck arrived in Table Bay harbour to establish a refreshment station at the foot of Table Mountain, settlers moved three kilometres east of the Castle and started the original settlement of Salt River.

I was born in this "settlement" (much, much later) and spent the first 17 years of my life there.

By then it had grown considerably from the original inn and few fishermen's houses. The Salt River of my childhood was a vibrant and exciting residential, business and industrial area.

Everything one needed could be obtained within the borders of Salt River. The distant places one heard of when relatives visited — places such as Athlone, Grassy Park and Windermere — were "up country" and remained that way until officialdom started moving people en mass to the Cape Flats in the early '60s.

Salt River today is still a boom town — even more so than it was in the past — and the half-kilometre strip of shopping area along Lower Main Road from the Salt River traffic circle to the Palace Bioscope constantly teems with humanity.

And come Friday and Saturday, Junction Road is transformed into a kalaidescope of colour by hawkers who line both sides of the street, peddling their wares.

Yes, the shops are still there, business is booming and people are still living there — but the Salt River of my youth and childhood is gone forever.

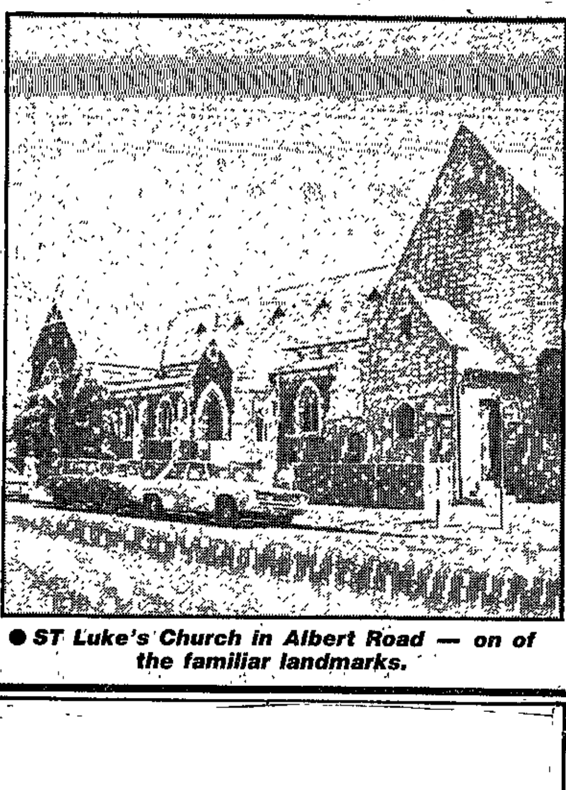
The Salt River of my day was before the Group Areas Act and the Petersens, Benjamins, Parkers and Khans lived cheek by jowel with the De Votis, De Jagers, Krugers and colonial English types whose dining rooms were filled with hunting trophies.

The friends of childhood are scattered all over the Peninsula (and in some cases over the world) and people who were institutions to me are gone — lost in time or dead and buried.

x head

Like Mr Chait in Cecil Road, who for years supplied the neighbourhood kids with toffee-apples at a penny apiece. And Charlie Makan, the green-grocer and general dealer from whom I bought sweets and fruit and later in my teens, loose cigarettes.

And landmarks like, Mr Johnny Carelse's beautiful dahlia garden, (his sporting sons tried in vain to teach me to play cricket and soccer); the Star sweets factory in Coleridge Road, home of the once famous pink Star toffees; Lilies Field, where everybody gathered on weekend afternoons to watch the games; and the "ketangs" at Woodstock beach where I learnt to swim and which has since been filled up for the container basin.



● ST Luke's Church in Albert Road — on of the familiar landmarks.

But not everything was that rosy in the not so distant past of 30 years ago. There were shebeens, gangs and anti-social elements in the area.

x head

But unlike today, when they fought among themselves and it was very rare if an innocent resident was interfered with or harmed by these people.

I visited Salt River again this week. Dryden Street, Pope Street, Burns Road, Tennyson Street. The houses are still there but in most cases, total strangers are occupying them.

The corner shops are still doing business, but somehow the atmosphere of my childhood Salt River has disappointed.

Herman Arendse

30

C. Herald 24/11/83

Suppleme

SALT RIVER

They still come for the bargains

IN days before the giant supermarkets and hermetically-sealed, plastic-covered prepacked goods — and that's not so long ago — Salt River's shopping area was second only to Cape Town's central business district in the Peninsula.

People came from all over to do their weekly monthly, Christmas or Labarang shopping at the shops lining the half mile stretch of Albert Road that formed Salt River's business district.

Anything — but anything — could be bought along this strip for a price that anybody could afford. And if you found that the price did not suit your pocket, the shopkeepers were prepared to haggle a bit.

There was the cubbyhole shop of Schwartz the haberdasher, presided over by Mr Schwartz the haberdasher himself (nobody ever got around to his first name) where customers queued from well before opening time on Saturday mornings to buy anything from a pennyworth of school ribbon to rolls of lace for a wedding frock.

SPICES

Further along was the shop of old Norodien the general dealer. His speciality was spices and the best in cheeses. But that was not all he sold, as the pervading smell of paraffin and blue soap told you as you entered his shop — which had groceries of all kinds packed on shelves from the floor to the ceiling and baths, buckets, pressure stoves, bed pots and tools hanging from hooks in the ceiling.

BAGS

Outside to the catch the eye of potential customers were opened bags of sugar beans, split peas, lentils and mealies. And there was always a free sweet — albeit stale — for the young customer.

All this — except for the hawkers in Junction Road, who are timeless — has changed today.

Stores have been modernised and revamped. And hundreds of people have been moved to the Cape Flats far away from Salt River.

But they still come back to do their shopping as can be borne out by the teeming mass of humanity that throngs Salt River's business area every weekend.

● *HAWKERS — a familiar sight in the streets of Salt River.*

● *FISH hawkers still ply their trade in the business area of Salt River and when there is a good run of snoek going a fish can be bought at a bargain price.*

Total revamp for rail system

A R30-MILLION upgrading of the rail system at Salt River station complex is expected to take until June 1986 to complete and will include two new lines and at least three bridges.

Passengers using the southern suburbs and the Bellville lines can expect distruptions and delays during that time.

Work has started on three new road-traffic bridges, the Voortrekker Road bridge (over Salt River station), at Church Street and at Cannon Street.

A new railway bridge will also have to be built over Black River.

DEMOLISHED

Parts of the old Salt River works have been demolished to make way for the new lines.

There will be two new lines between Maitland and Salt River, making four lines on that sketch, and two new lines from Salt River to Woodstock, giving the railways six lines in all.

A senior South African Transport Services employee said it was planned to build two additional lines between Maitland and Woodstock because the Salt River junction was one of the biggest bottlenecks in the system.

EXTRA LINES

The new lines, however, necessitated the building of the three new bridges because the spans on the present bridges were not large enough to allow two extra lines.

The new lines will also mean rebuilding Salt River station.

The estimated R30-million does not include the cost of the extra electrical and signals work.

It is understood that the old Salt River bridge will be replaced in two stages.

The work on the bridge alone is expected to take up to two years to complete.

It all started 10 years after Van Riebeeck

SALT RIVER is seeped in history. It has often been compared with a typical manufacturing town of the English Midlands where you had the same sordid streets bordering the railway, the same poverty-begotten evils, and the same hardworking cheerfulness among the bulk of the inhabitants, that somehow makes up for everything else.

But Salt River was slow in growing up

When Joris Spilbergen sailed into Table Bay in 1601 there was a small Hottentot camp at the mouth of the river itself. For some unexplained reason Spilbergen named the river Jacqueline.

Ten years after Jan van Riebeeck's landing a few free-fishermen had established their home and a public house there.

SMUGGLERS

Those were the days when the Dutch East India Company monopolized much of the local trade and the mouth of the Salt River was a convenient landing place for smugglers.

Barrels of wine were cast ashore there, and smuggled to the taprooms and boarding-houses of the town.

OUTSPAN

In the years that followed, an outspan grew up on the castle side of the Salt River.

The gates of the town were open only between the hours of 6 am to 9 pm, and farmers who had trudged through the sands of the Flats with their produce often had to spend the night beside the Salt River ford.

By 1800 only a mill, a few houses and a gun battery were established there.

Today Salt River is a sprawling suburb with a predominant working-class population and many good shops along its backbone, the Lower Main Road.

(30)

SPOTLIGHT ON FACTORY SHOPS

● UPSTAIRS Factory Shop in Maitland stocks a wide variety of clothing at very low prices — a big drawcard for customers.

● FASHIONRITE Factory Shop in Maitland has a reputation for classy goods at the "rite" price.

24/11/83
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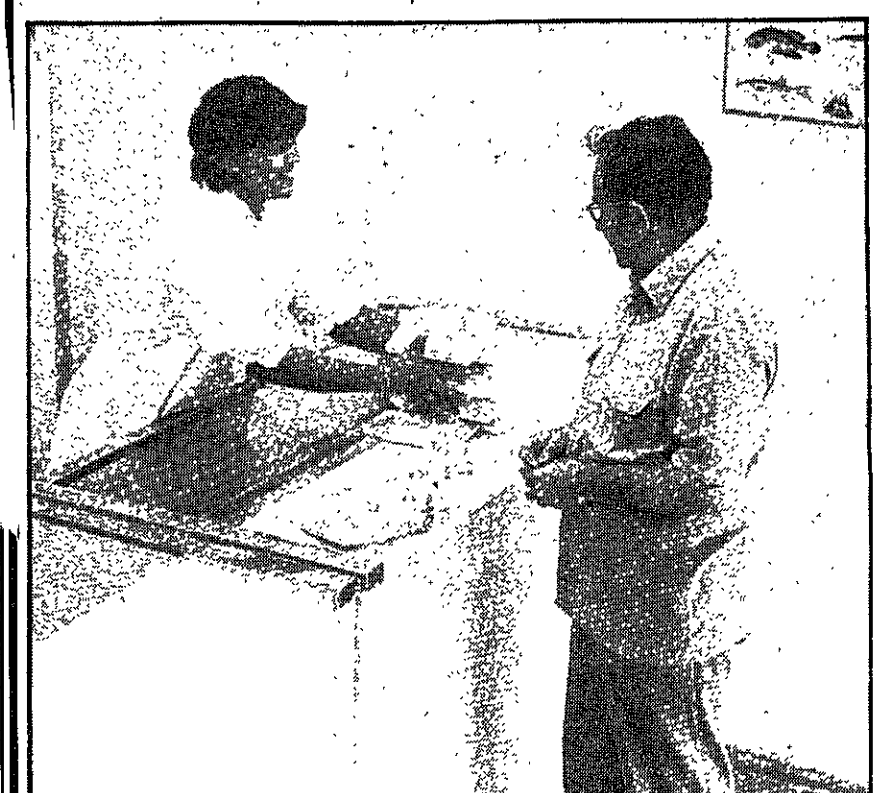
● A WIDE selection of goods is offered by Upstairs Factory shop in Maitland.

No fishy deals here



● MISS Jasmine Isaacs of the Fat Fish Factory Shop in Station Road, Woodstock is all smiles as she serves a customer.

In 1975, Mr H Wessels was in the exporting business. He was selling fish to most countries in Africa, the Far East and Australia but then he decided to look for a supplier of sea foods on a regular basis. The big companies in Cape Town couldn't help him so he turned to the smaller companies and discovered one in Woodstock which met his needs — to help fillet, pack and freeze a variety of fish.

That was the start of the Fat Fish factory shop in Station Road Woodstock. After lots of hard work and co-operation from the South African Bureau of Standards, Mr Wessels bought the company and started expanding.

He remodelled the factory completely and stepped boldly into the market — in the face of competition from fish giants like I&J and Sea Harvest.

They had already captured the big supermarket trade and the only option left for Mr Wessels and his company was to find a gap.

He now has that gap neatly sown up and runs the most successful factory shop in the Cape.

PHILOSOPHY

His philosophy is simple: There is enough for everyone to share so why not share it!

This has paid dividends.

"It was no good trying to fight the fish giants and make a dent in their supermarket trade. I had to find something else. I started concentrating on top quality products and a first class service. No one was too small for me and that holds good today. My prices remained very low but I was offering a service that was unmatched in the Cape.

"When it came to revamping the factory, I allowed for shop space. It's nothing fancy but it's clean and efficient. We stock a large range of products and they are all at factory price.

PARCELS

"It is ideal for the busy housewife. She can pop in, buy her fish in frozen parcels in a price range that suits her and it is ready for the pan when she gets home. As I said before, no one is to small to deal with. If a guy walks in with 50c and says he would like to buy a piece of fish, we will find something for him.

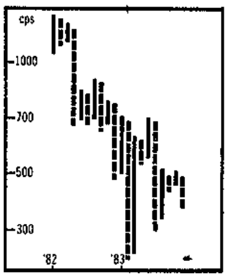
"We buy fish in bulk so we can afford to pass on our savings to our customers. We import a lot of fish as well, and this is packed in weights that people can afford. We're in this business to help people and not clean them out," said Mr Wessels.

An added bonus for all his customers is a wide variety of fish recipes, which he hands out free at the shop in Station Road Woodstock.

(30) FM 25/11/83

CHECKERS

Bearish formation: Resistance at 500c should limit any advance in the near term. Eventual breakout above this level would encounter more selling if the price reaches 700c.



The board cannot yet disclose how the company will finance the approximately R106m committed to property developments to house new Checkers stores and satellite shops. But the large capital commitment is likely to further stretch the company's limited cash resources.

Minority shareholders might best be advised to fight the creation of Kirsh Trading tooth and nail. If Checkers is making profits, as it claims, Kirsh's latest grandiose corporate reshuffle seems set to short-change long-suffering minorities who might have been counting on benefiting directly from the supermarket chain's recovery. The Hobson's choice they now have, again shows the controlling shareholder's scant regard for minority interests. It is clearly up to Kirsh to put out more information to enable shareholders to make a fair decision.

Brian Zlotnick

UNION WINE

Profits submerge

Activities: *Manufactures, wholesales and retails a range of wines, brandies and other spirits. Holding company of Picotel.*
Control: Holding company is Picardi Finance. Ultimate holding company is Picardi Investments. Coki has 37% of the equity.
Chairman: *J A J Pickard; managing director: W D Terblanch.*
Capital structure: *13,2m ords of 50c. Market capitalisation: R21m.*
Share market: *Price: 205c. 1982-1983 high, 270c; low, 110c. Trading volume last quarter, 77 000 shares.*

The last thing Union Wine needed to hear this year was that government has granted its more powerful competitor Cape Wine permission to own 300 retail liquor stores against Union Wine's 103. The unexpected decision certainly represents setback to Union Wine's plans to boost the contribution of its retail division. And chairman Jan Pickard is understandably peeved at government's apparent favouritism.

Says Pickard bluntly: "The decision extended the CWD's grip over the total liquor industry. It is therefore regretted that the recommendations of the Competition Board

Union Wine's Pickard ... short end of the retail stick

with regard to restrictive practices in the liquor trade have not been accepted." Pickard is not the only aggrieved party. SA Breweries is also annoyed about the arrangement, particularly since it is still required to continue its disinvestment programme from the Solly Kramer bottle store chain.

Financial: *Year to June 30*

	'80	'81	'82	'83
Debt:				
Short-term (Rm)	7,0	18,0	8,0	13,8
Long-term (Rm)	2,8	2,7	3,8	4,0
Debt:equity ratio	2,18	2,03	0,44	0,67
Shareholders' interest	0,20	0,25	0,49	0,47
Int & leasing cover ...	2,3	2,2	1,7	0,8
Debt cover	0,16	0,10	0,10	—

Performance:

	'80	'81	'82	'83
Return on cap (%)	13,9	10,8	9,3	—
Turnover index	100	161	220	234
Pre-int profit (Rm)	3,1	4,5	5,0	2,2
Earnings (c)	28,0	33,8	1,6	—
Dividends (c)	7	9	—	—
Net asset value (c) ...	87	209	199	196

Meanwhile, Union Wine has plenty of other problems. Profits collapsed to little more than break-even in financial 1982 and then it proceeded to plunge into the red last year, mainly because of the poor performance of the dominant wholesaling operations. Pickard says heavy expenses have been incurred over the past 18 months in modernising and expanding the company's cellar, production distribution and retail facilities, and the benefits of this programme have not yet been felt.

Conditions in the weak liquor market are also rough, with Union Wine locked in fierce competition with CWD. Cost escalations have not been fully recoverable in selling prices, meaning margins have narrowed considerably. Pickard says, however, that the company's strategy is to hang on to its market share, even if this means sacrificing short-term profitability. The problem is that retailing operations — which are generally more lucrative than wholesaling — had been identified as a prime growth area. But any expansion here is now likely to bump up against CWD's own expansion drive in retailing.

In addition, Union Wine has a debt problem. Short-term borrowings shot up last year to R13,8m, dragging the debt:equity ratio up to an uncomfortable 0,67. Interest payments amounted to a debilitating R2,8m (R2,6m) and seem set to remain high for some time.

Pickard notes that a recovery in business and economic conditions is unlikely to materialise until mid-1984 and he adds that "a meaningful recovery of group profits can also be expected to be delayed." The question is for how long? Union Wine has been a relatively poor performer even during fairly buoyant economic times and its relative disadvantage in the retail liquor market will provide little cheer for shareholders.

The company is, however, sometimes talked about as a takeover proposition and for that reason the share may be worth hanging on to. Apart from that, the share has little to recommend it at the current price.

Chris Wilson

WELGEDACHT

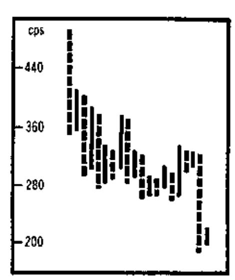
Profits doused

Activities: *Coal mining at three collieries in Natal.*
Control: TC Land owns 71,4% of the equity.
Chairman: *A A Sealey; managing director: H R J Posselt.*
Capital structure: *9,1m ords of 45c. Market capitalisation: R19,5m.*
Share market: *Price: 215c. Yields: 10,2% on dividend; 39,1% on earnings; PE ratio, 2,6; cover, 3,8. 1982-1983 high, 380c; low, 190c. Trading volume last quarter, 99 000 shares.*

Chairman Allen Sealey warned a year ago

WELGEDACHT

Break below support at 270c is bearish. This level should provide strong resistance against any upward move. Needs to consolidate at lower levels before new bull trend begins.



Bid to make the streets more safe for Christmas shoppers

Extra guards called in to boost CBD security

(30) 875 25/11/03

Staff Reporters

Johannesburg police and a special detachment of security guards are to patrol the Central Business District for the next two weeks as an extra precaution against crime during the Johannesburg Christmas Festival.

The festival, organised by CBD retailers in a bid to entice shoppers back to the city, started on Tuesday and runs through until December 6.

Policemen in plain clothes and in uniform, aided by security guards, will be patrolling the major shopping areas in an attempt to make the streets safer for shoppers throughout this period.

Ten guards have been made available by a Johannesburg security company to help in the new scheme.

The guards are on duty between 7,30 am to 6 pm and will patrol in pairs. They will operate between Plein Street in the north to the Carlton Centre in the south.

The guards will be on the lookout for criminals trying to take advantage of the increased number of shoppers in the weeks before Christmas.

The guards are not being posted to replace the SAP but merely to assist the public in matters of security and to act as a deterrent. The police will be called to the scene immediately if any incident is reported.

A spokesman for Johannesburg police headquarters said plainclothes policemen would be on duty during the entire Christmas shopping period.

"They will be assisted over the next two weeks by special detachments of uniformed policemen who will be on duty as a show of force," he said.

Girl dies from rabies

DURBAN — A five-year-old Stanger girl died from rabies in Durban's King Edward VIII hospital early yesterday morning.

She is the second person in Natal to die from rabies this week. Mr Des Stewart of Botha's Hill died at the weekend after being bitten by his dog. — Sapa.

Another 1[illegible] positive rub[illegible] cases foun[illegible]

Medical Reporter

Blood tests have revealed 17 more p[illegible] (German measles) cases this month[illegible] number to 124 since June.

The National Institute for Virology'[illegible] fessor Bar[illegible] most of th[illegible] imens inv[illegible] women.

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Randburg

Johan

CHECKERS

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Turning the corner?

Activities: *SA's largest supermarket chain with 181 outlets countrywide. Owns one Greatermans department store and Norvic shopfitters.*
Control: Coki owns 24% of the equity. Kirsh Industries has ultimate control.
Chairman: *N Kirsh; managing director: G M Utian.*
Capital structure: *3,1m ords of 50c; 2,6m "A" ords of 50c; 7m cum part prefs of 25c; 175 000 6% cum prefs of R2; 325 000 5% cum prefs of R2; 225 000 second 5% cum prefs of R2; 500 000 third 5% cum prefs of R2; 13,1m compulsorily convert variable rate cum prefs of 1c. Market capitalisation: R21,8m.*
Share market: *Price: 385c. Yields: 1,3% on dividend. 1982-1983 high, 720c; low, 315c. Trading volume last quarter, 175 000 shares.*

Financial: *Year to June 30*

	'82	'83
Debt:		
Short-term (Rm)	21,5	30,5
Long-term (Rm)	16,3	3,4
Debt:equity ratio	1,06	0,45
Shareholders' interest	0,18	0,27
Debt cover	0,50	0,78

Performance:

	'82	'83
Turnover (Rm)*	1 120	1 146
Pre-int profit* (loss) (Rm)	(6,0)	(6,5)
Earnings (c)	—	—
Dividends (c)	15	5
Net asset value (c)	539	367

* Continuing operations only.

For the second consecutive year, Checkers' 1983 financial results show that the company averaged monthly losses of around R1m. More disturbing, though, is the fact that the bulk of the losses arose in the year's second half. Yet Checkers' board claims that it somehow managed to turn the company around immediately after the June year end.

Just how the reversal was achieved is left unexplained. Nor has any evidence been provided that Checkers has indeed stemmed the tide of red ink. Chairman Natie Kirsh maintains that last year's losses continued to reflect the legacies of the past, and he adds that the problems and the cost of resolving them after the change of control two years ago, continued to haunt the company last year.

Checkers' results and financial situation since the year end are pivotal to the complex proposal for the restructuring of the Kirsh group's trading interests. Yet shareholders in all the affected operating companies in the group have been given no

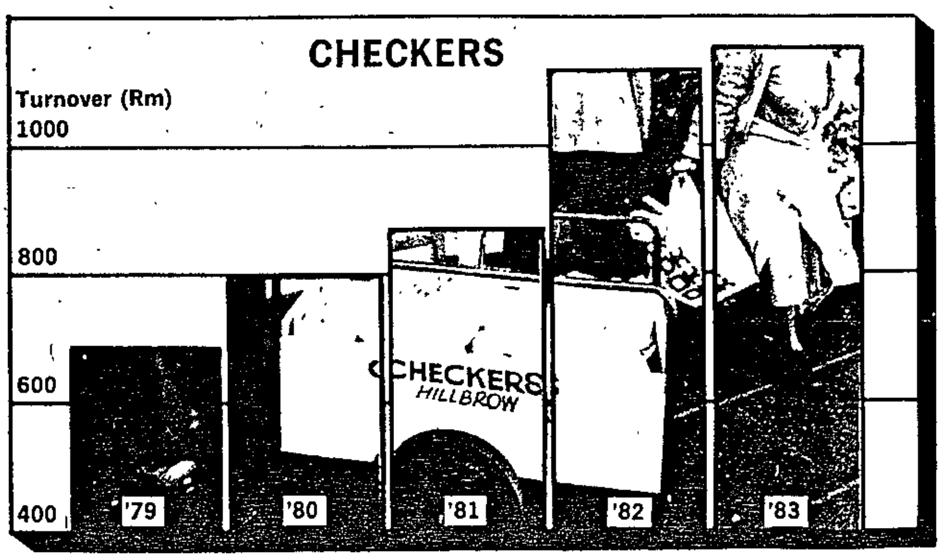
Checkers' Kirsh ... high-handed with minorities

solid information to back up the claim that Checkers has indeed returned to a level of "satisfactory profit." Surely provision of this information should be regarded as fundamental to the proposed scheme of arrangement?

A general meeting is to be held on December 12 to approve the scheme, whereby Checkers under its name of Kirsh Trading, will be used to house the Kirsh group's trading interests. In view of the current profitability claimed by Checkers, certain minorities might well resist the move to have their supermarket interests diluted. Others question the value of 400c placed on Kirsh Trading by Barclays Merchant Bank. Goodness knows how the merchant bank arrived at this valuation as the net asset value of Checkers after adjusting for the value of the assessed or estimated tax losses is well in excess of 400c. Whether dissenting minorities have the power to block the proposals is another matter.

Management claimed at the December interim that the company had virtually turned the corner. But Checkers promptly scotched any optimism arising from that pronouncement by deepening its losses to R8m in the second half. And, at the year-end, turnover on continuing operations declined in real terms, despite an increase in the number of stores from 173 to 181. The conclusion is inescapable that Checkers lost significant market share during the year. This will be difficult and expensive to regain. The losses on discontinued operations were, however, reduced to R1m from R8,1m in the previous year, improving the overall picture.

In order to finance the huge losses of the past two years and enable the company to continue its struggle for survival, some R39m was raised by way of a rights issue of convertible preference shares. This inflow of cash placed the company on a sounder financial footing, but certain key ratios, such as the current ratio of 0,7:1, are still poor. Based on the current prime overdraft rate, the convertible preference shares will have to be serviced by dividend payments of about R5m this year.



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SOWETAN, Friday, November 25, 1983

Kraai defends venture

By THAMI MAZWAI

THE chairman of Afrimet, Mr Vela Kraai, has come out fighting in defence of the management contract his company has signed with Metro Cash and Carry, and against the rejection of Afrimet by the National African Federated Chamber of Commerce (Nafcoc).

He was reacting to an article in **The SOWETAN** this week on the contract, and attacks by Nafcoc.

In our article we stated that Afrimet, which has 51-49 percent partnership with Metro Cash and Carry, would be completely controlled by Metro in terms of the contract.

Mr Kraai did not deny this, but justified the link Afrimet would have with Metro, and also explained some of the contentions in the contract. But Mr Kraai came out in full battle cry against Mr Sam Motsuenyane, president of Nafcoc.

He challenged Mr Motsuenyane to start a wholesaling concern in competition with Afrimet and "we will see who will survive after a year".

The Soweto chamber has since endorsed its loyalty to the four after a meeting on Wednesday afternoon. This meeting was a few hours after Mr Kraai had informed me that the local chamber was still with them. The four are Mr David Pooe, Mr Kraai, Mr R Maponya and Mr G Mashile. Mr Pooe and Mr Mashike were with Mr Kraai during this interview.

The bone of contention between Mr Kraai and Mr Motsuenyane is on whether wholesaling is a sophisticated industry or not. Mr Motsuenyane has said the 51-49 percent partnership is acceptable in industries of a sophisticated nature, hence the involvement of Nafcoc in a number of undertakings on this basis.

Mr Motsuenyane claims wholesaling is part of retailing and black traders are competent to handle this themselves. But, according to Mr Kraai, wholesaling is sophisticated and blacks do not have the expertise to handle this aspect of retailing.

Mr Kraai further said that they (the black board of Afrimet) were aware of what they were doing, their consciences were clear and they would not be dictated to by anybody.

The claims made by **The SOWETAN** early this week were that Afrimet:

- is completely controlled by Metro in all management in terms of the contract;
- that they cannot withdraw from the contract the next 20 years while Metro can;
- that they MUST purchase from Metro despite competitive prices elsewhere;
- that they have nothing to do with day to day management; and
- they had to pay about R20 000 per year for the next 20 years in fees.

He confirmed that Metro was in complete control of management. According to him, blacks had failed in the past in this type of business and they had to get specialists in the field to ensure that the business was properly controlled. He added that the board of directors w[illegible] an eye on development.

A board of directors, however, has little influence on the day to day running of a business and is involved in long-term planning or crisis situations.

On the fact that they cannot withdraw for the next 20 years from the contract Mr Kraai said they could come together with Metro when they felt like it and discuss terms of separating. But, while this is possible, withdrawing from a contract before expiry would entail the aggrieved party getting some amount of money in settlement.

Asked to comment on why they did not ask for a five-year contract renewable, Mr Kraai said: "With the experience we have, we opted for 20-year contract to safeguard planning and in the interest of the people."

Referring to the clause that they can only purchase from Metro and not from the manufacturer or where it is cheaper, as other wholesalers, Mr Kraai said they were not buying from Metro, but using Metro suppliers.

They regarded their status as any other branch of Metro. "We are on par with all outlets of Metro," Mr Mashike, another director said. Mr Kraai said as an independent group they could not get the right price.

On the price they had to pay for the contract, R20 000 per year or 10 percent of profits whichever was higher and a straight R8 331 the first year, Mr Kraai said: "We are absolutely happy".

The rejection of the expulsion of Mr Kraai, Mr Maponya, Mr Pooe and Mr Mashike from Nafcoc by the Soweto Chamber has strengthened Mr Kraai's position and it appears that the bulk of Soweto traders may support Mr Kraai.

- In Monday's edition we stated that Afrimet can only terminate the contract if Metro goes bankrupt. Afrimet can also terminate the contract if Metro does not fulfil its obligations or the law so decides.

Veli Kraai.

 (30) ROM 29/11/83

Black spending bubble bursts

BERNARD SIMON ON RETAILING

BUSINESSMEN who pinned their hopes on black consumers to see them through the recession have had a rude shock.

Mr Eric Mafuna, managing director of Consumer Behaviour, a black-oriented marketing and advertising consultancy, says: "They thought they were stepping into a puddle, and it turned out to be a manhole."

The black market, which many analysts assumed in recent years was immune to downturns in the rest of the economy, has been one of the biggest casualties of the recession. Consumer spending has stagnated in real terms over the past year, causing a large drop in the volume, and perhaps even the value, of blacks' purchases.

The unexpected severity of the slump was highlighted by the results of Frasers, a barometer — if there is one of black household spending — Edgars and SA Breweries. Frasers' operating company's pre-tax income slid to R2,8m in the year to September 30, 1983, from R6,4m in the previous year. The group's chairman, Mr Donald Campbell, said: "The period from October 1982 to February 1983 has been the worst in my experience."

Edgars ascribed the 26% plunge in its trading profit in the half-year to October to "significantly weaker" demand from blacks, especially at Sales House, Jet and Ackermans. The group's performance would have been even more miserable if Sales House had not eaten into its competitors' markets. Mr Sandy Barnes, Sales House's marketing manager, says "our strategy was to hold customers at the expense of profitability".

Perhaps a more accurate reflection of the steepness of the downturn is Blackchain's experience of a 30% to 40% slide in revenue from hardware and clothing in the past year.

If more proof is needed that black consumer spending is weaker than whites', look no further than OK Bazaars, which is having a much rougher time than its two supermarket rivals, Checkers and Pick 'n Pay, and is also far more heavily exposed to the black market.

Blacks' pockets have been hit by all the factors which have forced whites to curtail their spending — reduced overtime, lower yearend bonuses, rising unemployment, less generous pay increases and higher financing charges. But their plight is exacerbated by several other misfortunes:

- Black unemployment, though unquantified, has undoubtedly risen much faster than joblessness among whites. One reason is that unskilled workers are invariably retrenched before those whose skills may be needed later.
- The drought has ravaged both assets and incomes of rural blacks. Frasers reported that turnover at its mine stores fell particularly fast because mineworkers were sending more money to their families in drought-stricken areas.
- Blacks, most of whom are in lower-income groups, do not have the savings of whites, or their creditworthiness, to tide them over bad times. Although retailers are keen to hold on to customers, they are rejecting an increasing number of credit applications in an effort to forestall bad debts. Blacks have suffered from their lack of financial planning expertise. Many bought insurance policies in recent years convinced that the benefits included unemployment payouts.
- Blacks have proportionately higher discretionary incomes than whites. Accommodation costs are normally a lower percentage of their earnings and they are not as heavily committed to insurance policies, pension contributions or retirement annuities ...

spending — on clothing, non-essential food and cosmetics — appears to fluctuate far more widely between good times and bad.

Spending patterns have changed markedly in the recession. Widespread retrenchment of women by textile and clothing manufacturers, among others, is mirrored in a sharp downturn in demand for items normally bought with a woman's salary. Sales House confirms that purchases of children's clothing have fallen faster than buying of men's apparel.

The number of customers passing through OK Bazaars doors has not dropped significantly, but there is a swing away from high-priced, non-essential food. "They're only buying bread and condensed milk," says one retailing executive.

There are signs that many households' experiments two or three years ago with previously unfamiliar types of food, such as fish, have been brought to an abrupt end. A Soweto family man says: "We have gone back to staple foods." That means more leftovers, more soup with bread, more tomato stew and more innards.

It has not meant more mealie meal. Consumption of mealie meal has tailed off since the drought forced millers to mix white maize with the less acceptable yellow. One result appears to be a rise in consumption of maize alternatives, such as bread and rice.

According to the Wheat Board, bread sales were static in the nine months to mid-1983, but edged up by 2% between July and September compared with the same quarter last year. The bread price has been unchanged and demand may decline when the price goes up, as it is expected to within the next few months.

A handful of other sectors have also managed to buck the trend. Mr Colin Adcock, Toyota's managing director, reports that in spite of the recession and the sword hanging over minibus taxis, demand from blacks for cars remains satisfactory and for commercial vehicles spectacular. "It has underpinned the whole industry," he says. His theory is that "if they buy a commercial vehicle, they can earn additional money over weekends".

The collapse of black consumer spending has not punctured businessmen's faith in the enormous potential of the black market. Blackchain is pressing ahead with plans to open a third Soweto outlet — in Meadowlands — in 1985.

Mr Gavin Barnett, Edgars public affairs director, says the slump "hasn't affected our long-term planning. Edgars and its associates are still moving into products which are expected to benefit from higher spending on the home in the wake of the electrification of black residential areas and the 99-year leasehold

ed into curtaining and bedding. Tablecloths are expected to become a fast-moving item."

Mr Dick Goss, SA Brews former chief executive, forecast two years ago that blacks' share of consumer spending would shoot up from 34,6% in 1980 to 45% in 1990 and 53% at the end of the century. Blacks' share of the food, drink and tobacco market was expected to soar from 50% to 68%; of clothing and footwear from 39% to 61%; and of furniture and appliances from 34% to 55%.

SA Brews sticks to these predictions, which it reckons were based on conservative assumptions. Mr Mick Murray, the group's economist, consoles himself that "a sharp downturn frequently leads to a sharper upturn".

But Mr Mafuna warns that it takes time for an economic recovery to filter through to the townships: "By the time we get the money, a lot of other things must have taken place."

Grandbaz profits dive 53% — dividend cut

Cape Times 27/11/83

30

By PAUL DOLD
Financial Editor

GRAND BAZAARS was caught in the crossfire of the price war betweeen supermarket giants Checkers and Pick 'n Pay in the first six months with attributable profits slumping 53 percent to R421 000 and the dividend has been cut from 13c to 5c.

Although sales including the new stores — one opened in July and the other in August rose by over 30 percent — margins were slashed to maintain market share and trading profits slumped 47 percent from R1,4m to R734 000.

The recession and the drought led to sales of existing stores rising only 10,3 percent — an increase which was well below budget and at the same time the group faced higher expenses.

Earnings per share fell to 19,7c (42,2c) and the board felt it prudent to cut the dividend.

The latest figures appear to include six months profits from the new mail order acquisition — Charles Velkes — which was bought with effect from March this year thus underscoring the pressure of margins in the traditional supermarket business.

While the earnings slump will come as a shock to the market — the share is standing on a 4,9 percent dividend yield — the profit statement does contain some hope of a recovery in the second half. The board forecasts that results for the next half will reflect a moderate increase in trading profit over the past six months.

The group should also feel some benefit from the two new acquisitions — the mail order business as well as the purchase of the remaining outside share in the in-house butcheries.

The redevelopment of the Main Street, Port Elizabeth branch and the Sea Point store is underway and scheduled for completion in April next year.

Grand appears to have had a management reorganization with the appointment of Mr Ivan Epstein a retailing professional who has rejoined the group as general manager.

Last year Grand had operating profits of R2,4m and earnings per share of 131,5c. The dividend was 34c.

Comment: Grand has an excellent consumer image but expansion would appear vital if the group is to boost turnover significantly to command heavier discounts from manufacturers.

The group has a mere 20 stores against the several hundred of Checkers and Pick 'n' Pay. Margins have to be increased without market share being cut. This suggests two alternatives either merger with other small food chains who are being similarly affected or a rapid organic expansion programme.

I remember . . .

When Athlone Industria was nothing but bush

(30) C. Herald 1/12/87

WHEN Athlone Industria was nothing but bush, a pioneering family moved into the area and set up home. Today, the area around that house is humming with industry — one of the busiest in the Cape. And the woman behind it all, Mrs Mymoena Bedford, remembers the hard work she, her husband and sons put into it.

● MRS Mymoena Bedford . . . Athlone pioneer.

FOR Athlone Industria read Bedford Industria. It's only fair, because without the Bedford family, now of Fun City fame, there would have been no industrial area near Greenhaven today.

About 30 years ago, Mrs Mymoena Bedford and her husband Ebrahim moved from their home in Sunnyside to a house "in the middle of nowhere" near the new Vanguard Expressway.

Mrs Bedford recalls: "It was just a barren tract of land, all trees and bush. We had to tame it ourselves".

"We had many plots, all of which cost a total of 2 000 pounds, a princely sum in those days.

ACCESS

"There were no roads in the area at all, and the only access to our house was via a dust-track which led from the old Hein Road to our door."

The Bedford males had been tailors for generations, and it wasn't long before Ebrahim Bedford was very busy at his sewing machine in a little room behind the house.

"My husband's day-time job was carting sand for Eagle Cement. Tailoring, that came at night.

"I had to provide for everything inside the house in the way of food. This I did by building up a thriving farm around the house."

FIREWOOD

The Bedfords also made a "bundle" chopping down the surrounding bush and trees and selling it as firewood.

Mrs Bedford's Genadendal upbringing came strongly to the fore during this period.

"When we were young, our parents taught us how to do things for ourselves and this is something I passed on to our sons.

"Vegetables, fruit, milk and eggs . . . we had it all. We did a roaring trade with the markets, but we had to cut down on production when the council ordered us to build roads in the area, so that clients could have easy access to our various busineses.

ROADS

"There was no other way out. If we wanted to do business, we had to build the roads.

"Down came the double garage and the tailor's shop. Fig trees, plum trees and the grape vines also fell in the name of progress."

The major and first road in the area, Mymoena Circle, was fittingly named after one of its pioneering spirits, Mrs Bedford.

Another, Ebrahim Way reminds present-day factory-workers of the man who laid the foundations of Athlone Industria 2. Mr Ebrahim Bedford died almost 19 years ago.

ELECTRICITY

"When we first arrived there was no water, electricity or telephone and we had to make our own arrangements," Mrs Bedford continued.

"For water we installed tanks on the roof of our house, but later we installed a well behind the house. The well is still used today in one branch of our business, the making of bricks."

Mrs Bedford has watched the area blossom around her and she is regarded by workers in the area as "Mama".

Her one gripe is that Athlone Industria is increasingly becoming a dangerous area crime-wise.

STABBED

"Before you could hang your washing out freely; now it stands a chance of being stolen. Just the other day, someone was stabbed directly opposite the house."

Perhaps you too have memories of something — or someone — startling or unusual. If so, please write to us at I REMEMBER, PO BOX 11150, VLAEBERG, 8018. If you don't think you are capable of writing your story, telephone us at ☎ 24 2070. We'll arrange for a reporter to call on you to take down your story. Remember, we pay R40 if your story is used.

She says of the immense development which has all but closed her house in: "My only gripe is that on windy days a bad smell of chemicals stinks the house out".

But this will not drive her out of the area.

"My sons, Achmat and Allie are trying to get me to move, but I wouldn't mind spending the rest of my days in this house.

"I still busy myself in the garden with my peas, potatoes and apricots and I'm quite happy. At weekends I help out at the skating rink."

Two years ago the Fun City Skating Rink and Talk of the Town nightclub were opened a stone's throw from the Bedford home.

These and other investments have made Mrs Mymoena Bedford a well-off woman (she doesn't classify herself "rich"), but she insists it is all just reward for pure, hard work.

"There were times when my husband and I worked throughout the night on suits he made for choirs. When we built Fun City there were often days when we went without sleep, too.

"You can't expect things to fall out of the sky. You have to work for them."

The funny thing about the whole industrial area is that, although it was pioneered by the Bedfords, they themselves did not apply for industrial sites there.

Ebrahim Bedford once helped a businessman out of a pickle by contributing to his bail of 500 pounds.

FAVOUR

The businessman, whose name escapes Mrs Bedford now, as a return favour applied to the council, who approved the industrial sites in the area.

However, they were finally passed by the Administrator only three years after Mr Bedford's death.

1/12/83

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RDM

Afrimet offer draws R475 000

Financial Reporter

THE public offer of 1,020-million shares in Afrimet has drawn applications for about 950 000 shares.

Metro Cash & Carry has 49% of Afrimet, and the offer has been structured to ensure that 51% of the company is held by black investors.

An Afrimet spokesman said yesterday applications were still being received from the 100 application depots, and the final total of applications would not be known for a few days.

"Black investors from all over Southern Africa, ranging from housewives to traders, from professional people to ordinary workers, have invested R475 000 of their money in Afrimet shares.

"This is way ahead of the R100 000 minimum subscription that Afrimet was seeking. The fact that the R475 000 is slightly below the maximum figure of R509 796 which black investors were allowed to subscribe does not concern us — Afrimet is by far the most successful offering of shares in a black-controlled public company."

Afrimet is a wholesaler, and does not intend entering the retail sector to compete with its customers.

Its first two wholesaling outlets, in Soweto and Thokoza (Alberton) open this month. According to the Afrimet spokesman the company will later take advantage of the offer to buy shares in cash and carry outlets in white areas from Metro Cash and Carry.

"But for now our focus is on providing black traders with the very best prices and the very best service."

Mr Vela Kraai, chairman of Afrimet, said: "The formation of Afrimet is a historic event for us as a black community. I believe that Afrimet heralds a new era in black business and that during the next decade, as the purchasing power of the black townships grow, we can expect to see a corresponding growth in Afrimet."

Once the the final total for black subscription in Afrimet is known, Metcash and Barclays National Merchant Bank will subscribe for enough preference shares to give Afrimet its total cash needs.

Black investors will be able to buy preference shares from Barclays. Each preference share bought by a black investor will automatically be converted into an ordinary share. This ensures that Afrimet always remains 51% black owned.

Afrimet's first year of trading will run to the end of April 1985 and the company expects to pay two dividends a year, starting in January 1985.

Boycott with a twist

30 C-Herald 1/12/83

By Barry Streek

A RELATIVELY new trade union, the Insurance and Assurance Workers' Union (Iawusa), has undertaken one of the most ambitious consumer boycotts in South African history.

Not only is it calling for a boycott of the firm in dispute — Liberty Life — but it is also slowly extending the campaign to the companies on which Liberty's chairman, Donald Gordon, is a director.

These companies include South African Breweries, United Building Society, Edgars Stores, Sales House, the Premier Group and Standard Bank.

The union accepts that a consumer boycott, particularly a black boycott, of Liberty Life, an insurance and finance group, is unlikely to have much effect on the company in the short term.

But it believes that a consumer boycott of Liberty's associated companies, particularly those with significant black trade, could be effective.

In view of the experience with consumer boycotts in the past, few observers give Iawusa much chance of success and, without exception, they do not believe that many other unions will join the campaign.

EXTEND

Iawusa, however, is undeterred and is trying to extend the campaign outside Johannesburg to other centres, including Cape Town.

"It seems to be going very well. We have been able to close down two branches of UBS in Soweto," the union's president, Joe Seoka, said in an interview. The two branches closed for the day after a large number of clients came to close their accounts.

Pickets have also been held outside Sales House outlets as well as the Liberty Life headquarters.

Mr Seoka says the aim is to show how effective consumer power can be until such time as "Liberty Life understands trade unionism."

He also hopes that if the boycott is extended country-wide "we will get people to understand the issues."

Liberty, however, is unmoved by the potential consumer threat — so far.

NON-RACIAL

It says it will not recognise a blacks-only union like Iawusa, nor deal with it. It will only negotiate with non-racial unions and says uniracial organisations are counter to its policy of being an equal opportunity organisation.

Liberty Life believes it has been at the forefront of encouraging racial harmony within the business sector, although Mr Seoka argues that this is not reflected in its own internal policies.

"We are being accused of racism by this union but, ironically, in our view, the issue arises from the company adopting a non-racial attitude," Mr Monty Hilkowitz, managing director of Liberty, says.

The union, on the other hand, wants the reinstatement of 106 workers fired by Liberty earlier this year for going on a wildcat strike to gain recognition.

ORGANISATION

Meanwhile labour analysts believe that, regardless of blacks-only membership, workers should be able to decide which union they want to represent them. They have also been surprised that Iawusa has been able to generate such support but they argue that consumer boycotts, if they are to be successful, involve a considerable degree of organisation and energy.

They say that although there have been some successful boycotts — Fattis and Monis was one — many have floundered because the organisation and support has not been there. It is for this reason, they say, that many unions are wary of getting involved in consumer boycotts.

And the divisions in the trade unions — between the non-racial unions and those aligned with black consciousness movement — could limit solidarity action.

They also argue that an unsuccessful boycott is frequently a defeat, or at least a setback, for the union concerned.

Iawusa is, nevertheless, determined to push ahead. Mr Seoka says daily strategy sessions are held to discuss tactics.

But for all the enthusiasm and publicity, as well as the potential long-term damage to Liberty Life and Mr Gordon's companies — Mr Meyer Kahn, now head of SA Breweries said last year: "No one needs a boycott, on that you can take poison" — Iawusa could, in the end, be the big sufferer if the campaign peters out without winning its demands.

Indeed, the outcome of the Liberty Life boycott could be significant in the development of the trade union movement in South Africa.

rent price level, the share yields 2,4%. This is less than half the average for the sector and seems to pay far too much attention to eventual recovery and takeover speculation than to the realities of Usco's prospects in a depressed steel industry. *Chris Wilson*

REMBRANDT

Profits splutter

Despite an improvement in Rembrandt's share of income from associated companies, the group as whole experienced a marginal decline in earnings in the six months to end-September to 205,4c a share from 206c in the same period last year. Nevertheless, the interim payout (which was declared earlier) has been raised from 30c to 35c.

The increased payout should please shareholders, though dividend cover at 5,9 times is still conservative in view of the small capital requirements and the size of the group's cash pile which is still almost embarrassingly huge. Rembrandt notes that R10,8m was earmarked (but not committed) for capital projects compared with R34m a year ago.

The group's share of income from associates — which include Fedmyn, Rothmans International, Cape Wine, Legal & General and Volkskas — rose from R35,5m to R38,9m, but income from foreign interests suffered on translation to the SA currency, because of the relative strength of the rand on September 30. The impact of currency movements on Rembrandt's earnings is difficult to quantify, but, recovery in the rand during the year's second half is likely to be a significant factor affecting year-end earnings.

Minorities' share of profits was reduced sharply from R4,1m to R2,4m, but an increase in the effective tax rate pushed the Receiver's share of profits to R17,9m compared with the previous year's tax bill of R13,9m. Attributable profit, before extraordinary items amounted to R107,2m against a marginally higher R107,5m at the previous interim. Extraordinary items totalled R0,7m compared with the previous year's figure of R8,7m

As usual, the board gives no indication of what to expect in the second half, but the directors say that income does not accrue evenly throughout the year and it cannot be expected that second-half income will be the same as that of the first. At 1 650c, the share yields 3%. *Chris Wilson*

GRAND BAZAARS 30

Joining the crowd

Grand Bazaars has survived difficult times in the past, but the current economic slowdown is putting management to the test. Interim results for end-August confirm that the deterioration in margins which set in during the previous year is continuing. If these conditions persist, earnings for the full year could fall below the depressed levels of 1979.

Group turnover increased by 30% compared with the corresponding period of last year. However, two new branches were opened during the latest interim period bringing the total number of outlets to 20, and if figures for the new stores are eliminated sales advanced by only 10% over the same period. This was well below management's expectations.

With the decline in margins, operating income was nearly halved to R734 000 from R1,4m. Pre-tax income fell by 55% and attributable earnings of R421 000 were 53% lower than the R901 000 of the corresponding 1982 half-year.

The erosion in margins has no doubt been caused by the price war between the various grocery store chains. Chairman Manual Sachar says the war has slackened off but still continues. And referring to the "Big boys," he states that this situation: "Has become almost irrational and based more on emotion than business principles."

Grand Bazaars' strategy has been to aim at the middle income consumer and to keep turnover up while maintaining market share. Though Sachar explains that non-food sales — which carry higher margins — represent a greater percentage of total sales than those of most other chain stores, it appears that the tough conditions have caused Grand Bazaar customers to spend a higher than normal proportion on food items. This is what occurred at OK and the pattern of results for the two companies is similar.

Management has been conservative in the past with its expansion policies, however, the 1980s seem to be bringing a change. Aside from its recent expansions and new ultramarket store openings, Grand Bazaars has entered into a number of other agreements. It has a signed management contract with Richard Maponya for the discount store venture he opened in Soweto this week. And in September, the entire shareholding of Velmy Investments was acquired along with its mail order subsidiary Charles Velkes.

GRAND BAZAARS' BATTLE

Six months to	Aug 31 '82	Feb 28 '83	Aug 31 '83
Operating income (Rm)	1,4	1,0	0,7
After-tax income (Rm)	1,0	1,9	0,4
Earnings (c)	42,2	89,3	19,7
Dividends (c)	13	21	5

Prospects for this second half do not seem encouraging. Total earnings for the year should range between 40c to 45c. While dividends covered 2,9 times from 1978 to 1982, cover fell to 2,2 in 1983. Based on the above earnings projection, the payout for the full year can be expected to be between 15c to 20c.

At 600c, the shares provide an historic yield of 4,3% on the reduced interim and assuming total dividends for the year are 20c, the shares would provide a forward yield of 3,3% which is substantially lower than the average of the stores sector. Even if the economy picks up in the second-half, any improvement in consumer spending would not be felt for a while. Therefore, no pleasant earnings surprises seem possible for the remainder of the financial year and at its current price, the share is overvalued.

Stephen Richter

Grand Bazaars' Sachar ... war wounded

December 3, 1983 5

RDM 98 30

Dispute over labour status

Labour Correspondent

AN UNUSUAL point of law may be at stake in a dispute between the Commercial, Catering and Allied Workers Union and SA Cultural Investments.

The union alleges that the company, which sells a well-known encyclopedia, fired 20 sales workers because they are Ccawusa members.

It says the Department of Manpower is now investigating the dispute and that it plans to bring an industrial court action against the company.

However, the company argues, according to a Ccawusa spokesman, that the 20 workers are not "employees" but freelance workers and that they are therefore not covered by labour law. Only "employees" can take action against their employers in the industrial court.

Attempts to contact SA Cultural Investments for comment were unsuccessful yesterday.

According to a Ccawusa spokesman, the 20 workers were paid a commission by the company on each encyclopedia they sold.

However, workers said they had to report for work daily and to work set hours and that they were therefore entitled to a basic wage rather than commission.

The union, he said, had taken the matter up with the company and, at talks last Friday, management had agreed to investigate the complaint.

However, 20 sales workers had been dismissed on Monday — because, the union alleges, they had joined Ccawusa.

The union had unsuccessfully tried to negotiate the fired workers' reinstatement and had reported the dispute to the Department of Manpower, but there was now a dispute over whether the workers were "employees".

The Department of Manpower was now investigating whether the workers were, in fact, covered by labour law.

Further action by the union will depend on the outcome of the inquiry.

Govt urged to support backyard business

30 E. Post 3/12/83

By WILMAR UTTING

THE National Manpower Commission is to urge the Government to slash the red tape and actively support township backyard businessmen instead of treating them as illegal.

This could herald a major breakthrough in breaking down racial business barriers.

The report is due to be released next month by the Minister of Manpower, Mr Pietie du Plessis.

It is understood that the report stresses the importance of the small businessman to the country's economy and the need for a relaxation of legal restrictions impeding his development.

It also calls for the abolition of all race discrimination in business as previously urged in the Riekert commission report.

It reveals that in Soweto one in four people is engaged in some type of backyard money-making activity, and recommends that big businessmen and the Government — the country's biggest consumer — become customers for articles produced by such "illegal" entrepreneurs.

Government departments are urged to re-train their officials to relax their interpretation of regulations affecting the small

● Turn to Page3

Call to slash black business red tape

30 E. Post 3/12/83

● From Page 1

businessman and to make sure "standards are not so high they cannot possibly be met".

The study is titled "An investigation of the small business sector in the Republic of South Africa, with special reference to factors inhibiting the growth of the informal sector".

It was undertaken by a sub-committee headed by Dr Hennie Reynders, chairman of the National Manpower Commission.

The 18-month investigation was an extension of a study by the Department of Management at Pretoria University to expose the legal impediments which hamper aspirant small businesses, the director-general of the Department of Manpower, Dr Piet van der Merwe, said this week.

The expanded probe also involved the financial and administrative problems, he said, including obstacles raised by public officials in their interpretation of regulations.

"A number of Government departments will be involved," he said.

Dr Van der Merwe said the report would be submitted to the Minister for release next month.

"The Minister may, of course, decide to take decisions on the report before releasing it," Dr Van der Merwe said.

The report refers to a starting list of more than 70 laws which impede the growth of a small business.

A total of 15 Acts were named as specific obstacles.

They include:

- The Group Areas Act, which forbids a black businessman to operate in a white area.
- The Bantu Urban Consolidation Act.
- The Factories, Machinery and Building Act.
- The Apprenticeship Act.
- The Shops and Offices Act.
- The Liquor Act.
- The Unemployment Insurance Act.
- The Road Transportation Act.

Agricultural legislation, ordinances and by-laws were also named.

(30) S. Times 4/12/83

Govt set to lift race bars

By BRIAN POTTINGER

THE central business districts of South African cities and towns are likely to be opened to all races early next year.

At present people of colour are prohibited by the Group Areas Act from trading in these areas.

Five years ago the Riekert Commission recommended that the restrictions should be lifted.

Now legislation to implement the change has been drafted and, according to informed sources, has already been placed before the Cabinet.

In recent years the Government has come under intense business and political pressure to open up CBDs. Many local authorities have also demanded that race bars be lifted.

Since the referendum there has been a spate of demands from top business figures for the Government to move more rapidly towards dropping race-based restrictions on black entrepeneurs.

The Group Areas Act has for some time been the subject of a judicial commission of inquiry which recently reported to the Government.

Inquiry

Meanwhile, the highly controversial Prohibition of Mixed Marriages Act and the controversial Section 16 of the Immorality Act — are to be put under the spotlight next year.

The parliamentary select committee appointed to investigate the legislation begins serious work on January 11, 18 and 19 next year.

The select committee has met twice already, and on Wednesday last week submissions to the committee closed.

Mr Piet Badenhorst, Deputy Minister of Internal Affairs and chairman of the committee, said yesterday a large number of written submissions had been received from a wide range of bodies

Onslaught

The select committee is expected to report before the end of the session.

In recent months a major onslaught against the two laws has been launched in political, Press and academic circles.

The Western Cape Synod of the Nederduitse Gereformeerde Kerk has also taken a stand against the laws when it voted that the Act was against the teachings of the scriptures.

For the committee the choices are stark. State legal advice recently given to the Cabinet was apparently that the laws could not be "improved" — only scrapped or retained.

The opening of the CBDs and a favourable decision by the select committee could give a powerful filip to coloured and Indian participation in the new constitution.

30 City Press 4/12/83

Sorry, no blacks!

By CP Correspondent: DURBAN

TWO DURBAN car hire firms have refused to rent a car to a school teacher wanting to drive to East London on holiday — because he is an African.

Travel agent Rhona Blackstock phoned Windermere and Harbour View car hire recently to try to secure a car for the teacher, a regular client.

Windermere was first prepared to rent a car out but then asked if the customer was African.

On learning that he was, they asked if he had a credit card or if the travel agency would be prepared to give him a voucher.

Ms Blackstock later said her agency would give the teacher a voucher but a man from the car hire company told her she was wasting her time and not to "bother with Africans as they never paid".

"He was very rude and otherwise," Ms Blackstock said.

A woman at Harbour View car hire said to her the insurance company "would not insure Africans".

Mr Phillip Bouffe of Windermere Car Hire said: "Cars left overnight in KwaMashu and Chatsworth were stripped.

"I have no cars to hire to Africans," he said.

Mr Peter Sinclair, Harbour View Car Hire owner, said his 1980 accident claims were R26 000 and "90 percent of those were Africans".

"We then stopped hiring to private Africans and the next year the figure fell to R700," he said.

"The insurance company dictates the policy. They said, 'you continue doing it (hiring cars to private Africans), and you have no insurance'. Private people were "bad news", he said.

However, Harbour View did have some private customers who had proved reliable, including some Africans, Mr Sinclair said.

Jo'burg CBD must remain white — Obie

~~84~~ 30 ~~766~~

RDM 5/12/83

By JEANETTE MINNIE
Municipal Correspondent

THE Johannesburg Management Committee does not object to the city's central business district being opened to coloureds and Indians for trading, for occupying offices and even for owning business premises.

The management committee does also not object to blacks trading in the CBD and occupying premises.

But, in spelling out the management committee's views on these issues, the chairman of the management committee, Mr Francois Oberholzer, said at the weekend there were, however, two provisos:

- The CBD's residential component must remain white.
- Blacks must not be allowed to own business premises.

He was commenting on a report in a Sunday newspaper which said the CBDs of towns and cities in South African were likely to be opened all races from next year.

The report said legislation to implement the change had been drafted and had been placed before the Cabinet.

Mr Oberholzer said the CBD's residential component had to remain white because the majority of CBD residents were old white people.

"If one should allow other races — who traditionally have large families — to live in the CBD, social problems would arise," he said.

He said if the residential component was opened to people of other races authorities would be pressurised into providing facilities such as schools and recreation centres.

He said land was expensive in the CBD.

"Consequently if the law is amended, it must be amended in such a way that the residential component is reserved for whites who are traditionally old people," he said.

Mr Oberholzer also said his committee was not in favour of white capital being invested in black areas.

"The blacks are only beginning to emerge economically and they need protection. Commerce and trade in black areas should be reserved for blacks only," he said.

"If whites, coloureds and Indians were allowed to do business in black areas there would be no black businesses within a year," he said.

...y appeals.

'All trade strictures should be removed'

150 E.Post 6/12/83

JOHANNESBURG — The Furniture Traders' Association of South Africa has called for the removal of all legislation that constricts business and trade.

The association said all legislation that "made it "unnecessarily difficult to start a business, as well as those Acts that "create unnecessary costs to the trader" should be examined in the wake of the referendum.

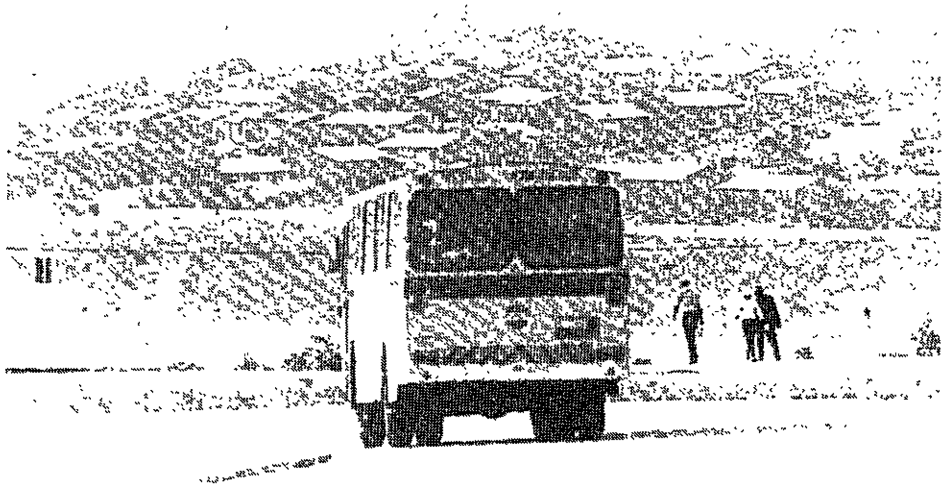
The association stressed that the Group Areas Act in particular should be amended as it "hampers the economic progress of the country".

South Africa had a positive future and "therefore all items of legislation that hamper progress and contradict the principles of the private enterprise system for all racial groups, should be removed from the law books", the statement said.

FM 4/11/83

SOWETO

The making of a city



Soweto ... ground work for a CBD

The proposed Soweto CBD, in Jabulani, is to get seven new property developments as a result of tenders called for earlier in the year (*Property* September 9) by the Soweto Council. In the latest development the council has allocated seven stands to black businesses which, if the developers can raise the finance, will create a business core in the 30 ha, triangular area bounded by Koma and Bolani Streets extending down to the railway line.

The area is bounded by a high-density residential township, in which the council will invest R5,2m this year for the construction of an ultimate 343 rental flats and duplexes.

Soweto Council project manager, Jack Jacobs, says of the 17 tenders submitted by businessmen, seven were recommended by the council. The stipulated minimum R15/m² leasehold price was more than doubled on average, says Jacobs, reflecting developer eagerness to acquire land in Jabulani.

The key criteria in assessing applications were the highest offer for the land, and the financial standing of the applicant, says Jacobs. Intended business use was required, with a sketch plan of the proposed development.

Land allocation is not a matter of civic concern, says Jacobs. For this reason, the council is not prepared to divulge the names of the successful applicants. These, according to Jacobs, are in the majority of cases 49%-51% white/black partnerships. Nor will the winning tender prices be disclosed.

It is widely believed among some black developers that land allocation procedures in black areas, especially Soweto, are unclear — and the rules relating to actual development are applied haphazardly. Contrary to the opinion of the council, they believe that civic interest is very much a factor.

Selection process

Because information relating to the selection of developers is not made public or subject to discussion, developers say it is open to abuse. If Soweto is to get the development it so badly needs surely these procedures, passed down by Wrab, are in urgent need of review?

Normal procedures used by local authorities require that tenders be opened at a publicly notified time. Meetings can be attended by applicants and the public. In this case, applicants were required to state the portion of land they wished to develop and the price they were prepared to pay, in their application. Jacobs says that the tender system was used because it is the fairest, and in the interests of both the council and the community.

However, in the recent Jabulani site allocation, tenders were submitted and, in addition, applicants were called to a council committee meeting at which they were individually interviewed. Some applicants submitted more than one tender, others were given a preference over what stand to develop, and others were given a flat rejection. Ten of the smaller stands are to be readvertised.

The recommended developments are:

- ☐ A 1 680 m² site for a building society and a 2 487 m² food outlet;
- ☐ A shopping complex on a 4,7 ha site;
- ☐ An exlusive licensed restaurant on a 2 400 m² site;
- ☐ A 3 600 m² site for which there were no tenders, but which is earmarked for a cinema in the proposed Jabulani master plan;
- ☐ A 1 400 m² site for an office block;
- ☐ A 3 600 m² site recommended for a filling station;
- ☐ A shops and offices complex on a 26 000 m² site; and
- ☐ A warehouse and distribution depot on a 17 000 m² site.

In terms of the conditions set down by the council development will have to start within three months and be completed in a year, although it is at council discretion to extend the periods.

Construction on the R30m Sodev retail development in Jabulani, Jacobs says, has not yet started although the expected project completion deadline has passed. As the first regional retail complex the council has been lenient in applying the rule to the Sodev project, which the *FM* understands is having problems raising the necessary capital.

SATBEL

On location

Film and theatre group Satbel is culling its obsolescent drive-in theatres and land acquired for film studios, much of it bought in the Fifties. With hundreds of hectares of land at stake, the idea is to build up a significant property trading portfolio.

Satbel will selectively bring land used for drive-ins, much of which now has prime location, to proclamation stage while the theatres continue to earn revenue.

Of all the land to be released by Satbel, the old World View site on top of Johannesburg's Northcliff will, arguably, be most sought after. Right now developers and institutions are aggressively buying up available key sites in the metropolitan areas in preparation for the economic recovery, and Northcliff is a prime target.

The 26 245 m² site, mostly on a steep slope, has generous rights which allow for development of flats, shops and hotel facili-

CAPE TIMES 6/12/83 (30)

Assocom sees no need to raise taxes before Budget

Own Correspondent

JOHANNESBURG. — An increase in tax is not required between now and March 1984, according to the Association of Chamber of Commerce (Assocom). But businessmen are feeling uncertain about higher taxes next year.

An Assocom delegation conveyed these views to the Minister of Finance, Mr Owen Horwood, and senior Treasury officials in Pretoria yesterday.

Although State spending, and therefore the deficit before borrowing, will overshoot their targets for the financial year 1983/84, Assocom does not believe that an increase in tax in this fiscal year is needed.

The association claims that the public finance situation can be adequately handled through an appropriate interest rate and debt management policy.

Assocom will formulate its specific views on a suitable tax mix at a later stage in the light of the economic and social circumstances then prevailing.

Three possible sources of additional new tax are causing uncertainty among businessmen. They are:

- The possible need to finance higher State spending in 1984;
- Expenditure arising from the new constitution at both the local and national levels, and
- The proposed tax on fringe benefits.

"What is important here is the cumulative impact of these three possible tax developments on the productive sector of the economy, bearing in mind the limited taxing capacity available in a developing economy, and the persistence of fiscal drag.

"Assocom recommends that in the interest of maintaining business confidence there should be as far as possible full consultation with the private sector before any final decisions, about new taxes, are taken."

The first policy priority should be reducing inflation and inflationary expectations.

"Cutting inflation in the short term is good for job creation in the long term."

Assocom says that an appropriate monetary and fiscal policy is not sufficient in itself to curb inflation. Structual policies, including lower administered prices, must also play their part.

Various factors such as the world economy, the price of gold, the effects of the drought, inflation, consumer and business confidence, and high interest rates have an impact on South Africa's economic performance.

These factors create a difficult short-term outlook for the economy. There has been a bottoming-out of the economy and a rise in the gold price could transform the situation, but the current picture is negative.

For 1984 as a whole Assocom sees a growth rate of 2½ percent to three percent particulary if there is a substantially better agricultural season.

Unemployment, especially among blacks, will be higher in 1984 and the economy will not experience a recovery until the second half of next year, assuming that the favourable factors internally and externally materialise.

Although the current account of the balance of payments have produced surpluses in the first nine months of 1983, these surplusses could be reduced in the near future by the drop in the gold price, the need to import grain, and the sluggish recovery of United States fixed investment which is contributing to lower South African base mineral export earnings.

Big drive for support on extended shop hours

30 Star 7/12/83

24 HOURS
The team that wraps up the news

By Michael Chester

The Johannesburg Chamber of Commerce today launched a massive public poll to get support for its campaign for extended shopping hours.

The objective is to persuade the Transvaal Provincial Council to scrap restrictions and give shoppers the final vote on when shops should be able to open and close — including evenings and weekends.

Mr Marius de Jager, chief executive of the JCC, said the chamber was confident of a landslide vote in favour of the abolition of restrictions on trading hours.

He said support had already been pledged by the SA Consumer Council, the Housewives League and the Afrikaanse Handelsinstituut.

The battle for flexible shopping hours has been renewed in the wake of a decision by the provincial council to reject pleas from retail shops in Johannesburg and the rest of the Transvaal for permission to stay open until 5 pm the next two Saturdays as a special concession to Christmas shoppers.

Mr Willem Cruywagen, Administrator of the Transvaal, has turned down the proposal with an explanation that "there is no provision in the Shop Hours Ordinance in terms of which such concessions can be granted".

Said Mr de Jager: "The provincial council has consistently ignored the views of business and the consumer on the issue of more flexible shopping hours, which quite clearly the vast majority advocate.

"We believe the best solution now is a full-scale public poll in which consumers can make their opinions be known loud and clear.

"Inside the JCC, a large majority of the retail firms among our 4 000 members has voted in favour of more flexible trading hours. Now we want the general public to be given the final say.

"We do not expect a situation where retailers will be staying open round-the-clock, seven days a week.

"But there is obviously a big demand among consumers for freedom of choice about shopping later in the evenings, or being able to shop on Saturday afternoons and Sunday mornings.

"We also recognise that the pattern of trading hours may differ from area to area," said Mr de Jager.

Consumers are invited to send in their votes to the JCC at Private Bag 34, Auckland Park, 2006.

The Star will assist the poll tomorrow by printing voting forms in all its editions.

Business hails all-races plan

By LEN MASEKO

SOWETO'S business community yesterday greeted with enthusiasm the government's intention to open to all races central business districts from early next year, saying the move was long overdue.

According to reports, new legislation to implement the plans has been drafted and has already been referred to the Cabinet for consideration. If given the green light, this will mean the beginning of a new era for black businessmen, who for many years have been prohibited by the Group Areas Act from trading in these areas.

FANTASTIC

Welcoming the move, Soweto Entrepreneur, Mr Richard Maponya said: "This is really fantastic. We have been waiting for many years for this to happen. Black businessmen should be allowed to open businesses wherever they like. We would like to compete with entrepreneurs of other races to gauge our strength."

Mr Moses Maubane, managing director of the black-controlled Afribank, told **The SOWETAN** yesterday that the black sector had been "clamouring" for this for many years, adding that the move was long overdue.

Referring to the recent refusal by the Pietersburg municipality to allow an Afribank branch to be opened in the town, Mr Maubane said: "We find it totally unfair that other banks should be allowed to operate in the townships, while we are refused permission to open a branch in town."

Meanwhile the opening of central business districts for free trading could shift the spotlight away from "grey areas" — mixed trading places — which the government said existed. But the National Federated Chamber of Commerce (Nafcoc), in its investigations, had found that these areas in fact existed but were overcrowded.

 30

Parade stalls: Council, traders to meet

Municipal Reporter

STALLHOLDERS on the Cape Town Parade are holding a series of meetings with the City Council to iron out serious misgivings over a draft lease agreement for the new stalls being built on the Parade.

Among the most serious of these is the fact that it will cost stallholders a great deal more to trade from the new stalls.

Instead of paying R8 a month to trade from the present box-like stalls, they will be paying R300 a month for the large fruit stalls and R100 for the smaller stands.

A spokesman for the City Council has stated that the nominal fee paid at present was not a rental, as the holders owned their own stall structures. They paid a small fee for using the space their stalls occupied.

The new rentals are to be subsidized for the first five years, during which time there would be no increases, he said.

Another of stallholders' grievances centres on the fact that many of them were under the impression they would move into completely finished and fitted stalls. They are unhappy about having to provide their own fittings, including any electrical wiring they might need.

The spokesman for the council has said that for the price at which the stalls are being provided, the council could not have managed to build stalls complete with fittings.

Stallholders also say that, under the new agreement, the larger fruit stalls might be allowed to sell other goods besides their basic fruit stock.

The lessees of the small stalls feel that this might undercut their own cooldrink and chip businesses.

Also being negotiated at present is whether the lessees' next-of-kin could be given an option to take over the lease should a stallholder die. They are also concerned about whether they will be given the option to renew their leases after each five-year lease period.

The draft agreement and the stallholders' proposals are to be submitted to the Executive Committee for their decision. The stalls should be completed by about December 15.

Gadd adds punch to shop-hours campaign

30 Star

8/12/83

By Michael Chester

24 HOURS
The team that wraps up the news

The Mayor of Johannesburg, Mr Alan Gadd, today pledged full backing to a new action programme to try to force the removal of rigid controls and allow retailers to introduce flexible shopping hours in the Transvaal.

The spearhead of the programme, launched by the Johannesburg Chamber of Commerce, is a public poll inviting consumers to state their views on the issue.

Mr Marius de Jager, chief executive of the JCC, forecasts a landslide vote in favour of sweeping changes to allow longer shopping hours in the evenings and at weekends.

The objective is to bring pressure on the Transvaal Provincial Council to drop its opposition to necessary amendments to the Shopping Hours Ordinance to clear the way for flexible trading hours.

"The strait-jacket on shopping hours in the Transvaal has become hopelessly antequated," said Mr Gadd.

"It is causing enormous inconvenience to families on their shopping rounds now that so many housewives have jobs and need more time in the evenings and at weekends to shop properly."

Mr Arthur Grobbelaar, general secretary of the Trade Union Council, announced he will be calling a meeting of all the relevant unions in the new year to attempt to come to a common policy

Both the JCC and the mayor of Johannesburg believe that the Transvaal has fallen well behind other provinces on the shopping hours issue.

- In the Cape, where shopping hours are decided by each local authority, department stores in Cape Town have permission to stay open until 6 pm on Saturday next week and again on Christmas Eve and until 9 pm every day until Christmas.
- In Natal, shops can stay open until 5 pm on all Saturdays in December.
- In the Free State, where allowance is made to extend trading hours four times a year, shops have the go ahead to remain open until 9 pm between December 19 and 22.

● See voting form on Page 4.

Train more blacks — Nafcoc

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By LEN MASEKO Sowetan 08/12/83

UNLESS more blacks were trained in business leadership, South Africa will not have achieved economic viability by the turn of the century, the National Federated Chamber of Commerce (Nafcoc) said at a graduation ceremony in Krugersdorp yesterday.

Dr Sam Motsuenyane said this at the presentation of post-graduate course certificates to 12 students, who had undergone 12-month training in management consulting and retail trade. The ceremony was held at the Chamdor Training Centre in the town.

Dr Motsuanyane said: "Today, South Africa is acutely short of skilled manpower. To offset this shortage, the black man must be trained in business leadership. If we do not train more blacks, this country will not be able to achieve economic viability by the turn of this century."

The business course was a culmination of an education project launched last year by Nafcoc and a German company, Konrad Anwer Foundation, which has sponsored the whole exercise to the tune of over R½-million.

PHASES

The project is in three phases, with yesterday's group being the first intake. Next year, 20 students will be trained in small industrial production under the same project.

In 1985, the last intake will involve 20 students who will go through the same training. It is believed this is the first time blacks will have been exposed to this type of training.

Nafcoc has undertaken to help place successful students in jobs.

TRADING RESTRICTIONS

30

Cracking the colour bar

Government is planning further moves to ease the commercial colour bar. Not only are there plans to further open the "white" sectors of the CBDs to blacks, but major reforms are being considered which would allow white companies freer access to the black townships.

In terms of a proposal which could come before parliament as early as the first session next year, blacks will be given easier access to trade in the "white" CBDs.

And possibly also next year, according to senior government sources, whites will be able to open up in black areas, free of the current restriction of first negotiating a 51% black shareholding (see *Leaders*). At the moment, blacks can trade in the white areas if they negotiate a similar 51% deal with whites. But so far none has done so.

The opening of the white CBDs to all races requires legislation while the 49%:51% formula is merely a departmental ruling which can be changed by ministerial signature.

As the vast majority of non-white traders seeking licences in the white sectors of the CBDs will be Coloureds and Indians, the timing is believed to be linked to the entry of Coloureds and Indians into the tri-cameral parliament.

By removing the 49%:51% rule, the huge potential of the black areas could be opened up to white business. It will all depend on what, if anything, the rule is replaced with. Any move to completely free black areas to whites, however, is bound to be strongly opposed in black business and political circles.

"Approved" black business bodies such as the National African Chamber of Commerce (Nafcoc) and the Black Chain supermarket operation say even 49% white participation is too much: in essence, they would rather have 100% black enterprise or nothing.

The lobby supporting the opening of white CBDs to all races of trader, led by Assocom and the Central Business District Association (CBDA) among others, has been promiment for more than a decade. The Riekert Commission on Manpower reported in 1979 that it was broadly in favour of the move but recommended that local authorities should have the right to decide.

Prime Minister P W Botha told the Good Hope Conference in 1981 that consideration would be given to open CBDs if their effects were not "detrimental."

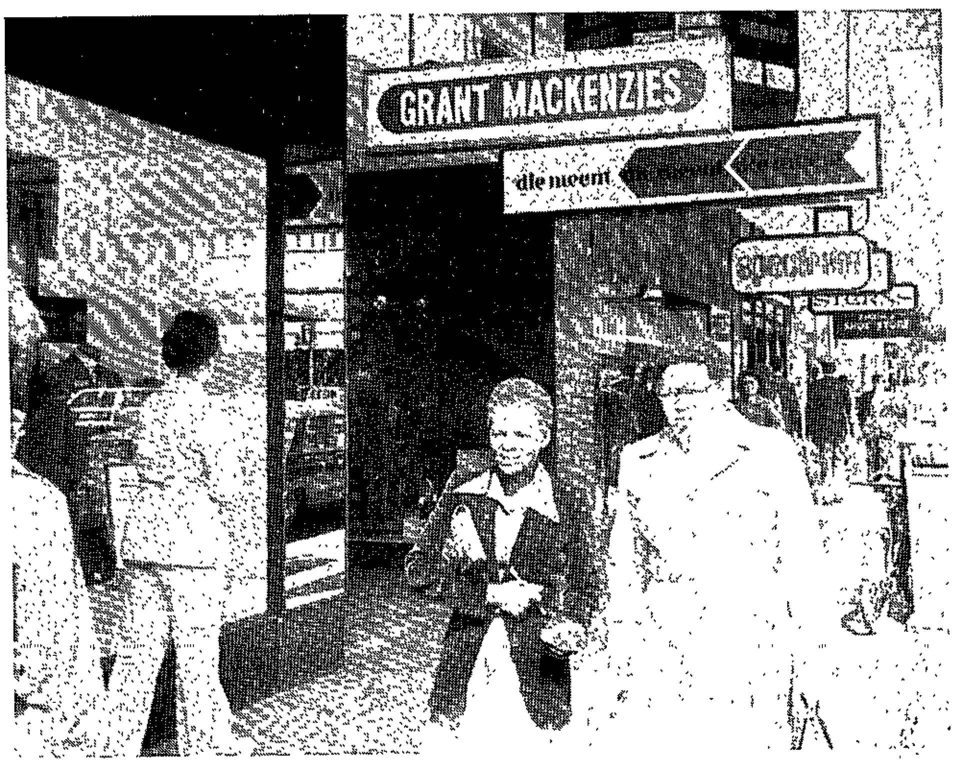
Botha then appointed Justice Jan Snyman to report on the pros and cons and it is his recommendation, the *FM* understands, which will produce an open CBD Bill early in the new parliamentary session.

On the black area investment side, a removal of the largely unworkable 49:51 ratio would be in line with recent calls by, among others, Joep de Loor, Director General of Finance, for a speeding up of government's declared policy of freeing the black "informal sector" from its welter of laws and regulations.

The informal sector is generally taken to mean income-earning activities like "backyard" black home industries, street vending and taxi services.

"We should be moving much faster in creating relaxations to encourage the informal sector to grow," de Loor tells the *FM*.

"It's been government policy for some time now that the inhibitions on informal sector growth should be lifted. All I'm saying is that we should get a move on."



CBD shopping . . . 'open' for business

BLACK/WHITE PARTNERSHIPS

Business as unusual

(30)

Start-up problems for businessmen, black and white, where Group Areas restrictions are involved, have led to some financial acrobatics by both race groups to make it all legal. The *FM* looks at some of the contortions.

With black townships now on limits to white business, competition for the best sites and black partners has been predictably keen. Whites, of course, can hold only a maximum of 49% in such ventures, but with billions in captive disposable income involved, the pickings have looked particularly enticing.

And perhaps they still are. But most companies which have made the effort, retailers prominent among them, have had to learn the hard way that SA's web of racially restrictive laws cannot be disentangled with a single legislative concession.

Many established black retailers don't want whites competing in the townships. Others, who might agree to the idea in principle, fear that they will end up as mere front men for white interests. And whites with corporate images as well as shareholders' funds to protect are equally chary about losing control. The result, in many cases, has been a stand off.

Pick 'n Pay, for example, has worked a highly successful scheme with coloured partners at Mitchells Plain, but so far has come short in Soweto. Checkers is similarly stymied; OK has plans but won't say what they are and Holiday Inns, once a keen starter for Soweto, fell foul of one of the biggest bogeys: getting a suitable site.

It appears that the only "in" white companies are Natie Kirsh's Metcash through the Afrimet hybrid (*FM* November 18) and Manny Sachar's Grand Bazaars. GB ostensibly has no more than a management contract and turnover rake-off from the first of what could become a chain run by Soweto tycoon Richard Maponya (*FM* November 25). But, recently, tendering for seven stands in the Jabulani "CBD" has been keen and, perhaps, this could be the real start of the long-awaited Soweto trading core.

(30)

CBDA's Mandy . . . 'open the CBDs'

Structuring partnerships, however, is only part of the problem. For openers, obtaining a site involves a good deal more than picking out a likely spot, buying it and having ownership registered in a deeds office. In places like Soweto, where sites are not surveyed or registrable in the normal way there is a leasehold rigmarole to be followed all the way from Wrab to the local community council.

And investors — life assurers, for example — are unlikely to fund a major development without freehold security or full ownership. Development capital, therefore, must come from shareholders and whatever loans the trading company can muster.

To outsiders it must look like an exercise in the absurd because SA, after all, is a "free-enterprise" country. How little they know. As the American author Alan Drury noted, it is "a very strange society."

For years, trade, as the world knows it, has not existed in townships like Soweto. Blacks were "sojourners" in the urban areas and, although some 2 500 smaller traders now serve the population of 2m after a fashion, there was no commerce to speak of at all until the Seventies.

White Johannesburg and black, dormitory Soweto existed uniquely side by side as an African tale of two big cities, interdependent (white Johannesburgers needing the labour, black Sowetans the buying points) yet utterly apart. In 1968, restrictions were tightened further and only those who qualified under the Urban Areas Act were granted licences. Further restrictions included a ban on the formation of companies or partnerships, and another forbade traders to be absent from their premises for more than three months.

The company and partnership ban was lifted in 1976 and, simultaneously, the limited range of permitted business categories was increased to 26. Licence-holders, however, had to hold homeland citizenship certificates. (Afrimet's chairman-designate Vela Kraai is a Bophuthatswana citizen, Black Chain's Qhudelimzwezwe Majola a KwaZulu citizen and Richard Maponya a Lebowan.)

But, finally, with government accepting that urban blacks were here to stay, the 49%:51% partnership scheme was introduced in 1979. This, of course, applies conversely to blacks wishing to enter the downtown city areas with white partners, but to date shortages of cash and expertise have meant that this "right" has been no more than academic.

Until now, therefore, most of the black spending power — currently estimated at R650m/year — has gone to the Johannesburg CBD, because choice on the Soweto doorstep has been limited. And, even when goods are available, prices are understandably uncompetitive with the white chains. In fairness to Black Chain, though, its Diepkloof and Zola stores make commendable efforts to match and occasionally better the prices of some lines in white stores.

CBD Association (CBDA) chairman Nigel Mandy estimates that more than half the retail take in downtown Johannesburg comes from black customers who often have to lug goods 20 km or more by train, bus or taxi.

Mandy says CBDA policy remains that all races should be allowed to trade in white CBDs, but the association does not go as far as Pick 'n Pay's Raymond Ackerman who, supported by Nafcoc, additionally suggests a 10-year moratorium on all white investment in the townships before a complete "free-for-all."

But in the townships, the absence of freehold means that the granting of leases in black areas is held essentially in political

Soweto . . . great white hope — frustrated hands — a reality black-owned Black Chain points to repeatedly with some bitterness.

"He who smiles widest gets the Soweto sites — that's the way it is," says Majola, currently frustrated by an apparent failure to obtain a Black Chain site in Jabulani from Wrab and the Soweto Community Council (SCC) "which are the same thing."

Like many blacks, he regards Wrab, the SCC and John Mavuso's Soweto Development Company (Sodev, in which Checkers has a 49% interest for a stalled, but SCC-approved Jabulani complex) as "white fronts."

Ethnicity

Asserts Majola: "We are just like the Afrikaners in wanting 100% ethnic development of our business. Sanlam and Federale Volksbeleggings were 100% for Afrikaners, so why shouldn't we want the same?"

New elections and the vaunted Black Local Government Act, which holds no promise of freehold, won't make a whit of difference to the existing Soweto dilemma, he believes.

Yet white fears that they will lose control of their investments or that blacks don't have the means, or inclination, to buy 51% shareholdings could be invalid, as the issue of Afrimet shares showed.

Blacks oversubscribed by 1,3% the 1,02m 50c shares, which made up the black 51% of the issue. Everybody, except Nafcoc, which wants 100% black enterprises or nothing, looks like being satisfied.

Even if all the black 51% cannot be raised, Soweto and other black township investment is still possible (the law merely requires that blacks have a 51% *voting* majority). If there is a shortfall in black subscription, banks hold the balance in trust as non-voting shares and the equity is re-distributed to maintain the 49:51 ratio.

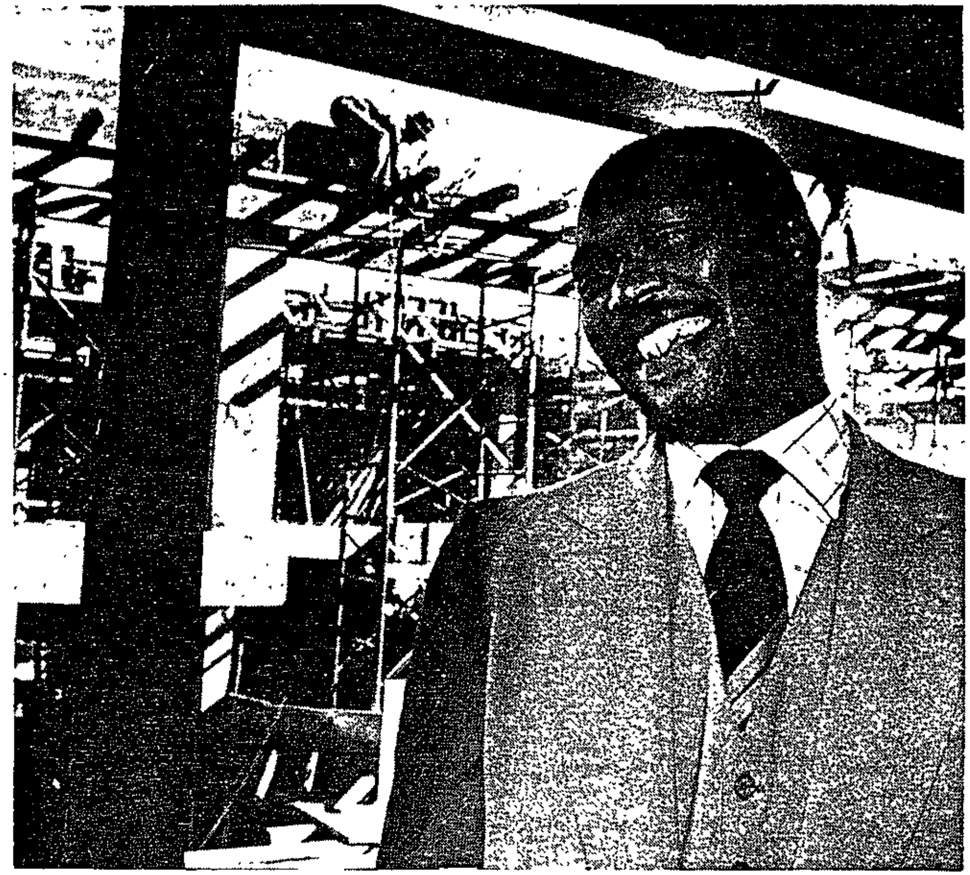
But then effective control would almost certainly be in white hands because of the wide dispersal of the black holding. Nafcoc objections to this are countered by Metcash's optional offer to operate through a 100% black-owned holding company which would hold 51% of Afrimet Operating.

Metcash also holds out the chance for its Afrimet partners to eventually obtain 49% of the action in its white area outlets like Metcash Devland and Metcash Aeroton.

But then Checkers, which is looking at a much bigger, R35m-R40m complex in Jabulani, could run into problems of scale. Raising R510 000 from small, black investors is one thing; 51% of R40m is another.

So, although the solution may look simple, the entry of white business to black areas is beset by many problems, political as well as economic.

And white retailers, who may have their jobs off pat in their own backyards, are discovering the hard way that there is something new to learn in the townships every day.



Black Chain's Majola . . . 'Afrikaners were the same'

CAPE TIMES 10/12/83 (30)

Kirsh sees restructuring vital for Checkers future

By ALEX PETERSEN, Deputy Financial Editor

CHECKERS' long-term survival depended on it being part of the reconstructed Kirsh trading empire, minorities champion, Mr Issy Goldberg said yesterday.

Mr Goldberg said that following further meetings with Mr Natie Kirsh and Mr Mervyn King he had been convinced of the need for Checkers to be absorbed into the restructuring of the Kirsh group.

Although the initial aim of the meetings had been to obtain an amendment to the restructuring scheme to "give extra relief" to Checkers shareholders, Mr Goldberg said in a telephone interview that Mr Kirsh and Mr King had been sympathetic to suggestions which would not affect other parties to the restructuring.

Amendments

"We suggested a number of amendments, but in each case we found they would affect other parties."

Asked whether he would still opposed the restructuring, Mr Goldberg said:

"In light of the projections on Checkers' future as presently structured, it would be reckless to recommend to shareholders that they should oppose the scheme."

Under the restructuring proposals, to be put to shareholders at a meeting on Monday, Checkers will become the vehicle for Kirsh retailing and wholesaling interests.

Subsidiary

Checkers will change its name to Kirsh Trading and under the scheme of arrangement, acquire the entire issued holdings of Russells Holdings and Metcash. Checkers Trading Company will operate as a wholly-owned subsidiary of Kirsh Trading.

Mr Goldberg said vast funding necessary for refurbishing and modernizing the Checkers chain, with a minimum expenditure of R40m in the coming year, had been one of the main reasons given by Mr Kirsh.

"With the current battle between the supermarkets, Mr Kirsh feels that many of the stores will seriously lose out unless modernized."

"At both the annual meeting and our talks, Mr Kirsh said that the minimum amount required for property development schemes — mainly to accommodate Checkers stores — would be over R200m for the next two years."

The reasoning for store development and ownership was the shortage of suitable store premises, and continually escalating rentals.

"Mr Kirsh made it clear, and this was confirmed in talks with Mr Gordon Utian, the managing director of Checkers, that unless the restructuring scheme was accepted by shareholders, Checkers supermarkets would become a relatively minor force in the supermarket battle presently being waged, and their future survival would be in grave jeopardy."

If approved, the strength and muscle of the restructured group would make them a serious force in the supermarket trade, with Kirsh Trading having a turnover of R3 billion a year, equal to 12 percent of the countries total retail sales.

Vulnerable

"While the investment in the present Checkers could be extremely vulnerable," Mr Goldberg said, "a major group that the restructured group represents would afford a safe if relatively slow return till the economy regains its buoyancy".

Mr Goldberg said that institutional investors he had interviewed were backing the scheme.

He re-iterated that he had only accepted proxies for the meetings that gave him absolute discretion to vote in what he deemed was in the best interests of shareholders.

Nafcoc explains boycott call on black company

(30), RDM 10/12/83

By HARRY MASHABELA

THE NATIONAL African Federated Chamber of Commerce (Nafcoc) yesterday explained why it was calling for a boycott of a black company with two wholesale outlets in Reef townships.

Nafcoc's president, Mr Sam Motsuenyane, told journalists in Johannesburg that the black company, Afrimet Limited, should be boycotted because it was "dominated" by a white company, Metro Cash and Carry.

Mr Motsuenyane said he called the Press conference to make Nafcoc's reasons clear because the two companies were trying to confuse the public.

"The power in Afrimet rests in the hands of Metro Cash & Carry and not in the black directors, despite the 49-51% shareholding, because the 51% shares supposedly black are dispersed among several individuals and not one black man or company," he said.

Other unacceptable elements of the Metcash/Afrimet arrangement, according to Mr Motsuenyane, are:

- The appointment or dismissal of Afrimet staff is the responsibility of Metcash, not Afrimet's black directors.
- Metcash is the only group allowed to purchase and provide supplies for Afrimet, irrespective of prices;
- Afrimet will pay Metcash R20 000 or 10% of the company's annual net profits, whichever is greater, as renumeration before tax;
- Metcash is the sole manager, secretary and account for Afrimet, and;
- Metcash will manage Afrimet for 20 years.

"Only after 20 years can Afrimet give 12 months notice of termination of the contract. But Metcash can withdraw at any time it ceases to be a shareholder in the company, on three months notice. We believe 20 years is too long by any standard. It is some sort of neocolonialism," he said.

Afrimet's three black directors — Mr Vela Kraai, Mr Richard Maponya and Mr David Pooe — were "clearly powerless", he said. The three have already been expelled from Nafcoc. Afrimet has two outlets — one in Soweto and the other in Katlehong on the East Rand.

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EXPRESSCOPE LOOKS AT BACKYARD BUSINESS

Loans help in long haul to bigger things

By WILMAR UTTING

FOOTSTEPS on a Soweto garden path and the appearance of white faces in the backyard mean "police" to the tens of thousands of people engaged in illegal businesses in the township.

This is why Mrs Adeline Semppe took refuge in a storeroom hung with pinafores, dresses and skirts — all the product of three enterprising women who launched their "garment factory" with a few sewing machines and R20 each in capital.

In the storeroom-sized workshop, little more than 2m by 2m, are crowded Mrs Semppe, two partners, one assistant and five sewing machines.

No one seems to notice the crush or the heat as they cut, baste, stitch and press.

Mrs Semppe is one of the backyard entrepreneurs in Soweto who are being encouraged towards bigger things by the Small Business Development Corporation.

When their R60 capital proved too little, Mrs Semppe, not without suspicion, accepted a R500 loan from the SBDC's mini-loan budget.

Last month her turnover was between R1 500 and R2 000. With more designs and more customers she may become confident enough to climb the second rung in the business ladder and move to a small 'nursery' factory in the SBDC's industrial park in Soweto.

A backyard business needs no books, no marketing strategies, no health standards, no trading licences, no papers.

But it is from this teeming hive of illegal enterprises that the SBDC, poking behind the houses, winkles out the humble but hopeful entrepreneur and encourages him with advice and the cash he needs to expand. Some

● Candlemaking is now one of the most lucrative business ventures in the SBDC's industrial park

require only R50, most need about R500.

The maximum is supposed to be R2 000. Even that is elastic.

Mr David Thekwane, who for years worked for a big recording company, produced and sold more than a million records for his employers before the thought struck him that he could try selling a million recordings for his own profit instead.

He has just launched his venture, hiring a studio in Johannesburg to make live recordings. At his home in Soweto he transfers the recordings on to records and tapes.

The SBDC lent him the money — R24 000.

Mr Chris Khoza, the corporation's field officer and business adviser in Soweto, said: "He did a good job as an employee and he knows his trade. It's a good risk."

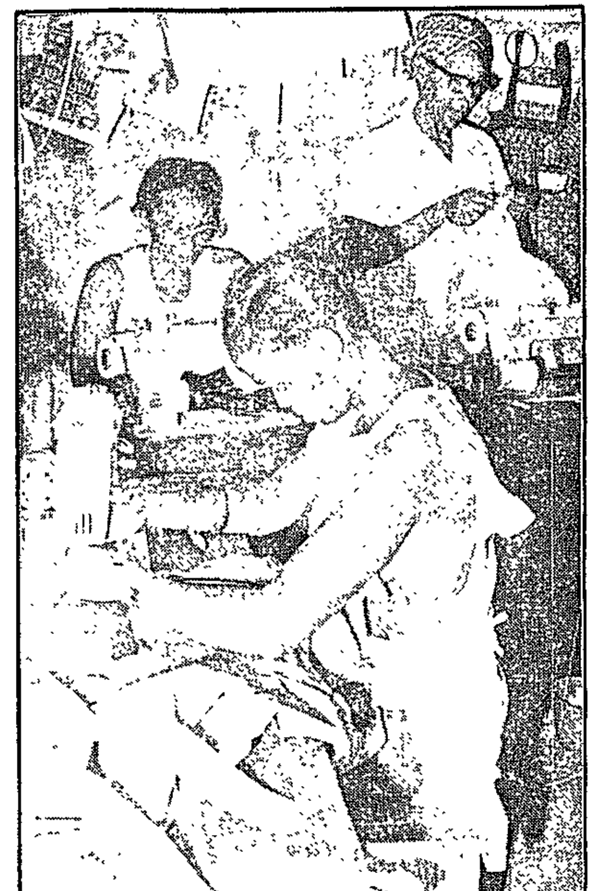
Altogether the SBDC has lent R250 000 to 440 backyard businesses in Soweto, at 1% interest a month.

"Not one bad debt," said Mr Jacques Verster, in charge of public relations for the SBDC.

The object of the mini-loan scheme is to help the backyard operator expand until he is confident and secure enough to move out of his home into a proper small factory in the corporation's industrial park where there are more opportunities for development, and more responsibilities.

The greatest problem to overcome is suspicion, Mr Khoza said.

"When we started we were seen as government agents," he said. "We had to talk for a long time before we were trusted."



● Despite the conditions Mrs Adeline Semppe and her partners show a profit Picture: HERBERT MABUZA

Step by step from yard to factory

A STEP-BY-STEP development from the home industrialist to the fully-fledged business entrepreneur is outlined in the plans of the Small Business Development Corporation.

Step 1: The backyard operator — part of what is described as the "informal sector" — is assisted with loans of up to R2 000 until he is secure enough to move out. The average capital requested is R500.

Step 2: Semi-formal sector. Still an infant enterprise, it moves to an industrial park. Here the ceiling for loans is R30 000. The businessman faces the first sophistications of running a business. He pays rent and learns the meaning of overheads and book-keeping.

Step 3: Loans of up to R300 000 are made available to the businessman who approaches the SBDC with a proposition. Almost always he is already in business with an established market.

Step 4: Formal sector. Bank loans of between R25 000 and R150 000 are made to businessmen. They are guaranteed by the SBDC.

Step 5: On his own. The businessman deals directly with the bank, without needing the assistance of the SBDC.

Leap over the 'big business' complex

STEP two on the ladder to success for Soweto's fledgling entrepreneurs is the giant leap from their backyard to the 'semi-formal' factory.

A total of 60 ventures now flourish at the industrial park of the Small Business Development Corporation in Orlando. Among these are candlemakers, leather workers, upholsterers, panel-beaters, welders, marquee hirers and a printing works.

Two years ago they came in timidly, one at a time, fearful of the complexities of 'big' business with its marketing, book-keeping, taxes, health laws and regular working hours.

Rents, between R106 and R312, had to be paid. As backyard operators they paid only house rents.

If one thing had gone wrong at the beginning the whole lot might have fled back to their home industries.

"Now we have three or four applications each day," said Mr Chris Khotze, the SBDC's business consultant in Soweto.

Education in the park, the second grade to success, is, hopefully, to prepare the industrialist for the third grade — buying his factory.

This would in turn release money for other developments.

SBDC needs R180-m to meet target

(30) S-Times
11/12/83

THE Small Business Development Corporation (SBDC) needs R180-million on top of budgeted cash flow to meet its growth target to 1988.

And it is in the direction of big business that it will be looking for much of this development capital, according to MD Dr Ben Vosloo.

Since its inception in 1981, the SBDC has assisted nearly 1 500 emergent businessmen to the tune of R40-million, and has completed more than 60 property development projects to accommodate entrepreneurial ventures.

By Angus Macmillan

But, before dipping into its coffers, it makes sure it is putting up capital for a viable concern and one that deserves individual attention under strict qualification criteria. It also charges market-related interest rates.

"Ours is not a welfare organisation that props up uneconomic ventures. Rather, it is our aim to help dynamic people to help themselves," says Dr Vosloo of his organisation's role in promoting entrepreneurship in the small-business sector.

"We need the discipline of the balance sheet to ensure our survival and to see that we don't channel funds into a bottomless pit."

Its loan grant rate of one out of five applications is testimony to the fact that it does not hand out cash indiscriminately.

On the surface a joint venture between big business and the Government, each having a 50% equity stake, control of the SBDC is essentially in the hands of private enterprise via a 3:1 directorship majority.

But the Government's contribution goes farther, as it makes loans available — R60-million in 1981/82 and R48-million in 1982/83 — and has passed on the assets of the defunct Coloured Development Corporation, the Indian Industrial Development Corporation and the small-industries portfolio of the Industrial Development Corporation.

The idea is to be able to rely totally on share capital within the next five years by increasing private-sector participation, says Dr Vosloo.

Dr BEN VOSLOO
"Balance-sheet discipline"

To date, corporate shareholders number 91, their contributions ranging from R20 000 to R5-million and totalling R64-million of subscriber capital.

March year-end figures show a healthy R6,9-million after-tax profit, which has prompted the possibility of declaring a dividend to investors or awarding them with a bonus share issue.

"Whatever we do, we must not lose sight of our goal to assist where assistance is most needed," is the basic premise guiding Dr Vosloo's management team. This has led many people to the conclusion that the corporation caters for black business only.

Although a large percentage of clients are emergent black entrepreneurs hidden in the obscurity of the informal sector, SBDC financing ranges from mini-loans with a R2 000 ceiling to R300 000 in the predominantly white formal environment.

Then there are bank indemnity schemes to R25 000, pro-active property developments and a wide range of tertiary advisory services.

All the SBDC's efforts, whether they be lending hard cash, putting up industrial parks or giving advice, are geared towards private ownership, insists Dr Vosloo.

"The defence force is the recognised protector of the country, but the small-business sector is a potential defence mechanism itself. It is also a valuable source of employment and innovation."

SBDC philosophy is not to compete but rather to augment and supplement other development activities. And it is not too sympathetic to prospective borrowers who are in a position to find capital through normal channels.

Dr Vosloo, a political scientist by training, feels he has satisfied the "quest for relevance" he sought in academic life. His aim now is to gain further penetration, thereby strengthening the small-business community.

SBDC needs R180-m to meet target

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Nafcoc trying to promote boycott

(30) Star 12/12/83

The National African Federated Chamber of Commerce (Nafcoc) has renewed its call on the black community to boycott Afrimet Wholesalers — formed as a 51-49 percent partnership between black traders and Metro Cash and Carry.

At a Press conference in Johannesburg, Nafcoc's president, Mr Sam Motsuenyane, said his organisation would ensure the boycott of Afrimet continued until adjustments were made to bring Afrimet under black control.

"Nafcoc decided on the boycott only after thoroughly and carefully investigating the case, and after unsuccessful negotiations to persuade Metcash to sell their 49 percent shareholding in Afrimet in order to make the company 100 percent black-controlled."

Two outlets of the company have been opened in Jabulani, Soweto, and in Thokoza township on the East Rand.

' R100-a-month grocery
! by quite a lot."

Township supermarket launches a super new era

(30) Star

12/12/83

The opening recently of Soweto's first large supermarket will bring a new and more comfortable way of life to the residents of this huge township. INGRID NORTON went to find out how they felt about it.

The front doors of Mr Richard Maponya's discount supermarket are obscured by curious onlookers.

This, the largest privately owned store in Soweto, is still something of a novelty to thousands of township residents who, until two weeks ago, faced the weekly or monthly trek to and from Johannesburg shops with heavy hearts — and heavier parcels.

The rather clinical-looking, windowless building is a stark move away the old style of township trading where shoppers crowded gloomy cafes, using the pavements to pile their purchases and queueing at the counters for half a loaf.

Now there are wide-eyed children and old men with sticks shuffling in the foyer, agog at the noise, the crowd, the colour, and seemingly hesitant to pass through the turnstiles.

Maponya's is electric orange; its commercial-radio station gets the people bopping in the aisles, twitching and clicking fingers while they check the packets for a recognised brand name.

"Supermarkets are a part of civilised life long taken for granted by the white community," said Patricia Makoro, a marking clerk and supervisor, "No one can imagine the difference this store has made to the lives of the township people.

"Mr and Mrs Maponya are really loved by the community because of it," she said.

For the first time, products are available at competitive prices in Soweto and the prospect of an hour's hazardous travelling is a thing of the past.

A full range of supermarket items, from clothing to kitchen equipment, hardware, and garden tools and cosmetics are available at mark-down prices.

There is, however, a marked absence of luxury and exotic foods in the store. No pates, French cheeses or tubed, continental sauces, and no sign of the section marked "health" that has become standard in most well-known chain supermarkets.

"I'm trying this product for the first time," Mrs Gladys Maphophe said, brandishing a box boasting: Sauce for Steak.

"I am surprised at the wide range of products at prices quite a bit below those in town. Mr Maponya has even displayed at the check-out tills those items which are necessities, yet easily forgotten," she said."

Rolls of sticky tape, shoelaces, lighters and combs share the stands with 1c suckers, readily snapped up to pacify toddlers in the till lines.

3

Mrs Magdalene Dlamini (83): "My prayers have be answered, but who will take the next step?"

Soweto women, it seems, have not yet cottoned on to the ready-made pram provided by the front pouch of the trollies; babies are still blanketed on to backs and some shoppers appeared to be having difficulty in manoeuvring what is in the area an entirely novel contraption — the three wheeler — around the shelves.

The delight with which Soweto residents have received the realisation of Mr Maponya's 10-year dream was summed up by 83-year-old Mrs Magdalene Dlamini. "I've lived here since I was 13," she said, "and there has never been a shop like this around. Our prayers have been answered. Now, please God, somebody will take another step forward."

Mrs Letty Baloye and her friend Maria Chauka shopping at the supermarket for the first time. "We don know where to start looking," they said.

[redacted]

RDM 13/12/83

Bar codes make shopping quicker

By GAIL PURVIS

OK BAZAARS has scored a first in South Africa by installing a bar code system for adding up bills at the checkout counter.

It is operational at the OK Homefix shop at Sasolburg.

A computer is linked to seven point-of-sale terminals, each equipped with hand-held scanners that read the price of the article from a series of lines printed on the package.

The system, costing about R70 000, is part of an order by OK Bazaars for 30 more.

More pilot schemes are expected to be installed by OK Bazaars in supermarkets and Hypermarkets next year.

"We consider this order to be of very great significance," says the account director, Mr David Goldenstein, of the supplying company, ICL.

"It is our first order for this type of equipment and needless to say we are delighted."

SA's first experiment with bar coding systems started tentatively many years ago in the retail clothing business.

More recently bar coding has been spreading to food retailing and supermarket operations.

Recently, Knowles Hyperstore, Pinetown, Natal, introduced an NCR 2126 bar-coded, laser-scanning system with 25 checkout points. It cost about R175 000.

Queueing at the supermarket check-out. The new system will help to ease situations like this.

Knowles bar coding operates on all fresh food produce. It was installed at the end of November.

The Knowles operations director, Mr Norman Leatherington, says: "The system has speeded up our checkout points and makes stock control much easier. We will install the system in existing and new stores in the future."

Another retail operation in the field is Buckstons, Umhlanga Rocks. It opted for an ADS barcoding and laser-scanning system.

OK Homefix claims to be the first SA store to have introduced bar coding for all its produce, both for fixed-price items and for goods such as nails, which are sold by weight.

A major advantage of bar coding from the consumer viewpoint is that the checkout reading can be done in about two seconds, in contrast to the most skilled operator's manual performance of up to 10 seconds.

This helps to eliminate bottlenecks at checkout counters.

Another advantage for the consumer is the detailed and itemised cash slip, which allows home-improvers and contractors to budget a job down to the last item.

The system has been in operation for several years in the US and UK. It was specifically developed for home-improvement centres and building material suppliers.

A major UK user is the Sainsbury group, which has installed ICL's Handi 25 for control of its Home Care Centres.

The OK Homefix system consists of two parts for retail processing and inventory control.

OK Bazaars will be able to keep fine control on stock levels and reordering.

Another computer item gaining popularity with the retailer is the MSI hand-held computer terminal.

Launched in SA four years ago by the franchise-holder, Multisource, this device had a slow beginning.

The franchise has gone to Noridata Systems, the Pretoria-based computer supply subsidiary of Noristan.

A large order came recently from Metro Stores, which has taken 152 MSI 85 terminals and an MSI 2743 receiver-converter unit.

The terminals are to be used for order entry and stock-taking, says Metro's management information services manager, Mr Andrew Reitzer.

The MSI units are portable, battery-powered devices. Resembling a hand-held calculator, they record data through the keyboard.

The unit can be connected to an ordinary telephone line to transmit information to a host computer. It can also operate through an off-line receiving device.

It can link to a printer for output of information.

The cost of the hand-held terminals is R1 500 and upwards.

Mr Tom Casey, an MSI Data Corporation executive who is in SA to assist Noridata Systems with sales support, says major applications for the terminals are electronic ordering, order entries, stock-taking, route-accounting, meter-reading and asset-tracking.

Mr Geoff Earnshaw, a marketing consultant and editor of "The Retailer" magazine, says recent studies show that between 2% and 8% of all items on sale in food and chemist shops are incorrectly priced.

"Price auditing with the MSI hand-held data collection terminals can help minimise inaccuracies by letting staff confirm pricing and shelf status," he says.

MAN OF THE YEAR

30

Raymond Ackerman

The 22-year-old in the starched collar and well-pressed suit felt distinctly uncomfortable behind the ladies' lingerie counter. What if his friends saw him? And what the hell was a B Com doing selling bras and briefs anyway?

Looking back on it, Raymond Ackerman now knows only too well what he was doing there. Formal education was important, but Ackerman senior knew from long experience that the nuts and bolts of retailing could only be learned on the job. After all, that was how he, the Maurberger family and partners had turned a modest single drapery outlet into Ackermans, SA's first chain store.

So, B Com and all, the young Raymond was sent first to the warehouse to sort buttons. Subsequently, he was moved through the Greatermans group, to which Ackermans by then belonged, to learn the trade from the ground up.

Exclusive philosophy

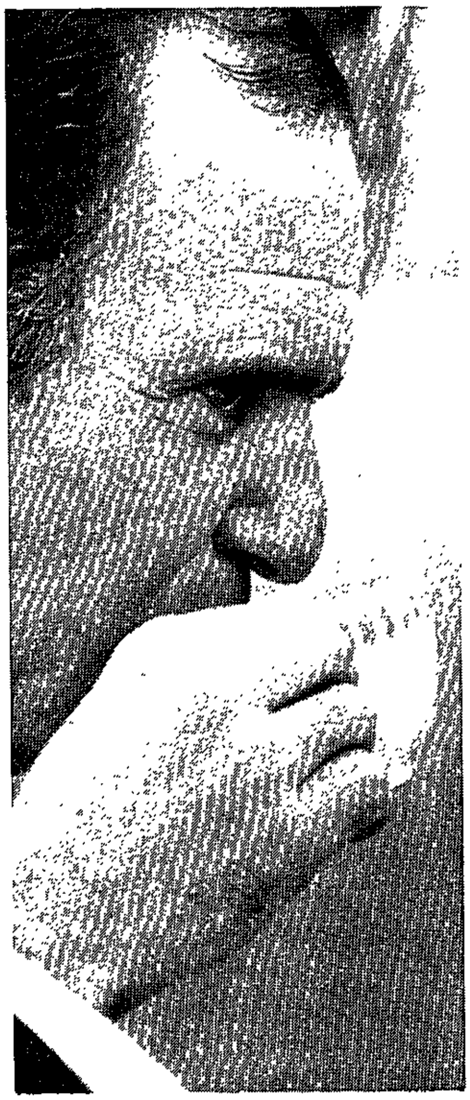
Many a retailer has come a similar route. But, along the way, Raymond Ackerman somehow developed an exclusive, and often curious, business philosophy which was to make him the most successful discounter in SA history.

Ironically, the 14% pre-tax interim profit increase which Pick 'n Pay reported for the six months to end-August this year is far from being its best performance. "In fact," confides Ackerman, "I was worried about it. It looked like a poor result and I was expecting a bit of a roasting from shareholders and the press."

But with many of his main competitors still to report half-year performance, Ackerman wasn't to know that P 'n P alone, of all the major chains, would post significantly better year-on-year results. Indeed, with bottom-line earnings up 15%, P 'n P had not only kept pace with inflation — as others would dearly love to have done — but also came out with a real improvement in the depths of one of the worst recessions since World War 2.

A look at comparative pre-tax performances makes the point: OK down 37%; Grand Bazaars down 53%; Edgars (although trading in a different area) down 28%. Figures for direct competitor Checkers are difficult to ascertain because of changes in accounting procedure. But the Kirsh problem child is still deeply in the red based on published information, although it now claims to be trading profitably. The only food-seller of note to come anywhere near P 'n P's performance was Wooltru, whose profitability has remained virtually unchanged.

Pick 'n Pay has been the only profitable food retailer of note this year. And most credit, by common consent, belongs to chairman Raymond Ackerman, whose off-beat management style and audacious negotiating techniques have laid the foundations for the phenomenal success achieved by the chain in only 16 years.



Chairman Ackerman ... not every supplier's cup of tea

P 'n P's achievement, therefore, was not so much the quantum increase in profits but the fact that it increased profits at all.

It was no accident. Rather, it is the culmination of the special stamp Ackerman has placed on P 'n P since he first took it over in 1967. His company is now SA's biggest grocer and the most profitable retail chain in the land.

Fate, as usual, has played a hand. If Ackerman had not had a major policy row with Greatermans chief Norman Herber in 1967, he would probably have remained with Checkers, and P 'n P, as it is to day, would not have existed.

That celebrated row has already passed into retailing folklore, but central to the disagreement was the tight control Greatermans wanted to exercise from the centre. Ackerman, who had taken over as Checkers chief when there were only two stores in the chain, wanted the freedom to move in new directions. Between 1955 and 1966, he had built the operation into an 85-store chain and, in line with what he had seen on many visits abroad, wanted to concentrate more on things like fresh produce and deli as important customer draws.

Herber, who had masterminded the creation of Checkers, was adamant that food and clothing were the areas to go for. "Greatermans were wrong," says Ackerman simply, "they should have given me my head." Indeed, they should, because in ensuing years P 'n P first became a thorn in Checkers's side, then a major competitor and, very nearly, an instrument of its destruction.

To find his competitive vehicle, Ackerman went home to Cape Town to negotiate for a small, four-store chain run by Mark Hoffman and Jack Goldin, who, even then, had thoughts of discount drugstores which would finally translate into Clicks.

Ackerman, with healthy respect for the way Goldin had positioned P 'n P in the marketplace, had been warned not to start from scratch. P 'n P was ideal for his purpose, but where was the R610 000 (for which it was eventually bought along with some P 'n P paper) to be found?

Backing the dream

His own fortune was hardly inspiring: R40 000 which he had got out when leaving Greatermans. But family and friends — Colin Orr, Jan Pickard, Robert Newman, Les Mankowitz and Michael Kirchman among them — were prepared to back the Ackerman dream, and the money was raised.

Then came the 1968 listing and, later, the Pikwik pyramid, which has put P 'n P beyond the reach of potential predators. Control is firmly in family hands and, although there is still plenty of general takeover talk these days, Ackerman says independent is the way way P 'n P is going to stay.

It is stock exchange history by now that P 'n P shares, issued at R1,10, are still the most successful stagging stock on the JSE to date. The price reached R6 on the first day and has never looked back. At today's prices, and taking into account the equity restructuring along the way, those R1,10 shares are worth about R150.

Some would say that, as the shares have seldom, if ever, exceeded 6% return on dividend, they are over-priced. But investors just carry on betting that P 'n P will continue its uncanny knack of pushing up profits through good times and bad. Last week, for example, dividend yield, covered about 1½ times, was a mere 2,4%.

So the bandwagon rolls on. But to achieve such remarkable results, Ackerman has long since thrown away the retail textbook and written another. He says things like: "Maximisation of return on capital and of profits is anti the consumer." And he takes issue with Milton Friedman's view that any businessman who values social responsibility as part of his business philosophy is a hypocrite who preaches "pure and unadulterated socialism." He prefers the Adam Smith version: "In serving his own interests, the individual serves the public interest."

He has been the bane of accountants who don't know him. "We're carrying too much stock," they tell him, "and it's costing a leg." Ackerman is clearly chary about overdoing the stockholding, but may patiently explain that it's for a purpose. The stock will be used to hold old sticker prices after a general price increase is announced. Holding costs will be heavy, sure, but the consumer goodwill thus created will see the money back 10 times over. And that's something the accountant cannot know from his books.

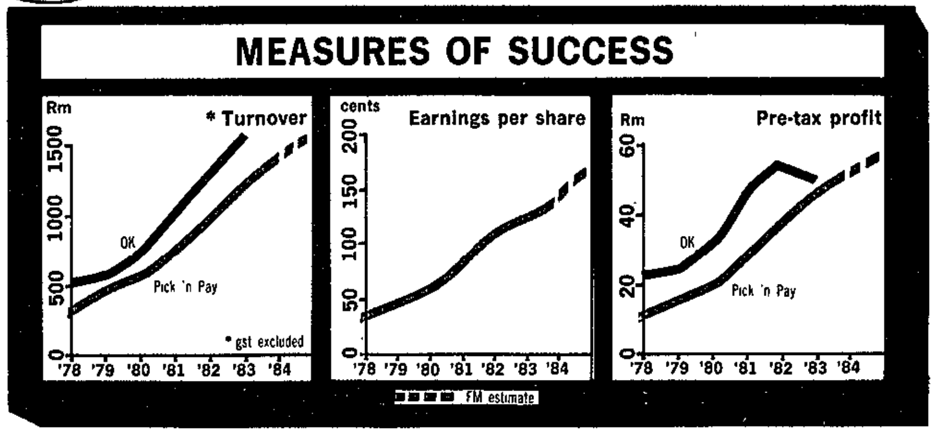
'Consumer sovereignty'

It's all part of his general philosophy of "consumer sovereignty" which has paid for itself a hundred times over. Indeed, he sees it as one of the reasons why P 'n P succeeded this year when others failed.

He has honed the concept into a sort of retail science which he calls the "Four Legs of the Table," a concept borrowed from American marketing maestro Bernard Trujillio. As every P 'n P recruit can tell you, the four legs are administration, marketing, sales promotion and people.

Administration starts with the fundamentals like accounting, security, and expense control but goes on to reject the "maximisation of profits" notion, an "outworn business philosophy." If the whole idea is to maximise profits, he argues, it will lead to price-fixing arrangements with other retailers and impinge on consumer interests. And, he might add, on P 'n P's interests as well. If it can make better profits by competing, why should it lose the advantage by agreeing to a price fix?

Under his merchandising leg comes Ackerman's sworn determination to fight price fixing, monopolies and cartels whenever and wherever he finds them. He has had to do that, of course, because discounters cannot operate in a fixed-price regime. Such ongoing battles have made him his share of enemies among suppliers who euphemistically talk of "orderly marketing." But the ensuing publicity has earned him the mantle of consumers' friend, which he actively encourages.



Perhaps he remembers how pressure from retail competitors put him on the clothing manufacturers' blacklist and nearly scuttled the opening of the textiles department in his — and SA's — first hyper in Boksburg. Or how cigarette companies cut off his supplies after he decided in the early days to discount them. (Staff had to ride shotgun at the warehouse because no one would take on the insurance.)

He claims, justly, that he has played a major role in securing the abolition of most resale price maintenance. And he was mainly to thank for a rethink among the control boards who invariably sold excess stocks abroad and at a loss rather than sell cheaply at home and "destabilise" the market. Successes notched up in this area have included eggs, chickens, dairy products and meat.

Also, and at his instigation, P 'n P defied the law and sold bread below the controlled price. It was fined on a "per loaf" formula, but the "sentence" caused such an outcry that the minimum bread price rule was subsequently dropped. He even claims to have had a small hand in breaking up the banks' register of co-operation (Roco) after negotiating lower rates — and making the fact known. He cut petrol prices at the Boksburg service station — and, when supplies were embargoed, won a court battle to have them resumed. Today, the hyper sells the only discounted petrol in the country.

As he says, it all hasn't made him the most popular guy in town. But it has certainly been good for business.

His sales promotion leg takes in fundamentals like clean stores, good advertising and promotion, courtesy and, what perhaps does most to set him apart from fellow businessmen, social responsibility.

The consumer advisers on the shop floors, the personal apology and box of chocolates from a GM to an aggrieved customer (sometimes at her home) are only a part of it. Ackerman was one of the first businessmen in the country to reject the old and fallacious idea that business and politics don't mix.

Paraphrasing the current dictum on mixed sport, his view could be summed up as "no normal business in an abnormal

Raymond and Wendy . . . people's people

(30) 16/12/83

society." Or, as he puts it: "One cannot trade successfully in an unhappy society torn by strife."

Thus, although he is a firm believer in free enterprise, he continues to support a policy of subsidies on staples like bread. South Africa is a special case, he says, and needs special solutions — "call it enlightened capitalism or enlightened self-interest."

Politics also affects the company's social programme for employees. Millions are tied up in housing for lower-paid workers and in educational bursaries — partly funded by a family trust — for staff and their children.

This vital part of the P 'n P psyche is entrusted to Wendy, Ackerman's wife and confrere on the main board. Politics, for example, often bedevil the housing programme. No building society bonds in Durban's KwaMashu has been a problem, for example. Also, there has been no 99-year lease in Cape Town's Guguletu.

Wendy Ackerman has plugged away for years, achieving significant breakthroughs in the process. In Guguletu, for example, the company went ahead and built a few houses in the hope that 99-year lease would one day be forthcoming. The residential programme, it is interesing to note, not only entails providing housing, but also teaching employees how to live in them.

The nonracial policy is followed through to the shop floor, where men of colour at several P 'n P outlets now hold senior management positions. Some of them have direct control of white staff, a situation which has had to be handled with tact and understanding. The upshot is a fierce staff loyalty which has been a major part of the success story.

Indeed, Ackerman sees his selection as The Man of Year as the most important of the many accolades he has received in his 30-year career because, he says, it is an award to the company and staff.

As part of his "people" philosophy, Ackerman spends the best part of every three weeks in four visiting the group's 17 regions and calling in on as many stores as possible to show that out of sight does not mean out of mind. In the first six months of last year, for example, he reckons he shook hands with 13 000 of the 15 000 employees then on the payroll.

With the number of outlets now heading for the 80-mark, it is becoming more difficult to get round to everyone. And, furthermore, in terms of his hybrid management system, nearly 30 directors and GMs now report directly to him and need more of his time.

This direct link to the top is by no means intended to control store-level operations from head office. P 'n P claims to be one of the most decentralised operations in the land, with each GM having virtually full autonomoy in his region. Even the computer link is not on line to HQ — something which most purists find hard to believe.

In-company competition

Allowing each region to run itself has done well for P 'n P. One result is that in-company competition (mainly between the hypers and six to eight-store supermarket regions) is strongly encouraged.

Such devolution of power seems ironical in a company where the name of the chief executive is so closely associated with the group. It has many advantages, of course, especially on the consumer side. By identifying himself with the consumer struggle, Ackerman has brought untold benefits to all the stores.

But something of a revolution is coming to P 'n P: Ackerman may change the ground rules by creating an official number two for the first time. He tells the *FM* that within the next couple of years the formula will be changed. One option is the appointment of a chief executive officer and, thereafter, only five or six executives will report directly to him as chairman.

It will be a major break with tradition, but Ackerman says the time will come to appoint a deputy. Until now, the group has been run in Ackerman's absence either by a committee or, alternately, by main board directors René de Wet and Hugh Herman.

Although retirement thoughts are still years away, this will establish continuity, he says, and avoid any in-fighting over the succession. The agonising job will be to choose the man who will almost certainly become the next head of P 'n P.

But, for the moment, the job on hand is to ensure that the heartening performance in the first six months is maintained in the second.

Ackerman feels that, despite the internecine price war which has been raging among the major chains, full-year profits should match growth in the first half.

And, thereafter, there is still room for more organic growth on which the group has totally relied until now. The Australian hyper, in which it has a minority interest, will open next year. And, if the chain expands, as he hopes, P 'n P will be looking for a bigger stake.

There has been talk of the US. But that's all it is — talk. Any possible venture in the US, says Ackerman, is still years away. Further partnership deals with blacks in black areas — the company already operates successfully with coloured shareholders at Mitchell's Plain — is another possibility. But it is not that easy in places like Soweto, as P 'n P has already discovered.

But there is still plenty of room for growth in white areas. Ackerman says the company will open 5-7 stores/year through to 1988 without encountering over-trading dangers which some other food chains have already run into. So there's still no end in sight to the growth of P 'n P. And nor, for that matter, of the man who has made it the business phenomenon it undoubtedly is.

BROKERS' ANALYSIS

Strategies for excellence

Stockbrokers are becoming increasingly aware of their clients' demands for quality investment advice. This has led to an intensification of the effort being put into research.

Research skills cannot be mobilised overnight. And, frequently, no sooner has a sound research team been put together than an offer which cannot be refused entices key staff away. Nowhere is this more true than in stockbroking. And nowhere, perhaps, can departures be more irritating than in the broking industry where business generation is becoming increasingly dependent on the provision of quality research material.

Let there be no mistake, brokers are becoming increasingly aware of the value of good research — they could hardly have been unaware of the situation as the demands of institutional clients for information increase. This is perfectly clear from the responses to the *FM*'s annual survey — the seventh of its kind — of the major institutions' views regarding the quality of brokers' research.

On the face of it, there is little change. For the seventh consecutive year, Martin has emerged as far and away the most highly-rated firm overall. But it is not having everything its own way and other firms and individual analysts are chipping away at its position.

The 80 or so major SA-based institutions polled by the *FM* were asked simply to rate the work of the individual analysts and research teams of the Johannesburg broking fraternity. We were not interested for the purposes of this exercise in any of the other services provided by the various broking firms. And to find the broker with the best overall rating we have weighted votes in various market sectors in proportion to market capitalisations.

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Supermarkets surprised by 9pc increase on canned fruit, vegetables

Staff Reporter

TWO major supermarket chains have reacted to Saturday's announcement by the Langeberg Co-operative of a nine percent increase in the price of its canned fruit and vegetables.

The increase, which will take effect on February 1 next year, is the third since January this year.

The managing director of Checkers, Mr Gordan Utian, said in a statement that his company had been informed by Langeberg that the increases were to be much higher.

"We received a letter from Langeberg Co-op indicating that their average price increases would be: Canned fruit — 14,75 percent; jams — 13,3 percent; and canned vegetables — 8,7 percent," he said.

"We find all these increases strange and unacceptable as the fruit canning industry has had one of its worst years for sales, and certain smaller independent canners have not felt the need to increase their prices to the same extent.

"Does this mean that Langeberg, a giant organization virtually controlling the canned food industry, is wanting the consumer to foot the bill for their lack of progress in the market-place?"

The senior buyer for Pick 'n Pay supermarkets, Mr Alan Baxter, said he found the increases difficult to understand.

"The industry has been in the doldrums for the past couple of years and I don't think this is going to do it any good," he said.

"I know they need to make a profit but I feel that this increase, coming on top of two other substantial increases in the past year is a bit excessive and will drive customers away from branded products."

Both supermarket chains said they would delay passing the increase on to customers for as long as possible.

Langeberg's general manager, Dr J A Mouton, explained that the discrepancy between the average figure of nine percent and the figures in the more detailed breakdown given to supermarkets, arose because nine percent was a "weighted average increase" designed to restrict the hike on high-volume lines and to place most of the burden of the increase on less popular products.

"We have tried to keep the prices of staples like canned vegetables and spaghetti to a minimum," he said.

Dr Mouton said that the previous two price rises had been normal inflationary increases for summer and winter crops.

"This latest increase is the usual annual summer increase," he said.

Dr Mouton said that the canned-fruit and vegetable market had been stagnant for some time.

"There has been no growth in the canned-fruit and jam market in the past few years," he said. "We are hoping that things will improve with the expected economic turnaround next year."

Dr Mouton said his company had done all it could to absorb the increases in the prices of raw materials and labour.

"But we can't absorb it all," he said. "We've also got to eat."

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Complaints: Motor men slammed

By John Tilston

THE motor trade, furniture trade and electrical-appliance industry are among those most likely to be ripping off the consumer, according to statistics from the SA Co-ordinating Consumer Council.

The council received 4 650 complaints in the year ended November, averaging nearly 400 a month.

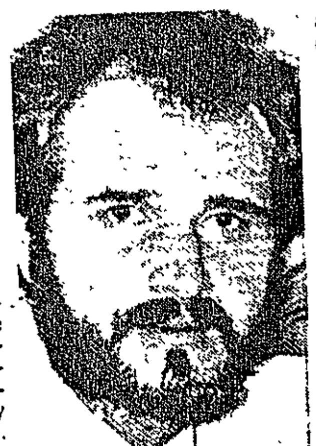
The head of the complaints section of the council, Bill Morris, reports that the motor industry is one of the least co-operative in dealing with customer complaints.

About 11% of genuine complaints are directed at the industry, and many drag on for months before final resolution.

By comparison, the furniture industry, through the Furniture Manufacturers Association, tends to be sympathetic to consumer complaints and generally resolves them speedily. Roughly 10% of complaints affected the furniture sector.

Electrical appliances were responsible for a further 10% of complaints, TVs and radios accounted for 9%, roofs, walls and swimming pools 6% and building and land-purchase complaints 4%.

Although the primary function of the council is the dissemination of consumer information, complaints from the public are accepted and followed up by council staff if no other avenues are available to the consumer.



BILL MORRIS
Some strange requests

Mr Morris reckons that around 95% of complaints received from consumers have a valid basis, though some strange ones are received.

One man complained that his daughter had been "impregnated" by a suitor who had failed to pay lobola, and requested the council to collect payment.

The council does not get involved in this type of problem, though it did write to the father explaining his legal position.

There are two problems facing the consumer in his battle for his rights, says Mr Morris.

First, the South African consumer is too docile. More often than not he accepts poor quality and service without complaint, preferring to shift his business to another supplier rather than complain. Mr Morris says this does not help his cause.

The customer a supplier loses on the swings he gains on the roundabouts, and the overall quality of service is not improved.

Immigrants from Europe tended to be much more conscious of their rights as consumers and more vociferous in complaining.

The second problem, says Mr Morris, is the state of SA's legal system. "We have a very sophisticated economy, yet we are way behind the industrialised countries.

We do not have a consumer orientated legal system to cope with the problems created by our economy.

In the US, for instance, motor manufacturers are subject to a law known as the "Lemon Law".

Under this law, any consumer in the first year of owning a new car is entitled to a new replacement if his car is in the garage for a month or more.

In addition, if a fault on a car is not remedied after four visits to a workshop, the consumer is again entitled to a replacement vehicle.

Mr Morris hopes that the council will play a greater role in future in shaping legislation aimed at protecting the consumer.

By analysing trends in consumer complaints, it is possible clearly to identify areas where legislation is inadequate.

The major function of the council is to educate South Africa's 20-million consumers by collecting and disseminating relevant information.

But with a staff of just under 30 and a budget this year of R602 000, of which R45 000 is allocated for publicity, the council is fighting an uphill battle, says assistant director Bernard Heiberg.

Messrs Heiberg and Morris, who joined the council in June this year, are aiming to sharpen the council's teeth. It has maintained a relatively low profile in its 13-year existence. Both report strong backing from council director Jan Cronje.

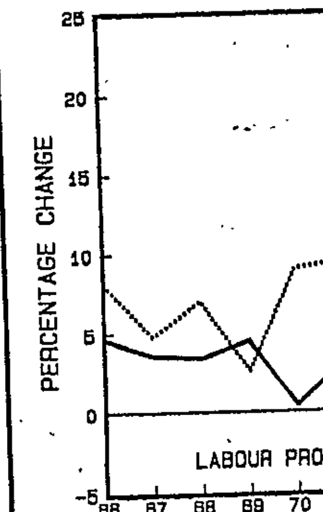
The council is a Government body, with Mr Cronje reporting directly to the the Minister of Industries, Trade and Tourism, Dr Dawie de Villiers.

Dr de Villiers sees the council's role as that of "stimulating and encouraging participation (of consumers) at local level, thereby creating an effective network along which consumer information can be distributed".

However, a major rethink on policies and strategies is under way. A meeting of councillors and staff is planned for early January, when the future direction of the council will be discussed.

Mr Morris says he welcomes complaints from the public concerning illegal practices, unacceptable service or quality of products.

A larger number of complaints will greatly assist in the calculation of trends.



By Amrit Manga

LABOUR productivity declined a further 2% during the second quarter of this year compared with the same period last year.

This negative trend emerged from the National Productivity Institute's (NPI) latest release on labour productivity trends as measured by the real gross domestic product a worker in the non-agricultural sectors.

The decline is the net result of fall in production (output) of 3,2% and 1,2% respectively for 1982 and 1983 periods under review.

During the same period, remuneration an employee increased by 16,2% in nominal terms, which, with the 2% decline in labour productivity, resulted in an increase of 18,2% in the unit labour costs, according to the NPI.

"If salary and wage rates continue to exceed the increase in labour productivity, the cost of labour a unit of output — and ultimately prices — will rise," says Roelf du Plooy, the NPI's economics project manager.

He points out that the dis-

Easier cr

By Jim Srodes: Washingt

Cape Times 20/12/83 30

Christmas shopping boom finally takes off

Pick 'n Pay Hyper hits R2m turnover in hectic two days

By PAUL DOLD
Financial Editor

CHRISTMAS shopping is starting late this year but judging by trading at Pick 'n Pay's hypermarkets it is going to be one of the most intensive last minute shopping sprees in years.

In a trading performance unequalled in the retail industry, Pick 'n Pay's Brackenfell hypermarket near Cape Town had sales of nearly R2m in two days last week and the chain reports bumper sales around the country.

The sales feat was achieved on Thursday and Saturday when consumers swept into hypermarkets around the country leaving amazed staff mopping their brows.

Financial director Chris Hurst says trading was incredible. Shoppers poured into the hypermarket and by the time tills closed on Saturday evening sales were close to R2m .

On Saturday alone sales were around R1m, more than double budgets. Apart from the Cape turnovers were outstanding around the country.

BMX bicycles are the rage this year with the hypers at one stage selling out — last year roller skates were the top selling item.

"We are anticipating a really bumper Christmas trading this week. Thus far sales are running some 20 percent ahead of last year," Mr Hurst adds.

With Christmas eve falling on a Saturday this year, stores are expecting a huge rush on Saturday morning and many chains will be open for late shopping.

A survey of the major store groups yesterday showed that consumers have left their Christmas shopping for the last moment.

In Cape Town the late Saturday shopping was highly successful. Clicks deputy managing director Mrs June Kritzinger says Saturday trading was unbelievable with record turnovers at many branches.

Cape Town's Golden Acre led the stores followed by Kenilworth and Claremont. Clicks stores were partciularly busy too in Natal. Mrs Kritzinger expects a stampede on Friday and Saturday. Clicks' Italian and French glassware has been selling particularly well.

"In fact the warehouse has been unable to keep up with the demand."

Grandbaz managing director Mr Jackie Sachar says the chain is running ahead of last year and it was well worth staying opening late on Saturday. Turnovers from all stores are encouraging.

Mr Jack Garlick managing director of Garlicks says Saturday trading was extremely successful and although the group is not forecasting a bumper Christmas it should at least be marginally better than last year.

Edgars divisional manager in the Cape Mr Rob Lanning says turnover is running reasonably well although it is unlikely to be a record Christmas. Trading in the City centre and at the larger stores has been extremely good but country areas are disappointing. Results of the recent promotions were in line with last year.

Mr John Gaunt has been appointed Group Public Relations Manager for the Standard Bank Investment Corporation from January 1984. He is currently publications manager at the Anglo American Corporation and editor of 'Optima'.

Bank runs out of cash as Britons go on spree

LONDON. — Britain is in the midst of one of its biggest Christmas spending bonanzas, store spokesmen said.

Shops are packed, car parks are continually jammed — and one bank ran out of cash.

In Winchester, so many people drew spending money from a city-centre branch of Barclays Bank that the manager asked another financial institution to lend his branch spare cash.

"This has never happened before," a Barclays spokesman said.

All over Britain, shoppers appeared to have suddenly realized that there are only five shopping days before Christmas.

"Our sales are already up 20 percent compared with this time last year," said a spokesman for Harrods.

"The big spending spree started in mid-October and there has not been a lull since.

"There has been lots of foreign visitors, mostly from the United States who are all coming over while sterling continues to hit new lows," the spokesman said.

London's other big store, Selfridges, said: "We have never had it so good.

"Where the money is coming from, nobody knows. People are spending as though they are printing it themselves."

Stores selling video recorders, wine and spirit chains, supermarkets and electrical shops all said they are having similar booms.

Hamley's, London's best-known toy shop, said: "We are doing fantastic business. It's just amazing what's happening."

"Hundreds and hundreds of people" have lined up for hours to buy Cabbage Patch dolls, but stocks soon ran out".

Six people from New York flew to London by Concorde recently just to try to buy the dolls.

The bumper Christmas spending is taking place in spite of nearly record unemployment and lingering recession in many industries.

Britons are going on a record drinking spree this Christmas and sales of wine could top 500m bottles, according to the Wine and Spirit Association. — UPI

Kruger rands

JSE Closing

	Buyers	Sellers	Sales
1 oz	535	540	538
1/2 oz	282	—	—

COMMERCE – GENERAL

1983

JANUARY — JUNE

King could be first with an open CBD

6/7/83 D. Dispatch (30)

KING WILLIAM'S TOWN — The Borough Council has applied to open the town's central business district to all races

According to a report in the King William's Town newspaper, The Mercury, Mr Henry Hutten, the town clerk, said the application would cover likely areas, approved by the Department of Co-operation and Development, where coloureds and Indians would be allowed to operate.

Mr Hutten said another application had also been made to open the CBD to blacks. However, no reaction had been received from the Department of Co-operation and Development.

Mr Hutten said other towns, in terms of Section 19 of the Group Areas Act, had approved trade areas for coloureds and Indians

"But as far as I know King William's Town would score a first if we were to open our CBD to blacks." he said

Mr Hutten said it was legal for black businessmen to have shareholdings in King William's Town businesses. However a white partner must have the controlling financial share

Mr Hutten said the proposed areas to be opened to all races were along Cambridge Road, the west end of Alexandra Road and the Anglo Cafe and Hoza Stores sections of the Market Square. — DDR

(30) FM 7/1/83

SOWETO RETAIL

Checkers climbs in

For years now a favourite guessing game in the retail market has centred on Soweto. Who, the market has been asking, will be the first major "white" chain into SA's most populous black residential area?

The answer came this week — Checkers. In terms of the 49%/51% white/black partnerships now permitted in the townships, Checkers will take a major slice of a R37m new shopping centre in the planned Soweto CBD at Jabulani.

Another big name in the wings is Holiday Inns which is said to be looking at a major hotel operation and several banks and building societies have made early overtures for space.

The Jabulani complex, duly approved by the Soweto Council, is to be developed by Sodev Developments in which Soweto Development Company — headed by John Mavuso — has 51% and Checkers SA the rest. Rights will be entrenched in a 30-year lease over the 10,3 ha site.

The lease, granted on ministerial approval in terms of the Cooperation on Development Act (1981), sets a new precedent for development in black urban areas. Hitherto white developers involved in white/black partnerships have been unable to invest in leasehold rights for more than two years.

However, black developers who hoped to raise long-term finance for commercial or retail projects have had little success because of institutional reluctance to lend without adequate security against the property.

In terms of the Jabulani lease the 49% white shareholders will have to relinquish their shares and leasehold right after 30 years. Checkers' Mike de Smidt believes the period will be sufficient to satisfy the security requirements of financial institutions. Tenants in the centre, he adds, will be contractually bound by normal five to 20-year leases. Thus, he says, any risk factor should be assessed in purely business terms and not on the advisability of development in a black area.

Sodev will put up roughly 10% of the equity for the Jabulani project. Another R27m is to be raised, probably through participating debentures, secured by a mortgage over the 30 year lease. De Smidt says although debenture-holders will see a low starting annual return of around 12% with fixed escalations, there will be the prospect of a share in profits after five years. Capital will be fixed for 10 years with redemption over the following 15 years at the option of the debenture-holders.

The project will thus need to show a minimum 12% return to meet the interest commitment. Starting rentals will be

Soweto's shoppers ... just up their street

pitched at R9/m²-R25/m², depending on size and location.

The project should be well timed to take advantage of declining interest rates and the investment should prove to be very attractive in the long run, says De Smidt.

Plans for the complex, to be built in several phases, will include a service station (completed), the hotel in which Holiday Inns has expressed interest, take-away foods, restaurant and a 25 000 m² regional-type shopping centre. In the long-term up to 40 000 m² of shop space is envisaged to fully cater for residents within the immediate vicinity of Jabulani.

Stage one will include a single-storey fully air-conditioned complex with two supermarkets and satellite shops.

There have been objections in principle to compulsory racial division in development companies, but SDC's Mavuso, who has been working on the development proposal for nearly three years, sees advantages in being able to call on white expertise.

SDC was formed in 1980 by black businessmen and traders to create a base for black business enterprise. "Black traders will profit from locating in the complex," says Mavuso, and the centre should provide at least 1 000 jobs for Soweto residents. The cost and security benefits to shoppers who now commute at least four hours to do shopping in white areas goes without saying."

As Mavuso says, a regional shopping complex is a long overdue amenity in Soweto.

He claims that viability studies show turnover potential at Jabulani way ahead of similar developments in white areas. The study shows, for example, that the turnover ratio to shops in central Johannesburg and suburban centres will be 3.5:1 (durables), at least 5:1 (consumables), and 4:1 (furniture and household).

About 69 877 households operate within a 3 km radius of the site, which should help overcome the problem of motorborne custom on which the traditional shopping centres rely. Furthermore, a bus service is to be introduced from the proposed CBD to other parts of Soweto and this is expected to improve accessibility to the centre.

Soweto Council chairman David Thebahali says the project has been given the council's full blessing. Soweto traders, he believes, are unlikely to obstruct the project as they did in 1981 when an outcry over white investment catering for black urban areas caused Wrab to expropriate land earmarked for the Western Regional shopping complex on the outskirts of the township.

Thebahali argues: "White black partnership companies are one vehicle through which developers can raise finance and acquire the expertise essential for developments of this scale."

As he sees it, it is a matter of logistics. Smaller traders who are threatened by loss of trade, capture a very small proportion of custom and are not likely to be affected by a regional centre. In the last three years several partnership companies have been used to raise finance or acquire expertise, both of which are essential for developing black businesses. The Blackchain/Fraser management contract and the Nafcoc affiliated African Construction and Development Company (*Property December 17*) in which Murray and Roberts has a 49% share, are two better known examples.

There are another 10 sites available for shops, Thebahali adds. The Jabulani complex could break the ice and lead the way for further development.

"At this stage, the advantages of a shopping complex to roughly one million Sowetan residents who spend roughly 90% of disposable income outside the area outweigh the interests of small Soweto traders."

RDM 7/11/83

Checkers in Soweto

30

IN a move that will have major repercussions for the development of Soweto, national retail chain Checkers, in partnership with the black-based Soweto Development Company, is to develop a R30-million shop and hotel complex in the township's proposed central business district in Jabulani.

The investment will be made in accordance with Government's white:black 49:51 ratio for such undertakings, says the Financial Mail.

Checkers is the first corporate white investor to be granted 30-year leasehold rights in a black area. Other groups are likely to follow suit in developments that could result in Soweto's huge spending power being relocated into the black areas from the big Johannesburg stores.

The FM says that the Holiday Inn chain is another big name waiting in the wings. A hotel project was approved late last year by the Soweto Community Council, but was only made public on confirmation of the leasehold right granted by the Goverment in terms of recent legislation on white business rights in black group areas.

Until now leasehold rights have been granted for of up to two years to white construction companies to build homes in black areas. In terms of the new lease, Checkers' 49% interest will be relinquished after 30 years. — Sapa.

Cape companies' market value tops R4-billion

Bus Argus 8/1/83

THE TOTAL market value of Cape Town companies quoted on the Johannesburg Stock Exchange has risen 25 percent in the past year to R4,01-billion.

By GERALD PROSALENDIS

At the end of 1981 the total value was R3,21-billion.

Based on their current market value Cape Town's 10 top companies are.

Rembrandt group — R1,76-billion

Pick 'n Pay group — R472,14-million.

Woolworths-Truworths group — R341,21-million.

Cape Wine and Distillers — R238-million.

South African Marine Corporation — R230,3-million.

Picbel group — R115,44-million.

Foschini — R104,76-million.

I & J — R86,8-million.

Clicks Stores — R75-million.

Anchusa Holdings — R66,9-million

Largest increase

The company with the largest increase in market value over the past year was I & J. It grew by 63,1 percent to R86,8-million from R53,2-million.

I & J's share price rose to 310c at the end of last year from 190c at the end of 1981.

It was followed by the giant multinational Rembrandt group which showed a phenomenal 61 8 percent increase in market value to R1,76-billion from R1,08-billion

The individual company's in the group showed the following share price increases from the end of 1981 to the end of last year.

Rembrandt Controlling Investments — 805c to 1300c.

Rembrandt Group — 1140c to 1875c.

Technical Investment Corporation — 680c to 1050c.

Technical and Industrial Investments — 675c to 1050c.

This means the group's shares quoted on the JSE have risen in value by R673,05-million, an increase that is almost double the next largest Cape Town company's total market value.

The group's current market value represents 43,9 percent of the market value of all Cape Town firms quoted on the JSE.

Lamberts Bay showed an increase in market value of 27,2 percent to R29,78-million from R23,40-million. The company's share price rose to 350c from 275c

Anchusa Holdings increased 26,9 percent to R66,9-million from R52,73-million

Clicks increased 25 percent to R75-million from R60-million.

The Rex Trueform group was up 21,7 percent, followed closely by the Pick 'n Pay group with 21,6 percent.

As expected

Cape Town stockbrokers say the increase in market value of local companies was roughly what had been expected given the strong industrial market of the past six months.

The rise was in line with the overall rise in market values on the JSE.

Some companies, such as Rembrandt and Pick 'n Pay performed exceptionally well last year with rises well above average.

Brokers differ on what to expect for 1983 though.

Some think prospects for further growth are good and there could be another increase of 25 percent or even more this year.

This depends largely on the gold price and the ability of industrial companies to attract the large amount of money still outside the market, they say.

Others are more cautious, predicting a rise of up to 15 percent or less.

See full table of Cape companies on Page 2.

Afribank's good progress

S. Times 9/1/83

By Elizabeth Rouse

THE African Bank, founded six years ago, sheds its last paternal links this year.

Directors D Havinga, H S Liebenberg and C H Waterson resigned at the end of 1982. They had stayed on a year longer than the five years provided for in the original agreement.

Pretoria businessman Moses Maubane became the bank's general manager last year, replacing Mark Tapping, also under agreement.

The bank made its first public offer last year. Shares taken up totalled 554 437, of which 85% were taken up by blacks, bringing the bank's issued share capital to almost R2-million.

The bank has come a long way. Cash and short-term funds rose from R1 458 100 in 1978 to R5,911-million in 1982.

Advances and other accounts increased from R4,217-million to R10,848-million, pushing up total assets from just over R8-million in 1978 to R20,780-million last year.

It moved from a loss of R37 000 in 1978 to a taxed profit of R110 000 last year, of which R32 000 went into share-issue expenses.

Afribank chairman Sam Motsuenyane, while pleased with the bank's performance, has a word of criticism in his annual report.

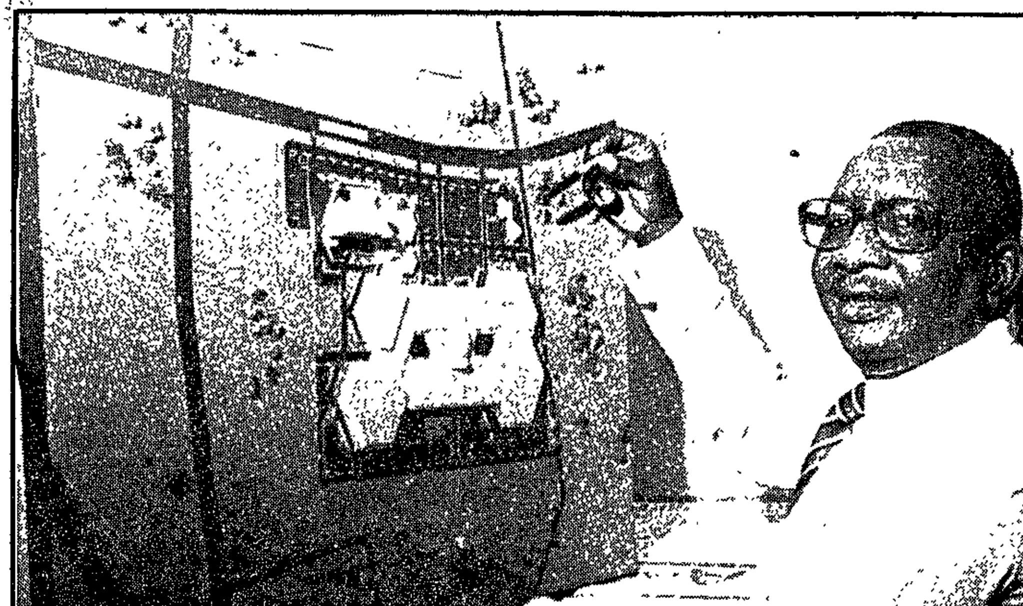
"I must record my deepest concern regarding the unnecessary stumbling-blocks constantly being placed in the way of the growth and development of our bank by the bureaucracy which pervades our economic life.

"It is grossly unfair that Afribank, although a full member of the financial institutions of our country, should be denied access into the central business districts of our cities when her competitors are allowed free entry into the black townships."

Holiday Inns, Checkers, OK come to Soweto

JABULANI'S R37-m GIANT

(30) GCP 9/1/83



Mr John Mavuso, chairman of the Soweto Development Company, showing the scale model of the huge shopping complex.

By DERRICK LUTHAYI

A massive R37-million shopping complex which includes a five-star hotel and two giant supermarkets is to be built in Jabulani, Soweto.

Mr John Mavuso, chairman of the Soweto Development Company, told GCP this week construction would begin in March and they hoped to finish the complex within 18 months.

The complex will have a Holiday Inns hotel, OK Bazaars, Checkers, banks, building societies, shops, chemist, cinemas and offices.

"When the complex is completed, we hope it will create 1 200 jobs for the people of Soweto.

"No white companies will be allowed into the scheme unless they have black partners. We are looking through the applications before we can allocate them.

"We have reserved space for black businessmen who want to go it alone.

"My company would like a commitment from white companies that they are going to train blacks and give them the know-how to run these operations," said Mr Mavuso.

This is the first attempt by blacks to get into property development. It has taken SDC nearly three years to get the scheme off the ground.

The company has five directors: Mr Mavuso, Mr Lucas Molete, Mr Jack Sello, Mr Edward Dube and Mr Joe Seakatsie.

The investment by the white companies will be in accordance with Government's white and black 49-51 ratio for such undertakings.

In terms of the lease, the white companies' interest will be relinquished after 30 years.

'Eastgate' for Soweto in Jabulani

(30)

Star 4/1/83

By Maud Motanyane

Checkers, in partnership with a black company headed by Mr John Mavuso, is to develop a R37 million "Eastgate" type shopping complex in the new Soweto central business district in Jabulani.

Other directors of Soweto Development Co (Pty) Ltd, the first black company to move into property development, are former Pace magazine editor, Mr Lucas Molete, soccer official Mr Jack Sello, and businessmen Mr Edward Dube and Mr Joe Seakitsie. They are to own 51 percent of the shares and Checkers the rest.

According to an agreement signed by the two groups, Checkers is to relinquish its shares after 30 years, Mr Mavuso said this was a safeguard which would ensure that Checkers did not take over completely.

"We realise that we lack expertise through years of deprivation, and getting together with more experienced companies like Checkers will ensure that we don't go wrong," Mr Mavuso said.

PREMISES

Soweto Development and Checkers have formed a new company, Sodev, which will develop the complex on the 10,3 ha Jabulani site.

Building will start in May and will be completed in 18 months.

Already a number of trading companies have applied for premises in the shopping centre. Holiday Inns has expressed interest in the seven storey hotel.

Soweto Development said that white trading companies which moved into the Jabulani complex would be bound by agreements similar to Checkers.

"They will have to agree to train black personnel who will take over when they move out," Mr Mavuso said.

● Mr Matodzi Liphosa and Mr Sam Motsuenyane, with pictures of houses they built. Picture DOUG LEE

SUCCESS!

30 ... as black go-getters fulfil their dreams...

16/11/87

By MOKONE MOLETE

THIS is a story of success. A story of go-getters, businessmen who fought their way over obstacles to fulfil a dream.

It's not really an unusual story, except that in this case the go-getters are blacks operating in the legal and bureaucratic nightmare that is South Africa.

While others wrung their hands and talked about the housing crisis, these men set out to do something about it.

They took over a white-owned construction company, tied up a contract with one of South Africa's major construction giants to form a new company in which the blacks were the major partners and built more than 2 500 homes on contract with building societies, community councils and for private owners.

They built the Black Chain shopping centre in Soweto and part of the Chamdor industrial training centre in Krugersdorp. They built halls, crèches and some of the electrical sub-stations in the Greater Soweto Electrification Scheme.

It all started, says company secretary Mr Matodzi Liphosa, in 1971.

A group of black businessmen took over the entire shareholding of the all-white construction company, Corsair Engineering (Pty) Ltd. The businessmen were members of the National African Federated Chamber of Commerce, who had a vision of blacks operating major building and property development companies.

Their chance came when the Government's introduction of the 99-year leasehold scheme in 1978 permitted blacks to invest in land.

Their company, African Development and Construction Holdings Ltd, was converted into a black company in March 1981 — 10 years after it was formed. It is the holding company of African Development Construction Company (Pty) Ltd.

The subsidiary, ADCC, was formed on a 51:49 shareholding partnership with Murray and Roberts, a major construction company. Blacks are the major partners, but Murray and Roberts give technical training to blacks through a management contract.

Their achievement was crowned on December 1 when ADCH began operating as a public company.

The company intends building houses ranging in price from R16 500 to R25 000, aimed at people in the R400 to R850 income bracket.

ADCH intends to raise a capital of R400 000 to build houses, shops and other commercial buildings for blacks. The money will be raised by offering R1 shares to blacks.

It has already signed agreements to develop housing in a number of black townships in the Reef.

According to Mr Liphosa, a former social worker who is also project development manager of the company, prospects of developing property in the black areas are quite good.

Since shares were offered publicly last year there has been "tremendous interest", said Mr Liphosa.

"However, we are presently limiting the operation of the two companies to the Pretoria-Witwatersrand-Vereeniging area."

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STAY OUT OF SOWETO, SAM TELLS CHECKERS

(30) GCP 16/1/83

By DERRICK LUTHAYI

NAFCOC President Sam Motsuenyane has thrown down the gauntlet to the giant Checkers supermarket group which is setting up shop in Soweto.

Checkers is involved in the planned R30-million Jabulani shopping complex unveiled last week. It is to be built in partnership with Mr John Mavuso's Soweto Development Corporation.

"Black traders don't want them here," said Mr Motsuenyane, adding it was Nafcoc's policy to discourage black and white partnerships in the townships because the system was unfair.

"Whites enjoy the best of both worlds but we cannot trade in their areas," he said.

But Mr Motsuenyane pledged that Nafcoc's supermarket subsidiary, Blackchain in Diepkloof, would give Checkers tough competition.

"We'll fight them rand for rand," said Mr Motsuenyane giving the first indication of a price war erupting when Checkers opens its doors in the township.

The Nafcoc president also warned that the emergence of "white" stores in Soweto would increase the amount of money flowing out of black areas.

"Development in black areas will be handicapped because their profits will not be recycled back into the black community," he said.

Checkers PRO, Ms Peta Lomberg said the majority shareholders in the complex were blacks, adding that she hoped small traders would not be squeezed out by the supermarket giant because "we are in a different kind of trade."

Blackchain, however, will be in direct competition with Checkers, and a battle between big black and white business is on the horizon, to the probable benefit of hard-pressed consumers.

Rumours of R12-m loss denied

30 Star 18/1/83

By Trevor Walker
Assistant Financial Editor

Checkers is expected to be trading profitably by mid-year and there is no truth to reports that it has incurred a R12 million loss in the six months ended December, says managing director Mr Gordon Utian.

Mr Utian told The Star the company would able to reduce its present level of borrowings and concentrate on expansion and refurbishing once proceeds from a forthcoming rights issue and the sale of certain properties were available.

Although the Pretoria store had been closed the sale of the building still had to be negotiated, while the Greenacres property in Durban had been sold for R7 million, he said.

Mr Utian put the value of the property portfolio at around R20 to R25 million.

"I cannot afford to carry property when we are having to fund losses," he said, "although much of the property is in the form of land which we still intend to develop."

The R34 million loss reported at the end of June last year was an actual cash loss, not merely a loss on paper, he said. The auditors were nervous about over-providing and the biggest problem was to finance this at interest rates of 20 percent and over.

MOTIVATION

No further staff redundancies were likely now that staff had been reduced by some 2 000, bringing the staff count to 15 500. The biggest problem now was staff motivation. Morale had not been helped by adverse Press comment, but now that key management positions had been sorted out the situation should improve quickly, Mr Utian said.

He said no major recruitment campaign was undertaken overseas but because no trained store managers were available in South Africa it was necessary to bring in some 10 or 11 people. He noted this was not many when considered against the 170 stores the company operates.

Shrinkage and stock levels had been reduced to acceptable industry levels and the company was taking corrective measures where prices in certain areas were higher than they should be in relation to the competition, he said.

Mr Utian said the company was in such a mess six months ago that even petty-cash operations had to be changed. Management did not then even know how many people were employed in the group.

"We pulled the whole company apart, cut expenses, sorted out managers, reorganised the trading patterns and now we have to put it all together again," he said.

'Racial stigma' worries Verulam

30

Mercury

Mercury Reporter 19/1/83

SOUTH Africa's first all-Indian local authority, Verulam Town Council, wants to get rid of its 'racial stigma' by allowing members of other race groups to open businesses and live in the town.

The Town Clerk, Mr Dick Naicker, said yesterday that 'about 20 to 30' white families — mainly railway workers — were living in the town and some major businesses and industries in Verulam were white-owned.

The town's latest white residents moved into a Verulam council-owned house surrounded by Indian neighbours recently.

Mr Naicker yesterday confirmed that the council's roadworks foreman, Mr Derrick Nicholson and his family, were living with Indian neighbours after the council had obtained the necessary permission from the Department of Community Development.

'There is nothing wrong in allocating a council-owned house to Mr Nicholson. We need his services and we'll treat him as we treat our Indian employees.'

Mr Naicker said the council wanted to get rid of the racial stigma attached to the town. 'We want our town to be multiracial.'

TRADE UNION COUNCIL OF SOUTH AFRICA

Address: P.O. Box 5592
Johannesburg
2000

Telephone: (011) 838 3824/5

Officials: General Secretary: Arthur Grobbelaar

The Trade Union Council of South Africa was formed in 1954. The newly formed body decided to restrict membership to registered unions and thereby excluded black unions. In 1962 the Council amended its constitution so as to allow black unions to affiliate and by 1965 five such unions had done so. But the matter of black affiliation again arose when the Amalgamated Engineering Union disaffiliated because of the inclusion of black unions. In 1967, TUCSA which now had 13 affiliated black unions called a special conference on the issue of black inclusion. The S.A. Typographical Union suggested that TUCSA should split into two wings - one of registered unions only and another with black unions and those registered unions which preferred to belong to this section. Immediately prior to the vote the largest black TUCSA affiliate, the National Union of Clothing Workers and other black unions voluntarily resigned in an effort to prevent TUCSA splitting. At this Special Conference a resolution was adopted for submission to the next ordinary conference - that the membership of TUCSA should be restricted to registered trade unions and that representation should be made to the Minister that blacks should be allowed membership of registered unions on the basis of limited rights. However this resolution was rejected by the Annual Conference which voted to continue allowing black unions to affiliate. Several of TUCSA's largest affiliates withdrew in protest over the issue of black inclusion. The 1969 Conference reversed this decision and voted to exclude unions that were not registered in terms of the Industrial Conciliation Act. Subsequently several unions reaffiliated. In 1973 TUCSA recommended that its affiliates set up parallel unions for black workers. There have been strong allegations that these unions were merely paper unions controlled by their white parent unions. This was strongly denied. In 1974 TUCSA again reopened its membership to black unions. After the 1979 Industrial Conciliation Amendment Act came into force, many TUCSA unions applied for and received permission to open their membership to all races. Several parallel unions merged with their parent unions hence the drop in number of unions affiliated to the Council.

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(30) RDM 26/1/83

Nafcoc moves to cut 'white' spending

Pretoria Bureau

THE National African Federated Chamber of Commerce (Nafcoc) has invited experts to discuss ways of curbing the flow of capital from black areas in southern Africa to white areas.

Mr G Stewart-Rackling, a past president of Assocom, will officially open a seminar at the Wild Coast Holiday Inn on February 11 and 12.

Nafcoc, under its President Mr Sam Motsuenyane, has spearheaded efforts to reverse the flow of black money draining into white areas.

Last week the Bophuthatswana government stopped a Zeerust bus company from transporting black buyers to "white" South Africa.

Mr R Madikizela, Transkeian Minister of Industries, Commerce and Tourism, has been invited to speak on the role of state and para-state bodies in curbing the flow of capital from black areas.

The director of the Small Business Advisory Services, Mr Ian Heatherington, is to speak on what the individual businessman or chambers of commerce can do to contribute towards local development.

Professor Wolfgang Thomas of the University of the Western Cape is to address the seminar on the role of agencies besides government and business.

The managing director of the Transkei Development Corporation, Mr G P Tarr, will speak on how regional development plans would affect the flow of black capital.

These figures are taken ... reflect membership at the mid-year. Hence th ... from other sources which are used in this k

SOWETAN, Thursday, January 20, 1983

SUPERMARKET: ROW BREWS

(30) Sowetan 20/1/83

Traders blast move to build complex

SOWETO traders are to look into the possibility of seeking a court interdict to stop a giant supermarket chain from erecting a R30-million shopping complex in the township.

By NKOPANE MAKOBANE

Mr Veli Kraai, chairman of the Soweto Chamber of Commerce and Industry, said yesterday in an interview that his organisation would meet during the first week of February to discuss the question of court action.

"Should we decide on legal action, this will be a test case, and a ruling in our favour will halt many others that are eyeing Soweto as a profit-making Mecca," he said.

He said they had received information that a black company, the Soweto Development Holdings, headed by Mr John Mavuso, was to build a shopping complex in Jabulani on a 51/49 percent ownership basis with Checkers. The building was to start going up in March and would be officially opened towards the end of next year.

"We understand the five black men in the company will have to raise a R3-million equity for the complex. We doubt if these people have this kind of money and this makes us conclude that they are fronting for Checkers.

"Right now we are still fighting a supermarket-cum-bakery that was 'put up' by a well-known milling company last year, also in Jabulani. We are happy that the people have responded positively to our call to boycott products of the company and the same kind of campaign will be followed should the court action fail

"It must be understood that we are not against the 51/49 partnership scheme provided it is genuine. What we are against is whites being allowed to come as they please to trade in Soweto.

"Right now we are not allowed to trade outside Soweto, let alone in the city. We would like to warn Checkers to stay outside our township because we are going to do everything in our power to turn their complex into a white elephant should it succeed in being built," he said.

...s Bertha Makau, the first black ...ply for the Pensioners Discount card

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...nt dis... ...ered by ...market... ...scount ...ount is for one ...nth — ...ted yes... ...end on Mr Barkhuizen, the field control executive, said "There's been a strong demand for membership, and current figures will be available within the next couple of weeks. The discount will be in operation for one week every month — during the week most pensioners are paid out.

...o wish of the given an the store ...a to do The dates will be advertised in the Press and stores."

Parents to debate Fort Hare issue

(54) Sowetan 20/1/83

THE FORT Hare University Parents' Action Committee will hold a meeting today to discuss the rector's alleged refusal to keep his promise of taking all students back when the university reopens this year.

The meeting was to have been held on Sunday last week but a lack of interest by parents of the students, and the bad weather caused a cancellation. Today's meeting will be held at the Institute of Race Relations in Braamfontein. It will start at 5.30 pm.

Mr Chris More, secretary of the committee, yesterday appealed to students and parents to attend the meeting which is also being held so that the committee can arrange for a meeting with the university's rector, Professor J A Lamprecht, before the university reopens next month.

The committee said the rector had promised to accept all students back but he has now said students who were in arrears with their fees and those with a poor aca...

Thabe in name-twister

By CHARLES MOGALE

THE GEORGE Thabe Stadium, which used to be known as the Sharpeville Stadium, is now the George Thabe Stadium again.

The new twist came at the monthly meeting of the Vaal Community Council this week, when newly elected chairman, Mr Essau Mahlatsi, ruled that the stadium be re-named to honour Mr George Thabe, soccer's el-supremo.

When Mr Thabe resigned from the council in 1981, his name was removed from the stadium after he had launched a scathing attack on the community council system. Mr Thabe said the councils were toothless and singled out the Orange-Vaal Administration Board for taking crucial decisions without consulting the council.

His successor, Mr Knox Matjila, changed the name of the stadium and accused Mr Thabe's turnabout should be a lesson not to name community facilities in honour of people who were still alive.

Commenting on the decision to rename the stadium, Mr Mahlatsi said he had been approached by sportsmen who asked that the stadium be renamed to honour Mr Thabe. The motion in support of the stadium's renaming was accepted unopposed. A source close to the Bafutsana Peoples Party, which holds the chairmanship, said the re-naming of the stadium could be the first step towards calling Mr Thabe back into community council politics.

"One of the things that forced him to resign was the lack of co-operation he got from some councillors serving under him. He is our member and we might recall him. It is an amazing thing that the stadium's name could be changed simply because Mr Thabe criti...

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FM 21/1/83

DECEMBER VEHICLE SALES

CARS

	1982 Dec	% of Market	1982 Jan to Dec	% of Market	1981 Jan to Dec	% of Market
Toyota	4 869	23,42	60 304	21,28	46 185	15,32
Datsun	2 688	12,93	28 752	10,14	29 951	9,93
VW	2 506	12,05	38 801	13,69	51 426	17,06
Sigma	2 478	11,92	44 889	15,84	50 866	16,87
Ford	2 414	11,61	40 975	14,46	50 460	16,74
GM	1 976	9,50	23 234	8,20	33 204	11,01
UCDD	1 573	7,57	16 757	5,91	11 743	3,89
BMW	1 156	5,56	15 006	5,29	13 442	4,46
Alfa	729	3,51	8 416	2,97	8 211	2,72
Leyland	401	1,93	6 133	2,16	5 757	1,91
Other	4	0,02	160	0,06	283	0,09

Dec total .... 20 794 (16,83% down on 25 002 last year)
Jan-Dec total .... 283 427 (6,00% down on 301 528 last year)
Nov total 20 788

HEAVY COMMERCIALS
(5 001 kg and over)

	1982 Dec	% of Market	1982 Jan - Dec	% of market
Sigma	259	22,18	4 669	20,24
UCDD	254	21,75	5 091	22,07
GM	233	19,95	2 585	11,21
Toyota	95	8,13	2 101	9,11
Datsun	83	7,11	2 613	11,33
Ford	77	6,59	1 421	6,16
MAN	55	4,71	874	3,79
Leyland	39	3,34	1 649	7,15
Vetsak	23	1 97	308	1,34
Fodens	17	1,46	152	0,66
Int Harvester	15	1,28	759	3,29
ERF	7	0,60	269	1,17
Oshkosh	5	0,43	266	1,15
Malcomess-Scania	5	0,43	225	0,98
VSA	1	0,09	14	0,06
Magirus-Deutz	—	—	72	0,31
			23 068	
			•23 764	

Dec total .... 1 168 (37,00% down on 1 854 last year)
Jan-Dec total .... •23 764 (22,70% down on 30 742 last year)
Nov total 1 620
• Based on revised NAAMSA-statistics.

LIGHT COMMERCIALS
(Up to 5 000 kg)

	1982 Dec	% of Market	1982 Jan - Dec	% of market
Toyota	2 926	35,33	37 854	31,64
Datsun	1 894	22,87	33 585	28,08
GM	1 219	14,72	13 757	11,50
Ford	899	10,86	13 344	11,16
VW	650	7,85	11 341	9,48
Sigma	641	7,74	7 357	6,15
Alfa	25	0,30	1 108	0,93
Leyland	22	0,27	1 074	0,90
UCDD	6	0,07	208	0,17
			119 628	
			•118 932	

Dec total .... 8 282 (9,09% down on 9 110 last year)
Jan-Dec total .... •118 932 (1,93% down on 121 271 last year)
Nov total 8 859
• Based on revised NAAMSA statistics.

Big clamour for shop space in Soweto complex

(30) Star 22/11/83

By Maud Motanyane

More than 100 companies, including major chain stores, are already clamouring for space in Southgate — the multimillion rand shopping complex planned for Soweto.

Construction work starts in Jabulani in March.

Soweto Development (Pty) Ltd, developers of the centre, have had to restructure plans to suit the "overwhelming" demand from black and white companies.

Preliminary plans had allowed only 25 000 sq m of trading space. This will now be increased to 30 000 sq m.

ARCHITECTS

The chairman of Sodev, Mr John Mavuso, a prominent member of Inkatha, said that architects would be working from Monday preparing the new plans.

"We have had an incredible demand from major companies and individuals for space but the new plans will hopefully satisfy everyone," he said.

"Even with the new plans we still have to negotiate with major companies to reduce their space requirements. If we went by the present demands, 14 of them would take up to 27 000 sq m of trading area, leaving only 3 000 sq m for the small businessman," said Mr Mavuso.

Sodev has entered into a 51/49 percent partnership with Checkers to develop the shopping centre on a 10,3 ha site in the new Jabulani central business district.

APPLICANTS

Major companies among applicants are Dions, CNA, Checkers, Dodos, Woolworths, Blackchain, Edgars, Foschini and Clicks.

Holiday Inns is showing interest in a seven-storey five-star hotel provided for in the plans for the area.

Satellite shops will include takeaways, consulting rooms, hardware shops and other small business accommodation.

Applications have come from Mr Legau Mathabathe, a member of the Soweto Committee of Ten, for a confectionery shop, showbiz personality Mr Sol Rachilo for a record bar and Lumamon Hairdressers for a salon.

PARTNERSHIP

White companies at the centre will have to be in partnership with blacks. This is a precondition for companies operating in a black area.

There have been objections from some black businessmen, including the chairman of the National African Chamber of Commerce, Mr Sam Motsuenyane, on the inclusion of white companies in the establishment of the centre.

Plaza (30) traders RDM may buy shops

24/1/83

Mail Reporter

SHOPKEEPERS at Johannesburg's Oriental Plaza will soon be able to buy their own shops under section title.

Mr J G Braau of the Department of Community Development announced this yesterday at a Press conference at the huge shopping complex in Fordsburg.

He said the 273 shops and 34 offices would be evaluated by consultants at market levels and present occupiers would be given first option on the property.

The Merchants' Association, which represented the shopkeepers, had responded very favourably, Mr Braau said. They had indicated that most of the shopkeepers were likely to buy their own shops.

Sales should begin in the second half of this year.

The complex was built amid controversy when the nearby Pageview shopping area was demolished under the Group Areas Act. It was originally controlled by the city council, who handed it over to the Department of Community Development in 1978.

The Department has appointed a firm of consultants who will be responsible for the sales and management of the new scheme.

Mr Braau said the firm would make finance available through the normal channels and at market rates. He expected no shortage of finance.

collision with a bus on in order to get the man. dition — DDR

(36) D. Dispatch 26/1/83

Ciskei man moves factory

KING WILLIAM'S TOWN — The Ciskei National Development Corporation (CNDC) yesterday announced the establishment of the first industry by a black entrepreneur in Dimbaza, Ciskei's major growth point.

The business of a Ciskeian citizen, Mr D. J. Mgibe currently manufacturing steel window and door frames in Uitenhage would be the 47th factory to be established in Dimbaza, but the first of a Ciskeian

Announcing this at the first board meeting of the year yesterday, the managing director of the CNDC, Mr F. S Meisenhol, welcomed Mr Mgibe as the first Ciskeian to relocate his industry in Ciskei under tht agency scheme of the corporation

Mr Mgibe will be bringing to his country 18 years of experience gained in this particular industry in South Africa," he said

"He has established a fine trade record with his product, which conforms to SABS standards, and we have every reason to believe that his undertaking in Ciskei will prove successful "

Mr Meisenhol said the CNDC was making factory and financial aid available for the undertaking to be named Dimbaza Steel Windows The factory would employ 15 Ciskeians initially

Mr Meisenhol said Mr Mgibe would be moving shortly to Dimbaza as full-time manager of his business, exercising both quality and employee control — DDR.

Chairman: trade at plaza poor

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EAST LONDON — The Oriental Plaza is rapidly becoming a white elephant, the chairman of the plaza's traders' association, Mr Pravin Harry, said yesterday.

The multi-million rands plaza was built by the government to accommodate Indian traders in North End who had to move out of their old shops as the area was developed into a light industrial area.

Mr Harry said passing trade had dropped to almost nothing and that most of the traders in the impressive new complex were unhappy.

"There appear to be quite a lot of traders in serious difficulty," he said.

"We are off the beaten track and to us the passing trade is most important — but we are getting nothing."

He said some difference would be made with the new Factory Road bus terminus and the planned road-over-rail bridge linking St Peter's Road, Southernwood, with St John's Road.

At present, although the bus terminus is complete, few buses stop there because the Beaconsfield link road to North End is not complete.

Work on the road-over-rail bridge has not started yet.

Mr Harry said the plaza traders' association would apply to the Department of Community Development for further rent subsidies in order to cut overhead costs.

Rentals at the plaza are already subsidised to about R1,20 a square metre, which, Mr Harry said, although much cheaper than city shop space was too high for the plaza.

"One must remember that our turnover here is only 10 per cent of that of shops in the city — but our rent is not 10 per cent of their rent."

He said traders who still had to move from their old North End shops into the new plaza were not looking forward to the move.

He said the difference between the old shops and the new plaza was "chalk and cheese."

"Here we have big, bright shops with modern facilities — but no money in the tills.

"In the old shops, we may have had an old broken box to keep the money in — but at least there was money in it."

The plaza is scheduled to be officially opened on February 21. — DDR

Multiracial beachfront?

DURBAN — Durban's beachfront between West Street jetty and the Rachel Finlayson pool will be open to all races if the city's management committee has its way.

R1,5m boost for small business in East Cape

E. Post 2/2/83

Business Editor

SMALL business in the Eastern Cape will get a R1,5 million boost this year — with the promise of more to come — according to chairman of the Small Business Development Corporation (SBDC), Dr Anton Rupert.

Revealing details of the SBDC's aid programme for the region in 1983, Dr Rupert told a gathering at a specially-convened cocktail party in Port Elizabeth last night that the region was receiving high priority in the SBDC's campaign to promote small business.

"In the past I have quarrelled with those who said the priority confronting this region was housing. It's not housing, it's jobs. You can give a man a beautiful house; but if he has no job how can he afford to live in his house?"

Accordingly the SBDC had already contributed R8 million to small business development in the Eastern Cape, the bulk of which was advanced as loans to 102 clients.

For the new year two commercial and one industrial complex would be financed to the tune of roughly R1,5 million.

The industrial development was a factory "flat" in Port Elizabeth's black township of Kwazakele, which would make provision for 50 separate factory units.

In addition the SBDC would help finance a business centre in Booysens Park and a garage in Uitenhage.

"Small business in this area is at present receiving high priority and factory flats and business centres are also envisaged for East London, King William's Town, Queenstown and Grahamstown," added Dr Rupert.

The Oriental Plaza: high cost of success

(30) Star 4/2/83

Seven years ago ago Indian traders from Pageview confronted police dogs and Department of Community Development officials who forced them into the Oriental Plaza. Shopkeepers feared financial ruin in this shopping centre. Some went under. But the tenacious traders with large capital faced the hard years, rebuilding from scratch. Today many are flourishing and there is strong demand for shops in the Plaza which fetch prices up to R250 000. YUSSUF NAZEER takes another look at the Plaza.

Six years ago, when Farid Noorbhai was forced into his now fashionable clothing shop in the Oriental Plaza's Grand Bazaar, he spent his workday reading paperbacks.

For weeks traders tended to whip open the empty drawers of their cash registers when reporters appeared to prove how slack business was. Mr Ahmed Docrat prophesied: "We're finished."

Twelve months later, traders who lacked the capital to see them through the lean days, closed shop. Others with more money took over the bankrupt businesses and kept them afloat until businesss began to boom.

Today there are two types of traders in the Plaza. Those who are making money and those who are just breaking even. The former have shops located right at the bazaar's entrances, in the path of passing customers.

Traders whose shops are hidden away in back corner locations, especially on the upper floor, are still battling to survive. Many customers do not know these shops exist — although some have unusual lines of merchandise at rockbottom prices.

Today there is a strong demand for shops in the Plaza. In the past five years about 300 shops have changed hands at staggering prices. "You would not be able to get a shop in the Plaza today for R50 000. Prices range from R70 000 upward," one trader said.

The highest price paid so far for a shop, with stock in a fine location was R250 000. An empty shop went for R80 000.

Some proprietors complain of overtrading in the Plaza. There are as many as 30 shops carrying the same lines. Price wars to capture customers have been vigorous. This accounted for the smaller merchants selling out to the "big boys," traders said.

Traders maintain that the current prosperity in the Plaza is not due to it being a "better and fancier" shopping centre compared to Pageview's shabby petticoat lane.

They attribute it to the Indian traders' business acumen, hard work and "infinite talent for sacrifice."

Mr Yunus Mia said: "The Department of Community Development took away our businesses in Pageview, which we had built up over generations. They paid us peanuts for shops and homes which we owned and never had to pay rent for.

"Now we hear they want to sell us these shops they have rented to us in the Plaza at inflated prices. That would not be justice."

A spokesman for the Department of Community Development said plans were beng finalised to sell the Plaza shops to the traders. He could not say at this stage how much the traders would have to pay for the shops under sectional title.

The traders pointed out that the demand for shops in the Plaza was caused by the Group Areas Act's restriction on Indians freely buying and opening shops in the central business district.

Trader Mr Sam Bulbulia said the Plaza lacked many of the attractive features of white shopping centres, which usually incorporated cinemas and other crowd-drawing features.

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Vosloo: SBDC's aim is aid not handouts

9/2/83

(30) D. Dispatch

By TOM LOUW
Business Editor

EAST LONDON — The managing director of the Small Business Development Corporation (SBDC), Dr Ben Vosloo, said here yesterday the corporation was created with the over-riding aim of promoting the development of a healthy and flourishing small business sector.

Dr Vosloo was speaking at a seminar on Starting Your Own Business, arranged by the Institute of Marketing Management. He said because of past misconceptions it was necessary to spell out the organisation's basic philosophy and approach.

He said: "The SBDC was not created to save sinking ships in the small business sector, nor are we intended to be a source of cheap money. SBDC programmes are not give-aways or artificial props for uneconomical business ventures. The development of economically viable business enter-

DR VOSLOO

prises is our basic objective.

"The SBDC is intended to be the ultimate source for financial aid to entrepreneurs who would not otherwise be eligible for assistance in terms of normal banking standards and practices."

As far as the bank guarantee scheme was concerned, he believed this scheme was the most rapid and efficient method of putting capital resources at the disposal of emerging small business entrepreneurs. It also represented a major gain on capital employment, since by using the bank's capital, the number of loans committed to individual entrepreneurs would be greatly increased. The programme, however, was not intended to become a collector of bad-debt clients.

"The SBDC is intended to be the major vehicle by which larger numbers of entrepreneurs in all the segments of our population may own their own businesses in order to become full partners in the economic life of our country," Dr Vosloo continued.

"In this way, I believe that the role of the small business sector among all the population groups of South Africa can be greatly enhanced which will, in the long run, lead to a peaceful and stable country in which the future generation can continue to live in peace and prosperity."

In his address Dr Vosloo explained that assistance would be considered for any existing or newly established and economically viable small business in the commercial, industrial or service sector.

In addition to providing financial help — either direct or through the bank guarantee scheme — the SBDC provided business facilities such as factory flats, shopping centres and offices. It also provided consultation, training, advice and after-care services.

. . . And a new deal on women's overtime

07. Feb. 1983

A BILL which will make overtime work voluntary and limit it to 10 hours a week for shop, office and industrial workers, was introduced for a second reading.

The Minister of Manpower, Mr Fanie Botha, proposed the second reading of the Basic Conditions of Employment Bill and said that it would replace the Shops and Offices Act and the Factories, Machinery and Building Work Act of 1941.

Its terms would also extend to categories of workers who had not had legal protection before, such as nightwatchmen.

The Bill was tailored to meet declared Government policy regarding the recommendations of the commission of inquiry into labour legislation.

HYGIENE

The Government had accepted the commission's recommendations that the Factories, Machinery and Building Work Act be extended to provide occupational hygiene and safety to all employees.

But the Governmnent had decided that the sections of the Act which dealt with conditions of employement be contained in separate legislation which would be amalgamated with the Shops and Offices Act.

"The envisaged new Act will not be applicable only to factory, shop and office workers as at present," Mr Botha said.

"The shortcoming in present legislation — that workers outside the areas of industrial council agreements and wage agreements and who are excluded from the present Acts and therefore have no protection regarding their conditions of employment — are largely rectified in this Bill."

SCRAPPED

Changed circumstances and the shortage of skilled manpower made it necessary to remove the restriction on women working overtime.

The limit of two hours a day on a maximum of three consecutive days a week, and an annual limit of 60 hours for women factory workers, were being scrapped, as were the 30-hours-a-year limit for shops, the 100-hours-a-year limit for offices and the six-hours-a-week limit for both.

"A limit of 10 hours a week and three hours a day will apply to all workers in future," the Minister said. — Sapa.

...rotection ...ks storm

this is going to come back on the industry and we are going to be paying higher premiums and higher excesses "

O'Farrell answered "If there are certain categories of plant hire that have high losses or certain identifiable situations, you can pick them up from the claims experience and from day one we will record contractors experience and plant hire's experience "

An opposition broker present at the meeting told Industrial Week: "We are not perturbed about the joint insurance scheme. We may lose some smaller business but the major clients will not move."

...ws over ...urance

...porter

legitimately criticised, it questions that a State corporation would be able to undertake the tasks involved more efficiently as it would not be subject to the same incentives as private enterprise

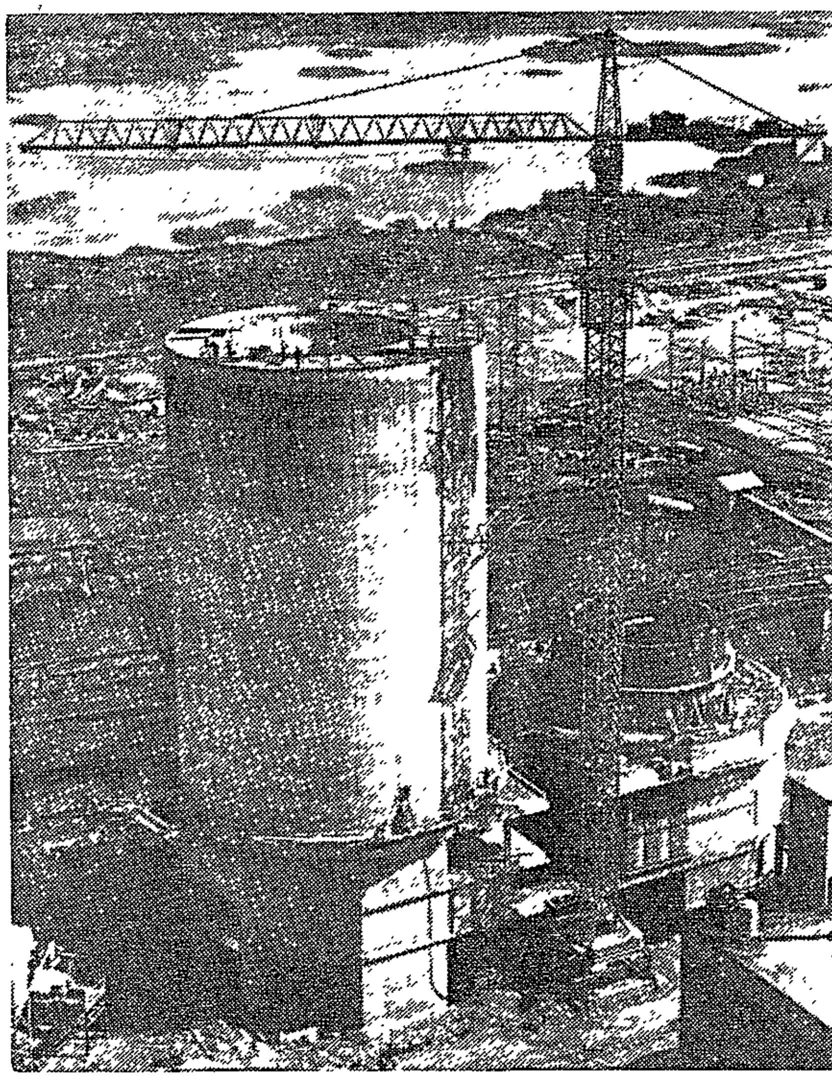
At present members of the consortium receive 23% of premium income to cover their administrative costs, a substantial proportion of which arises from the handling of claims

"A reduction in the administrative costs of compulsory motor vehicle insurance would be best secured by changing the procedures to facilitate the settlement of claims, to allow commission and at the same time to open the system so as to encourage competition in the private insurance industry," said the FCI.

It disagreed that the collection of insurance premiums by way of an additional levy on fuel would result in a major saving of administrative costs, since it rejects the assumption that the costs of collection would be absorbed by the oil industry.

"The existing structure of taxes on fuel at various levels is very costly and cumbersome for the oil industry to administer, and the Minister of Mineral and Energy Affairs has already been asked to review the system and simplify it so as to ensure the oil industry is adequately compensated for its costs," said the FCI.

Giant silo going well



S M Goldstein has nearly completed the world's largest duocell silo complex. The R6,5-million project is part of a R16-million packing plant at Blue Circle's Litchtenburg cement works.

(30) Industrial Week 10/2/83

Ciskei lures first black entrepreneur

THE first black entrepreneur to move his business to Ciskei is to establish a factory in Dimbaza.

Ciskeian, D Mgibe's firm currently manufacturing steel window and door frames in Uitenhage, will be the 47th factory to be established in Dimbaza, according to the Ciskeian National Development Corporation (CNDC).

In announcing this at the first board meeting of 1983 Frans Meisenholl, MD of the CNDC said: "Mgibe will be bringing to his country 18 years of experience gained in this particular ndustry in SA.

"He has established a fine trade record with his product, which conforms to SABS standards and we have every reason to believe that his undertaking in Ciskei will prove successful."

Meisenholl said that the CNDC was making financial aid available for the undertaking, to be named Dimbaza Steel Windows. The factory will initially employ 15 people.

Rustenburg facelift

MURRAY & Roberts Buildings (Tvl) has started work on a R30-million project which when complete, will create a new town centre in Rustenburg.

The Star/BUSINESS

Whites see improvement

Blacks lose confidence in economy

30

Star 10/2/83

By Mervyn Harris

The latest consumer survey by the Bureau for Economic Research at Stellenbosch University shows that black households have lost a great deal of confidence in the economy, suggesting that black spending power is likely to decline in 1983 while that of whites probably will remain depressed.

Sales of durables and semi-durables already are showing negative growth. There is every reason to believe that this will be continued during the next few months.

This will lead to cutbacks in the production of goods and in imports, says the bureau, adding:

SURPLUS

"The easing of pressure on imports, coupled with the slow recovery in exports, will help to swing the balance of payments further into surplus, while the cutback in production will ease pressure on investment goods and skilled labour.

"This in turn will prove to be beneficial to the balance of payments as well as to price levels."

The survey found that many white consumers detected a slight improvement in the economy towards the end of last year and most respondents expected a slight improvement during the year.

At the time of the last survey a total of 67,4 percent expected a deterioration of economic activity, compared with the 62,1 percent who do so now.

A total of 36,6 percent (31,8 percent) expect economic activity to improve.

The views on short-term economic developments have decidedly become less pessimistic. Respondents are more optimistic in their long-term outlook.

Of all white households polled, 48,1 perercent (45,6 percent) say their income is barely sufficient to meet their liabilities.

These households are not in a position to buy more goods without having to incur debts, nor can they put money into savings.

In contrast to them, 3,2 percent (6,3 percent) reported increasing debts and 13,1 percent (18,9 percent) had to dip into their savings.

CASH FLOW

At the other end of the scale, more respondents were able to save — 33,9 percent against 29,3 percent — indicating that the cash flow of private white households has improved since the last survey.

Of all black households polled, 21,5 percent (22,8 percent) expect a considerable improvement in the economy this year, while 24,1 percent (25,3 percent) expect a slight improvement.

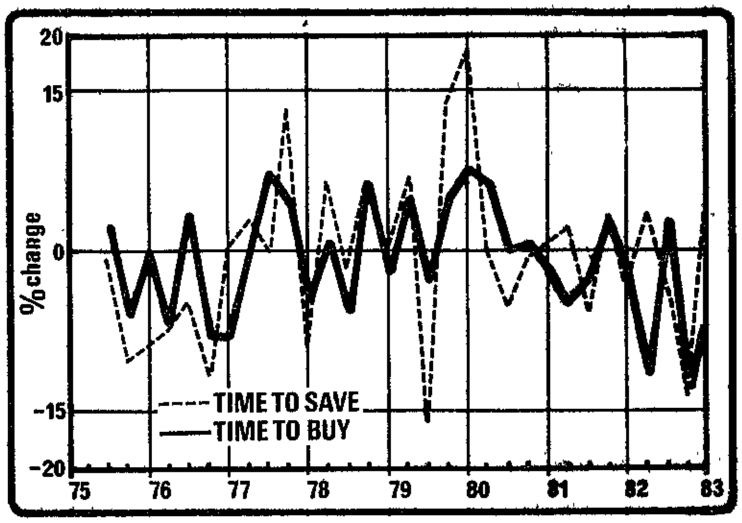
These optimistic views were countered by the fact that 14,3 percent (15,2 percent) expect a slight deterioration and 31,4 percent (30,8 percent) a big deterioration.

Increasing debts were reported by 31,6 percent (24,5 percent) of black households while 25,9 percent (24,1 percent) said they had to use savings to honour commitments.

The income of 24,8 percent (31,2 percent) was barely sufficient to make ends meet, while 16 percent (18,1 percent) were in a position to save.

The figures suggest that the financial position of blacks is very tight and worse than a year ago.

The results suggest that the tempo of deterioration is expected to ease.



The graph plots consumer opinion on good times for saving and spending. Most white and black households in the latest survey regard conditions as unfavourable for spending but most blacks also consider present conditions unfavourable for saving.

... may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.

3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

FM 11/2/83

SOWETO DEVELOPMENT

New openings

(30) (342)

The ~~Soweto~~ Council ~~has~~ granted approval in principle for a major shopping centre development in which BP, BMW and OK Bazaars will partner Soweto trader John Langa. A cinema seating 500 people is also planned for inclusion in the complex, to be located in Orlando West.

Whether whites should be allowed to trade in Soweto is a moot point. Says OK Bazaars executive chairman Meyer Kahn: "We still believe that it is immoral to allow white traders into Soweto without allowing blacks to trade in Eloff Street. But, nonetheless, we can't afford to allow our competitors to go into Soweto without the OK following suit."

Kahn would not elaborate on the Orlando development, maintaining that "it is too premature to comment." However, he admits that the "OK is discussing the development of numerous Soweto sites. Discussions in principle are continuing, but money has not yet been raised for the land and building."

The *FM* understands that the intention is to register a company in Langa's name in terms of the 49%-51% white/black trading partnerships now permitted in black townships.

The final demarcation and cost of the 8,4 ha site are still being negotiated and a detailed site plan and specifications drawn up. Details of the project are not yet available as the participants are keeping tight-lipped.

However, according to a reliable source: "The shopping centre development is expected to cover at least 16 000 m² and the cost is likely to work out to R15/m² or R150 000/ha."

OK's Kahn ... must follow competitors

A BP spokesman says: "A deal between Langa and BP to develop a site for a petrol station has definitely been tied up. An agreement has been entered into for the construction of a BP service station which Langa will own."

A reliable source tells the *FM* that BP has advanced R800 000 to Langa, of which R600 000 will be used for the filling-station development while the remainder will be used for a motorcar showroom to be developed in conjunction with BMW's SA dealership, Auto Bavaria. BP has declined to comment on this.

BMW's MD, Eberhard von Koerber, tells the *FM* that "BMW SA will provide know-how to Langa through our dealers who will take operational responsibility until black managers have been trained."

Adds Von Koerber: "Roughly 8% of BMW sales are to non-whites. We believe that blacks will represent an even higher percentage of sales in the years to come."

DD 12/2/83 ~~(10)~~ (30) ~~(14)~~ ~~(10)~~

Unite on land tenure issue, commerce urged

PORT EDWARD — The effect of the curbs of development through the land tenure system and the question of big white entrepreneurs moving into black areas were two key topics that emerged at the seminar at a holiday resort near here on how to stop the outflow of cash from the black areas.

The question of land tenure was raised by the director of small business advisory services, Mr Ian Hetherington, when he urged chambers of commerce to speak with a united voice against laws and regulations which inhibited development.

He said the chamber of commerce should recommend how the land tenure system should be changed.

The trick in dealing with governments on this matter was to recommend solutions that enable them to pursue their own reasonable objectives while not making it impossible for businessmen to reach theirs

He said there were many people in governments and public services who realised these laws were incompatible with economic growth.

"With things like restrictive and tedious licensing and zoning regulations, labour movement restrictions, the non-availability of freehold land and so on. I sometimes think it would be hard to devise a system — short of communism itself — more perfectly designed to restrict development than the one we have now"

Later the Minister of Commerce, Industry and Tourism, Mr Ramsey Madikizela, was questioned on land tenure in Transkei.

He admitted something was wrong with the system and said the chiefs and the people would have to be motivated on changes.

Mr Madikizela was also questioned on an aspect of his speech in which he said part of the strategy in curbing the outflow of cash would be the introduction of chain stores with tripartite agreements which had maximum local share holding

The vice-president of Tracor, Mr D V Mgudlwa asked whether bringing the "giants" into the black areas would not be to the detriment of black entrepreneurs.

"It is for the chamber of commerce to reply to that, and when you answer, look at the consumer," Mr Madikizela said.

Opening the seminar, Mr R. Draper, of Assocom said his organisation had always been extremely sympathetic to the emerging black community.

"This has always been on the basis that one economy, rather than several fragmented ones, is better for all For a certain period it seems that positive discrimination in favour of emerging black entrepreneurial classes will be necessary."

During question time he said it was perfectly proper that — because of past restraints — the black community should be protected in their areas for some time. — DDR.

183 30

Tarr: cash outflow will be stemmed

PORT EDWARD — The regional development plan for Southern Africa would help stem the outflow of cash from the black areas, the managing director of the Transkei Development Corporation, Mr Sonny Tarr, said at a seminar held here to discuss the problem.

Mr Tarr said it had been realised that economic development as well as industrial development in the black areas was the answer.

He emphasised that it had been made clear that regional development meant economic co-operation and at no time was it to affect the sovereignity of states. Mr Tarr said the regional development areas into which Ciskei and Transkei fell, received the highest incentives such as rail rebates, electricity, housing and interest subsidies as well as relocation costs.

Mr Tarr backed granting incentives to supporting industries and said it would help the economy considerably if local industrialists were also given incentives. As a development strategy, Mr Tarr said, it was essential that priority be given to those industries which would not be dependent on raw materials from the borders.

He said the Transkei Industries Board should consider the effect each individual applicant would have on the economy

Priority should be given to those who would have the least possible effect on the outflow of funds," he said

"In Transkei, we have the situation that we produce 30 per cent of the food requirements and yet we have the potential to become a food-exporting country."

"I believe that the regional development plan can affect the outflow of funds from the black areas of South Africa.

Two other speakers warned on the incentives.

Prof Wolfgang Thomas said the incentives were far too high while Assocom's Mr R. Draper said it should be remembered that with the incentives being granted, someone had to pay. Mr Draper said: "I have attended many functions in which happy businessmen have been heard exclaiming over the generosity of some of the incentives.

"It is perhaps too easily forgotten that someone has to pay for this and the burden falls, in the main, on the metropolitan areas."

- At the seminar, the TDC was accused of using incentives on housing for the benefit of expatriates.

Mr T. Madiba, of a building society, questioned Mr Tarr, on why it was impossible for people to buy houses in two suburbs — Fort Gale and Southernwood — which were virtually owned by the corporation.

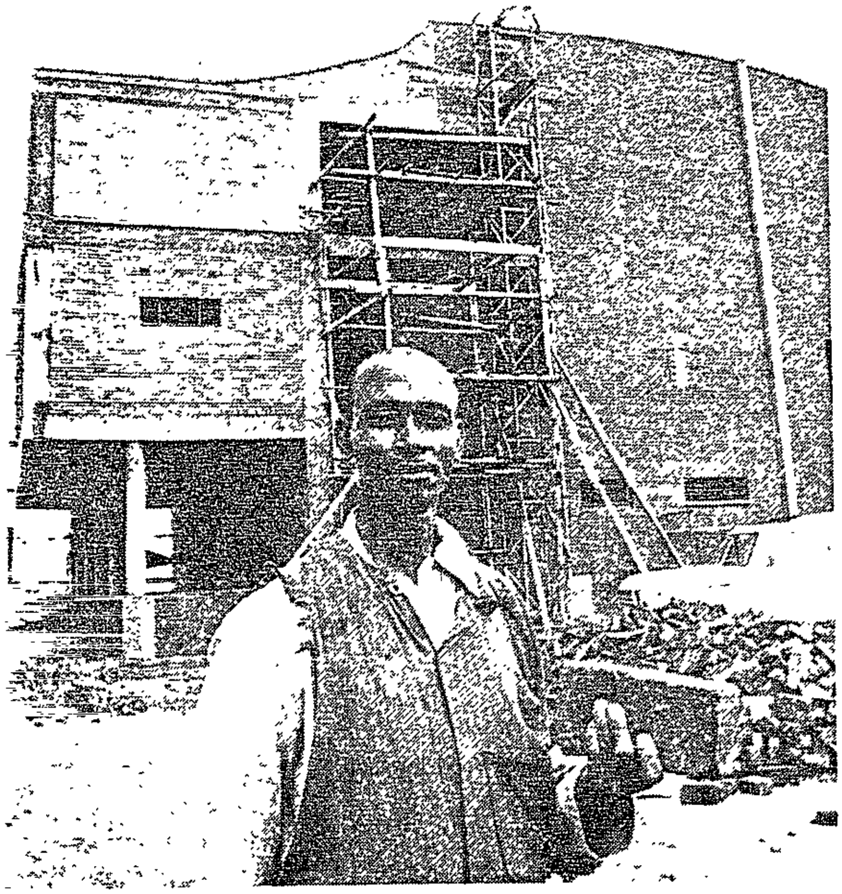
Addressing Mr Tarr, he said: "You say one of your functions is to house the industrialist and his staff. Why must the subsidy apply to them only?"

Mr Tarr replied that he agreed with Professor Wolfgang Thomas that housing was a constraint on development in Umtata and Butterworth. The corporation had invested R43,8 million in housing and 1 176 units were involved.

"The actual job of the corporation as far as housing is concerned is to provide houses for key personnel as well as our staff. That is what we get money for on our budget." — DDR.

14/7/83 30

A man with a mission – success



DETERMINATION: Mr Solomon Makau standing next to the R1,5-million cinema he is building himself.

NOT EVERYONE is born with a golden spoon in their mouth, but nothing can stop an ambitious man from pulling himself by his own bootstraps to make it to the top.

This is what seems to be in the offing for Natalspruit's Mr Solomon Makau, a builder-cum-businessman-cum-aspiring millionaire who believes that his own hands are his best asset.

When he could not complete his Junior Certificate in 1949, Mr Makau chose to be what very few students would have aspired to be — a builder. He enrolled for a three-year builders' course at Vlakfontein Technical School.

Under the employ of the Pretoria Municipality, Mr Makau built in Mamelodi township and it did not take him long to be promoted to foreman. In 1956 he moved to Natalspruit and worked for the Germiston Municipality where he built Motloung and Monaheng sections.

But Mr Makau had other ambitions besides the laying of one brick on top of the other. He hired a small café in Phake Section and gave it to his wife to run while he carried on building.

"I decided to be self-employed in 1967 and quit the municipality because I was helping my wife with the café. But I was still doing building as a part-time job.

"I built garages, extended some houses and built stoeps here and there to make myself some money. But it was not long before I quit building completely and devoted all my time to business after I bought another café in 1967.

"And with the growth of my businesses, I extended the buildings myself which helped me save a lot of money," he said.

Mr Makau, who constructed his own four-bedroomed house with a spacious kitchen and family room, two bedrooms and a separate lounge and diningroom, had been out of the building business for many years when he made a successful application to build a cinema in Ncala Section.

"One could easily have thought that I was biting off more than I could chew, but who would think of building a structure requiring R1,5-million out of his own pocket?

"I contacted all the financial institutions which are said to be helping blacks in business, but everybody seemed to think that they would be throwing their money away.

"So I set out to pick up my trowel once more and with the little money I had started buying building materials and construction work started in March 1981. I hired a white contractor to do the heavy concrete work and I took care of all the brickwork, plastering and everything else.

"And also because of the big rocks I encountered while digging for the dressing rooms which are below ground level, I had to use dynamite. Now I am all by myself with the help of two men I hired.

"As I was progressing, I tried to solicit the help of some businessmen who I thought would bring in some finance, but it seemed many were concerned about the fact that our partnership could not be a 50-50 basis because of the amount of ground I had already covered," said Mr Makau.

"I overwork myself sometimes because I start very early in the morning and stop after sunset. But by building this myself, I brought down the costs drastically.

There's no stopping SA 'hyper' in Aussie

30

Star 14/2/83

By Frederick Cleary

Pick 'n Pay chairman Raymond Ackerman does not think any possible change in government in Australia next month will affect his plans to open a hypermarket in that country.

"The present Liberal Party Prime Minister, Mr Malcolm Fraser, has long been anti-South African, so, even if Labour's Bob Hawke does win, I do not expect any problems," he said in an interview.

"Anyhow, Australia has a federal system and I have been dealing with the Queensland State Government and have their blessing."

The Australian venture has, understandably, been fraught with problems from the start, many of them political and racial, but everything was now on course, said the Cape Town businessman, who introduced the hypermarket concept to this country in 1975

BRISBANE

"Some Australian financiers are coming over next month to tie up details, and we hope to open in Brisbane at the end of 1984 or the beginning of 1985."

The hypermarket, in a northern suburb of Australia's third-largest city, will be called Pick 'n Pay, of which the Ackerman organisation will have a third financial interest, the balance coming from prominent Melbourne retailer Mr Jack Lieberman.

It will be an Australian-registered company, but the top management will be shared between executives from both countries, with general manager-elect being Mr David Goldenberg, head of Pick 'n Pay's Brackenfell hypermarket in Cape Town.

"David Goldenberg will be on his own out there," said Mr Ackerman. "He will be running his own operation, as I will not be able effectively to control that as well as our South African interests.

NINE MORE

"He will have a team of our top management people with him, as the whole hypermarket concept is foreign to Australians."

If the Brisbane exercise succeeds, Mr Ackerman and Mr Lieberman plan to open nine other hypermarkets across the country in the next decade, but with Mr Ackerman having a 50 percent interest.

"I have never been so nervous in my life as over this deal," said Mr Ackerman.

"We were told hypermarkets would not work in South Africa, but we proved our critics wrong when we opened first in Boksburg in 1975 and then in eight other centres.

"There was such a lack of confidence in us then that we had to put up most of the capital ourselves.

"We are only putting R3 million into Brisbane, and as we have reserves of more than R60 million we can afford the gamble."

WIDE OPEN

Mr Ackerman said he had been thinking of venturing abroad for some years.

"Although we still have lots of growing to do in South Africa, with room for at least another 30 or 40 stores, my planners and I do see problems in the next decade unless we do something different.

"We examined several areas — manufacturing, jewellery, clothing and other ideas. But we decided to remain in the field we know best — mass marketing.

"So, it was a case of looking for another country. And keeping to English-speaking areas, we looked first at the United States, Ireland and the United Kingdom.

"We decided that Australia was wide open and had a good look around."

Mr Ackerman ran into much opposition from Queensland retailers, who showed pictures of a barn in the Free State, saying it was a Pick 'n Pay operation.

RESPONSIBILITIES

"They introduced politics and race by criticising my being a South African and Jewish, and this anti-semitism I could not tolerate. Our lawyers soon stopped this nonsense," he said.

ALL RACES

"I countered all this adverse propaganda by going across there last July, talking to State Government officials, showing slides of our operation and explaining how we saw our social responsibilities in South Africa and what many of us were trying to do for all races.

"We soon swung them over to our side and gained official approval.

"Things have worked well so far, and if we can finalise matters next month we will start building in April or May.

"The Brisbane hypermarket will be about the same size as our Boksburg and Brackenfell branches, covering 20 000 sq m and will employ about 500 staff."

After Australia? "We have a challenging and exciting 10 years ahead of us. But if all goes well I would like to tackle the very home of mass-marketing — the United States."

(30) D. Dispatch 14/2/83

Business needs stimulation, says professor

PORT EDWARD — A strategy of stimulating local business to reduce the outflow of cash had to include a changed — though not uncritical — attitude towards expatriate business partners and the ownership of property by non-Transkeians.

This is the view of the head of department of economics at the University of the Western Cape, Professor Wolfgang Thomas.

"Without the latter step the critical housing and office shortage cannot be solved and without the former the capital expertise vacuum cannot be overcome," said Prof Thomas who earlier cited the lack of housing as a constraint on development.

"This is the way white Afrikaner entrepreneurs managed to outgrow English business domination and similar steps are being used by coloured interests in the business sphere.

"Given the impressive and rapidly growing purchasing power of blacks — in particular Transkeians — I see no reasons why such an approach cannot be successful," he said.

His solutions to curb the outflow revolved mainly around "jacking up" the local businesses and supporting local production with education helping the consumer

Mr R. Draper of Assocom, who opened the seminar, made a strong plea for economic co operation giving examples in history where it enhanced political deals.

He suggested Transkei should take from the outside what it could — but always with an eye open for the country's own interests.

"These interests are inextricably interwoven with the interests of the community in which you live and serve your community far better than the dead hand of state intervention," he said. — DDR

15/2/83 (30) Sowetan

Colourblind business

SEVERAL grey areas, where all races can operate businesses without stringent restrictions, are being earmarked for development.

Mr John Knoetze, chairman of the West Rand Administration Board (Wrab), revealed these plans yesterday in his evidence before the Committee for Economic Affairs of the President's Council.

Addressing the 10-man committee at the board's offices in town, Mr Knoetze undertook to take the committee on a tour of the areas, which would be outside of residential areas for "political reasons".

These areas will be exclusively for commercial and industrial purposes. Laws, like the Group Areas Act, will be relaxed to allow multi-racial businesses to operate there.

Mr Knoetze said there was "every possibility" that the Greater Soweto community councils would be economically viable when they were granted full autonomy before the end of the year. "Though there is confused thinking about a black authority becoming economically viable, I believe this idea will be realised," he said.

The board has also earmarked 10 large sites in Soweto for business complexes.

Mr Knoetze added that all profit from the multi-million rand liquor businesses owned by the Government, were channelled into community projects.

He used the example of the annual profit of the sorghum beer sale in Soweto which stood at R3-million and which, according to Mr Knoetze, was ploughed back into the community.

Mr Knoetze also revealed.

- Sixty-two shebeens were in the process of being legalised in Soweto. Only half of the total 4 000 shebeens in Soweto would qualify for legalisation while the rest would disappear because of the "forecast of tough competition".
- the present government subsidy on the upgrading civil services in Soweto amounted to R165-million and;
- there were 1 657 businesses and 66 Wrab-owned liquor outlets in the complex.

Mr Knoetze said that administration boards have stopped sending profits from liquor outlets to the government.

D. Dispatch 15/2/83 (30)

Boycott strategy can work, seminar told

PORT EDWARD — Black adaptation of Afrikaner strategy to gain economic ascendancy provoked lively discussion at a seminar at a holiday resort near here on how to curb the flow of cash from black areas.

Mr R. Tshabalala raised the question of using the Afrikaner history of "boycotts or selective buying", to promote the disadvantaged black businessman.

Economics Professor Wolfgang Thomas, said: "I've listened carefully to the various warnings about selective buying and boycotts. I understand the views of the chambers of commerce in South Africa. I served on them. Obviously we don't like boycotts and selective buying, but it has worked.

"I am fully committed to co-operation between white and black But we must know if they are going to play tricks with us. We must at least be prepared.

"It is the same way as when the Afrikaner felt he was being exploited by the Jews and English. His first reaction for a long period was, No. We (Afrikaners) make our own burial societies, later called Sanlam, and we form our own newspaper groups.

"The second line of Afrikaner defence was to say, well maybe at government level we can work together. You know the history. Eventually Afrikaner and English mining houses joined forces and at the moment it is seen as an Afrikaner mining house."

Mr B. Draper, of Assocom, who opened the seminar, warned on boycotts and selective buying.

"The volume of goodwill that Assocom has for black commercial endeavours is almost boundless — but not quite One thing that might draw heavily on the reservoirs of goodwill would be any thought that compulsion, taken in its broadest sense, might be utilised to bring about the economic effects that we all desire. There is far too much compulsion in this country already.

"Whatever it is that is needed to be done, it should rely on persuasion and the provision of an attractive commercial service in the black areas."

He said it would be much better if blacks freely and willingly chose to conduct their commercial activities where they lived, and also where they worked because they felt this was better for them and not because someone had forced them to it by varying combinations of pressure.

"Do not forget that blacks are becoming rapidly more mobile. Traffic projections in this country show that white per capita car ownership has more or less levelled off and is on a plateau and it is the black section of the community that will be, ever increasingly, the heavy purchasers of vehicles in the years to come.

"This is an excellent thing, to be welcomed by all, as it is evidence that blacks will be taking their rightful place in the economically active community.

"However, it is not without problems and one of these is that your natural black market will, increasingly be able to shop where they please. The developed commercial community has seen a large portion of its market take off to the suburbs and has been forced to follow it there.

"The same flexibility will also be needed in planning your future courses of action, or your market will take to its cars and go elsewhere."

He said Assocom had always been extremely sympathetic to the emergent black economic community on the basis of one economy rather than fragmented ones which were not beneficial to all

Mr Draper in his speech, also warned on strategies to keep black spending in its natural areas.

"You should bear in mind the dangers of relying on too small a base. These areas are, or at least ought to be, part of a very much larger whole. You will also need to consider in the black areas that you will be able to influence the direction in which the whole market moves, if they are part of the larger market.

"This is extremely important because, if you are not totally involved in the whole economy, you could well find policies being undertaken in the future that might be to your disadvantage." — DDR

Probe into black business

PORT EDWARD — The National African Federated Chambers of Commerce (Nafcoc) will undertake in-depth studies to embark on a scheme to uplift and promote black businessmen.

This was decided at a two-day seminar on the outflow of cash from black areas.

After several papers and discussions in which the historical disadvantages of the black businessman were highlighted, nine resolutions were taken — mostly dealing with how to help the businessmen to counteract the threat of the "white giants."

The resolutions — which a committee will implement — say Nafcoc believes in an indivisible economy based on the free enterprise system.

The recommendations call for:

Economic development and the evolution of a development strategy;

Protection for black entrepreneurs and an in-depth study by Nafcoc on how blacks could become more meaningfully involved in the economy.

Consumer education to enlighten buyers about the plans and programmes of black businessmen;

Establishment of chains by black businessmen; and

Location of industrial projects in such a way that infrastructure should benefit the greater section of the population. — DDR.

D. Dispatch 10/2/83

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Stutt attorney is suspended by court

GRAHAMSTOWN — A Stutterheim attorney, Mr Neil Charles Wylde, was suspended from practising for an effective six months after the Supreme Court here yesterday found him guilty of unprofessional conduct over a property transaction involving a New Brighton businessman, Mr Mongameli Matikinca.

A further six months' suspension was suspended for three years on condition he is not found guilty of unprofessional conduct or any offence involving dishonesty.

The action was brought by the Law Society of the Cape of Good Hope following a judgment last year in which Mr Wylde and the firm for which he worked, Wylde Bros., were ordered to pay Mr Matikinca R42 564 as well as interest and costs.

Mr Matikinca lost a total of R70 345, which he paid Mr Wylde between September 1976 and July 1977 for the purchase of a shop in Alice owned by a client of Mr Wylde's, Mr D. D. Boy.

He was never able to take transfer of the shop as Mr Boy went insolvent before transfer could be registered.

Mr Matikinca subsequently recovered R27 780 in dividends from Mr Boy's insolvent estate.

In March last year, Mr Justice Smalberger found that Mr Wylde had been guilty of a serious derelection of duty towards Mr Matikinca, from whom he had accepted a mandate to look after his interests.

He had deliberately withheld vital information about Mr Boy's financial position and had failed to warn Mr Matikinca of the risk involved in paying over money to Mr Boy before taking transfer of the property. This money should have been put in a trust account until transfer.

Mr Wylde had also failed to advise Mr Matikinca when he offered to sell him the other shop that Mr Boy was already under provisional sequestration. When that order was discharged he did not warn Mr Matikinca that Mr Boy's financial position was still precarious.

In yesterday's judgment Mr Justice Kannemeyer and Mr Justice Mullins said Mr Wylde's conduct had been "unconscionable" and his derelection of duty potentially prejudicial to Mr Matikinca.

Mr Wylde said in an affidavit that the money had been paid by his father out of his life's savings and that this had caused him (Mr Neil [illegible]) considerable [illegible]

He said his conduct over the Matikinca transaction was due "more to my lack of experience than any deficiency in my character or to any moral turpitude on my part."

Suspending him from practice as an attorney for 12 months, the judges said that apart from an expression of regret from his counsel, Mr Wylde had shown no remorse nor did he appear to appreciate the serious nature of his misconduct. — DDC

...a powder competition run by Colgate-Palmolive

...wing to deal with opponents who disrupted meetings

16/2/83 Sowetan

Nafcoc welcomes plan for 'grey areas'

By LEN MASEKO

THE 10 000-MEMBER National Federated Chamber of Commerce (Nafcoc) yesterday welcomed the idea of "grey areas" — where all races would trade without racial restrictions — but immediately urged the authorities to identify such places.

The businessmen's body was reacting to the proposed multi-racial business areas which, if finally approved by the Government, will be developed into integrated trading and industrial areas.

The West Rand Administration Board chairman, Mr John Knoetze, revealed these plans this week in his evidence before the Economic Affairs Committee of the President's Council, which is investigating ways of involving blacks in the free market system.

Nafcoc public relations officer, Mr Gabriel Mokgoko said yesterday his organisation had searched for these places — called Section 19 areas of the Group Areas Act — but to no avail.

Last year Nafcoc, following up an announcement by the Minister of Co-operation and Development in 1979 that such places existed, sent a memorandum to the Minister asking him to identify these areas. Nafcoc is still waiting for a reply.

Said Mr Mokgoko: "The only area we have so far been able to identify is Kliptown. But black businessmen have unsuccessfully tried to secure places there — only whites, coloureds and Indians trade there."

R11-m for Mu... to move to Ka...

MUNSIEVILLE residents will be moved in a major resettlement scheme which might cost the Government a whopping R11-million to rehouse the families at the nearby Kagiso township.

The West Rand Administration Board is waiting for the allocation of funds to build 1 025 houses in Kagiso for the families to be moved from Munsieville. This old township of the 1930s will have to make way for a white residential project.

Wrab's director of public affairs, Mr Alex Rabie, said as soon as the R11-million was available, Munsieville would definitely "go".

He said the Krugersdorp Town Council had asked for the land in Munsieville for them to develop into a white residential area.

Munsieville is already...

D. Dispatch 17/2/83 (30)

Satisfaction with Bomedco progress

By TOM LOUW
Business Editor

EAST LONDON — The mayor, Mr Errol Spring, who is also chairman of the Border Metropolitan Development Corporation (Bomedco), addressed an executive meeting of the Border Chamber of Industries yesterday on the activities of Bomedco.

It was a closed meeting but I understand he surveyed what Bomedco has done and is doing, its interchanges with such bodies as the Decentralisation Board, the Industrial Development Corporation and the Small Business Development Corporation, and the growing interest being shown by entrepreneurs in the Border metropolitan area.

Members of the chamber executive who have been concerned about apparently slow progress by Bomedco, expressed themselves afterwards as well satisfied with what is being done. One member remarked: "Clearly Bomedco has now got off the ground very successfully."

Big boost for traders

SOWETO'S estimated 500 backyard businesses have received a big boost with the launching of a Small Business Advisory Bureau (SBAB) in the area.

The branch's offices in Jabulani's new Central Business District were opened on Tuesday and will help develop the townships small businesses.

In his opening address, SBAB director Prof Jurgen Smith said the branch would emphasise development of black entrepreneurs in the motor trade.

He said SBAB served independent business people with consultancy services, training and development programmes. Last year the bureau assisted 3 446 individuals while 3 382 business persons attended its courses and seminars.

The branch's opening ceremony was attended by some of Soweto's leading business people and representatives from the National Federated Chamber of Commerce and Soweto Chamber of Commerce and Industry.

Prof Smith told the gathering: "The services of the SBAB have always been available to entrepreneurs of all races and we have, during the past two years, experienced an increase in the demand for our services from black entrepreneurs."

The SBAB, which was founded by the Potchefstroom University in 1970, offers as its services the following:

- direct loans and/or share capital to viable enterprises;
- provides business premises and factory units and
- guarantees credit facilities and provides orientation training and guidance facilities.

Sowetan 17/2/83

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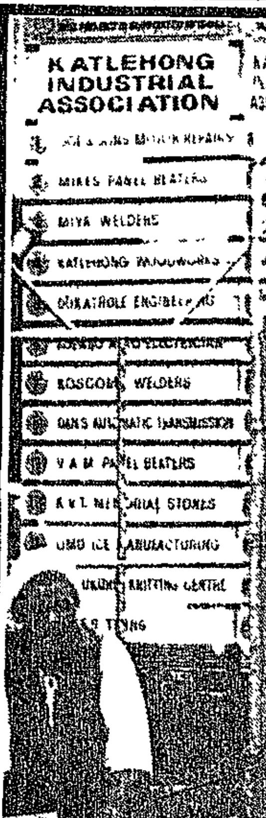

SPOTLIGHT

ON KATLEHONG

Industrial site like a beehive

30

By NKOPANE MAKOBANE
Pics by ROBERT MAGWAZA

DRONING OF MACHINES

THE Katlehong Industrial Association site is a beehive of activity like one would find in any industrial area.

A big signpost with a multitude of business' names greets the eye as one approaches the area. Coming closer, one can hear the whirling, wheezing and droning of machines.

One other striking factor about this place situated in Moshoeshoe Section and officially opened late last year, is its neatness and the way small traders there take pride in their cross-section of businesses.

Mr Hennie Bornman, a senior business consultant with the Urban Foundation based on the site to give advice to the businessmen, said the site was an exciting innovation as the first of its kind on the East Rand.

He said the association's site with seven black directors and 33 members boasted 25 manufacturers and one accounting service. Plans, he said, were underway to expand the premises as they had about 36 people on the waiting list.

"My office is open to any backyard manufacturer who may need proper advice to develop his business. Many people have found our services to be valuable that we have also been approached by other small traders in other East Rand townships."

Businessmen spoken to on the site said they were pleased to have moved to the area. They said they had more room than when they operated in their yards and the place gave them the right kind of motivation.

Said Mrs Gugu Maleke, who with her husband Erickson, manufacture and sells pottery: "I love the place because we now work at ease and can make as many utensils as we can. This we could not do while working from home because of the low electricity current supply."

Mr Joseph Ledwaba, who runs a brick works, said he jumped at the opportunity to move in the area when it opened because of space problems where he used to operate.

He said he was now able to make between 800 and 900 concrete and ash blocks a day. Because of the increased brick production, he said, he has even clinched a contract with the Urban Foundation to supply bricks for the new houses being built in Ramokonopi Section.

Other businesses being run on the site include motor repairs, panelbeaters, upholstery, ice manufacturing, metal industry, leather works, tiling, knitting, woodwork, welding, manufacturing of memorial stones and a florist shop.

INDUSTRY: Mrs Gugu Maleke with two of her staff at her pottery shop at the Katlehong Industrial Association site.

(30) ~~(172)~~ (80) Hansard

Coloured managers in White areas

Q. 61. 197 18/2/83

*26. Mr. C. W. EGLIN asked the Minister of Community Development:

(1) Whether any officials of his Department have informed employers that action would be taken against them in the event of their employing Coloured managers in businesses situated in proclaimed White areas; if so, in what towns have these warnings been issued;

(2) whether any action has been taken subsequent to such warning; if so, what action?

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) No.

(2) No.

FM 18/2/83

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JANUARY VEHICLE SALES

CARS

	1983 Jan	% of Market	1982 Dec	% of Market
Toyota	2 797	15,44	4 434	21,32
Ford	2 782	15,35	2 414	11,61
VW	2 637	14,55	2 506	12,05
Sigma	2 484	13,71	2 478	11,92
Datsun	2 395	13,22	2 688	12,93
GM	1 487	8,21	1 976	9,50
UCDD	1 214	6,70	1 573	7,57
BMW	819	4,52	1 156	5,56
Alfa	560	3,09	729	3,51
Renault	488	2,70	435	2,09
Leyland	447	2,47	401	1,93
Other	8	0,04	4	0,02

Jan total .... 18 118 (15,64% down on 21 478 last year)
Dec total 20 794

HEAVY COMMERCIALS
(5 001 kg and over)

	1983 Jan	% of Market	1982 Dec	% of market
Sigma	259	24,83	259	22,18
UCDD	196	18,79	254	21,75
Magnis*	133	12,75	83	7,11
GM	108	10,35	233	19,95
Toyota	88	8,44	95	8,13
Leyland	71	6,81	39	3,34
Ford	61	5,85	77	6,59
MAN	60	5,75	55	4,71
Int Harvester	18	1,73	15	1,28
ERF	18	1,73	7	0,60
Malcomess-Scania	14	1,34	5	0,43
Vetsak	9	0,86	23	1,97
Fodens	6	0,58	17	1,46
Oshkosh	2	0,19	5	0,43
VSA	—	—	1	0,09

Jan total .... 10 43 (50,64% down on 2 113 last year)
Dec total 20 794

* Magnis now incorporates Magirus Deutz and Datsun totals

LIGHT COMMERCIALS
(Up to 5 000 kg)

	1983 Jan	% of Market	1982 Dec	% of market
Datsun	2 213	29,84	1 894	22,87
Toyota	2 088	28,16	2 897	34,98
Ford	1 031	13,90	899	10,86
GM	936	12,62	1 219	14,72
VW	670	9,04	650	7,85
Sigma	358	4,83	641	7,74
Alfa	49	0,66	25	0,30
Leyland	28	0,38	22	0,27
Renault	28	0,38	29	0,35
UCDD	14	0,19	6	0,07

Jan total .... 7 415 (18,06% down on 9 049 last year)
Dec total 8 282

30) FM 12/2/83

RETAIL GARAGES

Squeezed margins

The government has called for a transcript of a debate on retail garage profits, according to industry sources. The debate, which took place on Springbok Radio recently, involved representatives of franchise dealers, garage filling stations, oil companies and associate bodies

Garage dealers are complaining of insufficient profits, and are calling on government for an increase in the current 3.7c/ℓ allowable as retailers profit margin Because this represents less than 7% on a litre of petrol, dealers say they have been squeezed by high overheads and insufficient petrol sales

However, it was argued during the discussion that what mattered was the overall turnover on which gross profit was based, and not the profit margin. It might be suggested that an average turnover in petrol sales of 100 000ℓ/month for each outlet was sufficient.

In urban areas some argue that there are too many garages chasing existing business Speed restrictions, reduced selling hours, smaller cars and improved engine efficiency have done nothing to stimulate sales of petrol. Quite the reverse. But the oil companies have a vested interest in competing for sales on every street corner. They are more concerned with overall market penetration, rather than individual site profits. Indeed, although they own 80% of retail outlets, directly or indirectly, retail profits are the garage dealer's problem.

Restrictive practice

Some dealers also argue that they should not be forced to operate workshops in addition to the intended fuel business. In terms of the standards, set by the repealed Undue Restraint of Trade Act (1949), called Urota, a business set up for the purposes of selling petrol must also provide workshop facilities, specified equipment, and at least one mechanic. As those who fail to comply will not be supplied with petrol, it amounts to restrictive trade practice

The intention of Urota, to have full motorist services at every garage, is out of date. Modern technology has reduced the likelihood of route repair work; servicing intervals have increased, there are more franchise dealers with specific repair expertise and equipment, and specialist establishments such as exhaust centres and tune-up centres have sprung up all over the place.

All these factors make the one-man workshop inefficient, under-utilised and a drain on working capital. Some suggest that the Urota standards should be scrapped. Reducing the number of garages through the interplay of free market forces would also support an improving profit position.

BLACK BUSINESS 30

Getting ahead

FM 18/2/83

Non-racial business partnership will take a major stride next month when promotion company Get Ahead gets under way

The company, to be public but unlisted will include heavyweights like Premier Milling, United Tobacco Company and the Grey Group — as well as other as-yet unnamed large industrial operations who will link up with various sectors of the black business community. The *FM* learns that a prospectus has already been prepared.

Kick-off date for Get Ahead is March 7

The concept, which is still being closely guarded by the participants, has largely been orchestrated by former SAB director Colin Hall who has for some time been acting as a consultant in the black market Hall is remaining tight-lipped on most of the details. He says the parties to the deal will meet this week to finalise a number of issues. Word is that Ntatho Motlana will be one of the company directors

Some of the matters to be settled are the location of the business's head-quarters, as well as the extent of black white shareholdings.

Hall is prepared to say that the company will operate at the wholesale end of the market so as not to cut across established black business interests in the township. He believes that the fledgling company has enormous growth potential and should be well-placed to take advantage of the burgeoning black market.

30

Stores profits: Much nail-biting

By Elizabeth Rouse

THE stores sector's index is at a peak, but the majority of chairmen have been cautious about making profit predictions, and some have been downright pessimistic.

Gold has been a positive factor so far for an economic upturn later this year, but the drought has brought a negative factor into the picture.

The importance of the agricultural industry in the economy tends to be underestimated, say some leading store executives. History has shown that a drought can cause havoc with retail sales

If gold stays around the current level or breaks convincingly through the $500 barrier, some commentators foresee an upturn in the last quarter of the year

It will take time for a high gold price to filter through the economy and offset the effects of the drought.

Results published in the past six months yielded almost no unpleasant surprises, with the exception of the Metro Group companies, whose dividends were slashed, and Pepkor, whose interim profits plunged.

However, once the Kirsh group has put Checkers on a sound footing and other companies in the group have cut their high spending, a profit surge is on the cards, says chairman, Natie Kirsh.

The groups with steady profit and dividend growth records did as well as could be expected under intense competitive pressure in a shrinking market.

They will be the chains which will take an innovative approach to marketing because they are determined to maintain their market share. The customers might even benefit by getting more value for money.

Those who keep the tightest control on stocks and operating costs will weather the storm best.

Those with high gearings will be able to bring down their enormous interest bills if the interest-rate downtrend continues.

But expansion plans are unlikely to be cut because the store chains must prepare for the next upturn.

The OK group's performance was considered a shade disappointing by some commentators.

But, by increasing sales by 16% to more than R731-million in the six months to October, the group outstripped the national retail sales growth of 14%.

A 35% rise in the interest bill to R9,3-million and heavier tax caused taxed profits to slip 3% to R10,115-million.

The interim dividend was held at 44c, and total payment should be maintained at 142c in spite of executive chairman Meyer Kahn's prediction that it would be difficult to equal the previous year's earnings achievement.

He was particularly concerned about the disturbing trend away from durables and semi-durables, and said at the interim stage that consumers would come under "terrible pressure" in 1983.

However, Hyperama's general manager, Gerald Manne, was optimistic about sales of high-margin goods over Christmas.

OK is going ahead with its R41-million capital spending programme, although all will not be spent at one go

Pick 'n Pay reaches its year-end at the end of this month. Chairman Raymond Ackerman forecast a 25% rise in turnover and pretax profits, and an increased final seems on the cards with the additional help of a reduced dividend cover.

Given year-end earnings of around 140c, a 2,5 cover would allow a 56c payout, rising to 60c if cover were reduced to 2,3.

The group's high food content sales should keep it stable if the semi-durable and durable goods market falters badly.

Adrian Bellamy, chairman of Edgars, the clothing, footwear, textiles and accessories chain, does not foresee an upturn in 1983.

Sales were up 35% to R282,7-million at the halfway stage in October last year, and the second half of the year is usually better. Dividends should be safe.

Edgars' interest bill soared to more than R9-million, but borrowings were below budget, and lower interest rates will improve the picture.

Foschini has an excellent track record, and managing director Hugh Mathew was fairly hopeful about summer sales.

The group's December year-end results should therefore be reasonable, considering that interim earnings were up 22% and the interim dividend raised to 150c (134c).

Truworths was a restraining force on Woolworths' group performance last year. However, group financial director Sid Muller was confident about Truworths' prospects this year.

Wooltru's earnings rose only 3,8% to 43,3c in the six months to December 1982, and the interim dividend was held at 20c.

Chairman David Susman says the financial year started buoyantly for all group companies, but a marked deterioration set in in October.

The board does not foresee an improvement in the year to June. However, write-downs will not be so heavy and profits should be maintained at last year's level.

Garlicks is a steady, reliable performer among department stores. However, turnover did not rise as fast as in the previous year. Margins were boosted by tight stock controls.

The second half of the year is likely to be quiet but no worse than at the same time last year.

Nevertheless, nothing startling can be expected from Garlicks. The dividend should be held.

Donald Campbell, chairman of Frasers, which operates in the black-consumer market, is taking a more optimistic view than most store top executives.

Food sales are going well, but clothes are sticking. Mr Campbell says he is hopeful that there will be an upturn in the second half of 1983.

R30-m complex delayed

Sowetan

Centre sparks off row

30

21/2/83

BUILDING on the controversial R30-million shopping complex due to start next month in Jabulani may be delayed following discussions between executive members of Soweto traders and Mr Natie Kirsh, chairman of Metro Cash and Carry group of which Checkers is a subsidiary.

By NKOPANE MAKOBANE

Mr Veli Kraai, chairman of the Soweto Chamber of Commerce and Industry, told **The SOWETAN** that Mr Kirsh told them that the complex, in which five black businessmen would enter into a 51/49 percent partnership with Checkers, had to be delayed while the matter was being looked into.

According to Mr Kraai, concern over the complex centred around giant supermarket chains being allowed to open retail businesses in the township which threaten small business people.

Another concern was that the people going into partnership with Checkers are suspected of being used as fronts by the giant chain.

TRADERS

Mr Kraai said they were happy that Mr Kirsh supported Soweto traders in their fight against any partnership which would affect traditional black business in the townships.

Mr Kirsh had said that as Government policy stood now, if Checkers did not move into the townships, other chainstores certainly would.

"He urged us to present an alternative case to the Government at the highest level to stop this tide," Mr Kraai said.

While the intrusion of black/white partnership into traditional black business had to be condemned, Mr Kraai said, a very clear distinction had to be made between these and black/white partnerships which introduced a whole new area of opportunity for traditional black business people.

MAJORITY

He said such a partnership was about to be launched under the name Afrimet in which black traders and other black shareholders would join hands with Metro Cash and Carry with the black shareholders holding 51 percent majority share.

Now the black trader will have his own supply on his own doorstep without having to travel into the city centre for his goods.

"The Afrimet partnership has been specifically planned to build up the small trader to increase his training ability and to see that at the same time he can give his customer a really square deal.

"This type of partnership is a different ball game. It must be welcomed and we must use it to the utmost to give us every business advantage," he said.

Township traders eager to hear Govt

RDM 30 22/2/83

By JOHN MOJAPELO
Pretoria Bureau

A SENIOR member of the Economic Planning Department of the Prime Minister's Office, Mr E J van Eck, is expected to spell out the Government's response to the recommendations by the National African Federated Chamber of Commerce (Nafcoc) concerning future opportunities for black traders in the country.

Mr Van Eck will be one of the main speakers at the inter-regional seminar of Nafcoc at Pilanesburg in Bophuthatswana on March 1 and 2.

Mr Gabriel Mokgoko, the co-ordinator and public relations manager of Nafcoc, said at the last inter-regional seminar of Nafcoc in Pietersburg last year that there were issues Nafcoc needed to examine to understand their impact on the development of business in South Africa

"We made recommendations to the Government after the seminar and we are expecting Mr Van Eck to come and tell us what progress has been registered and the Government's response," Mr Mokgoko said.

He said Nafcoc was specifically interested in the Government's policy of regional development, as it affected black traders in the country

Nafcoc has invited the chairman of the Decentralisation Board, Mr E G de Beer, to speak on the incentives for black manufacturers and informal sector in the decentralisation areas proposed by the Governbment.

"We are told of regional development schemes and decentralisation. We want to know what incentives are offered and what is the latest Government thinking on the issue," Mr Mokgoko said

Blacks were ignorant about the system of negotiating tenders on Government contracts in black areas, he said.

The director of the Small Business Advisory Services, Mr I J Hetherington, has been invited to the seminar to speak on "tenders and Government contracts — how the local entrepreneur can benefit".

Mr B O Sibeko, the chairman of Nafcoc's counselling committee, is to deliver an address on the means and methods to be submitted to the Government on how to amend the new Factories Act to suit small manufacturers

Mr S J J Lesolang, director of the oldest black company in the country, will speak on freehold title and free enterprise for blacks in the country

"Mr Lesolang's company has been in existence from the early forties We expect him to tell us what progress black traders have made so far," Mr Mokgoko said

There will be four other speakers.

Strangled wife hearing

Mail Reporter

THE hearing in which Mr Jozsef Gyarmati, the 33-year-old Yugoslav fitter accused of strangling his 17-year-old beauty queen wife after she had told him he was was found strangled in their modest home in Robertson Avenue, Ermelo, on January 5 after Mr Gyarmati had handed the baby and house keys to friends.

The magistrate, Mr M ...

Sarel's set for his US debut

SOUTH African rally champion Sarel van der Merwe will make his American debut in the Budweiser Miami Grand Prix the second round of the International Motor Sport Association (IMSA) Camel GT series in Miami on Sunday.

"Supervan" will share a Momo/Kreepy Krauly Porsche 935 "Moby Dick" with Italian Gianpiero Moretti

Guaranteed prize money for the race is R183 750, with contingency and other sponsorship awards expected to push this up to R262 500.

Total prize money for the Camel GT series will exceed R2 100 000 and at the end of the 15 race championship, a points fund of R262 500 will be split between the leading drivers

Van der Merwe will drive in at least seven of the races this year and, when rally commitments keep him at home, he will be replaced by South Africa's Desiré Wilson, the world's leading woman racing driver

Van der Merwe's agent Arthur Abraham, said the race would provide seven-times South African rally champion with massive international exposure

"I am sure he will do himself and South Africa proud

"About 60 000 spectators are expected to line the streets for the race," he said. "But in addition it will be televised live on 205 network stations in the United States, and will be beamed to 11 countries through the Spanish international network

"Supervan" said he had never before raced on a street circuit, and wanted to put in as much practice as possible

"I have only seen diagrams of the layout, and it looks to be a tricky combination of ultra quick sections and very tight bends'

Van der Merwe added that he was optimistic about the ...

Traders may still win fight says Naidoo

Natal 22/2/83

Mercury Reporter

CHATSWORTH'S 250 small traders could still win their fight against Durban City Council moves to allow white-owned chain stores into the township, Mr Daddy Naidoo, chairman of the Chatsworth Traders Association, said yesterday.

Mr Naidoo, Mr Gora Akoob, Mr Paul Singh and Mr Deena Chetty, met the Minister of Community Development, Mr Pen Kotze, in Cape Town last week and returned 'full of hope' that the Government would intervene and block the council's move.

Sympathetic

Mr Naidoo said the minister gave the deputation a sympathetic hearing.

'He told us there was no need for traders to panic,' he said.

Mr Kotze told the deputation he planned to visit Chatsworth soon to see things for himself.

The traders claimed they could be ruined by competition from white-owned supermarkets and were angry with the Southern Durban Local Affairs Committee for supporting the council move.

Informal sector is only hope for jobless

Star 23/2/83

(30)

By Anthony Duigan

One out of every three Africans entering the South African labour market in the coming decade will not get jobs — even with a reasonable annual growth in the economy.

This estimate, based on a Human Sciences Research council study of projected job creation and economic growth in South Africa, indicates that at least 1,5 million African workers alone (this includes the current registered unemployed) will be without work and income by the early 1990's — and an annual growth rate of nearly five percent will not change this.

The great majority of these people will not be entitled to any unemployment benefits and experts believe the only refuge for these folk and their families will be the informal sector of the economy — work opportunities created by backyard industries, hawking, etc in the black areas.

Mr Hennie Reynders, chairman of the National Manpower Commission, said in an interview that the informal sector played a very important role in providing work in Africa and it was being looked at from this point of view in this country.

"Up to 40 prcent of workers in Africa are employed in this sector — a normal occurence in less developed countries — and it is something we are looking at here," he said.

Mr Steve Terblanche of the manpower planning section at the HSRC, said their analysis of the labour supply and anticipated demand between 1977 and 1987 indicated that the formal economy was incapable of supplying the number of jobs needed.

At an average annual growth rate in the GDP of 4,5 percent the estimate of jobs created in the decade to 1987 would be in the region of 1,6 million, he said. But the number of workers, mainly black, coming onto the market in the same period was at least 2,7 million.

The Small Business Development Corporation, meanwhile, has actively entered the informal sector to try and stimulate development there in a limited way without destroying its fabric.

"The SBDC has started a small loans programme directed at the semi-formal and informal sectors," said Mr Jacques Verster, a spokesman for the Corporation.

Under this scheme amounts of between R250 and R1 000 are lent out with a minimum of formality to applicants starting small businesses in the black and coloured areas.

The allocation of loans is done by a committee of local businessmen chosen for their knowledge of local situations, he added.

To date the SBDC has financed more than 10 000 big and small businesses employing about 17 000 people. Besides this the property development arm of the corporation has provided accommodation for 623 businesses to date employing another 11 224 people.

Loans to date for small businesses amount to R52 million and for property development another R43,5 million.

Nafcoc aid for 53 students

(30) RDM 24/2/83

Pretoria Bureau

THE National African Federated Chamber of Commerce (Nafcoc) gave out less bursaries last year to post-matric students because of the poor matric results in black schools throughout the country.

The Masekela-Mavimbela Scholarship Fund granted only 53 bursaries (as opposed to 63 the year before) to students who passed their examinations last year. More than 200 students applied for the bursaries, but most failed their exams.

The 63 students who benefitted last year studied at the Universities of Bophuthatswana, Fort Hare, Turfloop, Zululand, Transkei and Witwatersrand.

Ninety percent of the students sponsored studied commerce. The remaining 10% studied for law and arts degrees.

One of the students helped this year is reading for an engineering degree at the University of Natal and four are at the Mabopane Technikon.

Nafcoc said in its latest report that it cost on average R1 500 to maintain one black student at university for a year.

"The board of the fund has further decided to grant bursaries on a 50% loan and 50% outright grant basis. The loan is payable on instalments on completion of the course," the report said.

The Mavimbela-Masekela fund was started in 1966 in memory of Nafcoc's founding fathers, Mr B Masekela and Mr J C Mavimbela.

Mr Sam Motsuenyane, the president of Nafcoc, explained that the fund helped needy students acquire business, technical and management training at universities or technikons.

Mr Motsuenyane added that Nafcoc intended to increase the number of students supported to 100 by 1985.

R4m shop tender row claims denied

(30) RDM 24/2/83

By HARRY MASHABELA

ALLEGATIONS that the Department of Community Development is preventing traders from tendering for sites in a proposed R4-million Eldorado Park shopping complex are being treated "with the contempt they deserve".

Yesterday the department's regional director, Mr D H Roussouw, rejected allegations that tender forms are being witheld from the traders to allow white chain stores to develop the sites.

A group of about 50 businessmen told the Rand Daily Mail they have been trying since February 7 to get "special forms" — GC-102 and GC-273 — to tender for the five sites jointly. They have had no success, but were told they could use ordinary paper.

But a spokesman for the businessmen said: "Without seeing the forms how can we possibly find out what information is required in the tender, and what conditions have to be complied with?"

The five sites — stands 4084 (1 7685ha), 4086 (4141m²), 4087 (2 593m²), 4088 (2 210m²) and 4090 (2 100m²) — are situated in Extension 5, Eldorado Park. The closing date for tender is 11am tomorrow.

The 50 traders include Mr William McBaine-Charles, chairman of the United Chamber of Commerce, Mr Sam Moffat, president of United Businessman's Association and his deputy, Mr Abie Morris. They said yesterday their group suspected the Department of Community Development was withholding the required forms because "it wants to allot the sites to major white chain stores."

Yesterday Mr Roussouw commented: "We deny that tender forms were not available to anyone asking for them. Tender forms are freely available and have been since publication of the notice inviting people to tender for the five stands in Eldorado Park."

He also said he was not prepared to comment on the other allegations because these "are mere speculation".

The businessmen say that so far only Mr McBaine-Charles has managed to obtain the forms, part of the tender conditions, on February 18 — "after a lot of wrangling".

"It was not easy to get them. I was tossed from pillar to post almost every day for nearly two weeks before I laid my hands on the special forms. A Mr Terblanche, from whom I sought the forms, wanted to know how I got to know he had them," Mr McBaine-Charles said. He said he had been given forms for his own tender, but not for the others.

The three men said they had been told they could submit their tenders on ordinary paper. They also understood that some major white chain stores had tendered for the sites "through Pretoria and not the regional office".

"We are opposed to whites infiltrating into the black areas for business. It's Government policy that blacks do business in black areas and whites in white areas," the tee men said.

Eviction row

THE protest by Africhem, a black-owned KwaThema company, at their eviction from a township building by white medical practioners, is to be considered in today's monthly meeting.

24/2/83

A spokesperson for the company said medical practitioners took this step in favour of a white pharmacist.

Sowetan

30

30

BLACK RETAILING

The Maponya link

FM 25/2/83

Pick 'n Pay (PNP) is the latest supermarket chain attempting to penetrate the lucrative Soweto market. The group is now negotiating with Soweto entrepreneur Richard Maponya for a supermarket development in Pimville.

Maponya, co-owner of the largest garage in the southern hemisphere, has various other business interests and is also the founder and first president of the National African Federated Chamber of Commerce (Nafcoc).

According to him "There is nothing to talk about yet. I have been talking to a number of chain stores."

However PNP MD Raymond Ackerman says: "We are very interested in going in with him, although nothing has been finalised yet. We've been wrestling with the problem of investment in black areas for a long time as it is a very sensitive issue. We also realise there is opposition from blacks to the 49%/51% agreement."

PNP is apparently trying to avoid the 49%/51% provision by working on the basis of a management contract. It is also believed that the negotiations for the Pimville site have been complicated because a portion of the site belongs to SA Transport Services (SATS) and a price has not yet been agreed on

Last year Maponya said he was "hatching a development estimated to cost R40m with six partners" and that "the bulk of money will be raised through financial institutions "

But Ackerman says "Our development is certainly not that amount of money, and we're the only partner I know of."

It is also believed that Maponya has been trying to put together a R1,5m deal for changing his cash store into a Spar-franchised supermarket. But Spar apparently pulled out because it was unwilling to sign the management contract required by Maponya.

Says Ackerman "The people of Soweto need mass marketing to bring prices down But for years the black trader has not been allowed into white areas, so I'm extremely wary about going into black areas until we've found the right formula.

"The ideal system for developing trade in black areas is to float a company and issue shares to the mass public."

PARTNERSHIP IN BUSINESS

Scrap the ratios

30

FM 25/2/83

The black market has increasingly come to mean big business. So it is not surprising that the lifting of restrictions on white capital movement into black areas on a 49%-51% partnership basis has been welcomed by the business community. Checkers, OK and now Pick 'n Pay all have their sights firmly set on Soweto. Yet there is growing resentment about the development in the black community.

Prior to 1979, when many of the restrictions governing black businesses were eased, "black fronts" for "white money" were allegedly common, although illegal. Now policy changes permit white investment in black areas whereas previously it was taboo.

However, policy does specify that 51% of share capital in any partnership venture in a black urban area must be held by blacks with white investors holding the balance.

Clearly, pegging the white equity ratio was an attempt to placate small black traders' interests; they feared, and still do, being "swamped" by white entrepreneurs. In fact, many believe the new policy has achieved little other than to legalise "fronting" by black businessmen.

The reason is that although company equity might be structured on a 49%-51% basis, the share capital might be only R100, with the minority white partner providing additional loan finance worth millions of rands.

So National African Federated Chamber of Commerce's (Nafcoc) president Sam Motsuenyane's reaction is entirely predictable. Speaking largely for the small trader, he is adamant that there "should be no government prescription for the partnership relationship."

The real issue, it seems, is the presence of "white" capital in black areas — with no reciprocity. The solution is simple. If black areas are opened up to white capital, the CBDs and "white" suburbs should become available to black businessmen.

As Motsuenyane puts it: "Government should implement free trade zones which would be the beginning of the opening of both black and white areas to business of all races."

If government's intention in establishing the 49%-51% arrangement was to protect black traders, it has failed. If it was an attempt to overcome historical prejudices against white capital involvement in black areas, it has also been an unsuccessful exercise. So why not scrap a formula which appears to be a sham and could result in a worsening of relations between black and white businessmen?

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Blacks: freehold tenure

Q. Col. 303
25/2/83

*4. Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

(1) Whether he is considering freehold tenure for Black South Africans in urban centres in the Republic, if so which urban centres will be involved;

(2) whether the 99-year leasehold system will continue to operate for Blacks from independent and national states living in the Republic?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) No To implement the 99-year lease hold system now deserves our full attention.

(2) The 99-year leasehold system will continue to operate for such Blacks who fall within the definition of "qualified person" as defined in Section 1 of the Blacks (Urban Areas) Consolidation Act, 1945 (Act 25 of 1945).

Mrs H. SUZMAN: Mr. Speaker, arising out of the reply given by the hon. the Minister, is he considering extending the 99-year leasehold to the Western Cape as well, and if not, why not?

†The MINISTER: Mr. Speaker, if the hon. member wants a reply to that question, I cannot simply reply to it off the cuff. She is welcome to table her question.

†Prof N. J. J. OLIVIER: Mr. Speaker, further arising out of the hon. the Minister's reply, could that mean that the question of freehold for Blacks in urban areas will not be considered by the Cabinet committee announced by the hon. the Prime Minister?

†The MINISTER: Mr. Speaker, I replied to that question very clearly. I therefore think it is unfair that the hon. member should now come forward with such a question here. [Interjections.]

Commission of Inquiry into Health Matters

*5 Dr. M. S. BARNARD asked the Minister of Health and Welfare:

Whether the final report of the Commission of Inquiry into Health Matters will be published; if not, why not?

†The MINISTER OF HEALTH AND WELFARE:

The publication of the report will be considered after receipt.

La Mercy Airport

*6. Mr. B. W. B. PAGE asked the Minister of Transport Affairs:

What is the total amount spent on all aspects related to the proposed international airport at La Mercy to date?

The MINISTER OF TRANSPORT AFFAIRS:

R33,7 million.

La Mercy Airport

*7. Mr. B. W. B. PAGE asked the Minister of Transport Affairs:

When is it expected that (a) final arrangements will be completed for, and (b) tenders will be called for the construction of, the new international airport at La Mercy?

†The MINISTER OF TRANSPORT AFFAIRS:

(a) In approximately 2 year's time.

(b) Tenders will be called for only after completion of the final plans and with due regard to the then prevailing economic circumstances.

La Mercy Airport

*8. Mr. B. W. B. PAGE asked the Minister of Transport Affairs:

How many (a) completed sets, and (b)

variations, of plans for the new international airport at La Mercy have been considered since the project was first mooted?

The MINISTER OF TRANSPORT AFFAIRS:

(a) One comprehensive master planning report as well as two sets of terminal building sketches for different passenger handling concepts have been completed.

(b) The master planning report is continuously being updated. Two variations to the terminal building complex sketches have been effected. No variations for the runway and taxiway system have been considered.

Mr. B. W. B. PAGE: Mr. Speaker, arising out of the reply given by the hon. the Minister, could he tell the House how many more variations to the plans he expects to have before this airport is finally built sometime in the next century?

The MINISTER: Mr. Speaker, according to our records there is not such a questions. [Interjections.]

West Coast: national park

*9. Mr. R. R. HULLEY asked the Minister of Environment Affairs and Fisheries:

Whether the Government intends to proclaim a national park along the West Coast; if not, why not; if so, when?

†The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES:

Yes. As soon as the necessary preparatory work has been completed.

Kruger National Park: prospecting

*10. Mr. R. R. HULLEY asked the Minister of Environment Affairs and Fisheries:

(1) Whether any prospecting boreholes have recently been drilled by Iscor in the Kruger National Park; if so, (a) how many and (b) what were the findings of these prospecting operations;

(2) whether any prospecting or related activities have taken place in the Kruger National Park in the past 18 months; if so, what was the nature of such activities?

The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES:

(1) No.

(a) and (b) Fall away.

(2) No.

~~289~~ 30 Hansard

Transport Services: leasing of properties

Q. Col. 306
25/2/83

*11. Mr. G. S. BARTLETT asked the Minister of Transport Affairs:

(1) Whether the South African Transport Services intends to lease portions of its properties at railway stations to supermarket companies; if so, (a) which properties are involved, (b) at what rentals will they be leased and (c) how were such rentals determined;

(2) whether any of these properties have already been leased; if so, (a) to whom and (b) at what rentals;

(3) whether tenders were called for; if not, why not?

†The MINISTER OF TRANSPORT AFFAIRS:

(1) No, but the feasibility of developing available space at stations commercially, is being investigated.

(a), (b) and (c) Fall away.

(2) and (3) Fall away.

26/2/83 (30) C-Times

Pick 'n Pay may open in US

By PAUL DOLD
Financial Editor

THE retail trade is waiting anxiously for the start of the biggest supermarket battle ever seen in South Africa as Pick n Pay — the country's most profitable chain and Checkers — the largest clash head on.

While there has traditionally been strong rivalry between the two groups a gigantic tussle will develop this year as Gordon Utian, now rid of the millstone of the loss-making department stores, prepares for a return to profitability in the next economic upswing and Raymond Ackerman throws the full muscle of Pick 'n Pay into the fray to prevent Natie Kirsh from reaching his goal.

This week Raymond Ackerman described the looming battle as a head-on clash

"I now regard Checkers as our major competitor. I see a terrific head-on clash between Checkers and ourselves. American retailers believe there is insufficient room in the South African market for three major chains by the end of the eighties. We are going to make damn sure that we are around "

Gordon Utian says Checkers morale is high, with continuing progress being made in restructuring operations. Noting Checker's strength at consumer level he said:

"We are the largest supermarket chain in the country and recently in a poor trading week had more than 2,5m customers through our stores."

Raymond Ackerman has been touring the country boosting staff morale and honing the group for this battle.

Pick 'n Pay will be releasing its year-end figures soon which are likely to show sales up 25 percent and a similar increase in profits.

In spite of the recession, the group is trading strongly and claims to have raised market share considerably at the expense of competitors.

In this interview Mr Ackerman discloses for the first time that Pick 'n Pay is considering opening a chain in the United States and he gives a deep insight into the group's overall strategy.

Business Report. Retailers generally are slashing margins as sales growth falls sharply. Has Pick 'n Pay been affected by the recession?

Ackerman: Sales for the past year appear in line with budgets. The Christmas figures were 30 percent up on last year which we were very happy with — sales were R30m up exactly.

January was R2,9m above budget. February has been slower but enough to reach

Mr Raymond Ackerman

comed the other chains joining us in cutting bread prices by 15c — 16c a loaf. In the end we held our prices for four months at a cost of R1m and unquestionably made heavy gains in market share.

Overall, the group was particularly aggressive in the second half We have never been so aggressive in our marketing.

BR: Can the group become even more efficient?

Ackerman: Yes, this is why I am so confident of growth

BR: What trends do you see in supermarketing over the next few years?

Ackerman: We are spending a great deal of time studying trends. The greatest change will be scanning with a sophstication of systems and expense control.

The trend is firmly towards superstores — the larger supermarket with judicious hardware and DIY.

The third area we are watching is the growth of cable TV, what will happen to supermarket shopping, how much shopping will be done from home. Appliances and clothing are already being sold via home buying on TV — a trend which a retailer ignores at his peril.

BR: Checkers' problems over the past few years must have helped you gain market share?

Ackerman: Far be it from me, and I really mean this, to wallow in anyone else's problems but we, as an act of policy, went out to gain market share; we would be fools if we did not. We have also widened ranges while some of our competitors narrowed theirs.

BR: Have you ever considered bidding for Checkers?

Ackerman: Obviously it has gone through my mind. I would not be in favour but there are some people in my company who would see advantages for Pick 'n Pay in such an acquisition.

However, we could run into anti-monopoly legistlation. I feel it would be a bad move for Pick 'n Pay. We should rather concentrate on what we are doing

project. This was one of the initial schemes. My original timing for opening was Easter 1985 or Christmas 1984. These dates are still possible The plans are drawn and zoning has been approved.

BR: If Australia does not flow through for one reason or another would you switch your expansion elsewhere?

Ackerman: If Australia falls through, and this is unlikely, I already have an alternative plan in the United States. We have approached two to three companies who are very keen to talk something out with us similar to Australia but I certainly will not launch the two simultaneously.

BR: In what American cities would you open stores?

Ackerman: I would rather not disclose this at this stage.

BR: Your son Gareth is working with the Pantry Pride group in Florida. Would you link with this chain?

Ackerman: We have had talks with three chains. The group is being extremely cautious. So many European companies have burnt their fingers in America — chains who went too big.

BR: Is the overseas growth a priority area?

Ackerman: South Africa is our major priority. From the point of view of personal challenge I would be delighted to see Pick 'n Pay trading successfully in the US or Australia.

If by 1990 we can have two-thirds of the business in South Africa and growing and one-third running well in Australia and the US ... this would be an enormous achievement.

BR: Would you set up another chain in South Africa?

Ackerman: We have another hyper opening in Pretoria giving us 10 and there is still scope for another five to six supermarkets and super stores a year until 1990 without overstoring.

Our field is mass marketing. There are planned areas for expansion in our own business We are extending builders' yards into some of our super stores like Kenilworth and also opening more garages as part of our superstores. They are very profitable. We have so much potential for more bakeries, garage, diy around our centres

The group is undertaking an enormous amount of internal diversification extending bakeries — we want more — plus large scale renovation gutting the older stores and redoing them in a new image Our whole goal for the eighties is a very real South African involvement.

BR: The South African programme is clearly on its own a major expansion. Can Pick 'n Pay continue to achieve profit rises in the 30 percent range?

Ackerman: Growth is likely to average 15 to 20 percent and in good years 20 to 25 percent. I do not think we can go on at 30 — 35, but growth in relation to our size will remain strong

BR: Could Australia alter these forecasts?

Ackerman: Yes, but only in about five years when the chain is established. We hope to have a 50 percent stake in the remaining stores after the first is opened.

BR: Some time ago you disclosed negotiations were underway to buy a stake in Clicks — would a diversification of that type still be considered?

Ackerman: At the time I liked the idea of expansion in this direction. Jack Goldin runs a first-class company and if he wanted to sell a strategic stake we would have been very interested. Unfortunately, the negotiations have fallen away completely. I think we have talked two or three times....

BR: What about the theory SA is overshopped?

Ackerman: I do not accept it. I heard that view when we first expanded Pick 'n Pay from the Cape to the Transvaal. Checkers have 170 stores doing less turnover than we are in 69 stores. We have earmarked openings through to 1990 in areas where we are not represented at all. If it means competing against their older stores so be it. This is what competition is all about. Equally, we must watch our older stores. We are not overstored. South Africa has a lot of stores.

BR: What still remains for you to achieve?

Ackerman: I have never been goaded on by money or power. A sense of achievement, yes Americans are amazed at what we have achieved in 15 years .. there it would take them 30 to 50 years.

I realize we have an enormous amount to do to consolidate what has been achieved. I would like to hand this business over to my successor as managing director whether it is now or three or five years time and be chairman of the board

This will not happen yet...I have a great deal to achieve over the next three to five years Pick 'n Pay is sound but it has grown so quickly and consolidation is needed

BR: I presume your son Gareth will succeed you?

Ackerman: Gareth is now 25, working in the US. Certainly I would never practice nepotism. He has to prove his worth and earn his spurs If I decide to appoint an md before he is ready — assuming he is able — I have people in the business who could be very talented managing directors with me a chairman of the board

Gareth will only succeed me if he is able and has a good many years tucked under his belt of South African experience. I may well appoint a managing director before he is ready.

show sales up 25 percent and a similar increase in profits.

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Ackerman: Sales for the past year appear in line with budgets. The Christmas figures were 30 percent up on last year which we were very happy with — sales were R30m up exactly.

January was R2,9m above budget. February has been slower but enough to reach the budgetted turnover. We should achieve profits in line with sales.

Obviously, the mix has not been as strong, due to the downturn. But gross margins have held up extremely well on the food side in spite of price cutting.

The expenses are well in hand. Everything depends on the shrinkage for the year end. Tax rates are higher this year and there are also additional shares to be serviced through the pref conversion. The after-tax earnings will not show the same growth.

BR: Are you taking any steps to minimize tax?

Ackerman: We are wrestling with the problem of a switch to lifo which effectively reduces pre-tax earnings and taxed earnings but keeps more money within the group. More funds being retained through the lifo switch could mean more resources available for dividends. It is only a thought — no decision has been made.

BR: What of leveraged leases?

Ackerman: We are looking at this closely.

BR: Pick 'n Pay appears to be trading extremely well.

Ackerman: We adopted a very aggressive stance early last year depressing margins to get sales.. the sales have come through with expenses going down percentage wise.

The bread issue brought market share. People poured into the stores. Let me imediately add I did not take this step as a marketing stunt to merely boost sales. We would have welances and clothing are already being sold via home buying on TV — a trend which a retailer ignores at his peril.

BR: Checkers' problems over the past few years must have helped you gain market share?

Ackerman: Far be it from me, and I really mean this, to wallow in anyone else's problems but we, as an act of policy, went out to gain market share; we would be fools if we did not. We have also widened ranges while some of our competitors narrowed theirs.

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However, we could run into anti-monopoly legistlation. I feel it would be a bad move for Pick 'n Pay. We should rather concentrate on what we are doing. I have never tried to be a conglomerate. Mr Kirsh has to concentrate on Dions, Russels and Checkers.

I do not want to become so big that Pick 'n Pay looses its thrust and cohesiveness. I would rather be big through internal growth. Ten years ago I never thought we would be as large as today.

BR: The expansion to Australia appears to be taking longer than anticipated?

Ackerman: There is an enormous upside potential and very little downside risk to the project. We are only going in with a partnership — one third with our Australian partners holding two-thirds. It is a R9m company where we put in R3m.

Our first problem was to obtain forex permission, which we received. The second to find a partnerhip, and the third to obtain Australian Government permission which we thought would be automatic, and, fourthly, the finance.

Government permission proved difficult, due to vested interests smaller and larger chains trying to keep us out. An overflow of these problems is now creeping into the financial sphere. Many of these traders are on the boards of financial institutions.

We are having problems in raising the finance. But it looks ever so much brighter after a recent trip by Hugh Herman but it is still not settled.

BR: Will you put in more of your own funds?

Ackerman: No. Another alternative is for our Australian partners to finance the

group is being extremely cautious. So many European companies have burnt their fingers in America — chains who went too big.

BR: Is the overseas growth a priority area?

Ackerman: South Africa is our major priority. From the point of view of personal challenge I would be delighted to see Pick 'n Pay trading successfully in the US or Australia.

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Ackerman: We have another hyper opening in Pretoria giving us 10 and there is still scope for another five to six supermarkets and super stores a year until 1990 without overstoring.

Our field is mass marketing. There are planned

it. I heard that view when we first expanded Pick 'n Pay from the Cape to the Transvaal. Checkers have 170 stores doing less turnover than we are in 69 stores. We have earmarked openings through to 1990 in areas where we are not represented at all. If it means competing against their older stores so be it. This is what competition is all about. Equally, we must watch our older stores. We are not overstored. South Africa has a lot of stores.

BR: What still remains for you to achieve?

Ackerman: I have never been goaded on by money

Sowetan 1/3/88 (30)

Nafcoc indaba to discuss outflow of buying power

TOP SPEAKERS have been lined up to talk at the two-day fourth inter-regional seminar of the National African Federated Chamber of Commerce (Nafcoc) starting at Sun City tomorrow.

The seminar with the theme "Outflow of Buying Power — Re-examination of Recommendations" will endeavour to monitor progress and bring to light some of the far-reaching recommendations made at a similar seminar in Pietersburg last April.

Mr Gabriel Mokgoko, co-ordinator and public relations manager of Nafcoc, told **The SOWETAN** it was high time that the black entrepreneur became the bustling economic mainstream of Southern Africa.

He said this would not come about as a result of the kindheartedness of the authorities or the willingness of the financial institutions to lend a hand.

He said it would depend upon the capacity of the entrepreneurs to work hard together, to seize opportunities which become available from time to time and to continually create new ones.

Among those to attend the seminar are representatives of Government departments, administration boards and community councils, associate members and private sector organisations, universities and technicons.

Industrial site for backyarders

Sowetan 1/3/83 (80)

AN INDUSTRIAL site to cater for the needs of backyard manufacturers in KwaThema may be established before the end of the year — if all goes according to plan.

This is the brainchild of the East Rand Black Industrialist and Traders' Association and was mooted last year in September to help backyard manufacturers on the East Rand. The association is affiliated to Nafcoc.

Mr Jacob Radebe, chairman of the association, told The SOWETAN they had 38 members and that most of them were backyard manufacturers from KwaThema. Mr Radebe owns a leather shop in the area which produces belts, bags, handbags, purses and other leather works.

Mr Radebe has been manufacturing leather for the past 17 years and said by establishing an industrial site in KwaThema, backyard manufacturers who had been struggling for years to erect their own business premises would at last have a chance to develop their skills.

"The Urban Foundation is prepared to finance the project but the stumbling block at the moment is the East Rand Administration Board which has told us that at the moment there are no available sites in KwaThema," he said.

Mr Radebe said the board promised to make a site available sometime in October and as soon as this was done, work on the site would commence. The industrial site will cater for backyard welders, carpenters, panel beaters, leather manufacturers, car electricians, dressmakers, builders and many others.

Only Katlehong township on the East Rand has an industrial site for its backyard manufacturers, which was recently opened by the Urban Foundation. The association hopes to attract more members from Tsakane, Duduza and Daveyton townships.

3C

Opening of central city areas for trading by all races

Hansard 3/3/83 Q. col. 479–480

320. Mr. S. S. VAN DER MERWE asked the Minister of Community Development:

(1) Whether any representations were received in 1982 in regard to the opening of central city areas for trading by all races; if so, (a) from whom and (b) what was the nature of the representations in each case;

(2) whether central city areas or parts thereof were opened in 1982 for trading by all races; if so, in which cities or towns?

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) No.

(2) Three article-19 areas were proclaimed during 1982 making a total of 26 areas at the end of 1982.

I'll expose you, says Thebehali

TRADER SECRET

Sowetan 3/3/83 30

SOWETO 'MAYOR': Mr David Thebehali.

THE "MAYOR" of Soweto, Mr David Thebehali, has called on Soweto traders who are opposed to white involvement in Soweto businesses to prove that they themselves are not involved in clandestine partnerships with whites.

By SAM MABE

In an exclusive interview with **The SOWETAN** yesterday, Mr Thebehali threatened to release certain documents to the Press, showing the extent to which whites were involved in many businesses operated by black fronts in Soweto.

The fronts, which Mr Thebehali asked **The SOWETAN** not to name "for the time being", include prominent personalities and businesses reputed to be exclusively black.

Mr Thebehali said he found it strange that traders who were among the first to introduce whites to Soweto businesses were the most vociferous in criticising black/white business partnership in black areas.

The battle against white involvement in Soweto businesses was sparked off by an application by Mr John Mavuso to go into a 49/50 percent partnership with a giant white supermarket.

Mr Mavuso's scheme was attacked by black traders on the grounds that it would grant white traders benefits which the laws of the country denied blacks.

Mr Q Majola, executive member of the National African Federated Chamber of Commerce (Nafcoc) and managing director of Blackchain was recently quoted as saying that Nafcoc was working on a secret plan to oust white owned giant corporations from operating in black areas behind black fronts.

KwaZulu finance company

(30) RDM 8/3/83

DURBAN. — The kwaZulu Development Corporation has announced a lending policy to spread the reach of its development efforts and to facilitate direct private sector involvement in business development in kwaZulu.

The corporation's senior general manager, Dr Marius Spies, said the most important aspects of the policy were the formation of a joint finance company with the Trust Bank of Africa, differentiated interest rates for various components of loans granted to black entrepreneurs and subsidised interest rates for new entrepreneurs and new undertakings.

The KDC had almost completed the formation of the finance company. It would finance capital items selected from business loans granted to black businessmen by the KDC.

"We have not yet finalised all the details, but there are indications that at least R3-million per annum will be available to us for the next few years. The capital items will be financed on a lease or hire-purchase basis."

R½-m supermarket opens

A SUPERMARKET built at a cost of half-a-million Rand will be opened in Katlehong this month.

Entirely owned and controlled by blacks, the supermarket will cater for Vosloorus, Benoni and Katlehong.

Mr Reggie Mkhize, chairman and managing director of the supermarket said he had applied for a licence to sell wines in the supermarket. It is the first of its kind on the East Rand and because people in the area experienced transport complications in buying in town, a market of that kind was imperative, he said.

Mr Mkhize said the supermarket, to be called Tshepo Pty (Ltd), would offer up to 75 job opportunities. "We are not in company with any whites, a fact of which we are proud because this is our own effort that has made this possible."

The five directors are Messrs Ephraim Sekabate, Sydney Molete, Sam Sebotsa, Simon Rakhose and Reggie Mkhize.

30

SA needs black capitalists, says banker

By PETER BUNKELL

A LEADING black businessman warned yesterday that if more was not done to encourage the growth and development of black capitalists, South Africa's future would be very bleak.

Speaking in Johannesburg at a University of the Witwatersrand Business School conference, Mr Moses Maubane, managing director of the Black Bank, said if efforts towards the establishment of a black capitalist class were not stepped up, South African blacks would be driven to adopt a more radical system.

He said: "Already there is a significant voice in the townships which favours the acceptance of a socialist economy as a means of redressing the current problem.

"There is a very strong possibility that we will soon have to contend with foreign concepts like Marxism."

Mr Maubane believed it was in nobody's interest to see the elimination of the free-market system in South Africa.

However, it did not seem that the authorities meant the concept of free enterprise to be regarded as part of the black man's system.

"You simply cannot create capitalists in a situation where the black businessman is deprived of fundamental rights," he said.

"All one needs to do is look at who owns the assets that matter in the townships. They are owned either by the State or by State agents. This in itself constitutes a suppression of the kind of things that lead to the development of a free market situation."

Mr Maubane said a full integration of the economy was required. It was important that blacks became involved in the decision-making process at all levels.

This was the only way the country could ensure the continuation of the Western way of life as known in South Africa.

"What this means," he said, "is an acceptance of the need to scrap laws which militate against black participation in the economy."

Mr Maubane said it was unfortunate that the whole system of free enterprise was associated in the townships with the policy of apartheid.

"I believe in the free market system and in the future of South Africa," he said.

"However, much will depend on the extent to which the Government is prepared to move towards the scrapping of laws which presently impede black involvement in the economy."

Cape Herald 12/3/83 30

Row over hypermarket

THE Western Cape Traders' Association may soon be doing battle in court with the Admistrator of the Cape, Mr Gene Louw, and 11 others, over controversial plans to build a hypermarket in Ottery, on the doorstep of several large black areas.

Last week attorneys acting for Mr Hassan Sayed, a representative of the WCTA, served notice on 11 people and the Divisional Council of the Cape.

The association is objecting to the rezoning to a business area of a residential and agricultural site next to the Sunset Drive-In in Ottery.

The owners and developers of the site, who together with the council, the administrator, and the chairman of the council consitiute the 12 respondents, plan a massive shopping centre to serve the Ottery area and beyond.

The centre will include a hypermarket.

The associations's chairman, Mr Dawood Khan, said that they were objecting to the scheme because it could do irrepairable harm to businessmen presently trading in the area.

According to Mr Essa Moosa, the attorney instructing junior and senior counsel, the respondents have until the middle of March to reply to the WCTA.

The respondants are the chairman of the Divisional Council of the Cape; the Divisional Council of the Cape; the Administrator; David Annenberg Pty (Ltd); Harold Robert Laughton; Suburban Real Estate Pty (Ltd); Cyril Neville Holm; Grace Lillian, Kannemeyer; Hermine Theodore Rudolphine Brocaar (born Kaaj); Edmond Litchie; John Haven Wheeler and Patrick Robert William Brown.

New suburb's mobile 'shop' is coining it

(30) E. Post 12/3/83

Weekend Post Reporters

AT least one person is happy at Booysens Park, a new Port Elizabeth suburb with no public amenities.

He's a non-resident who has parked a small caravan on an open space to serve as the township's only shop, and is taking R20 000 a month.

The alternative to buying from Mr Mia Loonat's caravan is a 10km hike to the nearest established store.

Cooped up inside the cluttered caravan for 14 hours a day, Mr Loonat's staff of three dispense essentials like canned food, bread, meat and milk through an open window.

When the queue gets too long they serve their captive customers through the doorway as well.

There is no sanitation at the caravan. A bowl of water stands by the caravan door for staff to wash their hands.

But so brisk is business, Mr Loonat is thinking of buying a second caravan to park among the 660 houses built so far — priced between R21 000 and R25 000. The suburb's shopping centre should be completed in three month's time, but he thinks it is worth it.

Meanwhile, residents, who feel they are paying plenty for their houses, are furious that no shops were built before they moved in.

The Director of Housing for Port Elizabeth, Mr Mick Molyneaux, told Weekend Post a two-shop complex would be completed at the end of June.

He said the Small Business Development Corporation had undertaken to build the complex, but they had experienced several delays in getting the building started.

To begin with, the new suburb was served by two grocery vans, dispatched from a neighbouring township. This trade had wilted in face of on-the-spot competition from the caravan.

Mr John Kleinhans, in charge of the caravan, said he opened up at 6.30am and was usually still serving at 8.30pm. If people were still queuing he stayed open until after 9pm.

"All day long there is somebody at the window," he said

Mr Molyneaux said the Small Business Development Corporation was hoping to have some shops completed by the time the first people arrived at Booysens Park.

He added that a much larger shopping complex had been planned and would be built at the Stanford Road end of Booysens Park, near the present community centre and administration office buildings.

The "shopping centre" at the new suburb of Booysens Park — a caravan where staff work 14 hours a day, taking R20 000 a month in the absence of any competition.

D. Dispatch 14/3/83 (30)

Transkeian's rise from clerk to entrepreneur

UMTATA — The Transkei Hotel here, built and previously owned by the Transkei Development Corporation (TDC), has been handed over to a group of Transkeian businessmen who have formed a new company, Transkei Hotels (Pty) Limited.

The company acquired the hotel with a loan of R475 000,00 from the TDC. Mr Dendy Edwards, executive manager, investments of the TDC, is chairman of the new company and Mr Agrippa Mayaba, managing director. The hotel has an annual turnover of more than R2 million.

Mr Mayaba is today one of Transkei's leading businessmen. He attributes his success to the aid and assistance and training which he received from the TDC.

Twelve years ago he worked for the then Xhosa Development Corporation in Umtata as an accountant clerk for R315 a month. He became an accountant after taking a correspondence course and received further training from the TDC.

In 1971 he obtained his first loan of R23 000,00 from the TDC to acquire the Mt Frere Bakery.

He soon paid off his loan and obtained further loans to acquire the Umzimvubu Hotels, Mt Frere, as well as Umzimvubu Garages, Mt Frere. He named these companies Umzimvubu after the river that flows through Mt Frere.

During the past 12 years he has borrowed nearly half a million rands from the TDC to establish his various businesses. Today he is involved as a director, shareholder or owner of various business concerns in Transkei with an annual turnover of nearly R20 million.

He is also a director of the Transkei Agricultural Corporation, the Transkei National Transport Corporation and a past director of the TDC. For three years he was president of the Transkei Chamber of Commerce. — DDC.

MR A. MAYABA, managing director of Transkei Hotels (Pty) Limited.

(30)

SPOTLIGHT ON ATTERIDGEVILLE

BUSINESS AS USUAL

Traders get a place of their own

By MONK NKOMO

MR MIKE PETA: Overseer, deputy president of the local Chamber of Commerce and Industries and owner of a dry cleaning depot.

A DRIVE to the newly completed R400 000 Industrial Park situated near the Saulsville Hostel brings you face to face with men and women — old and young — sweating with concentration over their different trade jobs.

The factory units include dress making, welding, panel beating and spraying and carpentry. The project was launched by the Small Business Development Corporation (SBDC) to create facilities and opportunities for businessmen who do not have capital to acquire their own factory premises.

Mr Mike Peta, deputy president of the local Chamber of Commerce and Industries and also the owner of a dry cleaning depot, said all businessmen operating there were entitled to an overdraft of R25 000 each and the SBDC had pledged to guarantee it's percentage of the overdraft.

A walk around the premises brought us face to face with an elderly mother who told us she had designed about 2 000 wedding gowns during the 40 years she had worked as a dress maker. Mrs Sarah Magane, popularly known as "Auntie Sarah", said she was taught the trade by her grandmother in the early 40's while they were staying in Middleburg in the Transvaal. Later her family moved to Marabastad and then to Atteridgeville where her business flourished.

Mr Hosia Rakoma, a former taxi driver, has now embarked on a panel beating and spraying business. "I started here three months ago and the business is progressing steadily," he said.

The opportunities available at the Industrial Park also influenced Mr Paul Mathopa to take up carpentry on a full time basis. Formerly he worked as a carpenter in the business scheme of the local administration board for 26 years until he decided to "go it alone last December".

"I have been a backyard carpenter for a good number of years. Now I feel happy at this Industrial Park.

MRS MOGANE SARAH: Popularly known as "Auntie" Sarah, she has designed about 2 000 wedding gowns

K

Section D

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

	Internal	External
(1)	(2)	(3)
1a.	13-	
2a.	9-2	
3a.	8	
	8	

Business 'is alive and well'

16/3/87

Soweto 'is no threat to Jo'burg CBD'

(30) RDM

By JEANETTE MINNIE

THE Johannesburg central business district is alive and well. That was the message last night from the Johannesburg Central Business District Association — a view which was endorsed by the Mayor of Johannesburg, Mr Allan Gadd.

Alternate councillor of the CBDA and managing director of JH Isaacs, Mr Errol Friedmann, said in a report to the organisation's annual meeting that if all vacant business sites in Rosebank and Sandton were to be fully developed the aggregate of all business space in these areas would be marginally less than 10% of all existing office accommodation in the Johannesburg CBD.

And neither does the CBDA regard regional shopping centre development in Soweto as a threat.

Mr Friedmann said R150-million would be needed to develop one major shopping complex in Soweto comparable to those in Sandton or Bedfordview (Sandton City or Eastgate).

Such a centre would still be less than 10% of the Johannesburg CBD area. It would cost at least R1 000-million to duplicate CBD black retail outlets in Soweto.

Mr Friedmann said it could be safely assumed that this kind of money would not be forthcoming for development of this type in Soweto this century.

The estimated cost of replacing the existing Johannesburg CBD space (shops, offices, parking and storage facilities) and allowing for ground acquisition and infrastructure would total at least R21 000-million. That represented more than the total State budget for South Africa for the current year.

The chairman of the CBDA, Mr Nigel Mandy, said half of South Africa's commercial office space was located in the Johannesburg CBD area.

In his opening address Mr Gadd appealed to private enterprise to keep the environment outside their stores and complexes clear of litter.

TRADERS MAY TAKE OVER

Sowetan 17/3/83

(30)

By ALI MPHAKI

A LARGE number of commercial buildings owned by administration boards in the country may now be bought by black traders in urban areas, the deputy minister of Co-operation and Development, Dr G de V Morrison, said yesterday.

Officially opening a supermarket in Thokoza near Germiston, he said the prices of these buildings would be determined according to a departmentally approved formula.

The supermarket, probably the first of its kind in East Rand black townships, is owned by Mr Reggie Mkhize.

Mr Morrison said the conditions of sale would be laid down in contracts which might serve as a basis for negotiation with financial institutions to obtain loans.

"Both the size and number of available trading sites are still limited, owing to the fact that previously no noteworthy provision had been made for trading in these areas.

"Boards have, however, been requested to make provision in future planning for trading sites of a more appropriate size. Boards may also apply for permission to consolidate sites where necessary for the erection of large commercial buildings," he said.

Mr Morrison said traders could also improve and extend their buildings and sell them to other qualifying persons with the approval of the boards.

A great "stumbling block" in the way of the black businessmen has in the past been their inability to negotiate finances for projects in that they could not offer acceptable security.

The introduction of the 99-year-leasehold system by Act 97 of 1978 had, however, brought about a vast improvement in that in terms of the Urban Areas Consolidation Act No 25 of 1945, he could apply for a right of leasehold in respect of a surveyed trading site.

Mr Morrison added that many of the former restrictions on the allocation of sites had now been abolished.

Thebehali gets lashing

Sowetan 17/3/83 (30) ~~33~~

Business leader tells 'mayor' steer clear

By LEN MASEKO

SEVERAL Soweto businessmen have reacted strongly to allegations made by the chairman of the Soweto Council, Mr David Thebehali, that they were involved in black/white partnerships in the townships.

An irate Mr Veli Kraai, president of the Soweto Chamber of Commerce and Industry (SCCI), warned Mr Thebehali to steer clear of the "war" against white businesses operating in the townships.

"It is interesting that an administrator (Mr Thebehali) should involve himself in such affairs. It is also disappointing to hear that the so-called leader of Soweto has decided to take sides on this issue when his job is that of allocating sites and administration," Mr Kraai said.

The SCCI president was reacting to Mr Thebehali's accusations that he (Mr Kraai), although opposing black/white partnerships in Soweto, was actually involved in plans with a giant wholesale chain to establish a business in the townships.

Last week Mr Thebehali caused a stir when he released the names of businesses generally known to be black-owned but which, according to him, were actually partly owned by whites who operated from the background. Among those named were Mr Kraai, the National Federated Chamber of Commerce (Nafcoc) and, its subsidiaries, Afribank and the African Development Construction Company.

The whole controversy was sparked off by the announcement that a giant supermarket chain and several Soweto businessmen were involved in a deal to build a R30-million shopping complex in Jabulani. This proposed project has since evoked widespread condemnation from Soweto's business community.

Mr Kraai added: "I have always made it clear that I am not against the 51/49 percent partnership. But I strongly oppose a case where whites are actually financing the whole business instead of entering into a 51/49 percent partnership with black businessmen."

Of the accusations that he was also involved in "front businesses", Mr Kraai said: "I can assure you that I'm not involved in business of this nature. I am not ashamed to say this. My hands are clean and I can prove this anytime."

Mr Phillip Ramakobya, general manager of Nafcoc's subsidiary, Blackchain, reacted with anger yesterday when told of Mr Thebehali's allegations: "He is talking nonsense. There is nothing like that."

Meanwhile, Nafcoc is to hold an urgent meeting to discuss the allegations.

King shop site to be rezoned

(30)

D. Dispatch 17/3/83

KING WILLIAM'S TOWN — A prime business site near the plush suburb of Kaffrarian Heights is to be rezoned because the Borough Council fears too many blacks would patronise shops there.

A report from the borough engineer, Mr G. Smith, to council said "the establishment of a black-orientated shopping centre in a prime white residential area would be most undesirable."

The 1,15 ha site, the only business site in the area, had been intended for use as a business complex to serve the surrounding residential area.

The site, which fronts on to Queen's Road and is bounded by Queen's Brownlee and Maitland Roads and Egan St, is close to the main road from King to the new Ciskei capital, Bisho.

Mr Smith's report proposed the property be divided in five sections, one to be used for general business purposes allowing for the erection of a small tearoom and possibly a doctor's surgery, with garages on the ground floor and flats above.

Three other sections could be zoned to permit the erection of flats or other forms of multiple housing, while the fifth and smaller section would accommodate a water pump station.

Council resolved the former business site be subdivided and rezoned to allow residential development at ground floor level, subject to the approval of the Administrator. — DDR

RDM 30 17/3/83

No one can ignore this new Colossus

LEADING South African businessmen were given an insight of the needs and demands of the rapidly expanding black market at a conference held in Johannesburg last week.

The conference — "The Black Colossus" — was organised by the University of the Witwatersrand's Graduate School of Business Administration, and speaker after speaker emphasised the necessity for white business to pay increased attention to the requirements of the burgeoning black market.

Dean of the Business School, Professor Andy Andrews, said that to meet the ever changing needs of the evolving black market, management required constant update and review.

"The challenges and potential benefits of this market are unlimited. There is no doubt that companies which overlook this fact will, within the next five years, reduce their market share."

The tone of the seminar was set by Stellenbosch demographer, Dr J A Grobbelaar, who revealed that from a current figure of 20,5-million, the black population was expected to increase to 26,9-million in 1990 and to 34,9-million by the year 2000.

"This implies an annual growth rate of 2,76% for the period 1980 to 1990, and 2,63% for the period 1990 to 2000.

"The proportions of the other three population groups — whites, coloureds and Asians — decline accordingly, with whites, due to very low fertility and mortality, showing the greatest decline both proportionately and in annual growth rates."

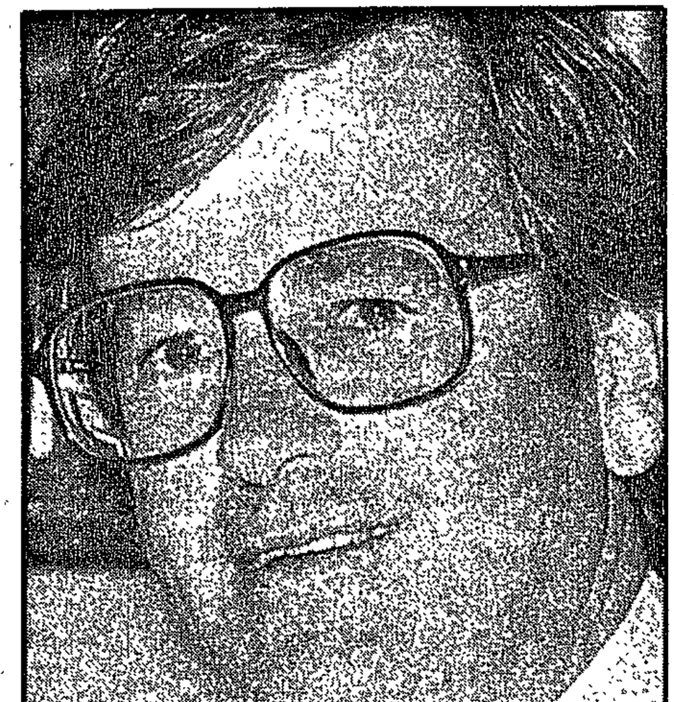
Dr Grobbelaar then isolated the 15 to 64 age group and said that, during the period 1980 to 2000, the increase in the number of black persons in this group was expected to be approximately 13,5 times that of whites, Asians and coloureds.

"The black population in the 15 to 64 age group is therefore of prime importance to marketers as the economically active persons in this group are to be the wage earners and family bread winners with money to spend and various needs for goods and services of all kinds."

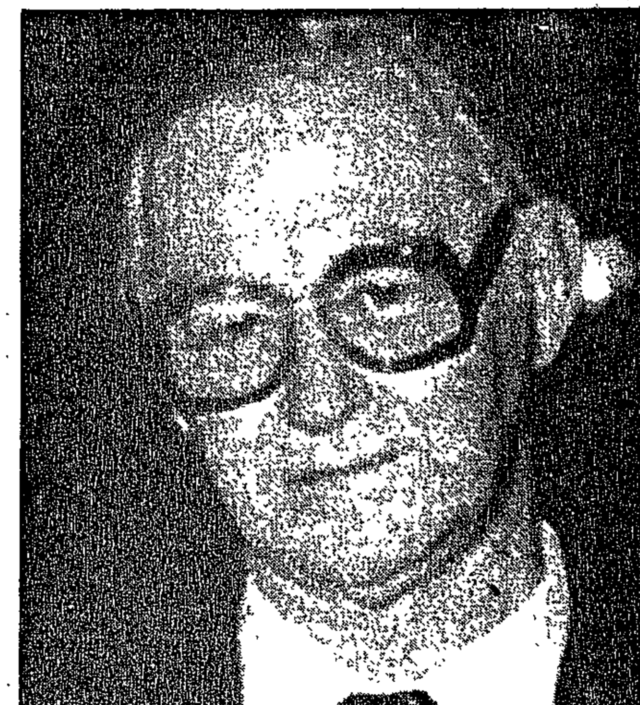
Referring to urbanisation, Dr Grobbelaar said the black urban population was expected to increase from approximately 6,4-million in 1980 to 12,9-million in 1990 and 20,9-million by the year 2000. This implied an increase of some 228% between 1980 and the turn of the century.

"This increase in urban blacks will put further strain on aspects such as transport and the provision or extension of infrastructure alongside the demand for housing and education."

Mr P Lodge, a director of Market Research Africa, told the conference that, some years



PROFESSOR ANDY ANDREWS ... "challenges and potential benefits of this market are unlimited"



BOET VILJOEN ... "a more stable, a more productive workforce, will develop"

By PETER BUNKELL

allowed to emerge at all, he deserved some ... a reasonable

friendship. Do not allow any of your people to kick him in the shins."

Developing a similar argument, top black businessman Mr Moses Maubane, director of the Black Bank, said it was essential that more be done to encourage the growth and development of a black capitalist class

Mr Maubane said there was a strong possibility that South Africa would soon have to contend with foreign concepts like Marxism

"Already there is a significant voice in the townships which favours the acceptance of a socialist economy as a means of redressing the current problem.

our stores to feel unwanted

"Our first step in our marketing strategy was to put our own house in order. We believe the black market is no different from the white market and we wanted a successful, multi-racial, harmonious atmosphere in our shops, where our customers could have a pleasant shopping experience and where they could feel at home."

Addressing the conference on black housing, the managing director of the SA Perm, Mr Boet Viljoen, said housing needs for the rapidly increasing black population were of such importance that the Prime Minister's to increase from approximately 6,4-million in 1980 to 12,9-million in 1990 and 20,9-million by the year 2000. This implied an increase of some 228% between 1980 and the turn of the century.

"This increase in urban blacks will put further strain on aspects such as transport and the provision or extension of infrastructure alongside the demand for housing and education."

Mr P Lodge, a director of Market Research Africa, told the conference that, some years ago, he had been invited to address a similar meeting called "The Black Giant".

"I asked then, and I'm going to ask again: 'Is there a black market?' My belief is that the term 'black market' is a lazy marketer's way of speaking about a particular sector of the market.

"It is a sector which, in my view, is too heterogeneous to be treated as a totally separate market."

Mr Lodge said there was a black sector of the population which numerically formed a large part of the market.

"But it is not a matter of race. It is more a matter of factors like income and education. We are talking about other things here today, not skin pigmentation."

Addressing the conference on black enterprise, Mr I J Hetherington, director of the Small Business Advisory Services, said he believed there were at least 60 000 black-owned enterprises in greater South Africa.

"Depending on what happens in the next four or five years, the black entrepreneur could become big business's most bitter critic and enemy or he could become its most powerful supporter and ally."

Mr Hetherington said the black entrepreneur was keenly aware that he was not allowed freedom to compete in those geographical areas where most of South Africa's business was done.

At the same time, he saw white business entering his areas, and while he accepted that free enterprise meant competition there was a feeling that, since he had only recently been

By
PETER
BUNKELL

allowed to emerge at all, he deserved some infant industry protection for a reasonable period of time.

"I mention these problems of the black entrepreneur not because the black entrepreneur is a chronic complainer constantly seeking handouts. He is not ... rather, he is a sturdy and rugged individualist asking no more than the chance to succeed or fail against fair competition.

"But at the same time, big business should neither take him for granted nor assume that, as a fellow participant in what we euphemistically call a free market economy, his support for big business will be automatic."

Mr Hetherington drew attention to the value of black businessmen on the political front.

"Reflect on the security, or lack of it, of our position within the African continent. If history takes its usual course, the flag will follow trade, not the other way round.

"Our politicians, in seeking a peaceful future, will have to cross bridges built in the first place by our businessmen. Who better to build the first of these bridges, in the new era to which Africa has moved, than our own black entrepreneurs?"

In conclusion, Mr Hetherington said that, despite all past and present obstacles, despite the past apathy, indifference or even hostility of much of the big business sector, the black entrepreneur had emerged.

"He advocates and believes in free enterprise. He believes in fair competition and he is the key to future economic development and growth.

"He comes with an outstretched hand of development ... businessman Mr Moses Maubane, director of the Black Bank, said it was essential that more be done to encourage the growth and development of a black capitalist class

Mr Maubane said there was a strong possibility that South Africa would soon have to contend with foreign concepts like Marxism.

"Already there is a significant voice in the townships which favours the acceptance of a socialist economy as a means of redressing the current problem.

"It was in nobody's interest to see the elimination of the free market system in South Africa, but the way things were at the moment it did not seem the authorities meant that the concept of free enterprise should be regarded as part of the black man's system."

Mr Maubane said capitalists were not created in a vacuum. What was required was a full integration of the economy.

It was important that blacks became involved in the decision-making process at all levels. This was the only way the country could ensure the continuation of the Western way of life.

The managing director of Lubners Furnishers, Mr Mike Busschau, told the conference that, while early Johannesburg was exclusively white, this had changed tremendously. The man in the street had changed colour and was certainly changing colour in retail terms.

"My company was also exclusively white and we realised that, as we were not trading in the last century, it was vitally important for us to re-look at our marketing strategy for the Eighties."

Mr Busschau said when Lubners undertook some market research to find out what the black consumer thought about his company they got a surprise.

"We found that they did not even know that we existed, or, if they did, they felt they were not welcome in our stores. We also found as a result of this research that the attitudes of our staff were causing the blacks who visited the black market is no different from the white market and we wanted a successful, multi-racial, harmonious atmosphere in our shops, where our customers could have a pleasant shopping experience and where they could feel at home."

Addressing the conference on black housing, the managing director of the SA Perm, Mr Boet Viljoen, said housing needs for the rapidly increasing black population were of such importance that the Prime Minister's Economic Advisory Council had had in depth discussions on the subject.

Mr Viljoen disclosed that the housing backlog for blacks in 1975 was 274 000 units. By 1982 it had increased to 501 000 units and by 1990 the figure would be in the region of 1,8-million.

"Add to this the future housing requirements for whites, coloureds and Asians and we arrive at a total housing requirement for South Africa, for 1982 to 1990, of 2,3-million units."

Mr Viljoen said a commission he had chaired had recommended to the Government the development of a housing procees in black areas which would include a lively real estate market where people could sell at a profit to buy bigger and better homes.

Black estate agents would be trained by whites as to how to set up in business. The Estate Agents Board was involved, and a method of financing this project had been designed and was under way.

"Having in mind that homeowners will develop different attitudes to the rand they earn and the priorities for spending that rand, it is to be expected that a more stable, a more productive workforce, will develop.

"Black people will become a greater force in the total savings picture of the country, which will contribute to the savings pool for the benefit of the greater development of South Africa. Their pride will be enhanced through ownership of property ... a piece of South African soil."

FUL: Mr Freddie Shongwe in his supermarket.

SPOTLIGHT ON ATTERIDGEVILLE

RESPECT EVERYONE - RAKE IN PROFITS

30

By ALINAH DUBE

SUCCESS is the last thing one should boast about, according to Atteridgeville businessman Mr Freddie Shongwe.

Mr Shongwe owns the only supermarket of its kind in the area, known as Shongwe Enterprises. He told The SOWETAN that determination and perseverence saw him through to success.

The short, soft spoken businessman looks away each time you mention the amount of money involved in his business. "That is not a thing to boast about. I prefer keeping it confidential," he said.

A teacher by profession, Mr Shongwe taught for seven years at the Lady Selbourne High School before venturing into business in 1963. But he was no stranger to the field as he came from a business-minded family.

When he started, he ran an ordinary general dealer store in the township and was later inspired, by his trip overseas to own a supermarket. But things were not always a bed of roses for Mr Shongwe. He encountered obstacles when he applied for business premises.

After a few years of struggling, he was given the green light to convert his premises into a supermarket if he bought the building, which he managed to do.

According to him, the project cost "quite a large sum of money".

Paper No. 1 SECTION III
(to be copied from the heading on the Examination Paper)

NOTE CAREFULLY

1. The answers only on the right hand pages will be marked. The left hand pages may be used for rough work, but no credit will be given for such work.
2. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
3. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

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Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Govt to regulate retail coal sales

6/4/83

30

CAPE TOWN — The Government is to introduce measures to halt unequal competition and a possible "serious distortion" of the retail coal market.

A statement released in Cape Town yesterday by the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, says a notice to be published today in the Government Gazette will stipulate that coal may be sold only to consumers in the South Africa if "certain requirements are met and if the written permission of the Director-General of the Department is obtained".

The notice will take effect 30 days after publication in the gazette.

Mr du Plessis said the reason for the measure was that producers supplying coal directly to large consumers had a cost advantage, a competitive edge, over the retail merchant.

The retail merchant needed to maintain an expensive infrastructure to supply the total spectrum of the retail coal market, especially in trade in bags.

"The continued existence of such unequal competition may lead to serious distortion of the retail coal market, which will result in the price of coal sold in bags increasing disproportionately to bulk sale prices.

"This is a development which may seriously affect consumers who use coal for cooking and heating purposes," Mr Du Plessis said.

Coal merchants would be expected to maintain sufficent buffer stocks in outlet areas, not only to guarantee a continuous supply, but also to satisfy increased demand during the winter months.

The notice would affect established merchants but was not applicable to coal sold for electricity generation, to the SA Transport Services, and at a colliery and delivered by rail to the private siding of a consumer.

"This notice will be applied in close consultation and co-operation with the coal trade," Mr Du Plessis said. — Sapa.

BLACK BUSINESS FM 18/3/83. (30)

Land, capital and expertise

After a year of rapid growth, black industry in the Transvaal is being throttled by shortages of land and capital for infrastructural development.

The Urban Foundation (UF) and the Small Business Development Corporation (SBDC), the two bodies most actively developing industrial parks, say many black entrepreneurs who operate in backyard premises need properly serviced factories for expansion.

Notes Tony Kedzierski of the SBDC "There has been no provision for industrial land in black areas, and there is precious little commercial land either. This means that we have to put in all the services, and we are still trying to work out who pays for them."

And the UF's Dave Milstein laments: "There just isn't any land available, let alone serviced land."

Both bodies have pressed ahead with development on land they have been allocated but don't own.

Capital is another hurdle. Katlehong, which has 1 072 m² of enclosed space, cost R300/m² for all occupied space, including services. The total bill for its 25 factories was R860 000, including all infrastructural and development work, buildings and bridging finance. Black businesses raised more than R100 000 in direct bank loans at commercial rates.

But many black communities could not afford to support industrial parks at such a high cost. Milstein stresses that far more capital is needed from the private sector. More money wouldn't only mean more buildings. The UF calculates that 40 units can be completed with much the same effort as 25. But there are other considerations, such as reductions to the capital cost of putting in the parks Milstein says.

But, with adequate resources, development of industrial parks could accelerate. The UF estimates that, with enough serviced land, existing organisations could do in one year what now takes them three.

The UF alone could then turn out 200 factory units a year. Milstein says the UF has completed 25 factories, and received applications for another 45 in the same area. Four possible projects could also get underway in the next three years.

But there are other problems — including some provisions of the Urban Areas Act which oppose free enterprise forces. Notably, community councils in black urban areas have the right to approve tenants.

Another problem is lack of experience among the businessmen themselves. Both the UF and the SBDC caution that the informal sector cannot be pushed into too rapid development.

"We are developing businessmen not businesses; and we cannot go faster than they are ready to go. The buildings are part of the process — not a means to an end," says Milstein.

However, some of those already established in the new industrial parks have proved their mettle. A firm in Katlehong, one of the earliest projects, has been awarded a contract on the basis of price and quality to supply steel windows for black housing development.

Other businesses also doing well include specialists in tiling, flower arranging, car and gearbox repairs, tailoring, pottery, fencing, lingerie, ice-making, catering, tombstone engraving, carpentry and furniture, knitwear, armature winding, galvanised baths and bins.

Already, 158 businesses have been housed in new factories at five parks. The largest, Orlando, in Soweto, was finished in March last year and has since been extended from the original 44 factories to 68.

The SBDC has helped build three parks. Kedzierski says the 20-unit Atteridgeville was occupied in February; the 24-unit Dobsonville is nearly finished; and the 21-unit Mdeni should be ready in April.

The UF has concentrated on Katlehong park near Pretoria, where 25 factories were occupied in August last year.

"The demand is still strong, and we are trying to increase the size of the parks to achieve economies of scale," says Milstein. "One future scheme may incorporate 100 units."

Black industry ... growth throttled

D-Dispatch 18/3/83

30

Share offer open to Ciskeians

BY TOM LOUW

Business Editor

EAST LONDON — In a new departure which will help to create an investing entrepreneurial class, Ciskeians are being invited to buy shares in the Mdantsane Hotel and bottle store complex.

The Ciskei National Development Corporation (CNDC) is offering 206 000 shares for purchase by Ciskeian citizens at R1 a share. There are 420 000 shares in the company, and the CNDC will retain the remaining 214 000, and will manage the hotel.

This in itself may be presenting an unfamiliar concept to the Ciskeian people — the idea of buying shares in an enterprise which is managed by somebody else.

The shares may be taken up in minimum blocks of 100 each.

The managing director of CNDC, Mr Frans Meisenholl, comments: "This offer to Ciskeians to purchase shares in the Mdantsane Hotel is part of our policy to establish an entrepreneurial class among Ciskeians by involving them in viable commercial projects.

"The Mdantsane Hotel and off-sales complex has reached the stage of profitability where the time is ripe to involve Ciskeians in the venture."

The hotel, controlled until now by the CNDC, was established in 1974 and extensive expansion was carried out in 1979.

It offers a complete hotel service. There are 17 rooms, one of them a luxury suite and five with television sets; all have air conditioning, radio and telephone. The hotel also offers a cocktail bar, restaurant, dining room and beer garden.

The share offer remains open until May 31.

FEBRUARY VEHICLE SALES

(30)

FM 18/3/83

CARS

	1983 Feb	% of Market	1983 Jan to Feb	% of Market	1982 Jan to Feb	% of Market
Toyota	3 994	19,08	6 791	17,39	7 499	15,71
VW	3 005	14,35	5 642	14,45	8 483	17,77
Ford	2 619	12,51	5 401	13,83	7 856	16,46
Datsun	2 567	12,26	4 962	12,71	4 474	9,37
Sigma	2 415	11,54	4 899	12,54	8 884	18,61
GM	1 763	8,42	3 250	8,32	3 706	7,76
UCDD	1 747	8,35	2 961	7,58	1 943	4,07
BMW	1 103	5,27	1 922	4,92	1 652	3,46
Leyland	444	2,12	891	2,28	1 024	2,15
Renault	642	3,07	1 130	2,89	745	1,56
Alfa	627	3,00	1 187	3,04	1 424	2,98
Other	8	0,04	16	0,04	41	0,09

Feb total .... 20 934 (20,26% down on 26 253 last year)
Jan-Feb total .... 39 052 (18,18% down on 47 731 last year)
Jan total 18 118

HEAVY COMMERCIALS
(5 001 kg and over)

	1983 Feb	% of Market	1983 Jan - Feb	% of market
UCDD	339	27,36	535	23,44
Sigma	271	21,87	530	23,23
GM	132	10,65	240	10,52
Ford	107	8,64	168	7,36
Magnis	106	8,56	239	10,47
Leyland	69	5,57	140	6,13
MAN	67	5,41	127	5,57
Toyota	60	4,84	148	6,49
Int Harvester	29	2,34	47	2,06
ERF	24	1,94	42	1,84
Malcomess-Scania	17	1,37	31	1,36
Fodens	8	0,65	14	0,61
Oshkosh	5	0,40	7	0,31
Vetsak	5	0,40	14	0,61

Feb total .... 1 239 (53,26% down on 2 651 last year)
Jan-Feb total .... 2 282 (52,10% down on 4 764 last year)
Jan total 1 043

LIGHT COMMERCIALS
(Up to 5 000 kg)

	1983 Feb	% of Market	1983 Jan - Feb	% of market
Toyota	2 517	30,97	4 605	29,63
Datsun	2 338	28,76	4 551	29,28
GM	1 095	13,47	2 031	13,07
Ford	1 008	12,40	2 039	13,12
VW	748	9,20	1 418	9,12
Sigma	289	3,56	647	4,16
Leyland	58	0,71	86	0,55
Alfa	36	0,44	85	0,55
Renault	26	0,32	54	0,35
UCDD	13	0,16	27	0,17

Feb total .... 8 128 (28,12% down on 11 308 last year)
Jan-Feb total .... 15 543 (23,65% down on 20 357 last year)
Jan total 7 415

Post Focus

A colourful black bazaar faces threat of removal

(30)

S. Post

19/3/83

By ANDREW TORCHIA in Johannesburg

IN the shadow of white Johannesburg's skyscrapers, a patch of black Africa survives. At Mai-Mai Bazaar you can buy hippo-hide whips, powders to cure venereal disease and chests bearing pictures of tribal kings.

The proprietress of a shebeen emerges from a candle-lit back room and offers a cold beer. Zulu women in ankle-length gowns and red, dish-shaped hats stroll among the low, brick buildings.

Naked children run by. A sign declares that the witchdoctor is in. A nightwatchman removes wooden plugs, 6,3cm in diameter, from holes cut in his ears and sells them to a passerby for R6.

For 60 years, Mai-Mai has survived as a unique black social and commercial centre.

The market, discreetly walled in, has gone seemingly unnoticed in a shabby business district shadowed by elevated freeways. A short walk away are the concrete canyons housing the industrial barons of Africa's last dominant white society.

Now the end may be near. The West Rand Administration Board wants to move Mai-Mai to Soweto, 15 kilometres away.

The chairman, Mr John Knoetze, says the board will move shopkeepers against their will and will offer them a place where they could profit as an attraction for white tourists on Soweto bus tours. But Mr Knoetze described Mai-Mai in an interview as "an uncleared-up black spot in a white area" and said it must go.

Mr Johan de Jager, an administrative control officer of the board, said he expected the market to remain where it was for at least two more years. But he said the central city location was a prime candidate for redevelopment.

Each of Mai-Mai's 37 shopkeepers pays the board R8 a month in rent. Some of the buildings were stables when city garbage carts were being drawn by mules. Now, while blacks around Johannesburg wear Western clothes and commute to work on trains, these buildings display the products of their remote and rural past.

A woven-grass beer strainer costs R3 at Mr Joseph Setole's stall called Kwa Bhekokuhle, (Looking Good). For R30 Mr Amos Shabala, 70, sells the same kind of Zulu chest he has been making for 52 years. The red, scrap-wood chest is lined with beer labels and covered with mirrors and drawings of Christ.

Mr Willem Carr, retired head of the city's former Non-European Affairs Department, said Mai-Mai Bazaar began about 1920 on the site of a worked-out gold mine on the edge of Johannesburg.

"The name goes back to the turn of the century, when the Salisbury and Jubilee mine had a tender-hearted supervisor named Mr Webster," Mr Carr said.

"Mine injuries were frequent and, when the latest victim was hauled out and laid on the ground, Mr Webster would go and look at him and murmur, 'My, my' ".

30

Commerce welcomes Govt probe into Escom

Commerce leaders have welcomed the Government's long-expected decision this week to appoint a commission of inquiry into Escom's activities.

Assocom suggested the commission's work could go beyond Escom, as some of its findings could be used to test other semi-State bodies such as the South African Transport Services and the Post Office.

Assocom chief executive Mr Raymond Parsons said the De Villiers Commission indicated official recognition of the need to look at the future role of the semi-State bodies in the South African economy.

When Escom was publicly "requested" by the Prime Minister last December to reconsider increasing its tariffs in 1983, it quickly backed down and issued a lower rate.

This brought about a call for Escom to be thoroughly investigated. Accusations of high-handedness when the Government was struggling to combat inflation obviously struck a responsive chord.

An eight-man team under the chairmanship of General Mining's former head, Dr Wim de Villiers, will take a hard look at the body which generates more than 60 percent of Africa's total electricity supply and had a reported 1981 revenue of R2 100 million.

Electricity provides 23 percent of this country's energy needs, but this will rise to about 40 percent by the year 2000.

The Minister of Mineral and Energy Affairs, Mr Piet du Plessis, said total expenditure to ensure sufficient electricity supplies by 1990 would be about R18 600 million, nearly 20 percent of public capital expenditure for that time.

The commission will look into Escom and the Electricity Control Board, the overall responsibility and functions of electricity supply, the structure of existing institutions and their cost-effectiveness and the acquisition of raw materials.

The root cause of the disquiet has been Escom's enormous growth and its policy of self-financing. Critics say this child of the Electricity Act of 1922 has virtually become a law unto itself.

The Act gives it so much power it can influence the country's economic development with immunity to outside control.

Increased demand made Escom embark on its enormous expansion programme, with four thermal power stations planned for the Transvaal alone, increasing capacity by 14 000 Mw.

This is equivalent to its maximum generating capacity up to 1980, when it used 22 power stations.

Expansion plans include a new hydro-power station in the Eastern Cape, and the coming on stream of the controversial Koeberg nuclear power station near Cape Town.

The Star Saturday March 19 1983

One accusation against Escom is that, while its technical achievements are impressive, it seeks technical perfection at all costs. The engineer-orientated managers who run it do not take cognisance of the overall economic and social consequences of their actions.

Escom claims it is fully aware of its position and responsibilities.

When it reduced its 1983 tarriff from an average of 16,3 percent to 14,5 percent after Mr P W Botha's request, Escom chairman Mr Jan Smith promised the move would be accompanied by an intensive campaign to cut costs and increase productivity.

"We are hopeful these measures, with a lower inflation rate, will allow us to meet South Africa's demand for electricity at the lowest possible cost," he said.

"We hope our efforts towards reducing inflation will help other sectors of the economy to contain rising costs.

"We must do our utmost not to overburden the consumers, but on the other hand, Escom has to safeguard South Africa's electricity supply, not only in the short term, but in the long term as well.

"There is no easy solution to the problem of coping with essential expansion during a serious recession."

Price-cutting rife as SA producers bid against each other

COAL CUT-THR

Off to hear the Budget

☐ NATAL finalists in the Nedbank/Old Mutual budget speech competition were handed their air tickets to Cape Town and R50 pocket money this week. They will compete against finalists from 17 other universities and the Saldanha Military Academy for the big prize, a scholarship to Cambridge. The Natal winners were: (left to right) Beverley Argall (University of Natal, Pietermaritzburg); Lutchmanan Pillay (University of Durban/Westville) and Jennifer Robinson (University of Natal, Durban)

Paper No .... E47.

for increased export sales

OATS

(30)

ST Tribune 20/3/83

By David Bamber

SOUTH African coal producers are cutting their own throats to gain a bigger slice of the export market.

Not only are they bidding against each other, they are also bidding against themselves.

Steve Ellis, head of General Mining Union Corporation's coal division, said overseas buyers were "playing producers off against each other" to drive prices down. This had led to coal contracts being clinched at prices up to $10 a ton lower than the previous year while spot prices had fallen around $14 to about $33.

There were also reports that some South African producers had quoted prices well below $30. "But nobody is prepared to admit this," he said.

"We are given a price which the buyers claim has been quoted by a local producer and then asked if we can compete. But as soon as we do, the buyer uses the new price as a tool to obtain lower prices elsewhere."

Asked whether the producers should come to some agreement to prevent this from happening, Ellis replied: "I don't believe we should form a cartel or anything like that, but I do advocate that producers should obtain a firm order if they are prepared to undercut a price."

Allen Sealey of Rand Mines agreed that price-cutting was rife. He added that South African producers were in a better position to be able to cut prices than most other countries, "so we bear most of the brunt".

Coal producers had invested a lot of money in their mining operations and some would be prepared to take lower profit in order to establish export markets. In some instances they would even take a loss, he said.

Sealey was also dead against a formation of a cartel — "We would lose our good reputation in the market," he said.

Any interference in the market — such as that recently by the Australian government — would harm producers.

All of the country's major producers sell part of their production through the Transvaal Coal Owners Association and this is where they start competing against themselves. The TCOA appoints a negotiating team to go abroad to market coal on the producers' behalf.

But they come up against fiercely competitive prices negotiated independently by the producers who make up the TCOA.

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2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used.

2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

BACKYARD STORE THRIVES

(30) Sowetan 21/3/83

YOU CAN'T keep a good man down — or a woman for that matter. And Mrs Ellen Motjale's rags-to-riches saga is proof of this age-old wisdom.

For nearly six years now, Mrs Motjale has been running a shop in the backyard of her Pimville home battling to get a site for her business. Her backyard shop caters for the whole community of Sunvalley — an old section of Pimville — and even for some of the prestigeous Selection Park.

"I have been searching for a site without success since 1977. Now I am beginning to lose hope of ever getting one. My yard is very small and cannot cope with the demand," Mrs Motjale said.

Mrs Motjale also runs a shebeen and obtained her trading licence four years ago. "I am not interested in the legalisation of shebeens because it appears one would be required to comply with many rules like closing at specified times," she says.

A divorcee, Mrs Motjale, spends most of her time running her grocery shop and the shebeen business. Her home is always bustling with activity.

When **The SOWETAN** visited her home, Mrs Motjale was packing stock in shelves in her shop. Her well-stocked shop compares favourably with any other shop in the township.

Sowetan 21/3/83 (30)

PARTNER: Kaizer Motaung.

Business goes ahead

SEVEN leading Soweto personalities have formed the first black promotion company on a partnership basis.

According to a statement issued by Go Ahead Limited, the company aims to promote business by, with and for blacks by providing expertise, opportunity, advertising and promotion, services and quality products."

The partnership comprises Dr Nthato Motlana, chairman of the Soweto Committee of Ten, Lucky Michaels of the National Taverners' Association, Lekgau Mathabathe, director of Premier Milling, Kaizer Motaung, Iwisa Kaizer Chiefs director, Mr Jimmy Sojane, taxi owner; Ratha Mokgoatleng, lawyer and Mr Snowie Mashigo, a businessman

The company to be headed by the former SAB director, Mr Colin Hall, seeks to make a "significant contribution in encouraging the creation of new opportunities for blacks to enter more freely into the mainstream of business in South Africa "

PARTNER: Nthato Motlana.

30

Sowetan 22/3/83

Losses force China to lease

SOWETO businessman Mr China Ngema is to lease his supermarket — once a centre of controversy — to a black company for about R½-million over the next five years due to heavy financial losses.

The company, Blackchain Limited, a subsidiary of the National Federated Chamber of Commerce, will take over Mr Ngema's supermarket on Thursday this week. His staff members will not be retrenched, according to Mr Ngema.

Mr Ngema told **The SOWETAN** yesterday that lack of expertise had resulted in heavy financial losses.

Mr Ngema's supermarket in Jabulani was once a centre of controversy when the Soweto Chamber of Commerce and Industry accused him of fronting for a white concern. The matter was later resolved when the white company, which was involved in a 51/49 percent partnership with Mr Ngema, sold its shares.

A bakery also belonging to Mr Ngema faces ruin too if the Wheat Board does not grant him a delivery licence. The board has on several occasions turned down his application for a right to deliver bread to Soweto shops.

"I have written a letter to the board to review their decision. If I am not granted the licence, I will then appeal to the Minister of Agriculture," Mr Ngema said.

Supermarket chains plan 15 more stores for the Rand

By Colleen Ryan
Consumer Reporter

Supermarket entrepreneurs plan to build another 15 big stores on the Witwatersrand in the next two years, providing customers with another 100 000 to 130 000 sq m of shopping space.

This is the ambitious plan for the nation's richest spending area despite the present economic climate.

Economists predict a minimal growth in the retail trade this year, except in food sales, and supermarket bosses will be battling to seize this added share of the market.

Mr Ed Verburg, economist for the Johannesburg Chamber of Commerce, warns that retailers should use caution to avoid a situation of unprofitable overtrading.

"I assume that the retailers have made careful studies but if too many supermarkets are built in one area, supply might exceed demand," Mr Verburg said.

There are already 100 big supermarkets and hypermarkets on the Rand, but supermarket chiefs are divided in their opinion on whether there is overtrading.

"I believe there is overtrading and this becomes evident in an economic downturn," said the executive chairman of O K Bazaars, Mr Meyer Kahn.

"This situation is beneficial to consumers because it encourages competitive pricing among retailers", he added.

The chairman of Pick 'n Pay, Mr Raymond Ackerman, said he did not believe there was overtrading.

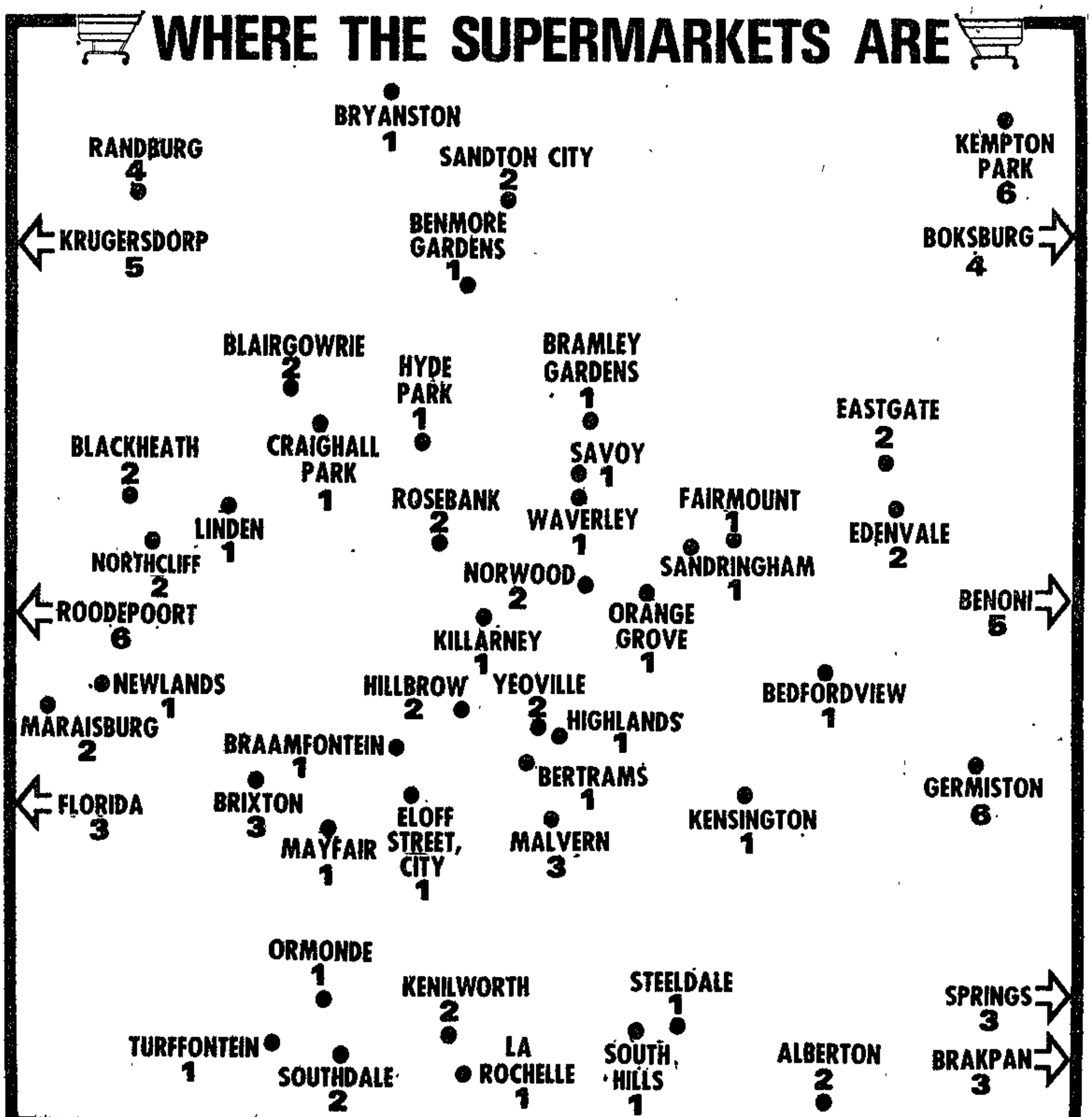
"Let competition decide if there is overtrading," he said.

Whatever the stand of the supermarket chiefs on overtrading, the three big retail chains — O K Bazaars, Checkers and Pick 'n Pay — are all determined to continue expanding. Their programmes are:

- Pick 'n Pay will build three stores on the Rand in 1983 and three or four in 1984.

Total floor space will be at least 36 000 sq m. The chain plans to build five stores a year, nationwide, until 1990.

- O K Bazaars will build two stores on the Rand in the next two years. Total floor space will be 30 000 sq m. Its policy is to replace or open four to five new shops a year, nationwide.
- Checkers plan six new stores in the Rand area over the next two years and will continue with a programme of renovating and expanding a number of stores on a nationwide basis, said Mr J Wicks, head of group operations at Checkers.



(44) Star 24/3/83

Clamp (30) placed on 'private' suppliers of coal

By Colleen Ryan,
Consumer Reporter

The Government has cracked down on "independent" coal suppliers who have been hauling coal from independent collieries and selling at discount rates to industry.

A notice in the Government Gazette last Friday prohibits anyone from selling coal without the permission of the Director-General of Mineral and Energy Affairs.

Suppliers will be encouraged to service both sides of the coal market — the profitable industrial market as well as the household market, said a spokesman for the Department of Mineral and Energy Affairs.

OWN MARKETING

"We welcome suppliers who can offer price reductions, but they will have to market their coal through an established depot or set up their own depot," he said.

"Suppliers will be asked to stockpile a four-week supply of coal to prevent winter shortages."

The Government move is seen partly as an attempt to save the major supplier of bagged coal and anthracite to householders, MacPhail, from financial ruin.

The marketing director for the company said MacPhail was the only company which supplied domestic consumers in the Johannesburg area — a costly and low-profit operation area.

"On the other side, we are competing in the high-volume industrial market against suppliers who can cut prices because they do not have to finance a costly operation supplying householders.

"If we are not able to maintain our share of the industrial market we will encounter severe financial problems and many consumers may be left without a source of coal."

He also promised MacPhail customers better service this winter.

Last year The Star received many complaints from dissatisfied customers.

"We realise we made mistakes and have identified the problems.

"We hope consumers will assist us by placing their orders early to avoid the rush that usually takes place during the first cold snap."

CAPE TIMES 25/3/83 (30)

'Dismay' at govt moves on liquor

Staff Reporter

THE government's decision to reject the dissolution of the liquor giant, Cape Wine and Distillers (CWD), and instead allow it to acquire 300 retail outlets, has been met with anger and dismay from rival wholesalers.

Announcing the government's response to a Competitions Board inquiry into "restrictive practices" in the liquor industry, the Minister of Industries, Dr Dawie de Villiers, also indicated that grocers' wine licences for the sale of wine in supermarkets would be restricted to 35 per licence-holder.

Both Mr Jan Pickard, chairman of the rival Union Wine, and Mr Raymond Ackerman, chairman of the Pick 'n Pay supermarket chain, last night condemned the rejection by Dr De Villiers of the Competitions Board's key recommendations.

Mr Pickard described the government's response as "a step backward for South Africa's liquor trade" and said an even larger monopoly had been created by allowing CWD to acquire 300 liquor outlets. Union Wine's right to acquire 103 retail liquor outlets has been upheld.

"The government is creating a big monopoly and the survival of smaller companies is now at stake. This is going to cause a complete uproar throughout South Africa."

Union Wine had recommended to the Competitions Board that each wholesaler be allowed 103 outlets.

"Why does the government discriminate between wholesalers? Does the government not believe in free trade?" Mr Pickard asked.

An "absolutely devastated" Mr Ackerman described the pegging of the number of grocers' wine licences at 35 as "absolutely ridiculous".

He accused the government of "giving in to the liquor giants in the industry" and said Pick 'n Pay would strongly contest the decision.

"It is a victory for the hotels and bottle stores at the expense of the consumer. It is going to play havoc with the industry and wine prices are simply going to continue going up."

Mr Ackerman said supermarkets with grocers' wine licences had increased wine sales in the country to the benefit of wine farmers. They were also helping to clear the present "lake" of wine in the country.

Liquor trade monopoly maintained

ARGUS 25/3/83

30

By TOS WENTZEL
Political Correspondent

THE Government has rejected the most important recommendations of the Competitions Board on the supply and distribution of liquor.

Instead, the restructuring of the liquor industry in 1979, which led to monopoly and near monopoly in the beer and wine and spirits markets, will be maintained.

The Minister of Industries, Dr D J de Villiers, announced this yesterday.

The board's recommendations, announced in June of last year, were largely aimed at undoing the restructuring of 1979 which gave the SA Breweries a beer monopoly and created the liquor giant Cape Wine.

PUBLIC INTEREST

The board's recommendation was that the creation of Cape Wine was not in the public interest. It wanted the 50 percent interest of KWV Beleggings in Cape Wine terminated.

Dr de Villiers said the restructuring came about with the approval of the Cabinet.

It had probably brought greater stability to the liquor trade to the benefit of the wine industry.

A reorganisation of capital also took place which involved millions of rand which could hardly be undone without detrimental and disruptive consequences.

Only a minority recommendation of some board members that Cape Wine should be left intact was therefore accepted.

This implies that Union Wine's right to acquire 103 outlets is maintained and that Cape Wine can acquire 300. Rembrandt and SAB will continue to sell off their retail liquor licences as was agreed in 1979.

Dr de Villiers said the Government was concerned about the large concentration and vertical integration which had developed in the liquor industry over the years.

The Cabinet had therefore decided that.

- No further extension of the retail liquor licences of producers/wholesalers will be allowed.
- No retailer may henceforth hold more than the maximum of 12 retail liquor licences:
- No licence holder may hold more than a maximum of 35 grocers' wine licences. The number of wine counters which can be leased to outside interests is not being restricted;
- Further proposed take-overs and mergers in the liquor trade must first be submitted to the Competition Board.

Other decisions announced by Dr de Villiers were:

- The Government has also rejected the board's recommendation that beer may be sold in grocery stores.
- Another recommendation that interests of manufacturers of beer and those of wine and spirits should be separated is rejected in the case of SAB's shareholding in Cape Wine.
- The Government accepted the board's recommendation that the role which the sale of liquor plays in black residential areas should be phased out.

LIQUOR

Little brown jug . . . [redacted] FM 25/3/83 (30)

Liquor retailers, eager to sell in hard times, are cutting prices. A predictable and welcome response. What is surprising, however, is the reaction from Fedhasa — the representative body of the hotel and liquor trade.

Merchants offering "discriminatory" discounts — the old, established practice of offering discounts to bulk buyers — stand accused by it of "underhand discounting."

The bulk of the blame, however, is heaped on the retailer, who Fedhasa claims, "sets the price the consumer pays." It argues that this competition may lead to a "monopolistic situation."

In a free society, if retailers want to sell their stock cheaply, that is their business. Small outlets, if they cannot compete on price, may choose to do so on service or variety. Those that cannot give the consumer any reason for spending money do not deserve to survive.

~~(28)~~ (30)

African Bank in Umlazi

27/3/83 City Press

BUSINESS PRESS

JOBURG – African Bank Limited (Afribank) is to open another branch in Umlazi, Durban, in May.

General Manager Moses Maubane said the branch will offer all the banking services currently available through Afribank.

Mr Maubane added that blacks are now showing more faith in the future of the bank, highlighted by the tremendous response to the bank's last issue of shares in October.

He said the issue generated capital in excess of R500 000 from blacks despite the prevailing economic climate.

"What is even more interesting," said a delighted Mr Maubane, "is that an analysis of the newly-bought shares indicates a substantial increase in the number of new shareholders for the bank.

"This means we have kindled the interest of people who originally stood back when the bank first started."

He said the bank was now accelerating its expansion programme.

Multi-nationals under fire

City Press 27/3/83

30

MMABATHO – Multinational companies which continue to pay lip service to their declared aims of boosting the small black manufacturer have been bluntly told to "stop wasting everybody's time"

In a scathing attack on the multinationals, a speaker at the recent Nafcoc inter-regional seminar at Sun City, Mr I J Hetherington of Small Business Services Ltd, accused the companies of raising false expectations.

"The Nafcoc Counselling Committee and small manufacturers in particular have spent thousands of hours, had hundreds of discussions and attended scores of meetings over four or five years now with such companies. The results in actual business done have been pitifully meagre," said Mr Hetherington.

However, he added, there were some notable exceptions.

SUNDAY TRIBUNE, MARCH 27, 1983 30

'We'll get you' someone told Dennis after his speech on bribery

ANGLO'S SHINING KNIGHT

☐ DENNIS ETHEREDGE

Corruption is costly — and it makes capitalism unpopular, says top executive Etheredge

SOUTH Africans are sick of the bribery and corruption in their midst. So sick and tired of it that they have fastened on executive Dennis Etheredge, dubbed him their knight in shining armour, hoisted him on to the steed of their collective guilts and anxieties and sent him riding post haste with a letter to the highest authority in the land.

By MARION WHITEHEAD

"But I'm no crusader I'm no better than anyone else, I'm just a normal guy whose interests have led him into this," says Etheredge, chairman of Anglo American's gold and uranium division

Seated in his plush office at Anglo's Johannesburg HQ this week, he spoke to the **Sunday Tribune** he had just dispatched a letter to the Prime Minister.

In it he pleaded for an investigation into the widespread corruption he says is rife in both the public and private sectors.

Since he first spoke of the spectre of dishonesty haunting the business world, in a speech to the SA Institute of Managers in Port Elizabeth in November last year, Mr Etheredge said he had been inundated with letters, phone calls and visits from concerned people.

Many wanted to see something done about the corruption they had witnessed, but did not want to get themselves involved in court cases and police investigations.

"They fear victimisation, losing their jobs, losing contracts .. but they all say what a terrible situation it is," said Mr Etheredge. He put all written allegations through his office shredding machine after taking legal advice

"I don't want to be put in the position where I can be forced to hand over these papers. These people have approached me on a personal, confidential basis. They have relied on my ethics," Mr Etheredge said.

There was one "We'll get you" threatening phone call after his Port Elizabeth speech but apart from that, the response has been very positive This week's speech to the Institute of Internal Auditors in Sandton was followed by phone calls of support from two businessmen "far more important than myself," said Etheredge

Being in an influential positon does help protect him, but "they could get me if there were anything wrong."

The 62-year-old executive said his attack on corruption had nothing to do with his retirement.

"And it would not have happened if I were not so keen on matters concerning management. It's important for South Africa to have high quality managers.'

He's a true-blue capitalist and wants to see a clean, honest capitalist society that does not turn people towards socialism

"I don't want to moralise about how people should behave

"All this corruption is a waste of resources and of the executive time needed to follow it up "

South Africa's knight in shining armour says he has "no regrets" for standing up and making himself heard

McNAM

Hansard Q.61. 858–859
30 (245) 29/3/83

Soweto: trading licences

559. Mrs H. SUZMAN asked the Minister of Co-operation and Development:

How many trading licences were operative in Soweto as at (a) 1 January 1982 and (b) 1 January 1983?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The number of licensed businesses are as follows:

(a) 1 January 1982—2 279.

(b) 1 January 1983—2 323.

Note: The number of licences in respect of these businesses, however, is considerably more as several licences can be issued to each business for its different trading lines. These statistics are, however, not available.

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Chain store 'not a threat'

Sowetan 30/3/83

30

BLACK businessmen should create more job opportunities for their own people in preparation for the time when whites could no longer be able to provide employment for the whole population, Mr Qhudelimzwezwe Majola, managing director of Blackchain, said in a recent interview.

Mr Majola believes the black population should no longer depend on whites to provide jobs for them.

It is partly for this reason that Blackchain, a subsidiary of the National Federated Chamber of Commerce (Nafcoc), is planning to expand all over the country. The company is planning to build three other shopping centres the size of the one in Diepkloof.

"Eighty percent of the population in this country are blacks and we can no longer continue to be a burden to whites. We should gear ourselves for the period when whites can no longer provide jobs for the black masses," Mr Majola said.

The Blackchain company employs about 200 people in its two outlets and the planned projects should provide jobs for an estimated 300 more. Mr Majola said the time had come when blacks should be allowed to trade in towns.

AUDIT ALERT If you know of any practice that deserves investigating write to: "Audit Alert," The Star, Box 1014, Johannesburg 2000, or phone 633-2344.

Rising wave of fraud now hits corporations

Star 31/3/83

(30)

Police probes into fraud — from multimillion-rand rackets down to minor swindles — are now running at a record rate of more than 20 000 cases a year and moving from private to corporate level.

Brigadier Isak van der Vyfer, head of the CID Commercial Branch, has monitored an upswing that has carried the total from 10 488 at the start of the 1970s to 21 219 a year at the last count.

By Michael Chester

He fears that the 1982/83 total will rise even higher when the next count is taken at mid-year.

The statistics reflect the mounting concern about corruption inside both the private and public sectors, stirred by warnings from Mr Dennis Etheredge, chairman of the gold and uranium division of the Anglo American Corporation.

Confirmation of widespread breaking of rules of business ethics has also come from the response to The Star's new special service, Audit Alert, which invites readers to record encounters with sharp practices.

Audit Alert has already begun investigations into complaints that involve companies in fields as varied as freight shipments, television maintenance and swimming pool fencing.

Brigadier van der Vyfer has renewed his appeal for information from the public to track down swindlers.

"Vague rumours can be of minimal value", he told me. "But if informants come forward prepared to sign affidavits we can move in. Even the Commercial Branch cannot start a witch-hunt without search warrants backed by evidence.

"Our records show that commercial crime runs in waves that go hand in glove with economic cycles. It cools down in the booms but soon accelerates in times of recession when cash becomes scarce — like now."

Deliberate

One major concern is the number of company insolvencies where breaches of the law are uncovered by deeper investigation.

"When the liquidators start their operations we find that time and again one law or another has been broken in a deliberate plan to make a company go broke", he said.

"That is when the Attorney General blows the whistle.

"Sometimes the swindler has a chance to slip out of the country before the fraud comes to light. The number of these fugitives living overseas now runs into scores.

"They may not be as safe from arrest as they assume, however. We have a fair record of nabbing them because of co-operation between police forces at international level — even though formal extradition agreements may not have been signed."

Colonel J A Hulme, head of the Commercial Branch in Johannesburg, advises businesses to be especially cautious of new companies specifically planned to go bust.

They create a good impression for a few months by paying bills until their credit goes sky high and then scuttle the operation.

The Commercial Branch is also on standby for a wave of credit card frauds, following the pattern set in the United States where losses are now running at more than R500 million a year.

LIQUOR (30) (~~182~~) (~~245~~) FM 1/4/83

Government bends the

Government's decision not to curb the power of the giant liquor company CWD is little more than an enormous doublecross. It flies in the face of its own anti-inflationary policy of encouraging competition; it undermines the authority of the Competition Board (CB) which recommended it; and it penalises SA Breweries (SAB) by changing the terms of the 1979 agreement which brought CWD into existence.

"Had we known that CWD would be permitted to acquire 300 bottle stores while SAB could have none, we would never have gone along with this agreement," says SAB beverage division chairman Ken Williams.

The CB recommended that CWD be broken into two separate, competing companies and that retail interests in the liquor business be kept separate from producer interests.

Government's response was to ignore the call for the dismemberment of CWD and to allow it to acquire 300 retail liquor stores.

It also upheld an earlier decision to allow Union Wine to buy up to 103 stores, while Gilbeys (49%-owned by Remgro, a CWD shareholder) retains its entitlement of 70.

By contrast it directed that beer monopoly SA Breweries (SAB) sell all its retail outlets.

This puts beer at a distinct disadvantage to wines in the retail market as SAB will eventually own no liquor stores, while the wines and spirits producers have the right to own more than 470.

"It means that beer will be put to the back of the shop in far more liquor outlets and the beer consumer will be forced to run the gauntlet of wine," says an SAB man.

Irksome ruling

The ruling is doubly irksome to SAB in view of government's decision to allow each supermarket chain to sell wine in up to 35 of its outlets and to allow liquor outlets to run "grocers' wine counters" in supermarkets.

There are no similar provisions for beer, despite the fact that government still subscribes to the policy that it "prefers the use of beverages with a low alcoholic content to beverages with high alcoholic content."

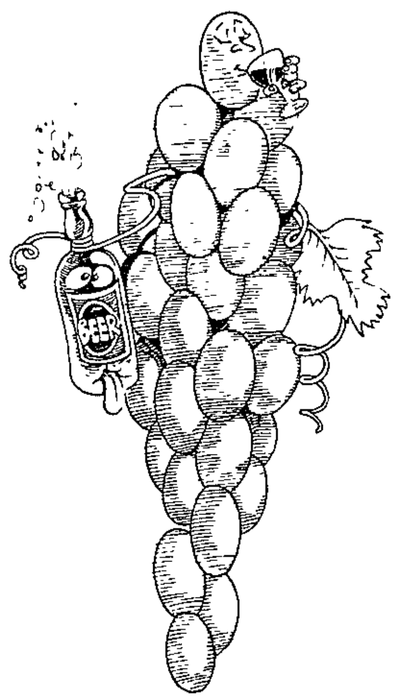
All this will no doubt please entrenched liquor interests in the western Cape, as well as several thousand wine farmers who burden the country with ever-increasing wine surpluses. But it exposes as a hypocrisy government's policies of promoting free enterprise — for this industry anyway.

CWD has thus emerged as a textbook example of vertical integration. One of its major shareholders, KWV, has total control over primary production of wine and wine spirits. Its two operating subsidiaries, Oude Meester and SFW, command 92% of the wine and spirits market with the best-known brands in the business, as well as most of the big Scotch whisky brands.

Its 300 liquor stores will make it a formidable competitor with its most important customers, the 1 000-odd independent liquor store owners in the Fedhasa lobby.

The Minister responsible for the decision, Industries, Commerce and Tourism's Dawie de Villiers, concedes there is "great merit" in the CB recommendations.

But he makes little attempt to justify his contrary decision other than to say that "order and stability come first" in the liquor industry and that it is not the first time "this government or any government has turned down the recommendations of a specialist inquiry."



The implications of that statement are enormous, particularly if the specialist inquiry produced an opinion in keeping with government's avowed policy. What has happened is a disgraceful capitulation to special pleading, one that is deeply against the public interest.

S. Tribune 3/4/83 (30)

Barter is the new buzzword in global trade — but be warned: it's risky

Hustlers and hassles in the world's swap shops

Finance Reporter

BARTER is the newest buzzword in international trade, and several South African companies are trying to get on the bandwagon.

While barter (or countertrade, as it is often called) has not reached northern hemisphere proportions here, a number of deals have already been done or are under discussion.

The mostly widely-publicised was the Maize Board's controversial maize-for-urea swap with Rumania last year.

Taiwanese trading houses have expressed an interest in barter deals with South Africa, and one or two are in the offing with black African countries.

The Johannesburg Chamber of Commerce is trying to organise a mission to Europe in 1984 to explore barter openings. "The task is to persuade our businessmen that barter is a practial proposition", a chamber official said recently.

Most traders however warn of the countless risks and pitfalls in putting together a barter transaction.

Wim Holtes, chief executive of the South African Foreign Trade Organisation, points out that the world of countertrade "seems to attract a lot of amateurs".

The head of one large commodity company's international division agrees that the rewards are often not worth the hassles.

Referring to the maize-for-urea deal, he asserts: "On paper it was a good deal, but it gave the Maize Board endless headaches."

Barter and countertrade transactions are often conditional on one party being able to sell the goods it acquires and can involve more than two products or parties.

The main drawback is that when a company sells to a country keen to countertrade, it must usually take items that the country is not able, or cannot be bothered, to sell elsewhere.

A recent article in *Fortune* magazine pointed out: "To unload these goods, the company usually has to cut prices. Since it can't afford to absorb all that loss, it may pay the price of the goods it sells to is countertrade customer."

Distorted pricing is one reason why many governments, including ours, do not encourage barter deals.

The fact remains that many countries' horrendous debt problems and parlous state of world trade in general have encouraged bartering.

At least one-fifth of East-West trade is believed to consist of barter transactions and many African countries are encouraging the practice more actively.

Zambia and Zaire have paid for mining equipment with copper produced by the machinery.

A multinational subsidiary in Kenya has been allowed to use foreign exchange earned from fruit exports to buy tobacco from a subsidiary of the same company in another country.

Business International, a New York-based consulting company, has told its clients: "As persistent foreign exchange shortages in developing countries increasingly stymie sales, firms will have to do more business through counter-trade deals, or not do business at all in some important markets."

BI gives some hints to companies planning barter deals with African countries.

They include: trying to accept payment in goods which the company can use itself; obtaining guarantees against sudden commodity price changes; seeking satisfactory penalty clauses and insurance; and checking out possible IMF objections to bartering in countries subject to its loan conditions.

The best start for the prospective barter trader is probably a call on one of the reputable international banks which have set up special counter-trade departments.

Some of these institutions, such as Citibank and Chase Manhattan, have offices in South Africa.

for a black household ...

R43m outlay to aid small businesses

(30) E Post 8/4/83

JOHANNESBURG — More than 900 entrepreneurs have been assisted by the Small Business Development Corporation, which has invested R43,7 million since its inception two years ago.

Assistance was provided through financing, provision of buildings and the SBDC's bank guarantee scheme. These figures were released after a board meeting of the SBDC.

Businesses which were assisted provide employment for 16 000 workers.

The total investment of the SBDC in small businesses in South Africa, including assets taken over from the Development and Finance Corporation, the Indian Industrial Development Corporation and the Industrial Development Corporation, amounts to R101 million.

From the incorporation of SBDC on February 3, 1981, until February 28, 1983, 2 555 direct loan applications totalling R186 million were received, of which 411 applications totalling R24 million were approved.

In the first 11 months of the corporation's current financial year, from April 1, 1982, until February 28, 1983, 1 127 direct loan applications totalling about R81,6 million were considered, of which 223, totalling R12,9 million, were approved.

A total of 423 applications were turned down, 43 were referred back to applicants for possible aid in terms of the SBDC bank guarantee scheme, while 438 applications were withdrawn by applicants themselves or terminated after the corporation's inquiries for further particulars had not been answered.

A total of 855 businesses are currently loan clients, owing R47 million to the corporation. It is estimated such businesses have a total turnover of R316 million.

Facilities amounting to more than R6,9 million have already been made available in terms of the SBDC bank indemnity scheme to 271 small business clients of banks participating in this scheme.

The corporation owns 117 property development projects, 75% of which represent industrial premises and 25% commercial premises. The total book value of these 117 projects amounts to R47 million. — Sapa

CITY PRESS / Business Edited by TEBELLO RADEBE

The cost of apartheid

City Press 10/4/83 (30)

JOBURG — Most of South Africa's myriad of oppressive laws are some of the major causes of the rampant high rate of inflation in the country.

This was said by Mr Sam Motsuenyane, president of the National African Federated Chamber of Commerce (NAFCOC) at the conference on inflation held at the Rand Afrikaans University recently.

"The enormous Government administrative machinery created to implement discriminatory laws such as the Group Areas Act, the Black Urban Areas Act and various homeland acts cannot be construed as anything else but inflationary.

Prison

"Research indicates that an unskilled worker can spend half his time in prison for violation of influx control regulations, and still earn more than he would in the homelands," he said.

Mr Motsuenyane added that to qualify for ownership of business and residential rights, blacks are made subject to criteria which have little to do with economic development, and this in fact inhibits development.

There are many laws which distort the economy by creating artificial shortages such as in the labour field and job reservation regulations whose inflationary effects are still to be found operating today.

Laws passed earlier to govern black business were mainly aimed at restricting growth and development through complicated and long-drawn licensing procedures quite different from those of businessmen of other races.

He said the steps normally taken to issue a simple licence like that of a hawker create a great deal of confusion and frustration whereas similar licences for hawkers are hardly needed in places like Hong Kong and Taiwan.

Mr Motsuenyane said blacks must be allowed to trade in white central business districts for the simple reason that their earning power and spending powers are dissipated in those areas.

He cited companies like the African Bank and Blackchain as example of those companies which must be allowed to trade in white areas.

Blackchain under fire

Thebehali says complex is a white 'front'

By SAM MABE

BLACKCHAIN, Soweto's first and biggest shopping centre with a large supermarket near Baragwanath Hospital, is a white-owned establishment, contrary to popular belief that it is owned by blacks, according to Soweto's "mayor", Mr David Thebehali.

In a shocking revelation made during an interview with The SOWETAN last week, Mr Thebehali said that in terms of the law, special permission had to be obtained from the Minister of Co-operation and Development before the centre could be established, since it was a white company intending to operate in a black residential area.

He also said that because the centre was not owned by blacks, the site on which it was built was not obtained under the 99-year leasehold system.

Mr Thebehali was reacting to an earlier accusation by Mr Phillip Ramokobya, general manager of Blackchain, that he was "talking nonsense" when he said a number of businessmen were involved in a 49/51 percent partnership with whites in Soweto.

...of Co-operation and Development under Regulation 42(f) to operate in a black residential area.

"And if we are to use the arguments of the leadership of Nafcoc that there are 'fronts' operating for whites in Soweto, then Blackchain immediately qualifies as a front for white business," said Mr Thebehali.

He also revealed the name of a well-known construction company building houses in Soweto and generally known to be owned by blacks, the African Development and Construction Company (ADCC), which he said was involved in a 49/51 percent partnership with a leading white construction company, Murray & Roberts.

"It is Nafcoc that entered into a partnership to form this company. Nafcoc is also involved with Permanent Life Insurance Company which operates as Sentry Insurance Company.

"I want to challenge Mr Ramokobya, who said I was talking nonsense when I released names of businesses who engage in black and white business partnerships secretly, to refute what I have said.

"Further, Nafcoc is not qualified to investigate black/white businesses operating in black areas as Blackchain's managing director, Mr Qhudelimzwezwe Majola was reported as saying they intended carrying out some investigations," said Mr Thebehali.

CHALLENGE: Soweto Council chairman Thebehali.

Blackchain under fi

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Mr Thebehali was reacting to an earlier accusation by Mr Phillip Ramokobya, general manager of Blackchain, that he was "talking nonsense" when he said a number of businessmen were involved in a 49/51 percent partnership with whites in Soweto.

Mr Thebehali named the National Federated Chamber of Commerce (Nafcoc), of which Blackchain is a subsidiary, as one such company.

He said that while trying to establish Blackchain, Nafcoc ran out of money and they approached the Diepmeadow Council, the West Rand Administration Board and the National Building Society for help, but were unsuccessful.

"They needed to complete the building and it was after their failure with the three establishments that Frasers Group of Companies came to their financial assistance.

"But because Frasers are a white company, they had to get permission from the Minister of Co-operation and Development under Regulation 42(f) to operate in a black residential area.

"And if we are to use the arguments of the leadership of Nafcoc that there are 'fronts' operating for whites in Soweto, then Blackchain immediately qualifies as a front for white business," said Mr Thebehali.

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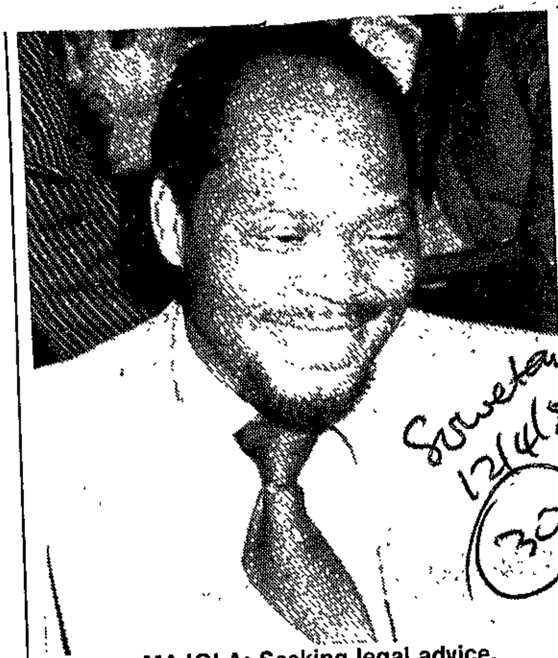

MAJOLA: Seeking legal advice.

Sowetan 12/4/83

30

Blackchain denies claims

THE managing director of Blackchain, Soweto's first and biggest shopping centre with a large supermarket near Baragwanath, said yesterday they would seek legal advice over a claim by Mr David Thebehali that the complex was a white-owned establishment and not owned by blacks.

Mr H Q S Majola of Blackchain said they viewed Mr Thebehali's "unsubstantiated claims" very seriously because they caused undue damage to Blackchain's image and "are in fact contrary to the interests of black advancement".

Mr Thebehali had claimed that in terms of the law, special permission had to be obtained from the Minister of Co-operation and Development before the centre was established since it was a white company operating in a black area.

"We were completely taken aback by Mr Thebehali's claim that Blackchain is a front for Frasers.

"Blackchain is a black-owned public company and its records are open to public inspection, including Mr Thebehali. Blackchain was founded to enable black traders and members of the black community to mobilise their financial resources into one pool by acquiring shares in the company. Mr Thebehali needs to know that the company was founded on the principle of black advancement and not expediency. All its 800 shareholders are black," he said.

Sowetan 14/4/83

Shock claims by store staff

30

SEVERAL workers at a Roodepoort supermarket claim that employees suspected of stealing were made to strip down to their underwear — in full view of customers.

The workers also claimed that almost half of the workforce at the supermarket, Wilrow Park Shop 'n Bag, were not registered and said the management there had refused to register them.

However, a woman claiming her name was "George" and that she was the manager/owner of the shop, yesterday refused to confirm or deny the allegations. "I won't confirm or deny the allegations until you furnish me with the names of your informants," she told The SOWETAN.

"If I can find those workers who told you this, I am going to kill them. Don't try to phone again because I am going to catch you," she told this reporter, and hung up.

The workers' grievances include:

- The assault of workers by the supermarket owner;
- the delaying of the workers' salaries and "mysterious" deductions from their wages, and;
- workers forced to work during public holidays.

One worker said: "About six workers have so far left the supermarket after they were assaulted by the employer. We are very unhappy but there is nothing we can do because we have families to support.

"We are treated like dogs. We always struggle to get our pay as if we did not work for it. The manager dilly-dallies when it is time to pay and, unless you try some tricks, chances of getting your pay are nil," he added.

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Thefts cost R15-m a year — Ackerman

By Michael Chester

Shoplifting and employee swindles are costing each of the big South African retail chains R15 million or more each year as the wave of corruption and dishonesty in business and among the general public continues to grow

This was revealed today by Mr Raymond Ackerman, chairman of Pick 'n Pay, at a special conference called by the Johannesburg Chamber of Commerce to assess the serious threats to business posed by bribery and corruption and to examine ways of fighting it.

AUDIT ALERT If you know of any practice that deserves investigating write to: "Audit Alert," The Star, Box 1014, Johannesburg 2000, or phone 633-2344.

One hundred top business leaders packed the conference hall at the Milpark JCC complex to join the debate triggered by allegations by Mr Dennis Etheredge, chairman of the gold and uranium division of the Anglo American Corporation, that corruption has become rampant in both the private and public sectors

Mr Ackerman said the consumer was suffering badly from the impact on prices as retailers were forced to budget for the loss of millions of rands every year.

The stores were hit not only by shoplifting and switching of price labels but also by crime by employees — theft from cash tills, pilfering and sometimes collusion with customers to undercharge at checkouts

The problem, he said, had reached "enormous" proportions. Staffers working away from head office sometimes felt safe to take bribes from suppliers — cash, gifts, free holidays and overseas trips

He believed much of the problem could be overcome by setting good examples at top management level He allowed no directors or executives to accept any gifts or Christmas presents. All had to be returned to suppliers.

Company buyers were allowed to make purchases only from authorised suppliers and snap checks were made to compare price differences among stores to monitor possible malpractices.

Internal security teams were also augmented by undercover specialists recruited from outside to check for collusion

Even top directors, himself included, were subjected to body searches if they used the back door at any store in the chain

Emphasis on professional security teams was also advised by Mr C S MacFarlane, managing director of Fidelity Guards, who pointed out that studies showed that annual losses in the United States from economic crimes, including corruption, had soared to around R40 000 million

He advised commerce and industry to create a special anti-corruption committee to analyse the cause and extent of the problem in South Africa, bringing labour and trade unions into talks to work out an action programme and perhaps propose fresh legislation

Colonel J A Hulme, Johannesburg commander of the CID Commercial Branch, backed Mr Etheredge with an appeal to anyone with information on corruption to "stand and be counted".

Losses through pilfering, organised theft and fraud had become "astronomical" but police investigations could not be launched unless information was supplied.

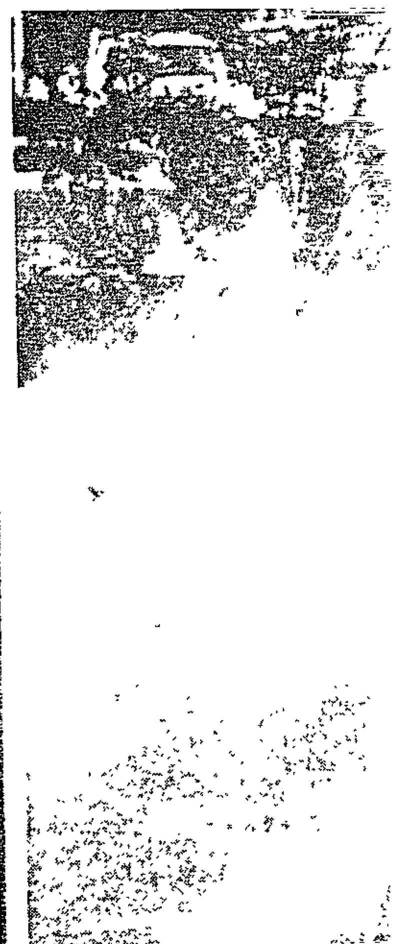
Nats attempt to gain voters fails

Municipal Reporter

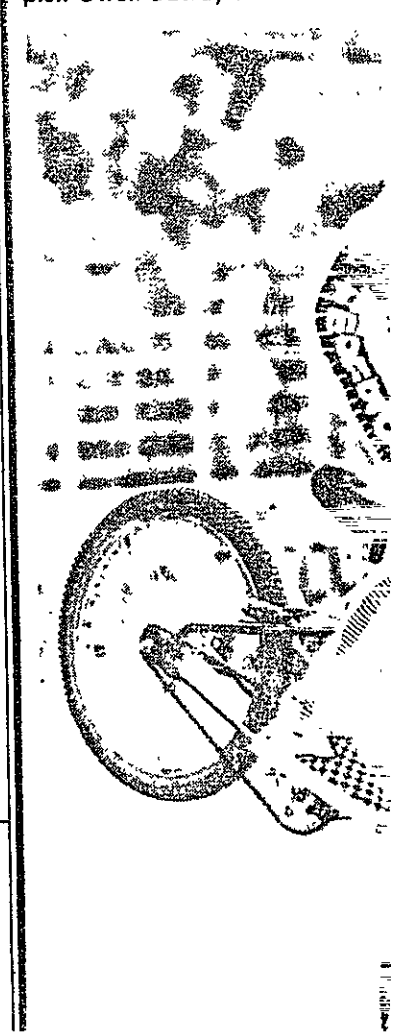
The Town Clerk of Randburg has rejected attempts by the National Party to have 170 new names placed on the voters' roll for the municipal by-elec-

was desperate to have additional voters included on the roll as they had failed to conduct a registration drive in Ward 3.

"During the last three months of 1982



Here's dust in your eye . . . 20-y… pion Owen Dawdy shows a few i…



'Consumer suffers the loss'

15/4/83 RDM

Thefts to cost supermarket chain R15m

30

By SIMON WILLSON
Industrial Editor

SUPERMARKET chain Pick 'n Pay expects to lose R15-million this year from theft and other security losses, a conference on business security was told yesterday.

Its chairman Mr Raymond Ackerman told the conference, organised by the Johannesburg Chamber of Commerce, the company had to regard the loss of 1% of its sales revenue as "acceptable".

"By world standards this is a good figure. Other companies have to budget for losses of 2% or 3% of sales."

Since the chain made just over 2% profit after tax on its sales, its security loss was nearly half the company's net profit, he said

"So that's R15-million that could be in the consumer's pocket instead. We could have reduced our prices by that amount. These losses are very serious because they hit the consumer as well as business."

The company had to spend a fortune on security measures to keep the security loss down to R15-million.

"There are 32 security officers at each hypermarket alone — highly-paid men just to control our customers and staff to try to save some of this R15-million."

He estimated that more than 75% of the chain's security losses were through theft by staff rather than customers.

"The other day we caught our cleaning staff with five calculators inside the dust bags of their vacuum cleaners. On other occasions we've found hosiery hidden in dirty water."

Mr Ackerman told delegates that two years ago an industrial spy offered him details of his main competitor's 10-year marketing strategy for R1 000

Mr Ackerman first obtained the spy's name and address, and then rejected the offer. He contacted the competitor, Checkers, and relayed the data on the informant so that he could be caught.

"Business executives don't need industrial espionage to help them do their job," Mr Ackerman said.

Last year some of Pick 'n Pay's advertising material was stolen. The missing material turned up at Checkers, who returned the sealed packet to their arch-competitors.

"I have had people coming to me and saying: 'My wife works in newspaper advertising — I can get you details of your competitors' announcements in advance.' I have always said that anybody who does that in our organisation will be fired instantaneously," Mr Ackerman said.

He said people should not get the impression that the whole of South African business was corrupt.

"I've been around a lot of countries and I have found that our Government and business area, if anything, is less corrupt than others I have seen in the Western world.

"The situation in black Africa doesn't even bear comparison. South Africa is a shining light compared to black Africa and the East."

That did not mean that there was not a lot of corruption going on in South Africa, however, and collusion on price-fixing by manufacturers was rife.

They fall for fraud easily

Industrial Editor

DETECTIVES in the Commercial Branch of the SA Police never ceased to wonder at the gullibility of some businesses which became victims of fraud and corruption, the Johannesburg Chamber of Commerce business crime conference was told yesterday.

Colonel J A Hulme, commander of the Commercial Branch at John Vorster Square, said he thought managements were taken in too easily and lacked sufficient internal controls.

"For example, credit is given for thousands of rands after only a cursory check of purchasers' particulars," he said.

Detectives were also often frustrated by the time allowed to lapse between the commission of corruption and the reporting of the incident.

Col Hulme also pointed out that there was, as yet, no legislation to counter industrial espionage, often simply the theft of pieces of paper, blueprints or magnetic tape.

"The only charge we can bring in such a case is the theft of the piece of paper, which has a minimal value."

Industrial espionage and corruption convictions were difficult to bring because the police had to look inside the minds of the alleged wrongdoers, Col Hulme said.

Between June 1981 and March 1983, the Commercial Branch investigated 14 cases involving the contravention of the Prevention of Corruption Act.

Only three convictions were achieved and three cases are still under investigation.

CAR RETAILING (30)

BMW goes black

FM 15/4/83

Count von der Goltz, chairman of BMW's worldwide supervisory board and Eberhard von Kuenheim, world chairman, last week witnessed the turning of the sod for Soweto's first BMW car dealership.

BMW's partner in this venture — with a controlling 51% share under the black/white trading provisions allowed in black townships — is John Langa, an ex-Soweto councillor and West Rand Administration Board employee.

He is virtually unknown as a businessman in the township, is partially blind and will be relying heavily on his family to staff the business.

He is also partnering BP and OK Bazaars in the development of a complex to house the car dealership, petrol station, retail outlet and a cinema complex in Soweto's Orlando West.

Local BMW MD Eberhard von Koerber acknowledges that the project is not without risk. He says: "If one has confidence in SA, one must have confidence in the black market and give substance to that by participating in its development.

"The white market is currently nearly saturated with car ownership at 434 cars/1 000. After the US and Australia, this is the highest in the world. And we estimate white car ownership at only 445/1 000 by 1990."

According to Von Koerber, black car ownership is presently about 11/1 000 and projections are that by 1990 it will have grown 400% to 40/1 000. BMW is already selling between 8% to 10% of its cars to blacks, Indians and coloureds.

"We expect that the Soweto outlet will sell 400 BMWs, both new and used, in the first two years with the ratio of new to used being about 1:1. This means a turnover of R6m. It would still be a profitable venture even if we sold only 300 in this period," Von Koerber says.

BMW is also confident of bank financing for its customers on both new and used cars.

BP is providing finance of about R800 000 for construction of the petrol station and other facilities, while BMW will put up the working capital. It will also give training and provide management expertise in sales, servicing and financing.

Soweto ... more BMWs on the way

However, it is BMW's intention to pull out within three years, if not earlier. At that point, Langa and his family will become 100% owners.

Says Von Koerber: "The pioneering work that we're doing, as a white company to enable blacks to run their own business, is more important than BMW's turnover. We view this as a business development model which could be used by others, not only in the motor industry, but also in other areas of trade and industry."

Call to open trading areas to all races

16/4/83 (30) ~~28~~

E. Post

BLACK businessmen should be free to run their businesses without restriction in the major ("white") commercial centres of the Border region, say Border businessmen.

And ultimately the same freedom should be extended to white businessmen, who should be permitted to operate in black areas.

Meeting in King William's Town this week under the umbrella of a regional congress of the Association of Chambers of Commerce (Assocom), business delegates debated a motion calling for the creation of "free trade areas" in which restrictive provisions of the Group Areas Act would be frozen.

Proposed by the congress hosts, the Kaffrarian Chamber of Commerce, the motion noted that "existing prohibitions on the ownership or occupation by disqualified (black) persons of business premises in the major commercial centres of larger towns:

- "Restrict the full participation by members of all population groups in the economic development of the country.
- "Deny full opportunity to non-white businessmen to acquire additional management skills.
- "Discourage the formation of inter-racial partnerships.
- "Act as a brake on the private enterprise system in South Africa.

"Congress urges that municipal authorities, affected management committees and community councils be empowered to declare free trade areas within their respective areas of jurisdiction and that the Group Areas Act be amended accordingly at the earliest opportunity."

Proposing the motion, Mr Stuart Boucher pointed out the Riekert Commission had recommended that the Group Areas Act (1966) be amended effectively to allow black, coloured and Asian businessmen the right to operate in a commercial centre "provided that the institution of such areas shall not be refused by the Minister concerned and if a formal request has been received from a local authority (including a management committee and a consultative committee in Indian and coloured group areas)".

"The chamber believes the approach adopted by the Riekert Commission is a sound one in the present circumstances," said Mr Boucher.

"Provided, however, that the areas so opened are not excessively restricted and cover a general trading area."

In a White Paper submitted to Parliament by the Department of the Prime Minister, added Mr Boucher, it is stated that the Government intended to amend the Group Areas Act so that areas available for occupation by all population groups can be designated in any proclaimed group area for business, commercial or professional purposes provided that such a step would not depress land values and lead to residential mixing.

D.Dispatch 14/4/83 (30)

Progress made in E Cape — Rive

BY TOM LOUW

Business Editor

MR RIVE

KING WILLIAM'S TOWN — Mr Louis Rive, who was appointed by the government as a one-man commission to study the improvement of the quality of life of the black people of the Eastern Cape, said here yesterday that progress is being made in the region.

He told the regional congress of the Association of Chambers of Commerce (Assocom) that in "what I regard as the real Eastern Cape — the portion this side of the Fish River," a few basics have become clear — that the solutions to many national problems must be found here.

"This area must become an economic heartland," said Mr Rive, "and unless we achieve that, we cannot solve the problems of South Africa beyond the borders of this area."

He defined the basic problem as the inability to create employment for a generation of labour.

"East of the Fish River is the area where we must find the solution," he said, adding that the area could expect to see more of him in the coming months.

He expressed a hope for some movement towards an improvement and confidence that many of the problems can be solved. He called attention especially to the role of agriculture, of small business development and of advance in the informal business sector in contributing to economic progress.

Mr Rive said he saw himself as a catalyst, to bring together the various bodies now operating independently. He commented: "Create an entity and you create an empire."

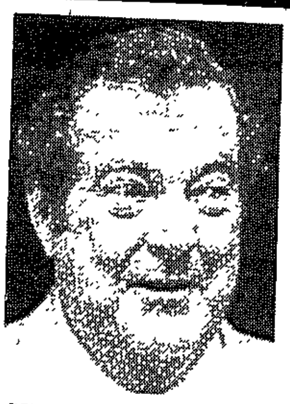
"What is important is what we achieve at the end of the day, so you will have to bear with me for possibly another year or so."

Mr Rive disclosed that a plan for upgrading certain areas in the Port Elizabeth metropole was almost ready. It envisaged the expenditure of about R3000 million over four years. He hoped the project would get moving even before agreements were signed; the target date was July 1, with an infusion of capital of the order of R65 million in the first year.

Mr Rive said it would be left to Mr Louis Koch, of the East Cape Administration Board, to determine the means and pace of the work, and Mr Rive would then withdraw because Mr Koch and his team were "technically and administratively capable."

This development would do something to ease unemployment and social problems in the area, Mr Rive said.

Assocom calls for govt drought action



MR ORSMOND . . . situation desperate.

KING WILLIAM'S TOWN — A direct approach to government to take immediate steps to augment the supply of water to the Eastern Cape was called for at the Assocom Regional Congress here.

The need for measures to be taken to counteract the severe drought problems in the development region featured prominently on the congress agenda.

Discussion on the topic, which was raised by the East London Chamber of Commerce, centred on the augmenting of water supplies to minimise future drought effects, and also on specific relief action such as the use of artificially induced rainfall methods to limit the nature, severity of drought's effect on the economy.

East London delegate, Mr George Orsmond, the president of their chamber, said measures should be taken to eradicate uneconomic water usage. In Israel, he reported, agricultural watering was done using a drip technique to eliminate wastage.

In view of the population explosion, the water situation was desperate, he said.

The government's estimates that the storage facilities for the region were adequate until the year 2000 were doubtful, he said, adding that he believed they would be insufficient after 1990.

An aerial view of the region showed there had been a "dramatic" drop in storage water and that rural pools and dams were drying up.

He said the cost of the drought would be great, and would be felt by everyone.

"I think it is high time we gave thought to augmenting the water supplies through weather modifications," said Mr Orsmond, adding that this should be considered despite some people's fears of "playing with the heavens."

A spokesman for the weather division of the Department of Transport, said research into the science was being conducted in South Africa, and reported that Israel had succeeded in perfecting the technique which had resulted in a 15 to 20 per cent increase in rainfall and a greater increase in run-off for storage in that country.

However, it would not be a "simple case" of transferring the technology. Research would have to be conducted here before an effective employment of weather modification could be considered. — DDR.

Reciprocal judgment

KING WILLIAM'S TOWN — A Kaffrarian Chamber of Commerce motion urging the South African Government to negotiate reciprocal civil judgment enforcement agreements with Southern African states was approved at the Assocom Congress.

Prior to the advent of the national and independent national states, enforcement of these judgments had been easy, as tracing and suing debtors was easily done, Mr J. Clark of the local chamber said.

Under the present system, pursuance of justice necessitated sueing the party afresh in other territories — "A waste of both time and money".

"As things stand now, the system of loose contractual bonds break down when one tries to enforce a judgment," Mr Clark said.

He said the motion was designed to provide for proper jurisdiction for enforcing civil judgments in these territories by agreements set up through the South African Government.

It could not be done unilaterally by South Africa, he said, as the Southern African states had their own sovereignty.

The motion was carried without dissent. — DDR

Metropolitan co-ordination

KING WILLIAM'S TOWN — The East London Chamber of Commerce was termed parochial when it called for the establishment of a body to co-ordinate the metropolitan affairs of the East London area.

The motion was put forward at the 1983 Assocom regional congress.

East London delegate, Mr N. Cloete moved that authorities in the area "find a common platform" to discuss matters of mutual concern with particular reference to infrastructure."

Mrt Cloete said East London development projects such as the upgrading of the Douglas Smit Highway had highlighted a lack of knowledge as to who the rightful authority responsible for the road was.

He said there were numerous bodies in the East London area responsible for various services, and although liaison did exist, "We remain concerned that the channels of communication become so lengthy and unwielding that in many instances a worthy effort dies an early death."

Mr L. Walker from the Aliwal North chamber said it appeared the proposal was limited to "as far as the outskirts of East London."

Mr Cloete replied that his chamber had called for a committee at local level because of a break in the link of local services.

East London's mayor, Mr Errol Spring, justified the chamber's request by noting that the region was vast and differed greatly from place to place.

Assocom's chief executive, Mr R. Parsons, suggested that each chamber could make use of the motion as needed and apply it to their local situations.

This was accepted by the congress. — DDR.

Free trade sought

KING WILLIAM'S TOWN — A motion supporting the formation of free trade areas for all population groups was carried by the Assocom Regional Congress.

The president of the Kaffrarian Chamber of Commerce, Mr S. Boucher, called for the empowering of municipal authorities, management committees and community councils to declare free trade areas in their areas of jurisdiction to allow all population groups to conduct business there.

Mr Boucher said existing prohibitions on the ownership or occupation by "disqualified persons" of business premises in the major commercial areas of larger towns restricted participation by all race groups in economic development. It also denied them management skill acquisition, discouraged inter-racial partnerships and "acts as a brake on the private enterprise system," he said.

The motion was in support of the approach taken by the Riekert Commission which had recommended that demarcated areas be established where restrictions pertaining to the acquisition, ownership or occupation of trading, commercial or professional premises, be waived to make possible the free entry to trade in that area by members of all population groups.

This approach was a "sound" one in the present circumstances, Mr Boucher said.

He said his chamber believed the best method of implementing the commission's proposals was to empower municipal authorities, affected management committees and community councils to designate certain industrial and central business districts as free trade areas.

The motion was carried uncontested. — DDR

Star 16/4/83 (30)

Shopping exploiters are still growing stronger by the day

AUDIT ALERT

If you know of any practice that deserves investigating write to: "Audit Alert," The Star, Box 1014, Johannesburg 2000, or phone 633-2344.

By Elaine Reyneke, Star Line

The massive "criminal" subculture operating on the periphery of South Africa's consumer world is getting stronger.

Each day it tightens its hold over the uninformed and inexperienced conH-sumer.

Despite persistent pleas by concerned individuals to curb undesirable practices and irregularities in the market, few positive steps have been taken to halt skulduggery.

A number of concerned spokesmen questioned during an investigation by Star Line referred to the present protective consumer controls as "most slack".

They criticised consumer-oriented bodies for being insufficiently vocal in protecting consumer interests and said that in the past year nothing positive had been done to alter the consumer's position.

Some spokesmen said it was unfortunate that because of the free-enterprise system consumers were frequently left to fend for themselves.

In spite of apparent apathy some steps will be taken soon to help despondent consumers.

SOWETO TASK

Dr Nthato Motlana, chairman of Soweto's Committee of Ten, said the primary task of a newly created promotion compa ny there would be to investigate all aspects of black consumerism.

The launching of the Association for a Creative Society, says Mr Mike Rantho, community particip̀ation manager at the Urban Foundation, will assist the black consumer.

He said plans for the association included a study of aspects of exploitation.

Concerned about the magnitude of consumer problems, the Transvaal Law Society has approved a scheme enabling people who would not normally have access to legal advice to consult an attorney for 30 minutes at a R15 fixed fee.

Legal firms have been requested to take part in the "fixed-fee interview" scheme to be introduced as soon as a list of participating attorneys had been drafted.

The list, which will also set out the types of queries and complaints to be dealt with, will be made available to the public at various centres.

HOEXTER FINDING

A spokesman for the Department of Justice told Star Line that the Hoexter Commission of Inquiry into the structure and functioning of the courts had "found an urgent need for a special machinery for the settlement of minor civil disputes".

The commission, he said, had recommended the establishment of a Small Claims' Court whose features should include:

- The proceedings should be conducted informally, speedily, simply and inexpensively.
- There should be no unnecessary paper work.
- Claims should not exceed R750.
- Presiding officers should not be members of the public service.

According to the recommendations no appeals will be allowed but reviews in some cases would be possible through the Supreme Court.

16, 1983

D. Dispatch 16/4/83

Koch: unity is SA's solution

By TOM LOUW
Business Editor

KING WILLIAM'S TOWN — The solution to the problems besetting South Africa must be a South African solution, not a white solution, Mr Louis Koch, chairman of the Region D Advisory Committee and chief executive of the East Cape Administration Board, told the Assocom regional conference here yesterday.

Opening the conference, Mr Koch emphasised the population growth problems to be expected by the end of the century. He said regional development could succeed only if it took account of South Africa as a whole.

He pointed out that 80 per cent of the country's economic development occupied four per cent of its area.

By the end of the century 80 per cent of trained manpower would be needed in the service industries and the white population would not be able to provide them. Therefore education and training for blacks would have to be increased eight-fold.

"We need greater readiness to associate," said Mr Koch. Structures for collective decision-making would have to be created, for "we can no longer make decisions as whites"

Mr Koch said economic growth of 4,5 to 5 per cent a year would be needed to provide employment for the country's population.

Urbanisation of blacks was now a fact, he said, and it had been estimated that 150 000 to 200 000 houses a year would be needed.

The labour force would grow by more than seven million by the year 2000.

"Even if you start now you will not train the managers for those extra workers in time," he said. Employment could no longer be based on colour. Universities would have to be integrated and would have to be recognised as places of learning and not political institutions.

He called on people to recognise that the races were inter-dependent in the search for those things which people had in common and which they would find would far exceed the points of difference.

Racial fears, he said, arose from not knowing, but "when you know, fear vanishes."

More reports P14

SUNDAY TRIBUNE, APRIL 17, 1983

Blacks claim to have lost out in furniture and song deals

The bye, bye laybye Blues

By Barney Mthombothi

TWO men, who between them operated several second-hand furniture shops in and around Durban, have seemingly disappeared leaving scores of disgruntled customers clutching laybye receipts for goods they have not received.

The shops sold mainly to blacks.

The Legal Resources Centre is compiling a list of complaints and has handed some to the Department of Industries Commerce and Tourism for investigation.

The men individually or jointly and at various times owned branches of Discount Furniture Stores at Berea Rd, Queen Street in the city centre, Dalton Road near the Dalbridge station, and at Isipingo.

Customers claim to have lost hundreds of rands.

Records at the licensing section of City Engineers Department show that the Berea Road branch of Discount Furniture Stores is owned by Mr John Henry Booysen. The Queen street branch is under the name of Mr Septem Swart.

Efforts by the **Sunday Tribune** to contact Mr Booysen and Mr Swart failed.

Major John Trickey, head of the Commercial Branch of the CID, said this week his department had handed the matter over to the Fraud Squad.

He confirmed that goods at the Berea Road Branch of Discount Furniture Stores were attached by the Messenger of Court in terms of a judgment given on Friday last week in favour of Multiwood Products for goods worth more than R4 000 owed them.

The **Sunday Tribune** this week spoke to several former customers of Discount Furniture Stores.

Miss Ruby Mkhwanazi said she lost R910 for goods worth R1 155 she had laid bye at the Dalton Branch. Miss Mkhwanazi made a statement at the Legal Resources Centre which has, together with statements from other customers, been handed over to the Trade Inspections and Price Control section of the Department of Industries, Commerce and Tourism.

"In October last year I saw sheets of corrugated iron on the window of the Dalbridge shop," Miss Mkhwanazi said this week.

"I liked the price. I did not have money with me but I was told I could pay whatever I had as everything was sold on laybye. I paid R10."

By the end of October Miss Mkhwanazi had paid R710 to Mr Booysen who owned the shop.

"But when I went back on January 15 this year I found it had been taken over by new people and the name changed from Discount Furniture Stores to Big Save. The new owner introduced himself as a Mr Swart.

"Although I was given credit by Mr Swart for payments made under the purchase from Mr. Booysen, Mr Swart increased the purchase price by R99."

Miss Mkhwanazi, a nurse at King Edward Hospital, said she at first refused to renegotiate the price with Mr Swart but was told if she did not, she would "lose everything, including the money I had already paid.

"I gave him R200 but my mind was not at rest. I had now paid these people more than R900 and I didn't know them. Seven days later I went to the shop to settle everything before something went wrong. To my shock, the shop was closed. I felt helpless.

"I went to the Berea Road branch. It, too, was closed."

Miss Mkhwanazi said she later went to Mr. Swart's flat at Pen Marric, Glenwood. He was in but refused to answer the door.

☐ Patricia Deyi
Returned to find shop barricaded

When Mrs. Patricia Beyi, a Berea domestic servant, finished paying for a sewing machine she had on laybye at the Berea Road branch of Discount Furniture Stores, she was told she could pay as little as R2 for a R400 paraffin stove.

"My employer who had accompanied me made out a R5 cheque for me."

Later she saw a dining room suite worth R200 and started paying for it as well.

More than 15 months later with more than R198 of her money in the shop's coffers, she called again and found it closed and barricaded.

"I liked it there," she said. "They didn't compel me to pay a stipulated sum. I paid what I could afford. Some months I had money and others I didn't so it was very convenient for me to buy from them."

Mrs Deyi's last payment was in January.

The **Sunday Tribune** was told by workers that a white man who claimed to have bought the shop this week covered the large windows of the shop with newspapers. The man told people who were looking for their money to go to the police.

While the **Tribune** was at the shop Mrs Jennifer Nonyongo, another domestic servant, called. She said she had paid R40 for two items and had come to pay another R50.

"I think I'm lucky," she said. "Other people lost far more than this."

The Berea branch was also used as a depot for a dry cleaner. A man called looking for his pair of trousers.

"I left my trousers for dry-cleaning and the next thing the people are gone," he said.

The **Sunday Tribune** has spoken to and has names of other customers who recounted similar experiences with the shops.

Lawyers representing Multiwood Products said they applied to the courts for attachment of the shop's goods because their client was not paid for cabinets ordered by Discount Furniture Stores.

Payouts frozen on the music Sex Pistols boss is said to have cribbed

Tribune Reporter

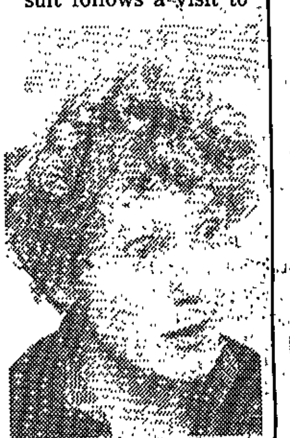
BRITISH rock manager and Sex Pistols founder Malcolm McLaren has been accused of ripping off South African talent with his chart-buster *Soweto* and worldwide royalty payments on the hit have been frozen.

Mr Ivor Schlosberg, managing director of RPM Records in Johannesburg, said this week a British court injunction had been taken out freezing payment of all royalties on the record pending a claim for damages.

"Now we have to wait for it to come to court," Mr Schlosberg said.

"It will take about 18 months but hopefully it won't even come to a case. With luck McLaren will settle before then."

The breach of copyright suit follows a visit to South Africa by McLaren who came out last year with top British producer Trevor Horn to record ethnic rhythms. They used Sowetan musicians for an album.



☐ Malcolm McLaren
Court injunction freezing royalties

One of the songs recorded, *Soweto*, has made the British charts.

But according to local recording company executives, it is in fact a local Shangaan composition called *He Mdjadji* published by Clan Music, a subsidiary of RPM Records, Johannesburg, in 1976.

They also claim the B side, *Zulu Sitting On A Time Bomb* appears to be taken from a Vallo Music composition called *Tsotsi*

Mr Schlosberg said an agreement had been reached with Phonogram, the British distributors, to freeze copyright payments pending the case rather than block distribution of the record, because the South African composers stand to lose recognition and revenue.

19 APR 1985 The Star

Disclosures about huge swindles may be dramatic, say police

Fraud gang broken

By Michael Chester

Commercial Branch detectives have broken a crime syndicate that has swindled banks and businesses of huge amounts of cash by chequebook and credit-card frauds over the past two years.

Colonel J A Hulme, commander of Johannesburg's Commercial Branch, confirmed today: "The racket was organised on a nationwide basis and we are still investigating how many frauds the gang committed before we tracked them down.

"We have the key men and can now start drawing the net round the head of the syndicate. The exposures may be dramatic."

Evidence has already been collected on how the frauds were carried out:

- The syndicate offered bribes for originals of genuine cheques issued by businesses and carrying the signatures of the executives — usually two — authorised to sign them.
- Next, the gang made application to the appropriate bank branch, forging the necessary signatures, for the issue of new cheque books. People who appeared to be normal company messengers were engaged to carry out collections from the banks.
- Then, rather than run risks trying to cash the original cheque, the syndicate started to issue a whole bookful of cheques, as many as 200 in each folder, to order payments from the businesses into various disguised accounts.
- Experts were engaged to prepare counterfeit identity documents so that "ghosts" could apply for credit cards — and disappear at the end of their buying sprees.

The police swoop coincides with mounting concern in the Commercial Branch and among banks that credit-card frauds in particular may soon increase as buying on credit becomes more widespread.

"Fraud by credit cards has grown to at least R500 million a year in the United States," said Colonel Hulme. "The crime wave has already crossed to Western Europe and it is almost inevitable that it will hit South Africa sooner or later."

AUDIT ALERT

If you know of any practice that deserves investigating write to: "Audit Alert," The Star, Box 1014, Johannesburg 2000, or phone 633-2344.

Brigadier Izak van der Vyver, national head of the Commercial Branch, is expected to attend a special conference of international experts on the growing problem in London next month.

He is also expected to talk to Scotland Yard to find out about British methods of tackling any widescale outbreak of credit-card fraud.

Almost all the major South African banks have their private fraud squads to track down offenders and devise new techniques to try to contain the problem.

The squads have already begun film shows and lectures for businesses which accept payments by credit card on how to protect themselves against fraud and how to detect swindlers.

And supermarkets and similar chains are testing computer equipment that can identify fraud attempts by reading secret magnetic tape codes invisibly imprinted on credit cards.

South Africa has formed links with overseas anti-fraud experts by launching its own national chapter of the International Association of Credit Card Investigators. Mr Piet du Plessis, of Standard Bank, has been appointed president.

Now the banks have urged the Government to introduce legislation that will deal specifically with credit-card offences.

"We have managed to keep credit card frauds to relatively low levels so far," said Mr du Plessis, "but we need to be prepared for the possibility of the US crime wave reaching here. We want all the barriers we can get."

(30) 20 APR 1983 SOWETAN

Chamber makes donation

BLACK businessmen should take it upon themselves to uplift the standard of living for the under-privileged society.

Speaking at a presentation in Atteridgeville this week, the chairman of the local Chamber of Commerce, Mr Z Z Mashao said it was unfortunate that the children who happen to be born black and who were abandoned at an early age, were completely ignored by the community.

The chamber presented cheques of R350 each to the Cripple Care and the Family Care and Marriage societies.

Festival will promote trade

(30)

20 APR 1983 SOWETAN

ON SHOW: One of the many technical skills which will be demonstrated at the Soweto Homemaker's Festival.

THE MAIN aim of the Small Business Development Corporation (SBDC) is to promote the development of small business enterprise amongst all population groups of Southern Africa. It was therefore a natural decision for them to seek the opportunity to participate in the Soweto Homemakers Festival where the project is based on the same premise — that of fostering trade in Soweto to the benefit of both the community and the traders themselves.

Mr Chris Khoza, the PRO for the SBDC said: "We are very excited that this opportunity has been made available to companies associated with the SBDC through the generous sponsorship of three of our shareholders, Gencor, Barclays Bank and Total. The R18 000 contributed by the SBDC and the three sponsors made it possible for 30 companies to exhibit at the festival."

The SBDC companies exhibiting at the festival will all be together in a marquee where many of the exhibitors will be staging practical demonstrations as well as displaying their products.

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Page 20

Top boss challenges Etheridge

30

Star

20 APR 1983

Own Correspondent

CAPE TOWN — Pick 'n Pay chairman, Mr Raymond Ackerman, has challenged Anglo American's Mr Dennis Etheridge to ensure his own corporation is blameless before accusing the rest of South African business of corruption.

Last month Mr Etheridge caused controversy with allegations of widespread corruption in the private and public sectors of the economy.

After his speech to the Institute of Internal Auditors, there were calls in Parliament for a special commission of inquiry to probe the allegations and the Prime Minister, Mr P W Botha, appealed to Mr Etheridge to tell the authorities of instances of corruption he knew about.

At a Tygerberg Chamber of Commerce lunch, Mr Ackerman said South African businesses were less corrupt than the rest of the world.

Mr Etheridge had overstepped the mark and should examine the possibility of corruption within his own group before he "blackens the rest of business in South Africa", Mr Ackerman said.

The challenge came at the end of his talk on the compatibility of profit and social responsibility.

Cattle starved in SAR 'oven'

20 APR 198...

By Clyde Johnson,
Lowveld Bureau

KOMATIPOORT — In blistering heat, and without food or water, 25 head of cattle spent 77 hours in a suffocating railway truck at the Tenbosch siding near here last week.

When the truck was opened the animals, each of which had lost about 60 kg, were so weak and exhausted that they were unable to walk to a nearby drinking trough.

Some of the animals have recovered, but three cows are unable to eat without help — four days after the ordeal.

The distressed owner has laid a charge of cruelty to animals. The Komatipoort Railways Police are investigating. A cattle farmer, Mr Piet Stassen, of Kwanza farm near Komatipoort, said his agents had arranged for the cattle to be railed from Tenbosch to the Benoni abattoir.

The animals were trucked on April 11. After foot-and-mouth-control officials sealed the truck-doors the truck was ready for hitching by 10 am.

The cattle were to have reached Benoni the following day. Mr Stassen was shocked when a farm labourer reported having seen the truck, parked in the same place, at 3 pm on Thursday.

"I broke the foot-and-mouth-control seals and when the truck doors fell open the hot air inside hit me in the face like an oven," Mr Stassen said.

The cattle were worth about R10 000.

"That's a lot of money, but it's not so much their value that upset me but the sheer negligence that caused them so much agony," said Mr Stassen, who runs a 3 000 ha farm.

Police use teargas to quell stone-throwing at school

20 APR 1983

Star

216

251

MARITZBURG — Police used teargas yesterday to disperse a crowd of schoolchildren who attacked a school inspector.

A police spokesman said the inspector had gone to the Sobantu High School, near Maritzburg, to explain the standard grade matriculation course when children began throwing stones at him.

Police were called and teargas was used to disperse the pupils.

No arrests were made and nobody was injured, but the school has been closed until Monday. — Sapa.

Fight for mini-cabs hots up

By Lucille McNamara,
Municipal Reporter

The Johannesburg Chamber of Commerce is set to take the battle for the introduction of roving taxis a step further with a move to seek the support of branches throughout the Transvaal for a demand that the Government relax control of this form of public transport.

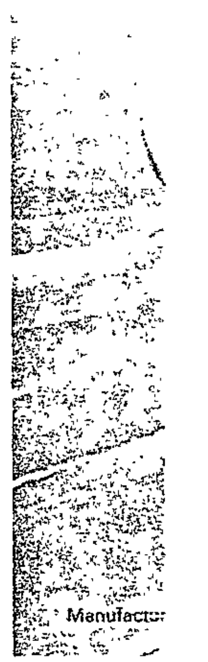
At a regional congress in Rustenburg tomorrow, the JCC will table a motion calling on the Government to amend the Road Transportation Act "with a view to removing control of taxi services from its ambit".

The JCC believes the introduction of short-hop roving taxis in the central business district will "promote greater competition and improve services in the field of passenger transportation".

This is the latest step in a so-far unsuccessful campaign which has been waged for more than three years by the JCC, Assocom and the Johannesburg Central District Association.

The JCC is critical of "the expensive and unsatisfactory quality" of existing taxi services and believes that mini-cabs, with their cheaper rates, could be a boon to businessmen and tourists.

Also backing the move are the Metropolitan Transport Advisory Board and the South African Property Owners' Association.



Murder case

By Jo-Anne Collinge

Communities under threat of removal will be the focus of Thursday's vigil in honour of Mr Saul Mkhize, who died in his fight against relocation of the "black spot" Driefontein, near Ermelo.

"Our aim is to carry on the work of Saul Mkhize and to see that his death results in greater resis-

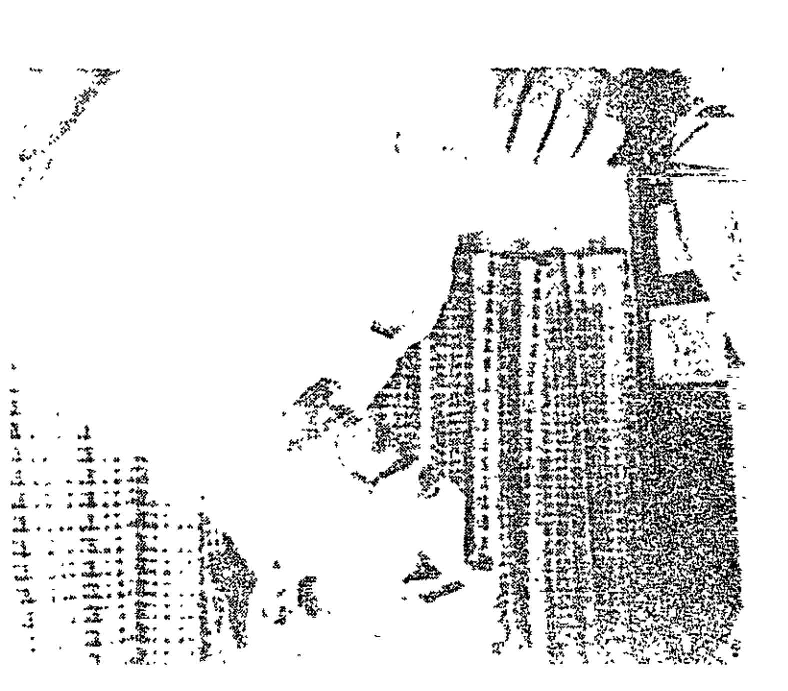
publicity

By Themba Molefe

A Johannesburg Regional magistrate yesterday refused the plea of a convicted former Johannesburg Municipality clerk to bar reporters from publishing his case.

He sentenced him to a fine of R1 000, or one year in jail, for stealing more than R2 000 from the municipality's pension fund.

Johannes Stephanus Kruger (35) of 8th Avenue Bezuidenhout Valley.



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20/4/83

20 APR 1983 Dar 30

Pretoria Correspondent

1982 sees summonses for R163,6-m as SA squirms under economic pinch

770 000 fall into debt

South Africans are plunging more heavily into debt, with more than 770 000 people being summonsed for bad debts last year.

Default and consent judgments for goods and services worth R163,6 million were obtained against 319 395 people and companies in South Africa's courts last year, according to details released by the Central Statistical Services in Pretoria.

As far as can be established, the money owed is the highest figure in South Africa's history and the number of people involved is exceeded only by those for 1978.

But it should be borne in mind that money values have steadily dropped. Cars, for instance, are much more expensive than they were five or six years ago.

The 319 395 judgments granted last year were about 21 000 more than those in 1981 and the value of goods involved has increased by about R39 million.

Most court actions were against private individuals (299 855), with companies accounting for 19 540 cases.

Company bad debts amounted to R15,3 million and those for private individuals to R148,3 million.

The biggest slice of bad debt, R38,8 million, came from "open account" purchases, such as clothing and furniture bought on a repayment system of less than six months.

Hire-purchase agreements for longer periods accounted for relatively few of the debts, totalling just over R20 million.

Professional services accounted for R6,9 million, money lent for R19,8 million, promissory notes and bounced cheques for R20,8 million and rent for R4,8 million. The balance was made up of debts not categorised.

The statistics were based on information collected from a sample of about 200 magistrate commissioners throughout the country.

This increase in the amount of debt was to be expected when the economy took a downswing, especially in the light of the sharp downturn during the second half of last year, said the chief economist for Volkskas, Mr A Engelbrecht.

He expected this trend of increasing debt to continue throughout the year with more insolvencies and liquidations, predicting that the economy would reach a negative growth rate of minus two.

Although the predictions for 1984 were brighter, with the growth rate of the economy reaching a possible 4,5 percent, the country was in for a hard time this year, said Mr Engelbrecht.

He predicted that unemployment figures would rise as companies began consolidating their financial situations to remain within their profit margins.

The lower rate of increases in salaries, increased interest rates, credit facilities and bad management were all factors contributing to the growth of debt.

Mrs Joy Hurwitz, president of the Housewives' League, blamed easily available credit and inflation for luring people into debt.

"It seems that large shops are not interested in giving discount for cash any longer and prefer people to use credit facilities," she said.

But economists said the figures had to be reviewed with caution as they were merely reflections of statistics.

[redacted]

The Star (20) 21 APR 1983

Ackerman attacks Etheredge again

Consumer Reporter.

The chairman of Pic 'n Pay, Mr Raymond Ackerman, yesterday made another scathing attack on Anglo American director Mr Dennis Etheredge for "blackening" the image of South African business.

Mr Etheredge, who has alleged that there is widespread corruption in industry, should first clean up the monopolies in the Anglo stable, said Mr Ackerman at the annual meeting of the Johannesburg Women's Ort club.

On Tuesday at a Tygerberg Chamber of Commerce lunch, Mr Ackerman criticised Mr Etheredge for "overstepping the mark.

"Some of the greatest monopolies in South Africa form part of Anglo American," said Mr Ackerman.

"If Anglo can honestly say there are no monopolies and no price fixing agreements in their group, then Mr Etheredge is entitled to blacken South African business."

The Anglo chief had cheapened the image of business in the eyes of many young people, he asserted.

"One does not blacken the entire business world because there is a certain amount of graft or stealing," he said.

Mr Ackerman admitted that his group lost R15 million a year through theft by staff and customers.

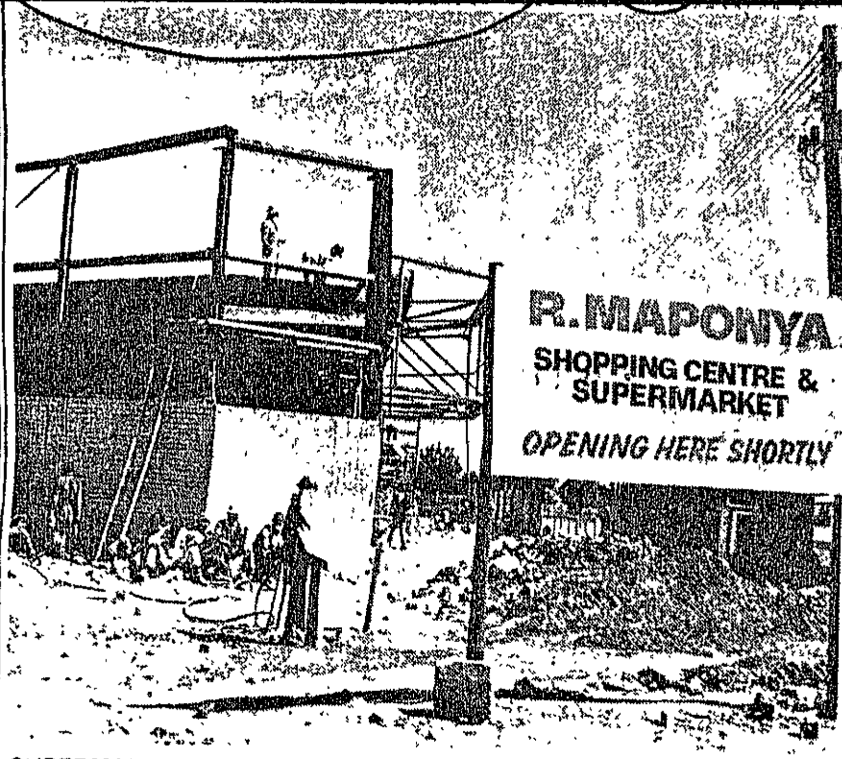
"We have got to solve these security problems," he said.

In his speech Mr Ackerman praised the work of Dr Dawie Mouton, chairman of the Competition Board. "Dr Mouton has done his best to fight monopolies, but the Government does not listen to him."

Consumers should be stronger in their opposition to monopolistic practices, he said.

"Monopolies have got to be cut if we want to fight inflation," he added.

(30)



SUPERMARKET: Part of the R2-million complex of Mr Richard Maponya.

Maponya hits out at critics

SOWETO businessman and race horse owner Mr Richard Maponya, yesterday denied that his R2-million business complex presently built in Dube, Soweto was a front.

He accused those who called his business a front and of being in partnership with whites of talking "absolute nonsense".

In an exclusive interview with **The SOWETAN** this week, Mr Maponya said his complex would house a bakery, boutique, record bar and possibly a chemist.

The building will be completed in August this year and be opened at the end of September.

Mr Maponya said because of a lack of managerial expertise among blacks he would sign a management contract with a white company — something similar to the one signed by Blackchain when it started operating.

He said the consumers wanted their money's worth and if we hope to stop the flow of money from our townships to the cities, we should be prepared to compete with the large supermarkets in town.

Black attack on trading

(30) Mercury 21/4/83

African Affairs Correspondent

UNTIL white men could trade where they wanted to and black men could do the same, any talk of free enterprise in South Africa was meaningless.

This point was made in Durban yesterday by Prof A C Nkabinde, rector of the University of Zululand, when he opened the annual congress of the Inyanda Chamber of Commerce.

Prof Nkabinde called for the abolition of legislation such as the Group Areas Act and influx control in order to expedite free enterprise.

Another speaker at the congress, the senior general manager of the KwaZulu Development Corporation, Dr Marius Spies, referred to the fact that it was still not possible for white lending institutions to secure loans for black clients because they could not register mortgage bonds over property in black areas.

Dr Spies said the KDC had been told that the Government planned to amend existing legislation to make the registration of bonds by white institutions in black areas possible.

Untenable

He hoped this would come about soon.

Dr Spies said black people held very substantial savings in Natal building societies and the situation at present was that blacks were subsidising white housing.

This was clearly untenable, he declared.

Prof Nkabinde urged Inyanda members to move into the field of property development and manufacturing.

He said property development had remained in the hands of the public sector for a very long time but it was obvious that this sector could not cope with the demand.

Black businessmen, too, should look at opportunities in the sphere of holiday chalets, hotels and recreational amenities.

He thought black commerce should investigate the establishment of organised agriculture.

Industry must face regional challenges

The Star

By Colleen Ryan, Consumer Reporter

22 APR 1985

Commerce and industry in the regional areas of South Africa must face up to the challenges of free enterprise or must accept more State intervention.

This was the message of Mr P N Palmer, senior lecturer in business economics at Unisa, delivered at Assocom's regional congress in Rustenburg today.

Opportunities

The regional economic development programme envisaged by the Government presented businessmen with a number of challenges and opportunities, said Mr Palmer.

"The challenge is for regionally located businessmen to prepare themselves if they are to exploit these opportunities to the full," he said.

These challenges included:

- The training and retraining of staff to ensure they could cope with technological changes.
- The need to increase productivity.
- The importance of situating enough branches in areas where business activities and spending power were increasing.

Implications

Mr Palmer said many businessmen were concerned about the implications of the Government's development programme.

"The Government's plan is to promote growth, but it remains to be seen whether their strategy has the desired effect," he added.

MARCH VEHICLE SALES

30

CARS

FM 22/4/83

	1983 Mar	% of Market	1983 Jan to Mar	% of Market	1982 Jan to Mar	% of Market
Toyota	5 484	21,55	12 275	19,03	11 392	15,25
VW	3 947	15,51	9 589	14,87	12 360	16,55
Datsun	3 725	14,63	8 687	13,47	6 688	8,95
Ford	3 458	13,59	8 859	13,73	12 678	16,97
Sigma	2 295	9,02	7 194	11,15	13 051	17,47
GM	2 058	8,09	5 308	8,23	5 864	7,85
UCDD	1 737	6,82	4 698	7,28	3 246	4,35
BMW	1 050	4,13	2 972	4,61	3 418	4,58
Alfa	725	2,85	1 912	2,96	2 177	2,91
Renault	537	2,11	1 667	2,58	2 031	2,72
Leyland	430	1,69	1 321	2,05	1 732	2,32
Other	7	0,03	23	0,04	67	0,09

Mar total .... 25 453 (5,64% down on 26 973 last year)
Jan-Mar total .... 64 505 (13,65% down on 74 704 last year)
Feb total 20 934

HEAVY COMMERCIALS
(5 001 kg and over)

	1983 Mar	% of Market	1983 Jan - Mar	% of market
UCDD	351	19,32	886	21,69
Sigma	305	16,79	821	20,10
Leyland	287	15,80	427	10,45
Magnis	239	13,15	478	11,70
GM	189	10,40	429	10,50
Ford	146	8,04	314	7,69
Toyota	103	5,67	251	6,14
MAN	78	4,29	205	5,02
Int Harvester	39	2,15	86	2,11
Vetsak	24	1,32	38	0,93
Malcomess-Scania	23	1,27	54	1,32
ERF	17	0,94	59	1,44
Oshkosh	11	0,61	18	0,44
Fodens	5	0,28	19	0,47

Mar total .... 1 817 (30,09% down on 2 599 last year)
Jan-Mar total .... 4 085 (44,52% down on 7 363 last year)
Feb total 1 225

LIGHT COMMERCIALS
(Up to 5 000 kg)

	1983 Mar	% of Market	1983 Jan - Mar	% of market
Toyota	3 193	31,26	7 798	30,26
Datsun	2 903	28,42	7 454	28,92
GM	1 215	11,90	3 246	12,60
Ford	1 146	11,22	3 185	12,35
VW	1 085	10,62	2 503	9,71
Sigma	539	5,28	1 200	4,66
Leyland	57	0,56	143	0,56
Alfa	37	0,36	122	0,47
Renault	23	0,23	77	0,30
UCDD	16	0,16	43	0,17

Mar total .... 10 214 (17,40% down on 12 366 last year)
Jan-Mar total .... 25 771 (21,25% down on 32 723 last year)
Feb total 8 142

SMALL BUSINESS FM 22/4/82 30

What's wrong with pirate taxis?

Demand for transport in SA is so great that there are twice the number of licensed taxis operating illegally, mostly around Johannesburg. Yet vested bus interests are objecting to any new taxi licences being granted on the grounds that they themselves provide facilities that meet public demand adequately.

The best that can be said for that argument is that it is flimsy in the extreme. If 40 000 illegal taxi drivers can make a living — at fares generally well above bus fares for the same distances — then it must stand to reason that bus facilities are inadequate.

What the taxi drivers have to offer is a journey that takes significantly less time and more space for luggage. Clearly, black commuters are prepared to pay a premium for those advantages. And by providing their taxis they are offering a public service that bus operators are unable or unwilling to provide.

But that is not all the Johannesburg Transportation Board needs to consider when it deals with the bus operators' request for no more taxi licences.

There is growing unemployment in this country. And it is an accepted economic fact that a telling means of overcoming it is to encourage private enterprise right down to the lowest possible levels. To this end a Small Business Development Corporation has been formed to which millions have been subscribed. It has the firm support of government.

In these circumstances it would be ironic if a semi-State body, such as a transportation board, should block the growth of what is clearly vigorous small business growth.

The 40 000 illegal taxis are an established fact of business life. If they are now forced out of business, both the motor manufacturing industry, which has already laid off many workers, and some financial institutions will be hit. Yet more unemployment could arise.

In the interests of road safety, there may well be a need for some order to be brought into the operation of these taxis. For instance, clearly recognised areas from which they may operate unharassed by petty bureaucracy.

A firm rejection of the bus operators' dubious argument would bring home to them that unless they operate more efficiently, they are going to have to whistle for passengers. And if in consequence they go bust? Well, there will just be more taxis around.

It seems to us to make no sense to discourage black participation in free enterprise capitalism. Surely that is a trend to be welcomed and fostered in the interests of growth and peace.

Director defends postal tariff hikes

25 APR 1983

By Lucille McNamara, Municipal Reporter

An accusation that the Department of Posts and Telecommunications was insensitive to South Africa's climate of economic stringency by increasing tariffs more than 40 percent at the beginning of this month has been disputed by the department's director of finance, Mr J H de Villiers.

He told Assocom's Transvaal regional congress in Rustenburg at the weekend that his department was subject to the same price hikes as the private sector.

"We do not receive any subsidies or rebates from the Government. Over the last four years alone salaries have increased from R375 million to R757 million, while our capital costs have increased from R340 million to R1 020 million."

Mr de Villiers said if postal tariffs had not been increased at the beginning of this month, his department would have had to budget for an annual loss of R107 million instead of the R47 million deficit which was now expected.

"The latest tariff hikes were not lightly introduced because my department always considers the best interests of the country," he said.

He addressed delegates after a motion by Benoni Chamber of Commerce which noted that because of the unacceptably high rate of inflation it was regretted that private sector requests to modify increases in tariffs were not acceded to by the Minister of Posts and Telecommunications.

Delegates also agreed that the Minister should consult the private sector on the inflationary impact of proposed future increases.

The Star Monday April 25 1983 30

Assocom fears worsening drought

By Colleen Ryan, Consumer Reporter

WINTER OF '83

The Association of Chambers of Commerce is to meet the Minister of Environmental Affairs and Fisheries, Mr Sarel Hayward, this week to discuss the serious impact of the drought on commerce and industry, the chief executive of Assocom, Mr Raymond Parsons, said at the weekend.

The drought was adding to the problems of the recession and fuelling the rate of inflation, said Mr Parsons at Assocom's Transvaal regional congress in Rustenburg.

Water authorities should be in close contact with the various chambers of commerce to ensure that the measures introduced were effective.

"Some of the measures have been implemented in great haste and the regulations have been poorly communicated to consumers," he said.

Congress delegates unanimously accepted a motion which urged chambers to liaise closely with local authorities.

Water restrictions could lead to loss of business and an increase in unemployment, said Mr D Mackintosh, a member of the Springs Chamber of Commerce.

"When the water boards introduce their water quota, it is essential the quotas are fixed at equitable levels," he said.

Delegates from country areas described the grim impact of the drought on agriculture.

Mr A Keller, Assocom past-president and a member of the Letaba chamber, said the full effects of the drought would not be felt until 1984.

"This year's citrus crop has not been affected because there was adequate water at the start of the season. Next year we could lose a million orange trees."

In the Nelspruit area, the entire cane crop would have to re-planted next year, said Mr B Shrosbee from the Nelspruit Chamber of Commerce. "The Malelane sugar mill has already had to close because of the water problem."

A Benoni delegate, Mr J M Tilley, said businessmen should explore every avenue to conserve water and to find alternative sources. Industry should investigate the possibility of tapping the vast quantity of water stored in old Reef mines.

Bid for flexible shop hours

30

Star 25 APR 1983

Consumer Reporter

The Association of Chambers of Commerce (Assocom) has taken another step in its bid to introduce flexible shopping hours in the Transvaal.

At Assocom's regional Transvaal congress in Rustenburg, delegates unanimously accepted a motion calling for longer trading hours over the coming Christmas season.

The resolution said the last two Saturdays before Christmas were traditionally busy, and the Transvaal Administration was urged to allow retailers to trade until 5 pm on the 10th and 17th.

This could be done either by way of special exemption, or by a suitable amendment to the Shop Hours Ordinance.

Assocom was committed to pressing for flexible shopping hours throughout the year, but as a start was appealing for a relaxation over Christmas.

SOWETAN

26 APR 1983

Pupils told to aim high

THERE could be more millionaires in Soweto than in Johannesburg within the next ten years because of the numerous opportunities brought about by problems facing the township's residents.

This is according to Mr Brian Helweg-Larsen, a career guidance expert who addressed about 200 high school students at the Soweto Homemakers' Festival on what they would have to do with their lives after leaving school.

He said that shortages of housing, lack of sports and other entertainment facilities were among some of the problems which offered an abundance of opportunities to people who wanted to play a role in helping themselves and others after leaving school.

"Think of housing for instance. How many people could start a career in bricklaying or even in the making of bricks whose demand is going higher and higher by the day?

"People could become brokers. They could start off by investigating what people need for improving and altering their houses and then go around to get suppliers of material or contractors. In so doing, they could be selling a valuable service needed by many home-owners," he said.

He added that it was important for prospective job seekers to have dreams because by trying to transform their dreams into realities they could find it much easier to know what was possible for them to do.

28 APR 1983 D. DISPATCH

Border needs spelt out

30

BY TOM LOUW

Business Editor

EAST LONDON — The Deputy Minister of Foreign Affairs and of Information, Mr Barend du Plessis, made a plea here yesterday for private enterprise and government to work together to create a strong buoyant economy as the foundation for constitutional reform.

Speaking at an informal luncheon given by Bomedco at the Ann Bryant Art Gallery, he said: "We must extend democracy in a continent where it has failed."

For this it was necessary to prove that private enterprise offered the best solution to economic problems, and that democracy and private enterprise could work for the good of all.

"This," he said, "is the key to the preservation of all those things we hold dear."

Speaking of the specific problems of the Border region, he said the greatest need was to provide more jobs for the mass of the people. To this end there must also be adequate education and training to fit people for better lives.

He urged business men to use times of relative economic depression to restructure and strengthen their businesses, so that they could be ready to make the most of recovery when it came.

Mr Du Plessis said the Border area had the goodwill of his Cabinet colleagues and he hoped this area would be the first to benefit from economic recovery.

The people must be properly employed, he said, and the government and private sector must work hand in hand to demonstrate the benefits of private enterprise and democracy.

"Unless we can do this together, there is no hope," he said

Indian told he cannot trade in N End

(81) (30)

E. Post.

28/4/83

Political Correspondent

CAPE TOWN — One of Port Elizabeth's established Indian traders, Mr M Dorasamy, has been refused permission to open a spice shop in North End in spite of the fact that premises were available.

The Minister of Community Development, Mr Pen Kotze, has told the MP for Port Elizabeth Central, Mr John Malcomess, that he was not prepared to change an earlier ruling by his officials to refuse Mr Dorasamy permission to open a shop in the Constantia Centre.

The Dorasamy family have been trading in Port Elizabeth since the turn of the century.

Mr Dorasamy, who owns a shop in Deal Party Estate, applied for permission to Mr Kotze's department in November last year after he had established that premises were available. The owners were prepared to let the premises to him.

When officials turned down his application Mr Dorasamy approached Mr Malcomess who wrote to the Minister in mid-February and twice in March. No reply was forthcoming. The reply finally came last week, saying it was not possible to reverse the ruling.

Mr Malcomess said this was further proof of the Nationalists' double-talk. Publicly they preached reform but behind official doors they were still firmly applying the rules of apartheid.

At a time when Indians were about to gain the right to elect members of Parliament, he said, individuals were still being refused the right to trade where they wanted.

● Editorial comment — Page 14

Warning on strip searches

29 APR 19

Star Labour Reporter

The chairman of the holding company of a retail group has warned that disciplinary action would be taken against anyone overstepping the line when conducting staff security checks.

Mr C Wise, chairman of Pepkor, which controls the Pep Stores chain, was reacting to union claims that workers at a Pep store in Vereeniging were being subjected to humiliating strip searches.

The Commercial, Catering and Allied Workers Union this week said workers at the store had to strip naked in front of supervisory staff, apparently because of clothing thefts at the branch.

The union's Vereeniging organiser, Mr Mongezi Radebe, said five Ccawusa members at the branch were dismissed earlier this month for refusing to undress.

Mr Wise said he was investigating. The worker searches as claimed by the union were against the chain's general policy and philosophy.

Businessmen laud open trading call

By Lynne Cornfield (30)

STAR

29 APR 1983

Open trading for all races in the city centre, recommended to the President's Council by Mr Francois Oberholzer, chairman of the Johannesburg management committee, was supported today by leading business organisations in the city.

Mr Oberholzer recommended that the central business district be conditionally opened to all races for business, commercial and professional purposes.

Mr Nigel Mandy, chairman of Johannesburg's Central Business District Association, said his association had always supported such desegregation.

Special permission had already been granted for at least one Indian doctor to practise in the city centre and a black association, the National African Federation of Chambers of Commerce, had its headquarters in the CBD to facilitate communication between its branches, white organisations and businesses.

He said it was absurd that a black attorney should be expected to operate only from his own group area when the courts were in town.

Mr J N Hamman, chairman of the Johannesburg Afrikaanse Sakekamer, said his organisation strongly supported Mr Oberholzer's recommendation.

His organisation had already made similar representations to the President's Council.

'Alarm' over toxin in food

CAPE TIMES 29/4/83

30

By GORDON KLING

ONE OF the country's major supermarket chains is critical of the manner in which a toxic-food scare has been handled by the health authorities and has called on them to identify the manufacturers.

Referring to a report in the Cape Times yesterday that a popular breakfast food had been found to contain illegal amounts of toxin, the general manager of Pick 'n Pay in the Western Cape, Mr John Barry, accused the authorities of keeping the matter "under wraps" and said supermarkets should have been the first to know about the problem.

Instead, his firm had been trying all day to learn who the manufacturers of the product were, so far without success.

The acting director of the National Research Institute for Nutritional Diseases, Dr Schalk van Rensburg, has declined to name the manufacturers, who evidently used in their cereal peanut meal declared unfit for human consumption.

The firm had used the meal which contained the toxin to raise the protein level of the cereal cheaply, but when the transgression was noted they had changed to proteins derived from soya beans and milk.

'Co-operation'

There had been 100 percent co-operation to correct the mistake, which could have been due to ignorance, said Dr Van Rensburg.

"This is highly alarming," said Mr Barry. "The first we knew about it was when we read the newspaper, and yet being in the food industry, surely we should have been the first to have been told.

"Instead of keeping the thing under wraps Dr Van Rensburg should say who the manufacturers are. We are finding that there is a lot of concern among consumers.

"We should have been approached to get the stocks off the shelves The matter has been very badly handled."

Several breakfast-cereal manufacturers approached by the Cape Times yesterday denied having used contaminated peanut meal and said they did not know who had.

● Our Johannesburg correspondent reports that researchers say the carcinogenic substance was picked up almost by accident — in one of the occasional random checks they make on foodstuffs on supermarket shelves.

Dr Van Rensburg said: "The danger of the cancerous substances in the cereal has been vastly exaggerated."

He believed the public alarm to be unfounded because the toxic substances had been taken out of the cereal last April.

-operty market
...tinues to be

Mr Tom Dykes of the industrial division of Wilfred Isaacs

right price will have to travel between 10 and 15 kilometres

it would have gone for this time last year.

de deficit in 1983
ted at $85 000-m

— The United States trade deficit is likely to reach million this year because of the strength of the eco- and the dollar, a US trade official said this week.
would increase as the country continued its eco- , and consumers increased their purchases, said Mr counsel to the US delegation at a conference here.
...rs begin spending more on goods, they're going to ... well," he said.
...ntries lagged in their recovery from a worldwide Gingrich said, demand for American goods would

conference that the strength of the US dollar, com- ...eign currencies, also discouraged other nations from ...an goods.
...e deficit was a record $42 700 million last year and ...retary Malcolm Baldrige has estimated it would rise ... million this year, but some Commerce Department ...ve said it might be closer to $60 000 million.
...'s estimate is the highest to date. — Associated Press.

STAR 29 APR 1983

Taiwan firms join trek to Transkei

30

Financial Staff

Taiwanese firms are part of the "industrial trek" to Transkei, it is reported in "African Business", the official publication of the National African Federated Chamber of Commerce (Nafcoc).

Two Taiwanese electronics firms have set up plants in Umtata.

These are Sankei Speakers (Pty) Ltd and Sunson Electronics (Pty) Ltd, which produces portable radios with tapedecks.

FIRST IN AREA

At Ezibeleni, a new growthpoint near Queenstown, a Taiwanese clothing manufacturer was the first foreign enterprise in the area, the magazine says.

It says that employment in Ezibeleni stands at about 35 000.

But it quotes the development manager of the Transkei Development Corporation, Mr Ron Cox, as saying: "Interest in Ezibeleni is so great that the TDC had to apply for the doubling of available industrial land.

"The growthpoint is ideally placed for local and export markets, being linked to the national East London-Johannesburg railway line, the East London harbour and also being very close to the Port Elizabeth harbour."

German bankers — businessmen.
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GROUP FIVE ENGINEERING LIMITED

Interim announcement

...results for the six months ended 28th February 1983 are given ...e audited results for the eight months ended 31st August 1982.

	Unaudited 6 months ended 28 February 1983 R000	Audited 8 months ended 31 August 1982 R000
		9 490
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	919	7 006
	3 305	550
...' interest	91	6 456
...riod	3 214	70,3
cents	35,0	21 (final)
cents	10 (interim)	

...s for the six months ended 28 February 1982 have not been given ...t that time the financial year end fell into the middle of the period ...mparison.
...bove are also not comparable. The six months ending 28 February ...ecember/January shut-down period which reduces profitability in

...me a subsidiary of Darling & Hodgson Limited as announced to ... January 1983, and subsequently Messrs B. R. Malcomson and ...ed the Board. Also the financial year end of the Group now reverts ...83. As only one dividend was declared in respect of the previous ...al year, it has been decided by the Board that three dividends will ...pect of the 16-month period ending 31 December 1983. Therefore ...eclared in October 1983 payable in December 1983, and declared ...vable in April 1984 in respect of the 16 months ending 31 December

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29/4/83

Blacks (Urban Areas) Consolidation Act

Hansard Q. Col. 1151 - 1152

*10. Mr. G. B. D. McINTOSH asked the Minister of Co-operation and Development:

(1) Whether he has approved any application in terms of section 42(f) of the Blacks (Urban Areas) Consolidation Act, No. 25 of 1945, for any company to acquire a trading interest in respect of stand 2190, Jabulani; if so, (a) when, (b) what is the name of the company concerned, (c) when was it registered and (d) what is the percentage of Black shareholding in the company;

(2) whether any right of 99-year leasehold was registered in favour of this company; if so, when?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) No approval in terms of section 42(f) of the Blacks (Urban Areas) Consolidation Act, 1945 was granted. (a), (b), (c) and (d) Fall away.

(2) Yes. Registered in the name of Soweto Development Company (Pty.) Ltd. on 25 March 1983.

Zuid-Afrika in focus

*11. Mr. H. D. K. VAN DER MERWE asked the Minister of Foreign Affairs and Information:†

(1) Whether the publication *Zuid-Afrika in focus* is (a) printed and (b) distributed by order of his Department; if so,

(2) whether the contents of the issue of February 1983 represent the view of the Government?

The DEPUTY MINISTER OF FOREIGN AFFAIRS AND INFORMATION:

(1) (a) and (b) Yes. It is an information brochure with limited circulation which is distributed monthly by the Embassy in The Hague to a number of Dutch people.

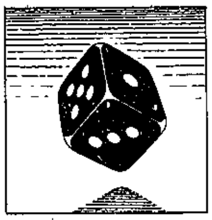
(2) Information material which is distributed abroad by the Department of Foreign Affairs and Information often contain articles from unofficial sources if, in the opinion of the responsible editor, it can help to give the foreign reader a broader perspective of South Africa. A good example of this is the *SA Digest/Oorsig* which supplies a weekly press and news review of South African events. It is compiled mainly from South African newspaper articles and purposely does not reflect only Government standpoints. In such cases the source is normally identified, as was the case in the publication in question.

The exposition of the constitutional

BLACK BUSINESS 30 ~~339~~ FM 29/4/83 ~~DH~~

One step forward, two back

Black businessmen face problems unknown to their white counterparts. If government is serious about encouraging black business, many of the hurdles must go — quickly.



If there is one thing that characterises the difference between Soweto and other large cities in Africa, it is the paucity of shops and absence of a multitude of small traders.

To anyone who listened to Prime Minister P W Botha at the Carlton Conference and Minister Piet Koornhof a year later, this must seem strange indeed.

For both these political heavyweights gave the impression that the way ahead for the black entrepreneur would be stripped of hindrance and red tape. The white business community stood anxious to help. It subscribed millions to the Small Business Development Corporation.

Why, then, have so few blacks grasped the offered opportunities? And why, in a community such as Soweto, estimated to be around 2m strong with an annual disposable income of R650m, are there only just over 2 000 licensed businesses with only a few of them operating in the manufacturing sector?

The simple answer is that, while a number of restrictions were lifted during the Seventies and, while there has certainly been a gradual elimination of some of the obstacles, the major hurdles remain.

At the core is the Group Areas Act — an endless source of resentment among the business community. One of the few Sowetans successful in business is Richard Maponya. He explains why this Act is such a thorn in the side. "Entrepreneurs respond to opportunities in the marketplace. However, the Group Areas Act denies that possibility as blacks are not able to trade where they see these opportunities.

"We are restricted not only from operating in CBDs, where around 80% of black disposable income is spent, but also in other black townships." Residents of townships have preference over outsiders, explains Maponya, regardless of the level of expertise they offer.

Entrepreneur Maponya . . . success despite the hurdles

Limiting numbers

Another major stumbling block is that no two similar trading licences will be granted within a certain radius in the township. This limits the number of shops that can be established and, of course, works to the advantage of established interests in black areas, which now fiercely defend the *status quo*.

Another aspect to Group Areas is the discretionary power it places in the hands of the local administative boards.

If an entrepreneur wants a business site he has to go cap in hand to his local superintendent, because the granting of all trading sites is at the discretion of the local administrative body. The superintendent takes the application to the local community council, which then decides whether the applicant is suitable.

The criteria for qualification are never fully spelt out, so subjective assessments of applicants can easily creep in. This, as free market pundit Leon Louw points out, gives incredible power to a few individuals. Most of these are no doubt dedicated and honest officials. But for the unscrupulous, it is a fertile ground for exploitation.

Business sites in white areas change hands almost as fast as it takes two parties to strike a deal. Not so when the transaction is in the hands of bureaucrats, as is the case in black townships. The procedure is lengthy, tiresome and bound with red tape. Applicants can wait as long as two years for finality over premises.

Makana Tshabalala, who has had to battle with bureaucracies for almost five years to get a new food project off the ground, highlights another problem. "Bureaucrats do not have the same attitudes as entrepreneurs. They do not see the market gaps and potentials. They are, therefore, usually unable to assess business opportunities as effectively."

Tshabalala's tale is one of hard slog, disappointment and endless delays. Struck by the idea of opening a fast food outlet in Soweto, Tshabalala set about finding a suitable site. That took time. But once found and secured, the next hurdle was finance. He needed around R30 000.

Believing his idea to be a good one ("How can one fail to draw customers in a fast food outlet in Soweto when, to date, it can only boast one Kentucky Fried Chicken and one Captain Dorego, both of which have long queues outside?"), he approached the IDC. There, he claims, he was shunted from one office to another. Like most blacks in the townships, he had no security to offer because of the restrictive property laws.

Banks were no more helpful, he claims. He then found a white partner and a bank expressed some interest. But as soon as the partnership fell through he again faced closed doors.

John Holloway, GM of business development, Standard Bank, says that the bank's Small Business Unit, geared to cater for black businessmen, has shifted from assessing risk only in terms of security and appli-

Tshabalala . . . Soweto's elder statesman of business

CAPE TIMES 30/4/83

Liquor licences for 'NP friends'

HOUSE OF ASSEMBLY. — A section of the Liquor Amendment Bill was yesterday described as a possible means to "parcel out more bottle store licences to friends of the National Party".

Speaking during the debate on the bill's second reading, Mr Andrew Savage (PFP Walmer) was referring to a clause in terms of which the quota system for granting bottle store licences is to be replaced.

Introducing the bill, the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, said the new system allowed the minister — if satisfied that it was in the public interest and after consideration by the Liquor Board — to grant a liquor store licence in respect of premises in an urban area and in mining areas where the licence-holder provided accommodation for mine employees.

Dr De Villiers emphasized that applications for licences would nevertheless continue to be judged by strict standards. The government was not in favour of a free system of licensing, he said, and had no intention of giving up direct control over liquor supply.

Mr Savage asked Dr De Villiers if the government, which in 1979 allowed restructuring of the liquor industry into a highly monopolistic organization, could be trusted to look after the public interest.

"We are asked to give carte blanche to the minister to issue liquor licences without the criterion we had before. Here we have a situation in which there are no checks and balances, where the minister and the Liquor Board can decide on the issue of licences in a way that we have no direct control of and about which we can really do nothing specific."

He said the section could be used to parcel out more bottle store licences to friends of the National Party.

● Mr S P Barnard (CP Langlaagte) said he was against the wider availability of liquor on principle.

South African women could today buy wine from grocery stores, and this led to their drinking it and to their children drinking it

He pleaded for a return to the days before the "liberal philosophy" of the National Party when the Liquor Board had full control.

He said Mr Savage was "150 percent right" in saying the government allowed some people to form the biggest monopoly in the liquor world "and to hold other people to ransom".

'Hypocrisy'

Mr George Bartlett (NRP Amanzimtoti) accused the government of hypocrisy and said it was "pandering to big business which has a big amount of political whack".

He personally would support the bill with the exclusion of Clause 4.

"If the government is allowed to protect large monopolies like this after all the talk of the free market mechanism and small business development, then I believe this form of hypocrisy should be condemned," Mr Bartlett said. — Sapa

CAPE TIMES 30/4/83.

De Villiers denies Opposition claims

(30)

HOUSE OF ASSEMBLY. — It was a "total misrepresentation" to describe a section of the Liquor Amendment Bill as a possible means to parcel out more bottle store licences to friends of the National Party, the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, said yesterday.

He was replying during the second reading debate on the bill to a speech by Mr Andrew Savage (PFP Walmer).

Dr De Villiers said there was a certain process involved in the granting of a liquor licence and the Liquor Board was there to ensure an objective decision after consideration of all the facts.

"The minister has nothing to do with the granting of a licence."

The government had to consider the historical perspective of the industry and a wide spectrum of "very strong and conflicting viewpoints". It had decided to maintain the historical status quo, even though this was not ideal.

Although the KWV was a "concentration" in the wine and spirit industry, it was not a monopoly because there were other competitors in the market, among them the wine estates.

"However, I have said before that the government is concerned at concentrations in the liquor industry.

"I agree that the situation at present is not an ideal one, but when was there ever one that everyone was happy with?" he asked.

The bill was read a second time — Sapa

...d by husband Michael ...terday.

After yesterday morning's judgment had been handed down Mrs Chamberlain appeared close to tears as she was led from the dock.

Then, in a surprise move, shortly before the Sydney offices of the court closed for the day, Pastor Chamberlain and his legal team lodged High Court appeal papers and applied for bail on his wife's behalf.

The bail application is expected to be heard at 10.30am on Monday in Canberra.

...end·Cup

The question on fans' lips, however, is whether Province will stick to their plan of running the ball.

Toxin: Firm asked to name cereal

CAPE TIMES 30/4/83

~~[illegible]~~ 30

By GORDON KLING

A MAJOR supermarket chain has urged the Minister of Health and Welfare, Dr Nak van der Merwe, to intervene in the growing controversy over toxins in a popular, but so far undisclosed, brand of breakfast cereal.

And the managing director of one major manufacturer has urged the company involved in the toxin scare to come forward so that other products will not be affected.

Pick 'n Pay's general manager in the Western Cape, Mr John Barry, said yesterday that the group had been unable to determine the name of the product, mentioned in the annual report of the South African Medical Research Council as containing more than the legal level of toxins.

The acting head of the National Research Institute for Nutritional Diseases, Dr Schalk van Rensburg, has said the cancer-causing aflatoxin was contained in peanut meal declared unfit for human consumption.

He said the firm using the meal had done so to raise the protein level of their product cheaply. They had switched to soya beans and milk when the problem was uncovered and the popular brands now on the ... panies can be let off the hook."

The general manager (marketing) at Cerebos, which manufactures Pronutro, Mr Douglas Smith, said the firm's head of research and development had assured him categorically that its products did not contain unacceptable peanut aflatoxins and that Pronutro was definitely not the cereal being referred to; it did not contain peanuts.

'Puzzling'

When it was put to Mr Smith that peanuts and defatted peanuts were included in the list of ingredients on packages of several of the firm's popular cereals, he initially replied that this was "puzzling".

Mr Smith said subsequently that the Pronutro fo.mula changed from time to time and it had a "dispensation to use old packaging", which meant that the ingredients listed on the box might not always fully reflect the contents.

SAA A... in emer... landing

Own Correspondent

JOHANNESBURG. — A South African Airways Airbus with 272 passengers and crew aboard made an emergency landing with one engine functioning at Bloemfontein's J B M Hertzog Airport yesterday.

The drama began when the aircraft — Flight 314 from Cape Town to Johannesburg — developed technical problems in one of its two engines about 30 minutes after takeoff.

The engine was shut down and the aircraft was diverted to Bloemfontein, where it landed about 3.30pm. The flight had left Cape Town at 2.30pm and was scheduled to land at Jan Smuts at 4.25pm.

The SAA public relations chief, Mr J C van Rooyen, said last night that at no time had there been any danger to the passengers and crew. The aircraft could have reached Johannesburg, but safety procedures — which entailed bringing it down at the closest airport — were effected immediately.

The Bloemfontein Fire Department was on standby.

Mr Van Rooyen said: "Airbuses are designed

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The question on fans' lips, however, is whether Province will stick to their plan of running the ball.

In Michael du Plessis they have an adventurous flyhalf, and allied to some of the most exciting three-quarters in the country.

● **Last night's club rugby results, back page**

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LATEST BETTING

5—1 Sweet Wonder
13—2 Count Du Barry, Hawkins
7—1 Secret Service
8—1 Carlsbad
9—1 Wayward Son
12—1 Captive Prince
14—1 Lawn
16—1 Smugglers Den, North Island
20—1 Saturado, So Proud
40—1 Duke of Marmalad, Salvage
66—1 Golden Chance

● **Count Barry to win, page 21**

to name cereal

By GORDON KLING

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He said the firm using the meal had done so to raise the protein level of their product cheaply. They had switched to soya beans and milk when the problem was uncovered and the popular brands now on the market were completely safe.

Mr Barry said his firm had contacted the major manufacturers and all had denied that their product was involved.

"We have a right to know what is going on here and I think if necessary the Minister of Health should intervene to help determine who is responsible," said Mr Barry.

The managing director of Kelloggs South Africa, Mr J Linsell, said yesterday that newspaper reports on the issue had prompted considerable concern.

"It is having a rub-off on the whole cereal industry and we feel, as bystanders, that the company concerned should be identified so that other innocent companies can be let off the hook."

The general manager (marketing) at Cerebos, which manufactures Pronutro, Mr Douglas Smith, said the firm's head of research and development had assured him categorically that its products did not contain unacceptable peanut aflatoxins and that Pronutro was definitely not the cereal being referred to; it did not contain peanuts.

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Mr Smith said subsequently that the Pronutro formula changed from time to time and it had a "dispensation to use old packaging", which meant that the ingredients listed on the box might not always fully reflect the contents.

Mr Barry described this as an "unacceptable situation" and said retailers and consumers had a right to know what they were dealing with.

● **Cereal 'scare' angers callers, page 11**

Man killed

Staff Reporter

AN unidentified man was killed during rush hour yesterday when he was run over by a bus at the terminus on the Grand Parade outside the Golden Acre shortly before 5.30pm. The man was taken to Woodstock Hospital.

BUSINESS BRIEF

Gold (close)	$428,50
FT index (close)	695,30
RDM 100 . . .	890,20

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Saunders, has said the ... publication has been to prevent them from morning

Cabinet Ministers

Mawu's delegation, which included the general and branch secretaries, insisted on addressing the council and refused to nominate a spokesman.

The Fosatu-affiliated union stressed in its speeches that employers had made profits in the recent past, but there were no offers from them.

The union argued that if there was no money for increases, then the unions should have the opportunity of examining the employers' books.

Music ushers out Soweto fest

30 APR 1983 STAR

By Michael Tissong

30

Soweto's multimillion-rand project, the Soweto Homemakers' Festival, draws to a close this weekend after what the organisers called a successful run.

The trade fair was the township's first on such a large scale. After a tentative start on Friday last week, the turnstiles clicked crazily on the first weekend as more than 23 000 people turned up.

During the week attendance slacked off but plenty ofpeople kept coming — for a chance to win R75 000 in prizes, the home improvement demonstrations, the education and careers guidance talks and the live entertainment by such artists such as Joy, Malombo and Sahkile.

The project was the brainchild of the Soweto Chamber of Commerce and Industry which created a tent-city of 300 marquees at Mofolo Park. Six building contractors built housing units within a week.

One of them exhibited elaborate light fittings and complete kitchen and bathroom accessories to show prospective home-improvers what the market offers.

The 10-day festival will close on a high note with entertainment by the Pretoria-based two-man jazz group Malombo tonight at 8, and a performance by Soweto's Sakhile tomorrow at 4.30 pm.

Tonight Kori Moraba, Pat Shange and the Juveniles and Bad Girls will provide the entertainment.

Lack of funds f... elderly to be cu...

STAR

By Lynne Cornfield, Welfare Reporter

30

Services to Johannesburg senior citizens will ...

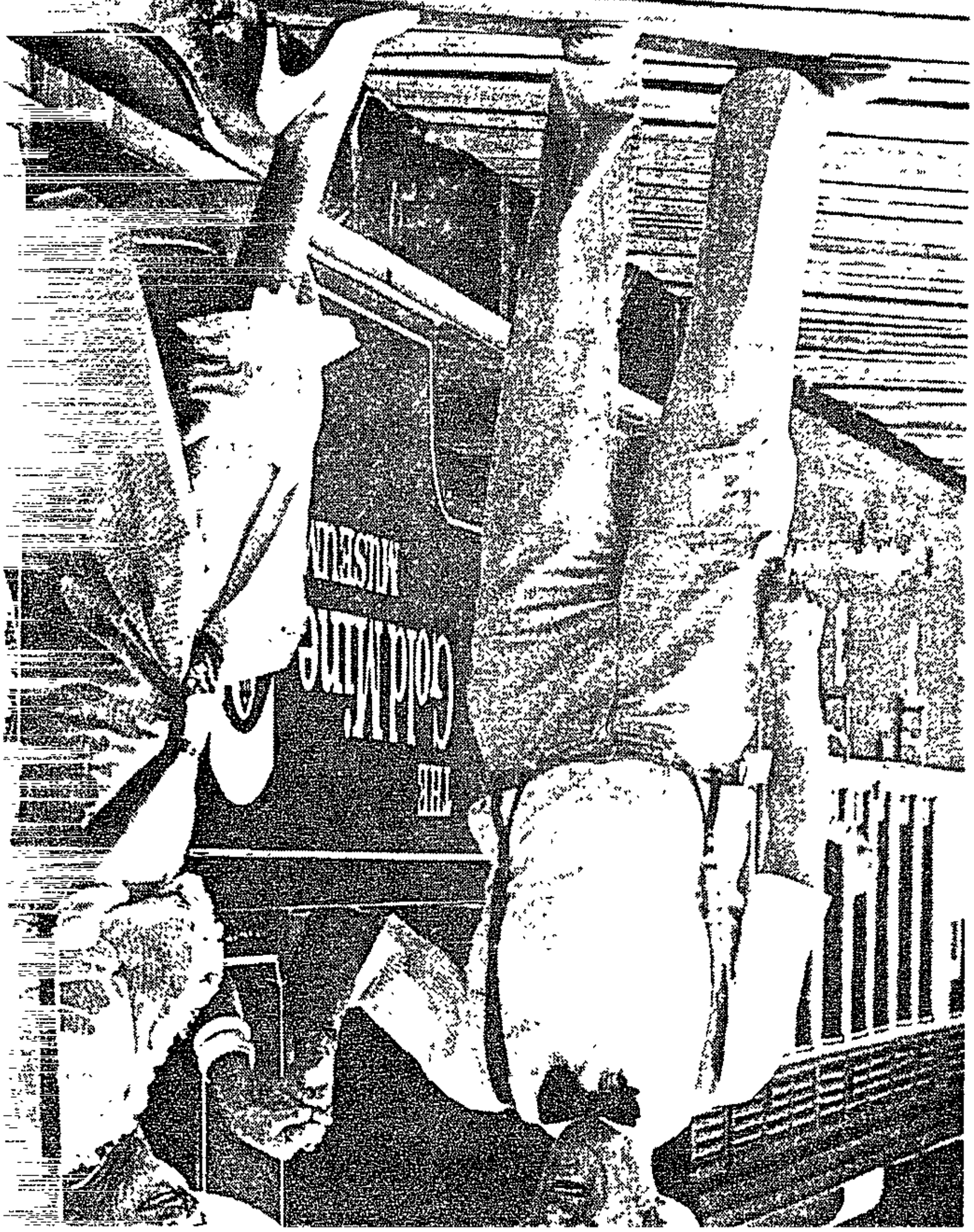
Ballooning to Durban in bloomers and boaters

By Jean Waite

In the tough, turn-of-the-century mining town of Johannesburg, a flash of shapely ankle would have been enough to inflame the passions of every dirt-grubbing miner on the Reef.

Were those miners to reincarnate next month when the Gold Mine Museum hosts The Great Balloon Race they'd be able to enjoy a positive orgy of ogling as balloon pilots, passengers and public turn out in bloomers and boaters of bygone days.

Mine Museum public relations officer Mary Ferrie shows how it wasn't done in Edwardian days by flashing a well-turned calf encased in "Millicent's unmentionables" — those frilly cotton garments about which no well-bred young lady ever spoke.



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...Zulu account for about 25 percent of total water ...frica and yet the region is one of the worst hit in ...

...ed by the drought, is now growing that the Gov... lax in developing these resources and has treated ...ella province to the advantage of other areas, ...ransvaal.

...Intosh (PFP, Maritzburg North) said this week ... prospect that, as a result of bad planning, ... of Natal and kwaZulu could be in jeopardy.

... evidence of Government sins of commission and ...velopment and planning of the water resources of ...

...ritzburg, with 162 days of water left and house... ... to 400 litres a day, could have escaped at least ... ravages of the drought if the Government had ...ndations made by its officials and by outsiders at ..., he said.

... Natal account for 25 percent of the run-off but, ...vaporation rates and other factors, the province ... the country's usable water resources.

... town and regional planners Thorrington-Smith, ...Crystal published a report: "Towards a plan for ...

...e the potential of nearly every river in the region, ...e Tugela for prime attention as "the Tugela ... recognised as the undeveloped area having the ... for industrial development".

...ked recommendations for a chain of huge dams ...ther up the Tugela and its tributaries and capa... one of the biggest hydro-electric schemes in the ...

...ger than the Australian Snowy Mountain scheme ... Valley scheme in the United States which generate ... recommended for the Tugela.

Times, May 1, 1983 3

CNA, Gallo step into future

30

S.Times

1/5/83

By Elizabeth Rouse

THE CNA Investments-Gallo merger is a step into the future for the parent companies, Argus Printing & Publishing (CNA) and the Premier Group (Gallo).

"It's a logical merger," says Premier Group chairman Tony Bloom.

The merged group has a strong base to move into the era of high technology in the field of video and communications.

CNA is a unique organisation in that it has around 280 outlets in all parts of South Africa

Mr Bloom says that vast changes in the record and book markets are on the cards.

"The merger also holds synergistic benefits There is obviously scope for substantial rationalisation of operations."

Mr Bloom is not prepared to make facile predictions on potential turnover. "We will study each move and make sure that it makes good economic sense."

Terms of the merger, announced by Barclays National Merchant Bank and Standard Merchant Bank this week, are 100 CNA shares for every 265 Galllo shares.

CNA will become the new holding company. No decision has been reached on the title of the new company.

The effects the proposals would have on each company had the merger taken place last year are:

- CNA would have had a lower net asset value of 794c compared with an actual 1 005c, but earnings would have been higher at 236c (219c) and dividends 102c (75c) a share.
- Gallo's net asset value would have been much higher at 300c (207c), but earnings would have been lower at 89c (96c) and dividends 38c (50c) a share.

MONDAY, 2 MAY 1983

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†Indicates translated version.

For written reply: 2/5/83

Hansard

Tariff protection

Q. Col. 1165 – 1166

624. Mr. J. J. B. VAN ZYL asked the Minister of Industries, Commerce and Tourism:†

Whether any products were afforded tariff protection on the grounds of strategic considerations during the latest specified period of three years; if so, (a) which products in each such year and (b) to what extent was each such product afforded such protection?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

Yes.

(a) Diesel engines for certain commercial vehicles, including motorbuses, and agricultural tractors: October 1981.

Manual gearboxes in respect of certain commercial vehicles and motorbuses: January 1982.

Driving axles in respect of certain commercial vehicles and motorbuses: December 1982.

(b) The protection measures in respect of engines for commercial vehicles, including motorbuses, and agricultural tractors consist of an *ad valorem* excise duty of 30 per cent and 40 per cent respectively in respect of a vehicle or a tractor in which an imported engine is used or a 30 per cent and a 40 per cent *ad valorem* contra customs duty respectively in the case of a commercial vehicle, including a motorbus, and a tractor which is imported in a built-up condition. This measure came into operation on 1 October 1981. A further 20 per cent *ad valorem* excise duty in respect of commercial vehicles which may be rebated by the Minister of Industries, Commerce and Tourism, on the recommendation of the Board of Trade and Industries, is in operation since December 1982.

Protection in respect of manual gearboxes was granted in January 1982 by means of a customs duty but was replaced in December 1982 by an excise duty of R385 each less 31 cents per kg of the mass of the gearbox in respect of commercial vehicles and motorbuses fitted with imported engines with a cubic displacement of 4 000 cm^3 and more but not exceeding 22 000 cm^3.

In respect of driving axles an excise duty of R1.65 per kg of the mass of the driving axle is applicable as from 1 December 1982 in respect of commercial vehicles and motorbuses fitted with imported engines with a cubic displacement of 9 000 cm^3 and more.

The duties in respect of manual gearboxes and driving axles may be rebated by the Minister of Industries, Commerce and Tourism, on the recommendation of the Board of Trade and Industries.

30 Hansard 2/5/83

Group Areas Act

Q. Col. 1166 – 1167

756. Mr S. S. VAN DER MERWE asked the Minister of Community Development:†

(1) Whether any applications for the establishment of open areas for trading by all races under section 19 of the Group Areas Act, No. 36 of 1966, were received in 1982; if so, how many of these applications were (a) received, (b) approved and (c) rejected;

(2) (a) how many such areas are there at present and (b) in which city or town is each of these areas situated?

The MINISTER OF COMMUNITY DEVELOPMENT

(1) Yes.

(a) One.

(b) and (c) the application is still under consideration.

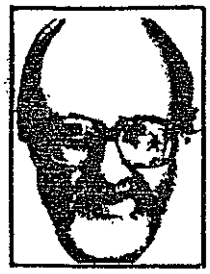
(2) (a) 26.

(b) Colenso;
Delmas;
Durban (Two areas);
East London;
Elsburg;
Johannesburg (two areas);
Kimberley (two areas);
Krugersdorp;
Ladysmith;
Nancefield;
Nelspruit;
Newcastle;
Port Elizabeth (two areas);
Port Shepstone;
Pietersburg;
Potchefstroom;
Pretoria;
Roodepoort;
Springs;
Vryburg;
Warrenton;
Woodstock/Salt River.

Cape Times 4/5/83 (30)

talling in war ıpo — Marais

Notes on the Hustings



From JOHN SCOTT

Springbok team, but not good enough to play for Western Province against Northern Transvaal.

There was uproarious laughter and foot-stamping applause when Mr Marais quoted a British expert to the effect that black people were too heavy-boned to be good at swimming.

Referring to the proposed new multiracial cabinet, he said: "I don't think you will have any doubt how Piet Koornhof or Dawie de Villiers or Gerrit Viljoen will vote if they have the opportunity to vote for the non-whites."

On the question of the referendum being delayed until the drought had ended, he said: "Now it is too dry. He (Mr P W Botha) should have been honest and said: 'it is too dry to vote Nat'."

He said the National Party had accused the HNP of wanting to drive "the kaffirs" into the sea.

"We say naturally that's not our policy, but when one man was told this, he said then I don't want anything to do with you." This aroused another big laugh.

Mr Marais said that if

➡➡➡➡ To page 2 A

Toxic cereal: Firm speaks

JOHANNESBURG. — Great Start, a breakfast cereal is completely safe to eat, Cerebos Food Corporation said here yesterday.

Reacting to a report on the cereal by the South African Medical Research Council last week, Cerebos said Great Start complied with "strict health regulations" laid down by the authorities.

It said: "Great Start is, and always has been, completely safe to eat."

But Cerebos would exchange packets of the cereal, opened or unopened

Regulations met by Cerebos in making the cereal were in many respects far tighter than those in the United States and the United Kingdom, Cerebos said.

The company also imposed its own "very stringent" controls on products.

Earlier yesterday, Cerebos held talks with health authorities on the report by the Medical Research Council that a certain breakfast cereal contained excessive amounts of a carcinogenic substance.

The council's report said a carcinogenic substance, aflatoxin, had been found in illegally high amounts in a breakfast cereal. It did not name the company or breakfast cereal involved. — Sapa

New luxury sports car

A new luxury sports car is now available in South Africa. Read about it tomorrow in CARFINDER.

● Midweek HOMEFINDER appears with today's Cape Times.

crack of dawn

"Vote Nat. How would you like your sister to marry an orang-outang?".

Slipped into the toilet

HARARE. — A young Mufakose, Harare, woman went to the toilet before going to bed — and ended up at the local fire station with the toilet bowl firmly wedged round her foot.

In the darkness, on Sunday night, she slipped on a bar of soap on the floor. It sent her skidding into the toilet bowl, right foot first. She stayed there.

She said: "I tried to pull my foot out from the chamber, but it was firmly stuck inside. My parents poured washing powder into the chamber to make the water slippery, but that didn't work."

The fire brigade was called. Firemen wrestled with the imprisoning bowl but eventually they had to dig it out — with the woman's leg still inside.

But although she could now leave the loo, her foot remained jammed. Firemen cut the bowl away at the station. — Sapa

ches super-bill for Ronstadt

Mancini broke his collarbone in a freak sparring accident.

The good news is that United States folk-rock singer Linda Ronstadt will fill the gap at the Super Bowl with a six-concert season from May 27 to 28.

Mr Kerzner said: "Linda signed in New York today, so the Super Bowl will still be put to good use with a superstar show."

Mr Kerzner, who had orgininally signed for a super-bill on May 28 including a clash between junior-middleweight champion Davey Moore and Roberto Duran, and a 40-minute show by Frank Sinatra, said he did not have enough time to put together a substitute promotion of sufficient merit.

"Time was too short" for a prestige deal.

Mr Kerzner said he was "optimistic of signing a similar package later in the year". Sinatra remained "interested in the project" but the deal depended on the date and the availability of the participants at that time.

● Southern Sun have arranged that all who bought tickets for the extravaganza can obtain refunds through Computicket by enclosing the tickets in registered envelopes and posting them to PO Box 11178, Johannesburg, 2000.

Linda Ronstadt

The Facts correction service, ☎ 41-3361 (Mon to Fri) Cape Times, Box 11, Cape Town. (Registered at the GPO as a newspaper.)

-ded guilty yesterday stealing from his -e of employment.

David de Villiers, umner Road, stole Exide car batteries th R120 from CDA.

e magistrate, Mr A. said before imposing sentence he would into consideration nature.

However he would also view the fact that Mr Nel had abused a position of trust.

Mr De Villiers was sentenced to R120 or six days imprisonment and a further 60 days imprisonment suspended for three years. — DDR

possible future use. Claiming a medical break-through an Australian Research team said a woman is in her 14th week of pregnancy with an embryo that had been frozen for four months before being implanted in her.

Transkei traders plagued by theft

30

D-O/WATCH

EAST LONDON — Traders in the Transkei's Willowvale district were living in fear because of a spate of robberies and stockthefts, the latest robbery victim said.

Mrs Phillis Meggersee, 62, was robbed of R100 by an unarmed robber.

Mrs Meggersee, who has been trading in the area for more than 40 years, said a man entered the shop while she was alone and helped himself to money in the till.

She shouted to her daughter, Miss Julia Meggersee, who was in the kitchen. The man fled in a bakkie.

She fired a shot from her rifle as he fled.

Mrs Meggersee said the police had arrested a man.

Her husband, Mr Chris Meggersee, 65, was strangled in the shop in 1980 by two men who got away with R400.

The culprits were arrested. One was hanged while his co-accused was jailed, Mrs Meggersee said.

Two months after her husband's death, her younger daughter, Miss T. Meggersee, 24, was robbed of R100 at knife point.

Mrs Meggersee said a year later she had shot dead an alleged stock-thief.

She said that once, after a window was broken, her daughter had to run a kilometre to the police station, in a night dress, to raise an alarm.

Mrs Meggersee said the traders in the area had discussed the possibility of applying for mobile radios to enable them to call for help quickly.

Mrs Meggersee said each and every night a sheep was stolen from her. No arrests had been made in these cases, she said. — DDR

'oman injured

ST LONDON — A an was taken to hos-' after the vehicle in h she was travelling involved in a collis with another vehi in Pearce STreet last t.

he woman, whose was was not avail-, sustained bruises.

even other people — four men and two children in one vehicle and a woman travelling with the injured woman in another — escaped injury.

The vehicle in which the men and the children were travelling overturned and landed on its side at the roadside. — DDR

ttended fair

Last year the weather perfect and this e it was even better," said.

y organising the fair the beginning of May ran the risk of get- into the colder time the year but had been tunate so far.

Although his club did t make much more ofit than last year ll-holders had a far re successful day this

He said the helicopter booked for rides was used throughout the day, 170 babies were entered for the baby contest and the fun-run and beer garden were well supported.

"Going round the stalls, which was what I did, visiting all stalls, I did not get a single group of sellers who were not happy about what they made from their sales," Mr De Wet said.

All said they would be back next year.— DDR

Theft: SA blamed

LONDON — Britain's Anti-Apartheid Movement said yesterday that its headquarters here had been burgled over the weekend and it blamed South Africa.

The thieves took address books, notebooks and files on such issues as alleged breaches of the United Nations arms embargo on South Africa, the group's general-secretary, Mr Michael Terry, said.

"We have no doubt that it was the South Africans because there is valuable equipment (electric typewriters) in the office which was not touched at all," he added.

Mr Terry said his organisation had asked the Home Secretary, Mr William Whitelaw, for an urgent meeting to discuss the implications of the latest break-in. — SAPA-RNS.

Seymour far Ciskei mobi

105

BISHO — The Commander-in-Chief of Ciskei State Security, Lieutenant-General Charles Sebe, said yesterday he was mobilising his forces to move onto farms in the Seymour district to impound all white farmers' cattle grazing on them.

General Sebe confirmed he had been instructed

WITS HONOURS NAFCOC PRESIDENT

AN HONORARY commerce doctorate will be conferred upon Mr Sam Motsuenyane, president of the National African Federated Chamber of Commerce (Nafcoc) by the University of Witwatersrand tonight.

The honour on Mr Motsuenyane (55), is to acknowledge him as a man who made the most of every opportunity to promote his ideal of "vigorous, extensive and influential business and agricultural communities among the black people of South Africa".

Born in Potchefstroom, he obtained a National Senior Certificate before studying for a diploma in social work.

In 1959 he was sent to America on the United States/South Africa Leadership Exchange Programme where he completed a Bachelor of Science degree in agriculture at the University of North Carolina.

He was invited as a guest speaker when Nafcoc was established in 1964. He was later invited to join its executive and he subsequently became its president.

In 1975, Mr Motsuenyane became Nafcoc's executive director and it was under his directorship that Nafcoc founded the first black-controlled bank; the first black-controlled retail store and the first black-controlled construction company.

(S.U.) 5 MAY 1983 (30)

5 MA 1983 D. DISPATCH (3) VEGETABLES 130

Agents who bypass markets are warned

EAST LONDON — Agricultural authorities have threatened to clamp down on agents who are supplying fresh produce direct to retailers, instead of going through established markets

The SA Agricultural Union's national vegetable committee has been instructed to investigate the bypassing of fresh produce markets — a practice which is taking place "on a large scale" in the Border area, according to a fresh produce co-op manager here.

The vegetable committee is also considering "urgent steps" to counter bypassing, which its chairman, Mr Vito Rugani, described as "a cancer within the markets that is virtually uncontrollable".

In East London, the manager of a fresh produce co-operative, Mr Fanie Barnard, said shopkeepers and farmers were "making a fair bit" from bypassing, "at the expense of both the consumer and the market authorities".

"These people still set their prices according to the market price structure — but they don't pay market fees or agents' commission," he said.

Mr Barnard said "speculators" — either agents or the farmers themselves — made contact with shopkeepers at the market and offered to supply them direct.

"The shopkeeper then sets his price according to what is being charged on the market — even though he's getting it a fair bit cheaper

"The farmer sells a little lower than he would at the market, but avoids costs."

Bypassing was accepted practice in the fresh produce market, Mr Barnard said, but had become particularly popular when there was a shortage of produce

"Now there is a drought the farmers are trying to make the best deal they can — and this often involves going outside the market to do business"

● In Johannesburg, Mr Rugani warned farmers that the "day of decision" was coming for those who did not support the established marketing system

"Established agents are using the market to contact both the buyer and the farmer to organise direct deliveries, bypassing the market and charging between five and seven per cent per transaction," he said.

"This is an interference with the price fixing mechanism which has never been equalled in the history of our markets" — DDR

Length

(1) Sources :- Renewable / Depletable / Conservation.

(2) Depletable.

(1) Coal - 3/4 ; Sasol.

(2) Nat Gas.

(3) Oil.

(3) Renewable:

(1) Nuclear - Breeder.

(2) Methanol / Ethanol.

(3) Solar energy

(4) HEP

(4) Conservation.

E 6 MAY 1983 P.O.181 AFRICA

SA schools (30) inhibiting says building expert

EAST LONDON — The way schools were built in South Africa was inhibiting for both scholar and teacher, Mrs M. E. Theron of the National Building Research Institute said at a lecture here.

During a recent overseas study tour, Mrs Theron investigated planning approaches applied in various countries, aimed at solving problems in the field of Educational Facility Planning.

When the need for a school arose a classroom was built, when another classroom became necessary it was simply "stuck on the end" she said, a design which remained in South African schools today.

Schools in South Africa were built for perfect vision and cross ventilation with the scholars seated in rows she said. Teachers cannot individualise and so teach the scholars as a class.

"The effect is very inhibiting," she said.

"Since the 1950's there has been a lot of change in the design of schools overseas," she said.

They were very colourful, stimulating and open with 'withdrawal space' (quiet space) and separate spaces for separate activities. Use was made of artificial light to increase the use of media as the wall space was not taken up with windows. Schools were used by the community as well as being used for formal education.

"In South Africa there is a staggering backlog in facilities which could be wiped out to some extent by schools being built to suit both community and school."

"The community must be involved as much as possible as well as architects and educationists when planning a school," she said.

After consultation with the education department about designing schools for formal and non-formal education it was decided to build a prototype school and adapt another school in Newcastle in Natal.

"We want to act as a catalyst for change in school planning and to stimulate architects," Mrs Theron said. — DDR

Mrs Theron

CAPE TIMES 6/5/83

30

Big drop in meat prices on Monday

Own Correspondent

MARITZBURG. — Butchers and supermarkets throughout South Africa are poised to unload about eight million kilograms of frozen beef at drastically reduced prices to the public from Monday.

Savings of R1 a kg and more on all cuts of fresh and frozen beef have been forecast for the next two weeks as the Meat Board disposes of its huge beef stockpile.

The Meat Board apparently hopes to relieve the pressure on the market by clearing its coldrooms of the 80 000 beef carcasses which have accumulated during recent months

The promotion is intended to run for two weeks.

A Meat Board spokesman would only say that an announcement would be made today, but the chairman of the Durban and District Meat Traders' Association, Mr Dudley Thompson, said the promotion was based on suggestions to the board by the meat traders.

As a result, the scheme ironed out "all sorts of complications — quite apart from violations of the free-market principle" which dogged previous Meat Board promotions and led to higher, rather than lower, meat prices.

BLACK BUSINESS (30)

Elusive kickbacks

FM 6/5/83

Black garage operators believe they are getting a raw deal. Instead of being able to pick up the incentive cheques offered by the oil companies, they have to watch them being pocketed by the West Rand Administration Board (Wrab).

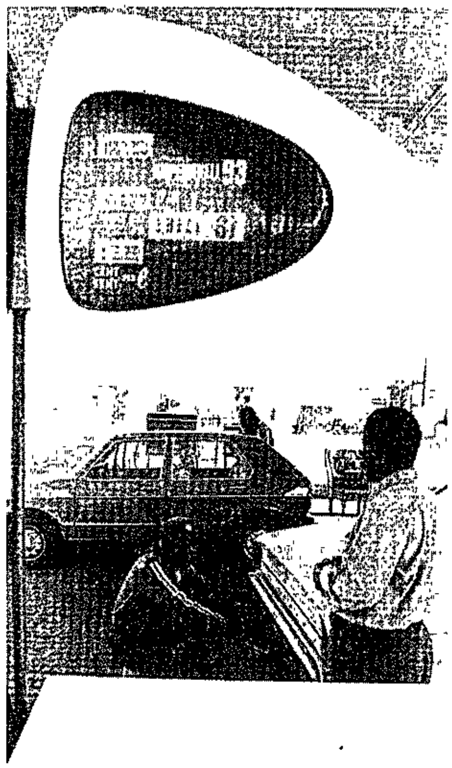
Wrab, as owner of the sites at which the various garages are located, is legally entitled to the rebates and incentive payments from the petrol firms, but black operators feel this is unfair. They are the traders, they argue, so they should benefit from the incentives.

Three years ago the black garage owners formed the Black Garage Owners Association (BGOA) whose aim is to change the status quo. So far they have had little success.

Richard Maponya, garage owner and president of the BGOA, points out that the community he represents is made up of businessmen. Why should they be penalised by giving up part of the money that they believe should accrue to them from trading, he asks? Other traders are not forced to do so.

He guesses that with an operation like his, which sells around 500 000 l/week, Wrab could pick up as much as R2 000/month.

The argument used by Wrab, that the money is reinvested in the community, does not wash. As he says, the same system is not applied in other sectors of the black business community.



Soweto garages ... seeking incentives

The basic problem is that blacks may not own land; and because black garage owners in Soweto own neither the land nor the buildings, they are not entitled to the rebates offered to owners by oil companies.

Shell executive director Ken McKenzie notes that terms of trade in all areas lay down that incentive cheques go to owners of the land on which the garage is built, not to the leasee or operator. The oil companies are, therefore, complying with the rules.

Lower rents

"This issue falls outside the areas in which we have influence. It should be argued out by Wrab and the operators," says McKenzie.

He adds that black operators could be compensated by the fact that the rents in black areas are lower than in white areas.

The local authorities put the gararge sites out to tender and then allocate them to suitable applicants.

"What we need if we are to become full members of the business community is the removal of all restrictions on property ownership," asserts Maponya. "Only then will we have the security to upgrade our businesses. Another concern is that our heirs have no security of inheritance."

FM 6/5/85

30

TONGAAT FOODS

Country-bound

The re-launch of the Cashmart operation by Tongaat Foods (TF) should have the rural wholesaling business sitting up and taking notice. Since late last year, when Cashmart merged with TF's wholesale division, Savat, after Tongaat acquired the company from Federale Foods, TF's wholesaling interests have grown from nine to 20 stores with a turnover of about R60m.

The current plan, says Cashmart GM Graham Botha, is to develop the company into a 50-store chain with a turnover of R250m in the next five years. "We're aiming at the number two slot," he says.

It's to be achieved through an ambitious policy of store development and acquisition.

The new Cashmart already has 20 outlets, 18 in Natal and two in the Free State, and the aim is to add at least five stores a year.

As Natal is already well served, further expansion is likely to be concentrated in the Transvaal, eastern Cape and the Free State.

"We are trying to bring to the black market a level of service and sophistication which we believe doesn't yet exist," says TF chairman Russel Stevens.

Botha intends to develop the group by maintaining expansion in the rural areas and by offering customers a quality of service and price which, he says, has hitherto been available only in the urban centres. Moreover, Botha intends to involve the community in Cashmart's growth.

Education bursaries

A R4m coupon operation, backed by Cashmart and its suppliers, is to be launched and a percentage of the profits from the coupons redeemed is to be paid into a fund administered through the Inyanda Chamber of Commerce and the National African Federation of Chambers of Commerce. Botha says the Community Growth Fund, as it is to be called, could grow to R500 000 in five years.

Cashmart is chipping in an initial R25 000 as a demonstration of its good faith. The money is to be used on commercial education bursaries to train young in managerial skills and to develop an entrepreneurial class. In terms of the agreement, says Botha, 75% of the fund's income has to be distributed annually.

Shop owners battle with red tape

BUSY: Anthony and Pauline Mogoai in their supermarket in Ikageng.

Story: SELLO RABOTHATA
Pics: ROBERT MAGWAZA

SPOTLIGHT ON POTCHEFSTROOM

SMALL beginnings make big endings, or so it seems for Mr and Mrs A M Mogoai of Ikageng who feel their ending would be bigger were it not for the frustrations of red tape.

The Mogoai couple own a supermarket and a *filling station, the only* ones in the township. And Mrs Mogoai is the daughter of the most outspoken figure in the area, Mr R Sepotokele, who was once mayor of Ikageng.

It is perhaps more appropriate to call this, a rags-to-riches story, as Mr Mogoai started his interest in business selling peanuts and fruit at sports grounds. He now heads his own businesses, three general dealers and his father-in-law's farm. The whole business was started with 13 push bikes, selling milk to residents.

Mr Mogoai is chairman of the local chamber of commerce, and he feels most of the businesspeople in the township could expand their concerns if it were not for the red tape always encountered from authorities.

Pauline Mogoai looks after the supermarket and the flow of customers is unending: "Why go to town when the things we need are just on our door-step," most of them said when interviewed.

Anthony, as he is known to those close to him said: "I applied for a licence to open a butchery. I have the equipment and everything we need, but I received no reply from the authorities. I do not know how long we will have to wait. In the meantime residents would like to have such a service close to them.

"These are the kind of things that frustrate local business people. We cannot expand our businesses as we would like to. One gets tired of approaching officialdom on matters that will take a long time to be considered. If only they could do away with all this red tape then we would be a happy lot and our future would be assured".

He said most of the young people in Ikageng believed in building themselves up. More than half the township's houses have been improved and this was due to "keeping up with the Jones's". The earlier spirit of their parents and the name of the area seem to have an influence on the younger generation.

He and his father-in-law also sell cattle to the abbatoir and individuals. The cows are presently selling cheaper because of the drought. Mr Mogoai said he was surprised that butcheries were still selling meat at exorbitant amounts. This is tantamount to exploitation.

Mr Anthony Makgatse Mogoai said he was grateful to his parents and the Ikageng residents for what he is. He strives for the improvement of all other businesses in the area thus his involvement in the chamber of commerce.

CHAIRMAN: Mr Mogoai answers a phone in his office at the garage.

17 MAY 1983

P 'n P expands, modernises — all this, Aussie too

S.TIMES

By Don Robertson

A MAJOR expansion and five-year modernisation programme, together with the planned entry into the Australian market, are the exciting developments in the Pick 'n Pay group which should "satisfy shareholders and justify its present high rating".

In a most informative and well-illustrated report for the year to February last, chairman Raymond Ackerman spells out the group's future plans, although his projections are tempered by general "uncertainty".

In his report, which celebrates a record turnover of R1 235-million, Mr Ackerman announces plans to open a new hypermarket in Pretoria and four new supermarkets in other centres.

In addition, a five-year, R15-million programme aimed at upgrading design and fittings at all the stores will be undertaken.

The problems associated with the opening of a hypermarket in Australia have now been overcome, and the first store is expected to be opened in Brisbane by the end of 1984.

Referring to operations last year, Mr Ackerman says that operating costs increased considerably, but the profit margin was nevertheless held at 3,58% of sales compared with 3,61% previously.

This produced attributable profits of R27,5-million compared with R23,5-million, for earnings of 141c against 123c.

The total dividend was raised 24% to 61c from 49c.

The balance sheet was further strengthened, with total assets rising to R254-million from R212-million, while cash balances rose sharply to R35-million from R24,6-million.

Wearing his economist's cap, Mr Ackerman, says that, although the country as a whole was still in a recession, "I believe that a recovery is possible before the end of 1983".

He concedes, however, that the economy is far from buoyant at present.

Workers available

39

10 MAY 1983

Plenty of registered black workers were available for employment without employers having to worry about their housing, the Randburg Chamber of Commerce and Industry has been told.

An official of the Department of Labour, Mr Steenkamp, said the unemployed people reported to centres in New Canada, Randburg, Roodepoort and Krugersdorp. The employment was offered to registered local workers and precluded the recruiting of labour from the homelands.

(30)

FM 13/5/83

APRIL VEHICLE SALES

CARS

	1983 Apr	% of Market	1983 Jan to Apr	% of Market	1982 Jan to Apr	% of Market
Toyota	4 245	20,04	16 520	19,28	15 322	15,75
Datsun	2 903	13,70	11 590	13,53	8 451	8,69
VW	2 504	11,82	12 093	14,11	15 703	16,14
Ford	2 408	11,37	11 267	13,15	16 195	16,65
GM	2 273	10,73	7 581	8,85	7 936	8,16
UCDD	2 230	10,53	6 928	8,08	4 666	4,80
Sigma	1 763	8,32	8 957	10,45	16 510	16,97
Alfa	1 115	5,26	3 027	3,53	2 907	2,99
BMW	908	4,29	3 880	4,53	4 773	4,91
Renault	517	2,44	2 184	2,55	2 577	2,65
Leyland	309	1,46	1 630	1,90	2 154	2,21
Other	10	0,05	33	0,04	82	0,08

April total .... 21 185 (6,15% down on 22 572 last year)
Jan-Apr total .... 85 690 (11,91% down on 97 276 last year)
Mar total 25 453

HEAVY COMMERCIALS (5 001 kg and over)

	1983 Apr	% of Market	1983 Jan - Apr	% of market
Sigma	339	2 316	1 160	20,90
UCDD	302	20,63	1 188	21,41
GM	204	13,93	633	11,41
Magnis	129	8,81	607	10,94
Ford	127	8,67	441	7,95
MAN	85	5,81	290	5,23
Leyland	85	5,81	512	9,23
Toyota	80	5,46	331	5,97
Int Harvester	48	3,28	134	2,41
Malcomess-Scania	27	1,84	81	1,46
Vetsak	15	1,02	53	0,96
ERF	14	0,96	73	1,32
Oshkosh	6	0,41	24	0,43
VSA	2	0,14	2	0,04
Fodens	1	0,07	20	0,36

Apr total .... 1 464 (28,79% down on 2 056 last year)
Jan-Apr total .... 5 549 (41,08% down on 9 419 last year)
Mar total 1 817

APRIL LIGHT COMMERCIALS (Up to 5 000 kg)

	1983 Apr	% of Market	1983 Jan - Apr	% of market
Toyota	2 553	30,82	10 351	30,40
Datsun	2 318	27,99	9 772	28,70
GM	1 345	16,24	4 591	13,48
Ford	867	10,47	4 052	11,90
VW	699	8,44	3 202	9,40
Sigma	409	4,94	1 609	4,72
Alfa	35	0,42	157	0,46
Renault	23	0,28	100	0,29
Leyland	19	0,23	162	0,48
UCCD	15	0,18	58	0,17

Apr total .... 8 283 (5,66% down on 8 780 last year)
Jan-Apr total .... 34 054 (17,95% down on 41 503 last year)
Mar total 8 142

MRS N Vokwana and Mr Zebulon Mkiva receive certificates from Mr John Nimmo, Cape Town manager of the Standard Bank's small business development and advisory department, after completing the department's course for retailers.

Small business men learn management principles

Bus News 14/5/83 (30)

By AUDREY d'ANGELO

MR ZEBULON Mkiva came from the Ciskei, where his father was a subsistence farmer, to work as a packer in a Buitenkant Street store.

He started selling second-hand clothes from door to door to earn more money in his spare time.

Now, 40 years later, he owns a general store in Langa employing 30 people and is thinking of converting it to a supermarket.

Mrs N Vokwana is a former nursing sister whose husband, Mr Stanley Vokwana, started work sweeping floors at a co-operative in The Strand.

When she married him he owned a butchery and a grocer's shop in Nyanga. Now the grocer's shop has been converted into a supermarket which Mrs Vokwana runs. The couple also own a garage.

21 RETAILERS

Mr Mkiva and Mrs Vokwana were among 21 retailers from Langa, Nyanga and Guguletu who attended a three-day seminar run by the Standard Bank's small business development and advisory department at a Sea Point hotel this week.

The seminar, the first of its kind in Cape Town, was designed to teach black retailers the principles of management, elementary book keeping and loan application procedures.

Similar seminars have been run in the Durban and Maritzburg areas, where demand was so great that six will be held this year, and in Johannesburg.

The Standard Bank started its small business development and advisory department 18 months ago.

HAVE POTENTIAL

The department's manager in the Cape Town area, Mr John Nimmo, said: "We believe many of these businesses have the potential to grow, but most of the people running them have no management training and many of them do not even have a book-keeping system."

The seminars include instruction on a simple method of book-keeping involving the use of colour codes, devised by an official of the bank, Mr Malcolm Meintjies, for people with no formal training.

TRIAL AND ERROR

Retailers who attended this week's seminar said they were certain it had been of value to them.

Mrs Vokwana said: "We had to learn how to run our businesses by trial and error.

"Now we can become more efficient and are better equipped to meet competition from the big supermarket chains."

30

Store demands apology

THE chairman of the Soweto Community Council, Mr David Thebehali has been asked to withdraw his claims that the Black Chain supermarket is a business fronting for whites.

Mr Thebehali's accusations were strongly refuted by the Public Relations Officer of the National Federation African Chamber of Commerce (Nafcoc), Mr Gabriel Mokgoko at a Press conference in Johannesburg at the weekend. The meeting was attended by Mr H Q Majola, managing director of African Bank Limited, Mr Sy Kutumela, managing director of African Business Publications Holdings and Mr Matodzi Liphosa, Project Development Manager, African Development Construction Holdings Limited.

Mr Mokgoko explained that the Press conference was convened to clear the confusion which might have arisen regarding the Nafcoc sponsored Black Chain following Mr Thebehali's attack on the supermarket.

Mr Majola said the Black Chain was effectively black, with some 800 black shareholders. He said its share register was available for inspection by any interested party. He said Mr Thebehali had been asked to apologise to the company within a "certain specific time."

Mr Majola said the company had only black directors. He said shares were still open and available to blacks to buy.

He said only 15 percent of the company's capital was held by shareholding banks (whites).

The percentage was expected to decrease with future increase in the company's capital.

THEBEHALI

Star 30

Small business 'held back by rules'

By Frank Jeans

A "jungle of jurisdiction" and a "web of rules" hampered the advance of small business development in South Africa at a time when the "small man" was struggling to provide jobs for the thousands who had none.

This was said by Mr I J Hetherington, vice-chairman of the Council for the Promotion of Small Business, at a recent Small Business Symposium in Johannesburg.

Mr Hetherington referred to the Prime Minister, Mr P W Botha's "positive initiatives" but said a follow-through had to be tackled with new determination.

On Mr Botha's reference to "marxism and its devastating effect on agricultural output", he said: "Does not some of the State-inspired agricultural activity in the homelands come dangerously close to the collective State-farm approach under marxism? When will small, commercially-oriented black farmers be encouraged to own the land they till?"

Earlier this year, blacks were given a list of 42 farms the authorities were prepared to sell freehold, but cash had to be paid within 30 days. "Land Bank financing is not available to blacks," Mr Hetherington said.

Japan, South Korea, Taiwan and Hong Kong were an example of the "vision of the creative power of small business when given half a chance".

Taiwan was a living example of what could happen when small farmers, formerly insecure tenants controlled by feudal landlords, were allowed individual land ownership.

"Output more than doubled and the farmers' incomes icreased by 256 percent."

munity councils, unless the statement is withdrawn in Parliament.

He said he has also told the Minister that he will no longer be willing to attend an informal meeting with other black leaders to which the Minister had earlier asked him if he would attend if invited.

According to Chief Buthelezi, the pamphlet was released by the Department of Foreign Affairs on behalf of the Department of Constitutional Development and Planning. It allegedly cited the KwaZulu government and the Soweto Community Council as examples of channels through which blacks exercised their political rights.

Chief Buthelezi said the statement created the false impression that KwaZulu was already an independent State.

He said he told the Minister that Zulus rejected the concept of homeland independence and that they would take up arms if the Government tried to force them to take independence.

One of the other main objections to the bill Heunis dealt with was the position of the proposed new executive president

Sowetan 1/7/83

(30)

Nafcoc meets in Cape

THE National African Federated Chamber of Commerce (Nafcoc) will hold its 19th annual conference at the Good Hope Centre, Cape Town from July 4 to 8.

The Public Relations Officer of Nafcoc, Mr Gabriel Mokgoko told The SOWETAN this week that like all previous conferences the 19th conference would provide opportunity for delegates to discuss and resolve a wide range of subjects of interest and to hear the views of eminent speakers, all experts in their fields.

He said the theme of the conference, "Challenges and Opportunities for black business development in southern Africa", would cover a wide spectrum which would enable delegates to discuss issues relating to the growth of black business and black market in southern Africa.

He said special interest would be reports of progress made by various Nafcoc -sponsored companies as well as the success achieved by the organisation in creating new ties with black businessmen outside South Africa.

The chairman of the Old Mutual, Dr J G van der Horst, will officially open the conference on Tuesday July 5. The chairman of Barlow Rand Limited, Dr Mike Rosholt will deliver the keynote address.

TAXIS TO ASK FOR MORE ROBOTS

THE South African Black Taxis Association (Sabta) is to pressurise the Soweto Council and the Trade and Transport Association on the installation of robots in all Soweto's main roads.

Sabta chairman Mr Jimmy Sojane revealed this yesterday, following last week's gruesome accident in which a truck ploughed into a car along the newly-built freeway in Orlando West Soweto.

Four people were killed and three others seriously injured in the accident only a few hours before the freeway was to be officially opened.

Mr Sojane said Soweto was too big for the present number of robots it had and it was high time "all busy and strategic roads with stop signs be supplied with robots."

The Soweto Council said in a statement it was the duty of the Traffic Department to instal robots but because they (Soweto Council) represented Soweto residents, they would do anything to help, if properly approached.

TEN KILLED IN SOWETO

AT LEAST 10 people were killed in Soweto in spite of the chilly weather that gripped most parts of the country at the weekend.

Soweto CID chief, Brigadier J J Viktor, said the killings and other crimes which include rapes and muggings, started on Friday, a day after temperatures started dropping. Two people have been arrested in connection with two of the cases.

All but one of the victims of the weekend murder spree were stabbed in brawls at shebeens or parties. One man was killed after he had quarrelled with an unknown man over a beer bottle.

Police are also investigating the mysterious shooting of a Dube man. Brigadier Viktor said the man, whom police declined to identify, was shot in a friend's backyard on Saturday night.

Nine rapes, including one that involved a five-year-old child, were reported. Brigadier Viktor said police were looking for a man who walked into a Meadowlands house on Sunday night and raped a child who was alone in the house. Her assailant fled when her father arrived.

In another rape case a shebeener in Dobsonville allegedly raped a patron at gunpoint. The late-night drinker told police the shebeen king dragged her into his bedroom and raped her the whole night. She escaped, when the man fell asleep.

Other crimes reported are as follows:

- Five men were arrested in four theft cases.
- Eight cars were stolen, including a minibus valued at about R11 000. At the same time police recovered 14 stolen vehicles and arrested three men in connection with two cases.
- Liquor Squad detectives confiscated more than 12 000 beer "quarts", 600 "pints" and several litres of spirits.

Neutral party to probe strips

Sowetan 17/5/83 (30)

THE controversy surrounding the dismissal of five women last month by a Vereeniging branch of Pep Stores because it was alleged they refused to strip, took another turn this week when Pepkor Limited, the parent company, announced that a neutral person would chair the disciplinary inquiry.

In an interview, the managing director of Pepkor, Mr Thomas Ball, said: "The inquiry will be chaired by a neutral person still to be nominated. Pepkor management and officials from the Commercial, Catering and Allied Workers' Union (Gcawusa) will be represented at this meeting."

Mr Ball said arising out of this investigation the company would seriously consider abolishing the whole system which gave birth to this incident.

Mr Ball said his company's personnel policy was based on "non-discrimination and on respect for each individual's dignity". He said it was unfortunate that in a small number of retail branches there was a very serious shoplifting problem and like most retailers they realised this problem called for "unpleasant measures to combat this evil".

These procedures were not applied arbitrarily in that lots were drawn to determine which employees were to be frisked on any particular occasion. Searches were conducted by members of the same sex and in a humanitarian and dignified manner, he said.

He said until February at the Vereeniging branch when there was a change of management there existed a cordial relationship between management and staff.

Star 19/5/83

Talks to stagger pay days likely to be held shortly

30

By Michael Chester

Talks are likely to be held soon between employers and trade unions on the feasibility of introducing staggered pay days for millions of wage-earners and so ease the month-end shopping and traffic chaos.

Initial talks have been held by the labour affairs committee of the Johannesburg Chamber of Commerce.

The issue has now been referred to the Commercial Employers Association for its views, and the attitude of unions in the retail and distributive trades will be tested.

Protagonists believe that most people would benefit if salaries and wages were paid in a staggered pattern.

Supermarkets are expected to be among the first to back the proposals, because of the prospect of a more even flow of sales rather than the present month-end crush.

Banks and building societies are also likely to support the proposals because of the advantages of unclogging pay-day congestions when customers all try to deposit or withdraw cash at the same time.

Much merit

Mr Marius de Jager, chief executive of the Johannesburg Chamber of Commerce, confirmed today that talks were under way.

"The idea has lots of merit," he said, "but there are numerous snags that will have to be disentangled. Not least is the way black families at the moment need to pay rent within a set period near month-end.

"If the Commercial Employers Association approve, we shall run a survey among our company members."

Mr Brian Miskin, regional general manager of the Standard Bank, said: "We welcome the idea. We have already instituted a routine to begin salary and wage payments from around the 20th of each month, spreading pay-outs over several days so that it breaks the month-end jam.

"Staggered pay days deserve a lot of consideration, aside from the potential as a solution to security problems when firms all try to draw vast amounts at one time.

"It is not only monthly pay days that should be staggered. So should weekly pay days."

SA is urged by Assocom to accept reform plan

(30)

Star 20/5/83

By Eugene Saldanha

It is vital that South Africa moves away from the Westminster system of government and accepts the new Constitution Bill as a basis for reform and evolutionary change, says the Association of Chambers of Commerce (Assocom).

The association outlined its views on the new Constitution Bill in a statement last night.

While Assocom has "various reservations" on the Bill, it accepts the broad thrust of the legislation and believes that it is the starting point for "socio-political adaptation".

While the Bill does not deal with the question of citizenship, Assocom believes that provision must be made for a common form of citizenship applicable to all race groups in South Africa, including people now resident in the national states.

Assocom says education should be regarded as a general matter rather than an "own affair" because the availability of education for all is essential for an informed society.

The association would like to see greater restraints placed on the powers of the State President.

"The apparent curbs in the Bill may not limit powers in reality ... moreover, the procedure provided in the Bill for the removal of the State President is too lengthy."

A close link between the Cabinet and Parliament should be maintained by ensuring that Ministers are also MPs, or at least members of the President's Council.

Assocom also recommends that:

- The President should not be permitted to withdraw a matter once it has been referred to the President's Council.
- The President be required to assent to or reject a Bill within a specified period, for example, 90 days.
- Joint sittings of the three houses be held regularly.
- Provision be made for the use of referenda as a decision-making tool.

USED CARS (30) FM 20/5/83

On the skids

If the Transvaal Provincial Administration's (TPA) computer is to be believed, the used-car industry in this province is going through one of the worst downturns in its history, with first-quarter sales an estimated 41% down on last year.

During this period Transvaal used-car registrations, which account for 42% of the country's registrations, were 31 000 against 53 000 for the same period last year. Figures for other provinces are not yet available, but a knowledgable insider puts Cape sales at 25% below last year's levels. Sales in Natal and the OFS are reportedly holding steady, although these markets account for only about 20% of the national total.

The latest available official figures show a countrywide decrease of 17,4% in used-car registrations in 1982, with a whopping 39,2% drop for the Transvaal.

Used-car dealers have been increasingly squeezed by discounted new models. And the signs are that many of the smaller operators are quitting the business or drastically cutting costs.

Used cars ... competing with new cars

Oscar Peruch of Mead and McGouther, which compiles Automobile Digest, the used-car dealers' bible of prices, says he gets between 30 and 40 cancellations for his publication every month.

"It is hard to say how many of these cancellations are from used car dealers going out of businesss, but I think quite a lot," he says. "During the boom a lot of people jumped on the bandwagon. But two to three years in business is not enough to consolidate your position and gain the necessary expertise, and the banks are also getting more stringent in their lending policies."

In many cases, price differences between new cars costing around R7 000 and last year's used models are as little as R500.

Says John Landey, of the Car Bar in Johannesburg: "It is very difficult to unload a car that is less than 10 months old. Although new-car list prices go up every three months, actual selling prices have stabilised over the last 18 months because of the large discounts given by manufacturers and dealers.

"Why buy a late model used car when you can get a brand new one for a few hundred more?"

Peruch and Landey believe, however, that the used car market has bottomed out, simply because new car manufacturers can't afford to sell their cars any cheaper and because large stocks of new cars are thinning out.

But Robin Emslie of *Automobil Magazine* warns that used-car dealers are not yet out of the woods. "It will get worse before it gets better because when new car sales pick up more vehicles will be traded in which will put more pressure on the used-car dealers."

Second-hand traders such as Imperial's Royalstyle and McCarthy's Car Bar, which push a quality image and offer guarantees, appear to be weathering the storm better than others.

"We want to remove the risk from buying a used car," says Mark Abelkop, of Royalstyle.

This company, for example, offers three months, 5 000 km unconditional guarantee which can be extended for an additional fee.

Despite the price squeeze on later models, these operators still look for most of their business with cars manufactured after 1980 and with less than 60 000 km on the clock.

Abelkop also believes that there is a clear distinction between people who buy new cars and people who buy second-hand. He says: "Some used-car buyers will pay more for a second-hand car with lots of accessories than they would for a new model with fewer options."

Operators are reluctant to say which used models sell best for fear of incurring the wrath of manufacturers. But John Landey says demand for used cars reflects new car sales. "All you have to do is look at which cars are selling well new and you will get a good idea of what sells used," he says.

And, according to Peruch, there is still a demand for discontinued models with a good image, such as the VW Beetle.

The long-awaited boost to business from the black market is not proving to be the boon for which many dealers had hoped. If anything, blacks are feeling the pinch of the recession more. Landey adds that there is still a large gap in their knowledge of buying quality used cars.

One problem for blacks is getting credit, but Emslie says that is being overcome rapidly: "Some finance houses are thinking about using different credit approaches for blacks. They are now looking at the income of a household rather than of the individual."

HELPING THE SMALL GUY

30 FM 20/5/83

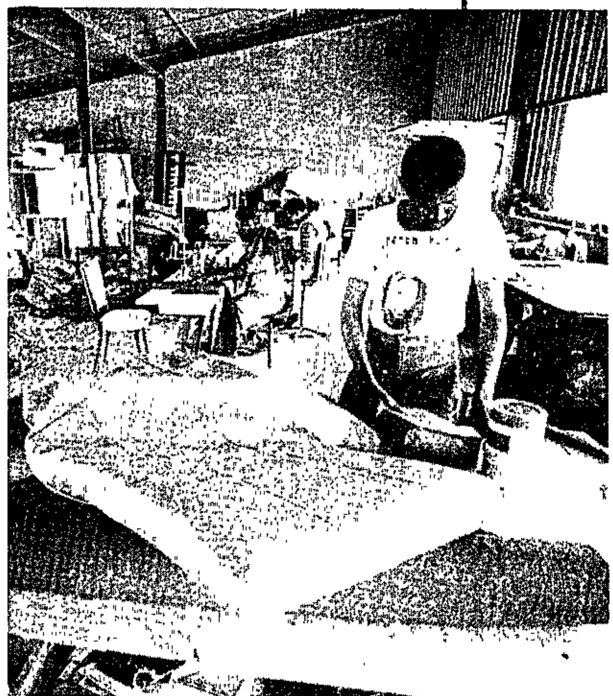
The Small Business Development Corporation (SBDC) has introduced a mini loan scheme to help small entrepreneurs in the informal sector who cannot meet the requirements for its existing financial assistance programmes.

The loans range from R100-R1 000 and are repayable within six months at 12% interest.

Applicants have to be employed full time in their businesses and be able to match the value of the loan with their own assets. Loans are made only for new projects and not to re-finance existing operations.

"We have been operating a pilot scheme for about seven months and have so far spent R59 000 to help 77 small businessmen," says Jacques Verster of the SBDC.

He adds that the corporation actively recruits clients, either through canvassing by one of its own staffers or through the National African Federated Chamber of Commerce (Nafcoc). He says defaults have been negligible.



Firm reinstates 6 workers

Labour Reporter

A large retail clothing chain has agreed to reinstate six workers without any loss of benefits. They had been dismissed for refusing to take part in body searches by supervisory personnel.

The reinstatement decision came after a four-hour meeting yesterday in Johannesburg between officials of the Commercial, Catering and Allied Workers' Union and Mr Hein Ehlers, human resources executive for the Pep Stores chain.

The body searches were initiated because of staff thefts at some smaller branches, according to Pep Stores management.

The union's general secretary, Mrs Emma Mashinini, said Pep had agreed to suspend body searches at its branches.

30

Trading licences 24/5/83
Q Col. 1363

837 Mnr. P. G. SOAL asked the Minister of Co-operation and Development:

How many trading licences were operative in (a) the Black township of Cullinan, (b) Tokorn, Alberton, (c) Wattville, (d) Daveyton, (e) Vosloorus, (f) Kwa Tema, (g) Ratanda, (h) Katlehong, (i) Duduza, (j) Tembisa, (k) the Black township of Delmas, (l) the Black township of Devon and (m) Tsakane at 1 January 1982 and 1 January 1983, respectively?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

Trading licences are not issued by administration boards and consequently the East Rand Administration Board does not keep statistics in this connection. As a result of a recent physical survey the following figures in respect of trading licences operative at 1 January 1983 are available:—

Cullinan	2
Tokorn	63
Wattville	21
Daveyton	96
Vosloorus	63
Kwa Tema	118
Ratanda	30
Katlehong	240
Duduza	28
Tembisa	91
Delmas	12
Devon	3
Tsakane	67

LIQUID ASSETS

30 FM 27/5/83

Black entrepreneur Pat Mbatha claimed it was a dream come true And Sowetan imbibers who, until recently, have been denied access to legal drinking holes, echoed the sentiment.

Certainly the opening of the first bar lounge in Dube, Soweto, was a dramatic occasion, attended by numerous luminaries including mayor David Thebehali.

Mbatha has taken years to bring the R250 000 project — financed mainly by Standard Bank — to fruition His hurdles were the obvious ones bureaucracy and finance

However, after he secured a business site (rezoning was not necessary) the way was clear for his liquor licence — which still eludes shebeeners.

According to the Standard Bank, more than R75m was spent on liquor in Soweto in 1980 — more than R60m of it through the Wrab outlets.

Mbatha forecasts turnover of about R500 000 in the Dube Bar's first year and double that the following year

Thebehali says he has approved 37 of the 63 applications for liquor licences lodged with him Now they are in the hands of the Liquor Board.

PLATTELAND BUSINESS FM 27/5/83 (30)

Winter of discontent

The combined impact of economic recession, drought, the slump in the mining industry and industrial lay-offs is sending an icy wind through businesses in many platteland towns.

Insolvencies are already thinning the ranks of scores of small and medium-sized ventures — often run by local entrepreneurs — which are under far worse pressure than most of their city-based counterparts. Many rural towns owe their existence to agriculture or mining or both. And these sectors are struggling through a bitter winter.

Drought has slashed farmers' ability to purchase both farming equipment and consumer goods. The Department of Agriculture's Economics and Marketing Services says farming debt rose last year to R5,9 billion, more than R1 billion up on the R4,883 billion in 1981.

Towns affected in the drought belt stretch throughout the northern and eastern Cape, Free State, northern Natal and eastern Transvaal.

Coal mines in northern Natal, base metal producers in the north-west Cape and diamond mines generally have all cut back. Some have been closed or mothballed.

Drought and the mining slump have slashed rural consumers' spending power. Many platteland traders face cash flow problems and liquidations.

Retrenchment by industry in such areas (including Newcastle, where Iscor laid off hundreds) has further reduced consumer demand.

André Hammersma, Standard Bank chief economist, predicts: "This is only going to get worse. It's far from finished. Rural bank managers will undoubtedly receive increasing applications for financial assistance, much of it from businesses with cash flow problems."

He points out that it isn't only the drought that has cut farmers' income. Cape fruit canners are under pressure from low export prices, for example.

Major retail groups are also hurting. Meyer Kahn, former MD of OK Bazaars, which draws 40% of its turnover from country stores, comments: "There's no doubt that business is holding up far better in metropolitan areas than in the platteland. It affects all commodities with the possible exception of food. We anticipate this trend to continue during the rest of the year."

A source in one of SA's largest retail groups which has a large presence in black and white markets agrees. He says that while demand from the black market is uniformly bad — about 2% down in real terms over the past year — demand from white consumers has slowed considerably faster in rural outlets than in the metropolitan areas.

In the platteland regions depressed most by the drought, he says, sales are only about 25% of average levels throughout the country.

Koffiefontein in the southern Free State resembled a ghost town when the *FM* visited it this week. Since 1898, Koffiefontein was famous for its high grade diamond mine — until the flaccid diamond market forced De Beers to close the mine last July.

The mine employed some 1 200 people, of whom only a handful remain on site. A year ago, the town bustled with mine employees and a constant stream of visitors, including De Beers technical people and representatives from equipment suppliers.

Most visitors were accommodated in Koffiefontein's old but refurbished Central Hotel, owned by Gerry Pienaar. "Until the mine closed, this hotel was full every night," he laments: "Now we are at 30% capacity if we are lucky."

The hotel's ladies bar, which townspeople say used to be a crowded watering hole, serves few imbibers now.

Another small trader in Koffiefontein, Daniel du Toit, manager of Lewis Stores, estimates his sales have fallen about 40%. Much of the remaining turnover comes from coloured customers who work in Limeacres or Finch diamond mine in the north-west Cape while their families live in Koffiefontein. Most of Du Toit's business is on credit, and even though sales continue it's difficult to keep cash coming in. "We try to keep credit accounts open as long as the client continues paying something each month. Most try to do so, but we have a lot of repossessions too," he says.

Koffiefontein's economy has also suffered because of water shortages which are among the most severe in the country. It normally obtains its water from the Kalkfontein Dam which is about 2% full. Until the mine re-opens, local commerce is pinning its hopes for renewed demand on a R60m canal which is to be built to carry water from the P K Le Roux Dam to the Kalkfontein Dam.

Koffiefontein's Pienaar (left) waits on empty bar stools ... while furniture trader Du Toit sells fewer chairs now

Question 3

The situation described by the question illustrates the existence of an externality. In the economy there are many externalities which are by-products of economic activity. Examples of these are: smoke i.e. pollution; noise; contaminated rivers. When dealing with externalities there is always the question of social cost. What is the harm to society as a whole?

The traditional approach to dealing with externalities is that there are three ways of solving the problem. (1) Make the person/firm causing the externality, legally liable. (2) Equate his private costs … cost, i.e. tax him. (3) Preven… using the externality e.g. by law (ag…

Coase did not … approach.
According to him … up the problem:
the externality … antages. For
example: a … a river.
What will the … ing the pollution:
The factory might … the workers
lose their jobs. … is greater:

"If the government can be persuaded to move this canal closer to this area it could stimulate farming and business development enormously," says Pienaar, who is chairman of the Koffiefontein Chamber of Commerce. Koffiefontein, with two nearby towns, Luckhoff and Jacobsdal, has formed a committee to ask government to re-locate the canal which it is soon to start building.

There are similar woes in Harrismith, where some businesses have already closed, says Blaar Coetzee, secretary of the Harrismith Afrikaanse Sakekamer. "Most of our clients consist of the farming community — not only ordinary businesses, but also small and medium-sized factories," he says.

Morale low

"Local farmers are heavily in debt, their morale is low and they're in no mood for spending on anything but necessities. This affects everybody in town," Coetzee adds.

KwaZulu Development Corporation (KDC) liason officer Arthur Konigkraner says the drought has badly effected the KDC's activities. "Our cash crops failed totally," he says. "We've applied for drought relief and have no doubt we will get it, but it places heavy strain on our financial resources."

A 'WHITE' SOLUTION TO A 'BLACK' PROBLEM

City Press 29/5/87

Black building contractors forced to charge more

CP Reporter

SOWETO — There is bad news for people planning to build or extend their houses:

The job will cost you about 50 percent more.

This is because new building industry legislation forces black contractors — who will probably be doing the job for you — to register with the Industrial Council.

"Instead of ensuring protection against fly-by-night operators, this system will be a big disadvantage," said the vice-chairman of the Soweto Building Contractors Association, Mr Joe Leisegang.

"The council will be looking at wages and working conditions in the townships to bring black contractors into line with their white colleagues.

"Soweto residents are going to be hit hard. Our increased expenses in wages, building fees and other costs will have to be passed on to customers."

Mr Leisegang said that the cost of building a garage and two outside rooms is about R7 000 at the moment but will probably go up to R12 000 because black contractors are compelled to charge "white" rates.

When the Black Building Workers Act of 1951 (amended) was repealed in August last year, contractors in Soweto were forced to register with the council.

Mr Leisegang said "Looking at the building industry in Soweto as a whole, this is a 'white' solution to a 'black' problem."

scared to complain because they feared Ciskei cops would jail them.

"They told us there would be homes for us," said the resident, "but they just dumped us in this no-man's land.

"It's worse than a concentration camp."

The site, on the western side of the sprawling Mdantsane township, has no sewerage facilities and water has to be brought in by tanker.

Several families are sleeping in the open veld with their young children, facing imminent death from exposure in the freezing weather.

Puppet businessmen come under attack

30 City Press 29/7/83

By ZB MOLEFE

SOWETO — As black businessmen make giant strides in the economic development of the townships, their efforts have been coming under attack.

They have been labelled "white fronts" by parties who believe black businesses are puppets of their white masters.

These parties do not want white companies in the townships under the guise of black ownership, because black companies are barred from white areas.

Strangely, one of the critics has been Soweto Council chairman David Thebehali who some say, is the last person to be making such allegations.

He enraged the National African Chamber of Commerce (Nafcoc) which called a meeting to clarify the situation.

Savings

Since Nafcoc was established 19 years ago, its achievements include the founding of the African Bank, Blackchain, African Development and Constructions Holdings, and African Business Publications.

Responding to Mr Thebehali's challenge, Mosese Maubane, director of Afribank retorted:

"We've got nothing to hide. If there are any doubts about our operation we are open to public scrutiny."

Indeed, African Bank has nothing to hide.

Established in 1975 to channel black peoples' savings into the community and speed up economic activity in the townships, the bank is effectively black-owned.

Eighty five percent of the company's shares (valued at nearly R2-million) are held by blacks. The board of directors is exclusively black.

Mr Maubane and other key Nafcoc members at the meeting agreed on a common definition of a "white front": those companies which use blacks but remain in effective control of whites.

Skills

They went on to argue that where whites were used to fill skilled technical and managerial positions in companies whose books were open for scrutiny, these companies could not be called fronts.

It was along these lines that the Nafcoc bosses justified the existence of African Development and Construction Holdings.

This construction company operating in the townships is 47 percent owned by Murray and Roberts. Launched in 1977, M and R has provided ~~engineering skills and~~ has undertaken to manage the company on a contract basis.

The contract expires next year and Murray and Roberts will have been obliged to train blacks in managerial skills by the time it ends.

ADCH's business strategy was summed up by its project development manager, Matodzi Liphosa, who said:

"Black companies are exploring that one source of power for our people — the economic route."

He said blacks were following the same approach as the Afrikaners in their battle against British domination.

● DAVID THEBEHALI ... allegations

Black Sash reprints it

CP Reporter

JO'BURG — There has been a huge demand for the Black Sash booklet "You and the new Pass Laws" and thousands more are being printed.

The booklet spells out how the new influx measures will bring increased misery to blacks, especially those in the homelands, who will find themselves barred from the urban areas.

And even those with precious Section 10 urban rights could find themselves banished to the homelands if they lose their accommodation in the townships.

"You and the new Pass Laws" costs 20c and is available from the Black Sash, Khotso House, 42 De Villiers Street, Johannesburg 2001. Tel (011) 372436.

'Buy a brick' for a child

CP Reporter

JOHANNESBURG — The Child Welfare Society has appealed to the public to "buy a ... tered mothers and abandoned children.

There will be five cottages on the premises, each costing R40 000.

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Sowetan 30/5/83

Would be baker bogged down

By LEN MASEKO

A SOWETO businessman's dream of establishing a bakery of his own turned into a nightmare — because he cannot get a licence to deliver his produce to the township's 1,5-million people.

As if that was not enough, Mr China Ngema is faced with a massive bank loan which he used to build the R2-million bakery in Zola. His application for a licence to deliver bread in the townships has been turned down by the Wheat Board in Pretoria five times.

"This is absolutely terrible," Mr Ngema told The SOWETAN yesterday. "The whole building has become useless to me. I have trained my staff to bake bread but they are sitting around because there isn't anything to do. The authorities are refusing to give me a licence".

Mr Ngema estimates his resulting monthly financial loss to be R22 000. "I spend R6 000 every month on salaries alone. What can I do? With the rate of unemployment high in this country, I wouldn't want to dispose of my staff — they have families to support, after all", he said.

Meanwhile the businessman is still awaiting the outcome of an appeal he made to the Minister of Agriculture, Mr Hendrik Schoeman.

According to Mr Ngema, the board's reasons for turning down his application were that four licences had already been issued to businessmen in the area. But, he contends, two of the successful applicants — although having licences — had not started building their business premises yet.

Another reason, he said, was that the board did not approve of black/white partnerships in this type of business. Mr Ngema and a giant milling company formed a 51/49 percent partnership last year to establish the bakery. "It is interesting that the whole 97 percent market share in Soweto is enjoyed by white bakeries operating from outside Soweto while the township's businessmen enjoy a mere three percent," he said.

M.C.Q — 9
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Retail blues — end may be in sight

(30) E Post 2/6/87

By LOUIS BECKERLING
Business Editor

LATEST projections of retail trade sales suggest the market may be bumping along the bottom of its downturn.

And a detailed breakdown of January retail spending reveals also that on a regional basis Port Elizabeth, with a scant 3,6% of national sales, also recorded the poorest growth of all urban centres in the country.

Figures just released by the Central Statistical Office in Pretoria reveal that sales for May (at current prices), are expected to total R1 966 million, raising the estimated three-month aggregate to 11% above the March-May figures recorded last year.

The picture after adjustment for inflation and the impact of seasonal spending naturally looks far less buoyant, but evidence of positive growth nonetheless remains, albeit nominal, at +0,2%.

Given the contraction in gross private consumption expenditure this modest increase in retail sales volumes has been achieved by retailers at the expense of dramatically pared profit margins, as is evident from the recent results of several quoted companies.

Seasonally-adjusted figures at constant 1975 prices show the following pattern (January and February statistics are final, March and April preliminary, and May's projection is based on estimates of expected sales furnished by respondents to the CSO survey; the percentage quoted relates to the change on the same month in 1982):

- Jan — R781,9m (−7,9%).
- Feb — R788,9m (−2,4%).
- March — R802,4m (no change).
- April — R806,0m (−1,1%).
- May — R801,2m (−1,1%).

Aggregated into quarters this translates into an estimated total of R5 991,8 million for the three months of March, April and May

Released simultaneously with the expected figures for May was a detailed breakdown of retail expenditure across the country in January this year.

Reduced to its barest essentials the results suggest that if you stocked radio and hi-fi equipment in Pretoria you were a winner — with countrywide sales of these items up a massive 67,8% (after adjustment for inflation and seasonal spending), on the same month last year; while on a regional basis Pretoria retailers, with across-the-board income boosted 21,2% after inflation, were way ahead of the pack.

By contrast retail spending in Port Elizabeth/Uitenhage in January, at a bare 8,1% above January '82 levels, was the poorest performer among the major urban areas of the country. At a total of R66,8 milion, sales in this area represented only 3,6% of national sales (R1 880,8 million).

On a product basis the top five performers, after adjusting for inflation and seasonal spending (with percentage growth over sales in January 1982 in brackets), were: audio (+67,8%); books (+27,6%); pharmaceuticals (+26,6%); glass and crockery (+24,7%); and non-edible groceries (+19,6%).

Poorest performers were: piece-goods and textiles (−8,1%); footwear (+1,1%); women's clothing and accessories (+1,2%), household equipment (+2%); and alcoholic and non-alcoholic beverages (+10,1%).

Panel beating: 'not all graft'

Star 3/6/83 (30)

The panel-beating business was no more guilty of sharp and dishonest practice than were other industries, said the managing director of a well-known firm.

Mr F Friedland said claims of corruption in the repair business were exaggerated. "I'm sure it does happen but no more so than in other businesses as we have seen from recent campaigns in the newspapers.

"Even my own company makes mistakes and does things wrong. Many of the complaints about the quality of panel-beating jobs are exaggerated by people trying to get away without paying their excess," he said.

Several insurance assessors interviewed recently agreed that corruption existed but also felt such claims were exaggerated.

One objected particularly to claims that the average monthly salary package for an assessor was worth between only R1 200 and R1 500 because insurance companies knew it would be supplemented by bribes.

"The average assessor is getting a package worth at least R2 000. With the security the large companies provide, it is not really worth the risk to look for bribes which would be extremely high if they were more than R100," he said.

Mr Friedland agreed that even if bribes were worth R100 for each claim, it would still be a small percentage of the average claim which is now worth R1 500.

Most panel beaters agree that the cost of spares makes up by far the largest part of the average repair job.

The spares purchaser of one panel-beating firm said: "If you were to buy a R10 000 car on the spares market you would most probably end up paying R70 000."

Panel beaters claim that the major motor manufacturers inflate the cost of spares to compensate dealers for the low profit margins on new models.

Labour costs are also high but have stabilised during the past six months. Repairers say that new pricelists are put out monthly by one or other of the manufacturers. Dealers then charge the new prices not only for incoming stock but also for existing stock.

SMALL BUSINESS - FM 3/6/83

How small is small?

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During the last eight months about 100 informal sector businessmen have received loans totalling R80 000 through the Small Business Development Corporation's (SBDC) mini-loan scheme. However, there is still some controversy surrounding the programme.

According to Vanessa Watson of UCT's Urban Problems Research Unit (co-author of *Unemployment and the Informal Sector: Some Proposals*): "Those most in need of help are the very small operators. Loans to these people also have the highest built-in risk factor. A recent survey we conducted of Cape Town's informal sector found that most operators required initial capital inputs of between R50-R100."

In theory, the SBDC makes available loans of up to R2 000, but in practice very small loans are seldom made. There are also obvious bureaucratic problems involved in collecting small repayments.

SBDC PRO Jacques Verster says that "to date the smallest loan made available nationally has been for R200. The average request is between R400-R600 with a loan ceiling of R2 000.

"The main criteria in loan allocations are full-time employment in the venture — which must appear viable — and the ability to repay. The type of security required is flexible The idea is to help in an active manner. In addition, business assets should be at least the value of the loan and the repayment period should not exceed six months."

Counters Watson: "The criteria of repayability means that loan recipients must be able to offer repayment so there is built-in discrimination against the smallest operator. Hawkers, for example, might have no assets. If one is looking at the informal sector in an attempt to create jobs and generate income, then it is at this low level that attention must be directed and that inputs are most required."

However, one of the advantages of the SBDC mini-loan scheme is the speed with which loans can be approved Verster says that "money can be made available within a day or two. For example, we have had cases where bridging finance was required for the weekend and we were able to grant the loan almost immediately.

"Initially only R10 000 was allocated to each region. However, should more money be required, it will be made available. Obviously this is dependent on demand, but all indications at present are that we will be making substantially more funds available"

Watson adds: "Capital input is only part of the problem. The web of regulations by which operators are hamstrung is the other side of the coin.

Worst for retailing since 1945

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RDM 4/6/83

By JOHN MULCAHY

ALTHOUGH Edgars Stores budget for the current year indicates a possible improvement in earnings, further deterioration in trading conditions will make it extremely difficult to meet this objective.

Mr Adrian Bellamy says in his valedictory chairman's review — he has resigned as chief executive and leaves the chairman's office after the annual meeting next month — that the year will be challenging.

For the year to April 2 Edgars reported a 22% decline in earnings because of highly competitive trading conditions that forced the group to take an aggressive price position in all its chains.

Although the dividend cover on a fifo basis has dropped to 1,9 times — the dividend was maintained last year — the policy is to increase cover to 3,0 times on a progressive basis in the years ahead.

Mr Bellamy says the real level of national sales of clothing, footwear, textiles and accessories (CFTA) is likely to fall by about 4% in the year to March 1984.

Inflation of these items should also fall from the current level of about 13% to about 10%, reflecting competition in the market.

Given these conditions, retail sales in nominal terms are expected to rise by no more than 6%.

Mr Bellamy says that for the year to last March real gross domestic product fell by about 2%, private consumption expenditure increased by 1% and national retail sales of CFTA were about 3% below those of the previous year in real terms.

He describes this as the worst retail environment faced by Edgars since 1945, and "the severity of the downturn was equally extraordinary".

The recent trend in CFTA sales reflects far more volatility than has been experienced. It suggests that the CFTA sector may in future react more sharply to economic cycles, in a way previously seen only in the durable sector.

"If this does emerge as the pattern, the group will face a more difficult trading environment and will have to adjust its trading strategies accordingly."

A second unfavourable dimension of the retail environment has been the drought, says Mr Bellamy.

Edgars 392 stores are spread throughout SA, and many of them are closely linked to agriculture.

"The severe impact of the drought is already evident in many stores and this has compounded the already difficult economic conditions."

The sharp downturn in consumer spending has forced the four chains in the group — Edgars, Jet, Sales House and Ackermans — to adapt their trading styles, and the past year was characterised by aggressive marketing.

"In spite of this action, sales from August 1982 onwards were weak. Christmas was poor and early winter sales have been very low, compounded in part by the unseasonably mild winter weather."

There is much evidence that South Africa is overprovided with retail space, says Mr Bellamy, but the provision of space continues unabated.

He ascribes this partly to the high returns enjoyed by developers on retail property investments, and partly to excessive expansion by retailers.

"This excess supply position will ultimately correct itself through keener rentals, but the impact on the physical and financial structures of certain city centres will be permanently damaging.

"There is every possibility that in a few years South Africa will experience the demise of many city centres.

"The only real solution facing local authorities is a far more dynamic approach to the management of the cities, with prime emphasis on convenience to the citizens thereof."

Strike over transfer resolved

Star 7/6/83

By Tony Davis,
~~Labour Reporter~~

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Checkers management has agreed to transfer a branch manager after a dispute with members of the Commercial, Catering and Allied Workers' Union (Ccawusa).

About 60 workers at the Checkers Southdale branch went on strike last week after a member was allegedly assaulted by the manager.

Management called for a return to work before starting talks but workers refused to go back to their jobs until the manager was transferred.

Yesterday the strike spread to other Checkers stores as several hundred workers came out in sympathy.

After a meeting between Checkers and Ccawusa officials, the company agreed to transfer the manager as soon as he returned from leave. Workers would also not lose pay for being on strike.

A Checkers spokesman confirmed the settlement and said they would be meeting Ccawusa today.

whereas forces 1 and 2 get stronger..
These factors have been the cause of the
process of urbanization (although there are other
causes) in SA. The migrant labour system has
led to increasing numbers moving to urban areas,
and perhaps been ... what is strange
about SA's case ... that industrialists
want the African's ... serts its presence
in urban areas

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Traders vie for site for complex

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IN an effort to prevent outsiders from doing business in Diepmeadow, the local traders association has formed a public company with the aim of purchasing and developing over 50 000 square meters of business sites.

The sites, which are situated at strategic points in Meadowlands and Diepkloof, have been earmarked for giant shopping centres the size of the Blackchain or bigger.

Several other applications, including one by a company which planned to build a R50-million hotel at the Meadowlands West circle, have been submitted to the Diepmeadow Council. However, the association's secretary, Mr P Makgetha, is hopeful that their application will be successful by virtue of their being residents of the area.

He also urged local traders to exploit the offer or otherwise face doom. "If somebody else were to take over and develop these sites that will mean the end of your little shops," he said.

The sites on sale are the 50 000 square meters situated at Meadowlands West Circle, the Hekroet Circle in Zone 2 Meadowlands (77 488sq meter) and in Diepkloof Zone 3 (1 748sq m).

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Edwardes talks straight from the shoulder to South Africa

John von Ahlefeldt
Executive Financial Editor

Soft options are unacceptable for the private sector as much as for governments, and a refusal to accept this fact of life inevitably generates more problems than solutions.

This was the message spelled out in typically forthright terms by Sir Michael Edwardes when he addressed a packed Johannesburg Chamber of Commerce luncheon yesterday.

Sir Michael made it clear that he had important reservations about several aspects of the South African economy and the manner in which it is being handled.

NOT INTERFERING

While acknowledging that support for a market economy was apparent in such high places as the Reserve Bank and insisting that he was not interfering in the affairs of the country, he made it quite clear that South Africa's preoccupation with controls — coupled with high level of public ownership — created an economic environment "very similar to that which Tony Benn would like to have in Britain".

He pointed a finger at the administered price system as being another socialist-type policy that had failed in Britain because the supplier was able to increase his prices as a right.

MONOPOLIES

"I believe you have State as well as private sector monopolies where they take the soft option of upping prices when they cannot make a living any other way.

"And I believe that a local content programme which excluded lower cost imports can also be inflationary although it might be acceptable in the short term in order to get local industry off the ground."

Sir Michael Edwardes told a Johannesburg Chamber of Commerce luncheon that he had important reservations about several aspects of the South African economy and the way it was being handled.

Such policies were totally unsuccessful in Britain where reliance on soft options had created structural unemployment and the need for much short-term pain before British industry was restored to competitiveness.

He did not believe that South Africa's social and political problems made soft options any more acceptable here than elsewhere.

Further, companies which raised wages of black employees for socio-political reasons without ensuring an improvement in productivity were actually doing a disservice to the people they were trying to help.

Sir Michael left his audience in no doubt that the weaknesses he chronicled did nothing to assist in the Government's hitherto unsuccessful attempts to get to grips with inflation.

Bearing in mind that South Africa's present inflation rate stands out like a sore thumb at 13 percent when all about her appear to be getting their act together, small wonder that he was fairly scathing.

Dismissing the argument that the rate, even at its present level, represents a drop, he was of the view that nothing short of 4 to 5 percent was a figure the country could live with.

What is more, there was no way this could be achieved until a market economy was re-established.

Later, Sir Michael told me that from observations it appeared that a lot of local companies had adopted soft options. This did not help the employees in the long run. By merely giving way all the time bigger structural problems were created.

His experience in Britain was that "if you do the easy thing you pay for it like mad".

C. Herald

(30) 11/6/83

Traders blast Heunis claim

THE Western Cape Traders' Association (WCTA) has strongly criticised the Minister of Constitutional Development, Mr Chris Heunis, for his claim in Parliament last week that he had the entire business and industrial community behind him.

Mr Heunis is piloting the controversial constitutional bills through Parliament. He has been slammed by opposition groupings as a "sham reformist" and virtually told to resign.

Mr Dawood Khan, head of the WCTA said a telegram had been sent to Mr Heunis pointing out that the association was totally opposed to the so-called reform envisaged by the National Party.

"As such we are not behind Mr Heunis at all," said Mr Khan.

The WCTA has 2 000 members in the Western Cape, mainly on the Cape Flats.

DISCRIMINATED

"Not only the WCTA is against the constitutional proposals but many other businessmen — especially blacks — throughout the country, who are discriminated against.

"How can we accept it when it entrenches apartheid and the abominable discriminatory measures against black businessmen? Its crazy," said Mr Khan.

"No, I think Mr Heunis is trying to mislead the people. It once again shows that he is completely unsuited to head the important constitutional portfolio and we call on him to resign."

SA's unpaid debts run to a record R18-m a month

W/E ARGUS 11/6/83 (30)

From MICHAEL CHESTER
Weekend Argus Correspondent

JOHANNESBURG. — South African consumers and business firms are being hit by court orders to settle debts at the record rate of more than R18-million a month as the recession bites into family and corporate finances.

With the chain reaction of the cash squeeze hitting production and sales levels, the number of companies sinking in insolvencies and liquidations has increased by at least 25 percent compared with 12 months ago.

A survey released this week by Central Statistical Services in Pretoria shows overall debts covered by court judgments were 47,8 percent higher than a year ago.

Individuals' debts on which default and consent judgments are made have increased by an even more staggering 56,8 percent, from less than R10,4-million to nearly R16,3-million a month.

The amount involved in judgments to settle private cash debts rose by more than 70 percent to R3,8-million a month in February, the most recent period analysed, compared with February 1982. The increase in bounced cheques was 85 percent, now running at R2,2-million a month.

Retail debts

Consumers hit by court judgments in February alone were found to be in debt with retailers to the tune of R3,3-million, an increase of almost 40 percent.

Consumers were ordered to pay out R1,7-million to settle arrears in hire purchase deals. And the slide into debt problems is worsening as legal actions mount.

The monthly average number of civil debt summonses, around 50 000 two years ago as the economic slowdown began, had risen to more than 88 000 at the last official count, nearly 20 percent higher than a year ago.

Credit Guarantee Insurance Corporation reports that the average number of company bankruptcies is now running above 250 a month, compared with under 200 in early 1982.

Mr Cliff Simons, marketing manager, reported that claims paid out on insurance policies seeking protection from bad debts had climbed to record levels

Slowdown

The corporation said early casualties included smaller companies in the clothing and t[illegible]e trade, builders and [illegible]port firms.

But a number of engineering firms have now also joined the list. The cash squeeze — worsened by the burden still being carried by family budgets after the euphoric rush into hire purchase deals in the economic boom — now coincides with a slowdown in pay increases and double-digit inflation.

Dun and Bradstreet, which monitors the credit rating of about 70 000 firms in South Africa, has seen a dramatic increase in requests for information on the financial standing of buyers asking for credit in intercompany deals.

Black consumers 'taken for a ride'

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City Press 2/6/83

By KHULU SIBIYA

TEMBISA— Black consumers throughout the country have been taken for a ride because of lack of guidance. This is the assertion of the African Consumer Foundation (Afco) a newly formed black consumer organisation.

A six-man team, led by Mr Eldridge Mathebula of Makhulong Section, Tembisa, will formally launch the organisation at Tembisa this weekend.

Needs

Mr Mathebula said the organisers of Acfo came together after realising the need of black consumers to be guided and be educated against exploitation.

"We may not have the expertise as consumers, but at least we will be able to solve a number of problems the black consumer faces daily," he said.

A handful of volunteers will put up signs and will canvas door-to-door to explain the purpose of Acfo, Mr Mathebula said.

Rights

He said many blacks have not even heard the word "consumer".

"That is why our first task is to inform the masses of their rights as consumers."

Acfo, Mr Mathebula said, will help to alert black consumers to exploitation in the market place.

Economic stress reflected in big rise in civil debt orders

By Don Robertson

THE economic recession in South Africa has taken its toll on individuals and businesses with a 21% increase in the number of civil judgments for debt granted during the three months from December to February.

During this period the number of summonses issued for debt rose dramatically to more than 200 000 from 167 661 in the corresponding period in the previous year, while the number of civil judgments for debt granted increased from 73 959 to more than 80 000.

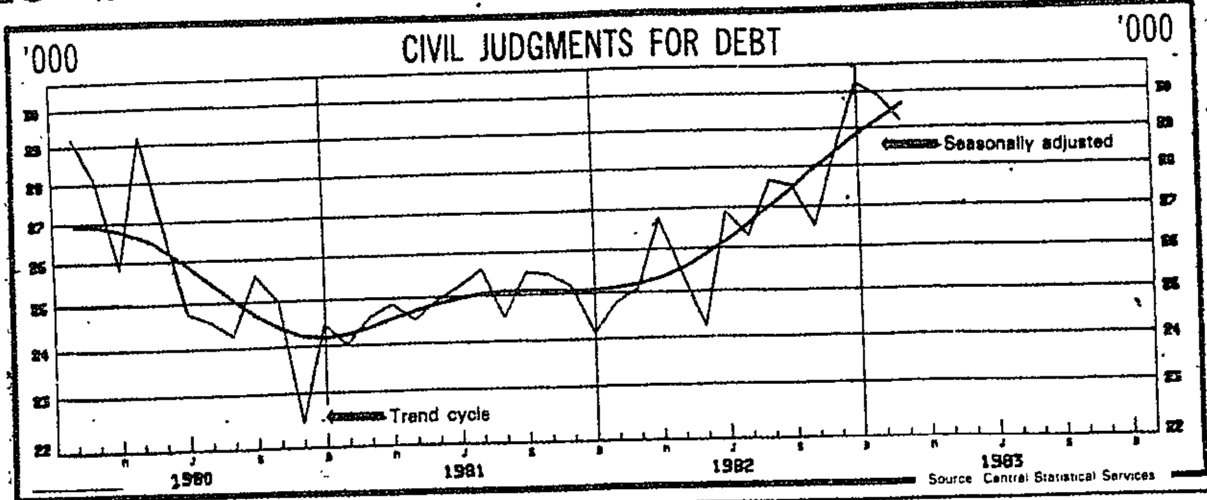
According to figures released by the Government's Central Statistical Services, 75 106 debt cases involving companies and individuals were recorded in February this year compared with 64 690 in February the previous year.

Dun & Bradstreet, the largest international credit information service, believes there is a direct relationship between bank interest rates and the incidence of insolvencies.

The company points out that, when the prime overdraft rate moved from 11,5% in April 1981 to 16%, insolvency hearings in the Transvaal rocketed by 40% and sequestrations doubled.

The incidence of insolvencies and sequestrations continued to climb until November 1981, when interest rates stabilised.

The overdraft rate's rise to 20% in March last year saw a further doubling in the number of insolvencies compared with the previous year, but in the ensuing months the situation stabilised and insolvencies fell by a third.



Investment seminar

ANTICIPATING a further relaxation of exchange control, Unisa's School of Business Leadership and the University of Miami are to sponsor a seminar in Johannesburg next month to discuss investment opportunities in the US.

The seminar is designed to provide practical information to South African businessmen interested in starting or expanding business activities in America.

A team of lawyers, bankers, marketing experts and academics will address the seminar.

Grim prospects in furniture retail

S.TIMES 12/6/83 (30)

BATTLE FOR MARKET SHARE AND SLUMP SPELL TROUBLE

By Elizabeth Rouse

THE battle of the retail furniture giants to maintain market share in 1982 and the devastating slump in sales this year spell grim prospects for the sector.

The R2 815-million retail furniture trade faces a second year of contracting profits, says Carl Jansen, managing director of Morkels, wholly owned by the Federal Volksbeleggings group.

Turnover growth in the highly competitive furniture sector has been distorted by the battle to maintain market share, at the cost of severely reduced margins, by pursuing price reductions and easy credit, with sales and price-off special offers becoming the order of the day well before Christmas.

A second distorting factor has been the perennial pursuit of market share through expansion, with the larger retailing groups, which sell predominantly furniture, between them opening 139 new stores in 1982.

Mr Jansen mentions two other areas of worry in his annual report.

"One that is giving serious cause for concern is the cost of insurance, especially in relation to burglaries, where an increase of more than 300% was recorded during the year.

"The situation is common throughout the industry, and active steps are being taken through various agencies to try to combat organised crime and thus control the pernicious cost growth from burglaries.

"Secondly, current trading conditions are exerting onerous pressures on suppliers' cash flows, profitability and stock investment in both the electrical and furniture sectors.

"Of three furniture suppliers facing liquidation, only one has been able to escape and another supplier has closed down its upholstered-lounge-suite plant."

Mr Jansen warns that, against this background, price increases in electrical goods and furniture appear inescapable this year.

He is also concerned about the lapse in professional trading standards in some quarters.

Morkels, which follows reference checks and exit interviews, has noted that there is a disturbing tendency in the employment market not to check references of new employees.

While this policy motivates the best to stay it also contributes to departures.

To restore stability in the professional retailing management and operating staff areas, Morkels remains committed to both an intensive corporate training and individual development programme.

"When someone is chest-deep in quicksand the one thing he does not need is to be left alone a little longer to solve his problem," comments Mr Jansen.

Reviewing the market in broad terms, Mr Jansen says total retail market growth rate of 16,8% realised in January to March 1982 deteriorated by 27,3% to 12,2% in the corresponding quarter of 1983.

In the furniture sector of this market, there had been a brisk growth rate of 24,3% to March 1982, a tempo that continued to function ahead of, although in keeping with, market trends in December.

Thereafter, the growth rate declined precipitously to 4,6% in January to March 1983.

Consumer confidence and attitudes altered steadily and perceptibly, to plummet in the final quarter.

This "devastating" slump in sales deprived Morkels of essential thrust in a tightening market and so seriously disrupted profit generation.

Despite this sharp fall in the last quarter of Morkels' financial year, plus higher operating and promotional costs throughout the year, the 50-store furniture group was able to hold its return on gross assets to a respectable 16,3%.

But this was 2,5% off target for the year and well below the record 21,9% achieved in the previous financial year.

Sales were 4,5% lower than in 1981-1982, market share declined slightly and taxed profit was down 6,6%.

However, these results were still the second-best ever and the chain remained in an under-borrowed situation with a financing ratio of 54% compared with an industry norm of 32%.

Anticipating the cyclical downturn in the furniture trade, Morkels opened only three stores and remodelled several others. Stores must now generate a high percentage turnover per square metre.

Easing of U.S.-China trade put to test

THE Reagan Administration's pledge to ease trade restrictions with China will be put to the test after last week's announcement that a unit of the China National Offshore Oil Corp had agreed to purchase advanced navigation equipment from an American company.

Maxiran Corp of Florida had signed a $1,2-million contract to sell the West Nanhai oil company "one of the latest models", said a Maxiran official, and it would be used to position boats and oil rigs operating in the South China Sea.

Maxiran is applying this week for an export licence from the US Commerce Department. In addition, the Defence Department and the navy will take a look at the equipment being sold to the Chinese.

In a visit to China last week, Commerce Secretary Malcolm Baldrige said that "the Chinese will see results in an actual improvement in technical transfer in a way not seen before", and, without much ado, the Chinese have taken him at his word.

30 FM 17/6/83

MAY VEHICLE SALES

CARS

	1983 May	% of Market	1983 Jan to May	% of Market	1982 Jan to May	% of Market
Toyota	**4 364**	**20,65**	**20 884**	**19,55**	**19 835**	**16,37**
Corolla	2 781	13,16	12 986	12,16	12 686	10,47
Cressida	1 580	7,48	7 810	7,31	7 036	5,81
Others	3	0,01	88	0,08	113	0,09
Sigma	**2 925**	**13,84**	**11 882**	**11,12**	**20 348**	**16,79**
Mazda 323	2 159	10,22	8 651	8,10	13 152	10,85
Colt Galant	593	2,81	2 000	1,87	2 813	2,32
Peugeot (all makes)	173	0,82	1 225	1,15	4 350	3,59
Other	—	—	6	0,01	33	0,03
VW	**2 715**	**12,85**	**14 808**	**13,86**	**18 740**	**15,46**
Golf/Jetta	1 412	6,68	7 726	7,23	11 006	9,08
Passat	959	4,54	4 999	4,68	4 278	3,53
Audi	341	1,61	2 078	1,95	3 456	2,85
Other	3	0,01	5	0,00	—	—
Ford	**2 553**	**12,08**	**13 820**	**12,94**	**20 013**	**16,51**
Escort	1 217	5,76	5 882	5,51	9 408	7,76
Cortina	1 016	4,81	6 451	6,04	8 513	7,02
Granada	320	1,51	1 487	1,39	2 092	1,73
Datsun	**2 036**	**9,63**	**13 626**	**12,76**	**10 737**	**8,86**
Skyline	983	4,66	5 099	4,77	—	—
Pulsar	575	2,72	5 547	5,19	4 881	4,03
Stanza	164	0,78	1 407	1,32	3 587	2,96
Laurel	266	1,26	1 345	1,26	2 042	1,69
280 ZX	16	0,08	67	0,06	115	0,09
Other	32	0,15	161	0,15	112	0,09
UCDD	**1 803**	**8,53**	**8 731**	**8,17**	**6 316**	**5,21**
Honda	833	3,94	4 043	3,78	—	—
Mercedes-Benz	961	4,55	4 562	4,27	6 008	4,96
Other	9	0,04	126	0,12	308	0,25
GM	**1 624**	**7,68**	**9 205**	**8,62**	**9 703**	**8,01**
Rekord/Commodore/ Senator	416	1,97	2 766	2,59	3 955	3,26
Chevair/Ascona	631	2,99	3 444	3,22	623	0,51
Opel/Kadett	577	2,73	2 992	2,80	5 114	4,22
Other	—	—	3	0,00	11	0,01
Alfa	**1 159**	**5,48**	**4 186**	**3,92**	**3 672**	**3,03**
Super	47	0,22	222	0,21	186	0,15
Sprint	59	0,28	195	0,18	147	0,12
Giulietta	209	0,99	1 214	1,14	1 829	1,51
Export	163	0,77	986	0,92	997	0,82
GTV	31	0,15	183	0,17	295	0,24
Other	20	0,09	71	0,07	77	0,06
Fiat	65	0,31	187	0,18	141	0,12
Daihatsu	565	2,67	1 128	1,06	—	—
BMW	**1 007**	**4,77**	**4 887**	**4,57**	**5 992**	**4,94**
5 Series	785	3,71	3 914	3,66	4 617	3,81
7 Series	222	1,05	962	0,90	1 287	1,06
6 Series	—	—	4	0,00	54	0,04
3 Series	—	—	7	0,01	34	0,03
Renault	**564**	**2,67**	**2 748**	**2,57**	**3 098**	**2,56**
Renault 5	559	2,65	2 730	2,56	3 098	2,56
Other	5	0,02	18	0,02	—	—
Leyland	**376**	**1,78**	**2 006**	**1,88**	**2 637**	**2,18**
Jaguar	8	0,04	38	0,04	40	0,03
Rover	159	0,75	756	0,71	961	0,79
Range Rover	5	0,02	73	0,07	85	0,07
Mini	198	0,94	1 104	1,03	1 415	1,17
Daimler	6	0,03	23	0,02	14	0,01
Others	—	—	12	0,01	122	0,10
Other	**8**	**0,04**	**41**	**0,04**	**92**	**0,08**
Lancia	8	0,04	41	0,04	92	0,08

May total .... **21 134 (11,60% down on 23 907 last year)**
Jan-May total ..... **106 824 (11,84% down on 121 183 last year)**
April total **21 185**

HEAVY COMMERCIALS (5 001 kg and over)

	1983 May	% of Market	1983 Jan to May	% of Market
UCDD	**308**	**20,63**	**1 496**	**21,24**
Sigma	**306**	**20,50**	**1 466**	**20,82**
Magnis	**196**	**13,13**	**803**	**11,40**
GM	**163**	**10,92**	**796**	**11,30**
Leyland	**141**	**9,44**	**653**	**9,27**
Ford	**100**	**6,70**	**541**	**7,68**
MAN	**90**	**6,03**	**380**	**5,40**
Toyota	**87**	**5,83**	**418**	**5,94**
Int Harvester	**35**	**2,34**	**169**	**2,40**
Malcomess-Scania	**22**	**1,47**	**103**	**1,46**
Vetsak	**19**	**1,27**	**72**	**1,02**
ERF	**18**	**1,21**	**91**	**1,29**
Fodens	**4**	**0,27**	**24**	**0,34**
Oshkosh	**3**	**0,20**	**27**	**0,38**
VSA	**1**	**0,07**	**3**	**0,04**

May total .... **1 493 (20,46% down on 1 877 last year)**
Jan-May total .... **7 042 (37,66% down on 11 296 last year)**
April total **1 464**

LIGHT COMMERCIALS (Up to 5 000 kg)

	1983 May	% of Market	1983 Jan to May	% of Market
Toyota	**2 731**	**30,95**	**13 082**	**30,51**
Datsun	**2 374**	**26,90**	**12 146**	**28,33**
Ford	**1 322**	**14,98**	**5 374**	**12,53**
VW	**860**	**9,75**	**4 062**	**9,47**
GM	**788**	**8,93**	**5 379**	**12,54**
Sigma	**604**	**6,84**	**2 213**	**5,16**
Leyland	**67**	**0,76**	**229**	**0,53**
Alfa	**43**	**0,49**	**200**	**0,47**
Renault	**27**	**0,31**	**127**	**0,30**
UCDD	**8**	**0,09**	**66**	**0,15**

May total .... **8 824 (3,25% down on 9 120 last year)**
Jan-May total .... **42 878 (15,30% down on 50 623 last year)**
April total **8 283**

The wine flows for Eric

S Times 19/6/83

(30)

By EBEN VENTER

A SUPERSTAR of the black business world last week set up the first South African agency for black consumer research.

Champagne flowed as Johannesburg's VIPs toasted self-made man Eric Mafuna, 37, at the launching of Consumer Behaviour.

"I've been looking out of the window for 13 years and I've finally made the big jump," he said.

Sole shareholder in his brand-new business, Mr Mafuna wants his black-market

MR ERIC MAFUNA
Superstar of business

consultancy to offer its clients in-depth research on the behaviour patterns of the black consumer.

"In human and South African terms it's very important that Eric's business succeeds," said an Anglo American executive director, Dr Zac de Beer, who acted as godfather to Mr Mafuna's ambitious enterprise.

"His parents didn't understand Eric and what's more, they didn't have the means to educate him," Mrs Suzette Mafuna, his wife, said.

"His BA Honours in sociology got him a job at the J Walter Thompson advertising agency where he finally became executive director before he started Consumer Behaviour," she added.

Fort Hare graduation

The South African deputy director-general of the Department of Education and Training, Mr J. Nienaber (centre) with the Guzana brothers. From left, Mr K. M. Guzana of Umtata and Mr S. S. Guzana of Zwelitsha.

Importance of small business underlined

By OWEN VANQA

ALICE — The importance of the role of small business in development of African enterprise was stressed at the graduation ceremony at the University of Fort Hare at the weekend.

The guest speaker, Mr R. J. Ironside, Director of General Motors, South Africa, and president of the South African Federated Chamber of Industries, spoke on the role of the small business.

He chose the subject because he believed that the future of Africa as a whole and of Southern Africa in particular hinged on the participation of all its peoples in all aspects of national activity.

Southern Africa had a dual identity One part of the infrastructure was urban and developed and the other was rural and in the process of development. The developed sector generated most of the nation's wealth and the developing sector, needed to acquire the capability to participate in these acti-

and services, it followed that there would be continuity of output and maintenance of present jobs.

But even with economic growth and new employment opportunities, this would be not enough to absorb the increasing number of people requiring jobs.

Mr Ironside said since this increase would be largely black persons, the challenge became greater and at the same time offered wider opportunities for resolution.

It was accepted that greater participation by black persons could result in development of a core of small business enterprises on which to build for the future and which would in themselves create many new employment opportunities.

"There is a very definite place in the national economy for viable African enterprise — it is essential to the process of ultimately broadening participation in the bases industry and commerce as

required to achieve their goals"

Mr Ironside said the primary aim should be to encourage black persons to become part of the relevant national economy and have access to opportunities to get into business in their own right.,

To accomplish this, leadership and good direction were fundamental requirements and he believed this university was and would continue to be, a prime source of these essential attributes — DDR

velopment. The developed sector generated most of the nation's wealth and the developing sector, needed to acquire the capability to participate in these activities and to become an active contributor in the process.

Mr Ironside said one or more bridging methods were necessary and the Africa entrepreneurship was one that offered considerable potential to achieve the desired transition towards mutual partnership in economic growth.

There could be no doubt that a thriving and expanding economic base was as much a fundamental requirement for Southern Africa as it was for the rest of Africa.

The concept of mini-international trading capability in Southern Africa made a great deal of sense and might well be the most practical route to stability in the longer term as well as more productive in the shorter term. This was because meaningful employment and production of goods and services for "domestic" consumption were more likely to generate better relationships between the diverse population groups of the Republic and also between South Africa and its neighbour states.

Accepting that the developed sector would continue to identify and assess markets and manufacture and distribute appropriate goods

al economy for viable African enterprise — it is essential to the process of ultimately broadening participation in the bases industry and commerce as well as to the creation of a generation of business orientated people through exposure to free enterprise practices," he said.

"As with many other aspects of transition, there is and can be no fast and easy method to effect this and potential entrants need to be aware of what will be

Mr and Mrs W. M. Sobahle and daughter, Sivuyisiwe. Mr Sobahle graduated with an MA degree.

Mr H. M. Lusu congratulates his younger brother, Mr M. M. Lusu, who obtaned a BSc in land surveying.

Lieutenant-General X. C. Sebe, Captain Joe Ntwasa and Miss N. Mdingi, deputy chief of protocol, listening to the graduation procedings.

Cape Times 22/6/83

Call on govt to ease restrictions on traders

Staff Reporter

COMPLETE freedom in the choice of a place to work and live was essential for the success of the free enterprise system, Dr C J Human, the chairman of Federale Volksbeleggings, told the Economic Affairs Committee of the President's Council yesterday.

Addressing the committee on measures that restrict the effective functioning of a free market-orientated system, Dr Human said restrictions on the movement of entrepreneurs hampered the economic development of South Africa.

He said the government should take urgent steps to ease restrictions on the free movement of certain sections of the community.

Entrepreneurs should not be forced to leave their informal structures for more sophisticated premises just because more improved facilities had become available, he said.

Many entrepreneurs who later became sucessful business men started as vendors under fairly primitive conditions.

Dr Human called for the establishment of a watchdog committee to study the thrust of State-aided organizations, such as Sasol, into private enterprise.

Confine activities

These organizations should confine their activities to the manufacture of raw materials only and should not market finished products directly to the consumer market.

Referring to the dumping of overseas products in South Africa, Dr Human said the South African electronic industry could not hope to compete with the uncontrolled import of electronic parts from other countries and only the continued implementation of control would save the industry.

Turning his attention to ways in which allowance could be made for the less sophisticated consumer, Dr Human said school children should learn the essentials of free market philosophy from a very early age. The consumers of the future should be taught the rudiments of budget control and the evaluation of goods.

Understanding

He said the State could do a great deal to help the less sophisticated consumer to a better understanding of the free market system. Such an understanding would be vital in an economic upturn and the "consumer explosion" which was expected to follow in its wake.

The media and in particular consumer magazines played an important part in the development of consumer awareness.

Truck-hire takes a bad mauling

(30) RDM 22/6/83

THE TRUCK-HIRE industry is taking a mauling — and it does not look like recovering until well into 1984

Figures from the SA Vehicle Renters' Association (SAVRA) display this serious downturn, with estimates for this year looking equally bad.

These statistics account only for the activities of transient fleets contract hire figures are kept very much under wraps.

But, said Royston Knowles of Avis, the stats are pretty representative of the position of the industry as a whole Contract hire and leasing are probably not quite as badly hit as transient — but the difference is not significant enough to be of any importance.

The industry's growth pattern started its about-turn last year.

The truck rental market rocketed up more than 50% in 1980 compared to 1979. The increase in 1981 was 18,9%. But the 1982 figure showed a negative growth of about 10%. And estimates for 1983 seem to indicate a fall-off of about 20% compared to last year.

More significantly, the monthly revenue per vehicle dropped drastically in 1982 compared to 1981.

"But", said Knowles, "this was due to everybody starting to discount as the recession began to bite.

"And the figure is liable to stick at about the R660/vehicle/month mark due to continued discounting."

The latest SAVRA figures are shown below They are computer-compiled by the Bureau of Financial Analysis at the University of Pretoria, from returns submitted by members of the Association.

This means that statistics are not available from ALL truck rental operations; some large operations are not yet members (although the Association does include many majors).

With a linear extension of the figures by analysts, however, these statistics can be fairly judged to represent the position throughout the country's rental industry.

	1980	1981	1982	1983 (estimate)
Revenue	R27-m	R39 8-m	R43,2m	R35-m (max)
Rental fleet size	4 000	5 020	6 500	5 000
Revenue/vehicle/month	R562	R794	R665	R660
Average revenue/rental agreement	R 82	R116	R168	R165-R168
Utilisation vehicle	62,27%	52,5%	45,6%	

Goss hits at move on breweries

ARGUS 23/6/83 (30)

JOHANNESBURG. — The government stipulation that brewers continue to divest from retailing is blatant discrimination against the the brewer and beer drinker, says Mr R J Goss, group managing director of South African Breweries.

He says in the group's annual report the most significant event in the liquor industry in the past year was the Government's ruling in March on the recommendations of the Competition Board which endorsed separation of producer and retail interests.

This ruling should be viewed against the background of an agreement approved by the Government in 1979.

IN EXCHANGE

In terms of the agreement between SA Brews, KWV and Rembrandt Group, SA Brews relinquished its controlling shareholding in Stellenbosch Wine Trust, in exchange for a minority shareholding in Cape Wine and Distillers — formed to hold the Rembrandt Group and SA Brews' wine and spirits interests.

SA Brews was permitted to acquire Intercontinental Breweries

SA Brews and the Rembrandt Group also agreed to sell their retail liquor interests so that producer activities and those of retailing would be separated

Granting these approvals the Government said low alcoholic beverages should be preferred to those with a high alcohol content.

UNDISTURBED

"The Competition Board's recommendations endorsed separation of producer and retail interests, and called for a dissolution of Cape Wine, but expressed the view that SA Brews' position in the beer industry should remain undisturbed."

It also recommended that beer and wine should enjoy equal distribution facilities through supermarkets.

"The dissolution of Cape Wine would have been contrary to the 1979 agreement and SA Brews supports the stance taken by the Government that Cape Wine should be left intact.

"On the other hand, by permitting the wine producers the right not only to retain, but also to increase their retailing interests, a major opportunity to establish a strong and independent retail sector has been lost."

LOW ALCOHOL

Mr Goss says the Government is paying lip-service to its stated policy of preference for low alcohol products. While beer has a lower alcohol content than wines and spirits, it already carries an excise burden almost equal to that of spirits, in contrast to natural wine on which excise duty was abolished during 1981.

"Discrimination is being increased and entrenched because the Government will not permit the sale of beer in supermarkets as is allowed for wine.

"The Government has not recognised the broader economic implications of beer production, which involves barley, maize, sugar and hop industries through to packaging suppliers and the consumer via the retailer." — Sapa.

EVENING POST, THURSDAY, JUNE 23, 1983

G. Post 23/6/83

Dismal picture of PE building sector

(32)

By SHIRLEY PRESSLY

A COMPREHENSIVE report by a lecturer in economics at the University of Port Elizabeth paints a dismal picture of the building industry in the Port Elizabeth metropolitan area.

The 107-page report issued this week by Dr C V R Wait points to evidence of slow growth, stagnation and even regression in the industries investigated.

Titled "The building, building-related and construction industries in the Port Elizabeth-Uitenhage region, circa 1970 to 1980", the report contains the results of an investigation into the performance of the various sectors of the building industry for that period.

In a brief synopsis of his main findings, Dr Wait makes some grim observations. One is that the civil engineering industry in the area suffered from a drop in demand for its services from the private sector, and had to rely on a few major public projects.

According to the report, public sector housing projects had not played a significant role in creating demand for the building industry, although census figures show black population growth in the area to have been well above the national average.

Dr Wait says that in the latest regional economic development scheme, Port Elizabeth and Uitenhage were grouped together with East London and surrounding areas including Ciskei and Transkei, as Area D.

But the incentives available to industrialists in the East London-Ciskei-Transkei area outstripped by far those available in Port Elizabeth-Uitenhage.

He predicted a "suction" of existing industries from Port Elizabeth-Uitenhage, and a re-routing of industries which could possibly have settled in the area.

"These suction and withholding forces are further reinforced by the incentives available in 40 other areas, of which George, Bloemfontein and Maritzburg are likely to form an effective withholding shield around Port Elizabeth-Uitenhage," Dr Wait says.

He recommends that a recruitment officer or agency be appointed to market the potential of the area for manufacturing industry.

Among other recommendations he makes are:

- To have the Port Elizabeth-Uitenhage region reclassified from a metropolitan area to an industrial development point.
- Transform the Port Elizabeth Publicity Association into a body which would promote tourism to the whole area. Such an association should be running a substantial budget funded by the City Council, the Uitenhage and Despatch Town Councils, and commerce and industry.
- Organised industry should encourage the use of Government schemes for export promotion.
- The Port Elizabeth City Council should set up a committee to investigate and remove all possible hindrances which municipal regulations and procedures could lay in the way of the industrialisation of the area.

BLACK LIQUOR

(30)

Calling the shots

FM 24/6/83

Black liquor retailers have formed an association to look after their interests at a national level. Vuka Tshabalala, president

(30) FM 24/6/83

of the Ukhamba Liquor Association of Southern Africa (Ulasa), says it is time for black liquor interests to take their place alongside other bodies such as the Hotel and Bottle Store Association and Fedhasa which represents hotels.

Ulasa draws its main support from Natal and KwaZulu, where the KwaZulu government has granted liquor licences to an estimated 250 operators. Ulasa has already signed up about 100 members — both retailers and on-consumption licensees.

Taverners

Tshabalala sees no conflict with Lucky Michaels' Taverners Association of Southern Africa (Tasa) and says taverners have indicated that they would join once they are licensed.

"The difference between them and Ulasa is that we operate within the framework of the law," he says.

Tshabalala says the problems of rezoning residential premises, where most shebeens are located, into commercial premises will continue to inhibit the licensing of Soweto shebeeners; it is more likely that licences will be granted for existing commercial premises, such as Pat Mbatha's bar lounge in Dube (*Business*, May 27). In addition, Wrab may continue to dispose of its own liquor outlets to Sowetans.

Tshabalala says shebeeners are major customers of Ulasa members and will probably continue as such.

"The association is there to assist licensees to be more knowledgeable about liquor laws, customer relations and in dealing with suppliers," he says. "It is not just a question of serving behind the counter."

Ulasa is likely to maintain close relations with Fedhasa and the Hotel and Bottle Store Association.

"But, says Tshabalala, "we feel we need a voice in matters which affect us directly."

DROUGHT (3) ~~Drought~~ (30)

Business helps out

FM 24/6/83

SA's private sector is becoming increasingly involved in drought-relief, with money, foods, goods and skills being donated by a wide variety of companies. Whether enough is being done, given the extent of the distress in black rural areas, is another matter. But the effort is being made.

A measure of the drought disaster can be gauged from isolated statistics. In KaNgwane, 11 000 peasant farmers face starvation if their plots don't yield crops this winter. In KwaZulu, Operation Hunger (OH) normally funds a feeding programme for 32 000 children Now the number has more than doubled and kwashiorkor and malnutrition are spreading.

Checkers recently launched a drought relief programme which has raised R220 000 in goods and money from public donations in two months.

According to company PRO Julie Francis "We launched a drought appeal campaign and are providing staff. facilities and co-ordination Food bins have been established in each store for customer donations and we are organising the delivery of foodstuffs to rural depots of OH.

"Checkers also subsidises selected food lines to the tune of R100 000 every week which will benefit not only drought victims, but customers who are also feeling the effects. We have opened a bank account with preferential interest rates for deposits and OH can draw on this account when finance is required."

Donation

OK Bazaars director Allan Fabig says: "OK is making a straight donation of R100 000 in food products selected by a panel of nutritionists. Distribution will be through OH, but we will cover costs."

According to Pick 'n Pay chairman Raymond Ackerman: "We are offering relief at grassroots level. Every GM and store manager has a drought relief budget We collect food in stores from our customers and our policy is to more than double what our customers give. We have already given R250 000 in direct drought relief. We are cutting margins and buying forward heavily on cheese and butter."

The SA Sugar Association (Sasa) has been involved in water provision in KwaZulu since 1980. According to Sasa's Richard Bates: "We sponsor the KwaZulu Water Development Fund, whose task is the installation of boreholes and water facilities in KwaZulu.

"Sasa initiated the fund's establishment and now administers it from our offices. In addition, Sasa itself has donated R170 000. The Durban Corporation has donated R200 000 and the rest has come from individuals and companies To date we have collected R900 000 and installed 200 boreholes."

The Premier Group's Wally Walters says Premier has donated R100 000 for drought relief. "Of this, R75 000 will be channelled through OH and R10 000 through the Red Cross.

"The remaining R15 000 will be allocated to smaller organisations. We will also be holding produce at special rates for as long as required."

The Employment Bureau of Africa, recruiting arm of the Chamber of Mines, is expected to announce a substantial drought relief project soon.

Private sector drought appeal

(30) Port Elizabeth: trading permits 1690

1038. Mr A. SAVAGE asked the Minister of Community Development:

How many applications were received from non-Whites in 1981 and 1982 respectively, for trading permits in respect of (a) areas in Port Elizabeth designated as trading areas in terms of section 19 of the Group Areas Act, No. 36 of 1966 and (b) the White group areas of Port Elizabeth?

The MINISTER OF COMMUNITY DEVELOPMENT:

	1981	1982
(a)	9	6
(b)	14	31

JNE 1983 Hansard 24/6/83

1686

(30) Q. Col. 1686

Trading licences

975. Mr. P. G. SOAL asked the Minister of Co-operation and Development:

How many trading licences were operative in (a) Mamelodi, (b) Atteridgeville, (c) the Black township of Brits, (d) the Black township of Thabazimbi and (e) the Black township of Warmbaths at 1 January 1982 and 1 January 1983, respectively?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The following trading licences were operative in the Black townships referred to:

	1 January 1982	1 January 1983
(a) Mamelodi	125	127
(b) Atteridgeville	108	109
(c) Brits	47	47
(d) Thabazimbi	0	0
(e) Warmbaths	13	13

Trading licences

981. Mr. P. G. SOAL asked the Minister of Co-operation and Development:

How many trading licences were operative in (a) the Black township of Witbank, (b) Mhluzi, Middelburg, (c) Siyathemba, Balfour, (d) Syathuthuka, Belfast, (e) Mfuleni, Leandra, (f) Thula, Ogies, (g) Nthorwane, Greylingstad, (h) the Black township of Perdekop, (i) Vukuzakhe, Volksrust, (j) Sakhile, Standerton, (k) the Black township of Hendrina, (l) Emzinoni, Bethal, (m) Mbalenhle, Secunda, (n) the Black township of Dullstroom, (o) the Black township of Lydenburg and (p) the Black township of Machadodorp at 1 January 1982 and 1 January 1983, respectively?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The following trading licences were operative in the Black townships referred to:

	1 Jan. 1982	1 Jan. 1983
(a) Witbank	81	81
(b) Middelburg	107	94
(c) Balfour	39	39
(d) Belfast	9	9
(e) Leandra	32	36
(f) Ogies	9	10
(g) Greylingstad	0	0
(h) Perdekop	0	0
(i) Volksrust	26	26
(j) Standerton	40	39
(k) Hendrina	6	10
(l) Bethal	54	54
(m) Secunda	40	40
(n) Dullstroom	3	3
(o) Lydenburg	13	12
(p) Machadodorp	7	7

Trading licences

993. Mr. P. G. SOAL asked the Minister of Co-operation and Development:

How many trading licences were operative in (a) Ezamokuhle, Amersfoort, (b) Emjindini, Barberton, (c) Silobela, Carolina, (d) Kwa Thandeka, Amsterdam, (e) Kwa Zanele, Breyten, (f) the Black township of Chrissiesmeer, (g) Kwa Dela, Davel, (h) Wesselton, Ermelo, (i) the Black township of Lothair, (j) Sivukile, Morgenzon, (k) Ethandakukhanya, Piet Retief, (l) Simile, Sabie, (m) Esizameleni, Wakkerstroom, (n) Emgwenya, Waterval Boven, (o) Kanyanmazane, Kangwane, (p) Kabokweni, Kangwane, and (q) Matsulu, Kangwane at 1 January 1982 and 1 January 1983, respectively?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The number of trading licences operative in the Black townships referred to is as follows:

	1 Jan. 1982	1 Jan. 1983
Amersfoort	7	7
Barberton	22	22
Carolina	5	5
Amsterdam	4	4
Breyten	29	29
Chrissiesmeer	0	0
Davel	5	5
Ermelo	39	41
Lothair	1	1
Morgenzon	1	1
Piet Retief	16	16
Sabie	4	4
Wakkerstroom	0	0
Waterval Boven	18	18
Kanyanmazane	22	22
Kabokweni	9	9
Matsulu	5	5

Big U S housing corporation to enter S A market

~~62~~ ~~123~~ ~~111~~ 30

Mercury 28/6/83

Property Reporter

A MULTI-million rand American housing corporation is to enter the South African market in co-operation with the Corporation for Economic Development (C E D).

Mr Don Tidwell, chairman of the board and president of Tidwell Industries, announced this week that a new company, Tidwell Housing S A is to establish a factory in the Ezakheni industrial area near Ladysmith

The company is a subsidiary of Tidwell Housing Systems International, based in Haleyville, Alabama It will manufacture mobile homes with an initial emphasis on housing for mobile home park developments and single-family dwellings.

Construction of the Ezakheni factory is due to begin in mid-July and is scheduled for completion in January 1984 It should eventually produce seven to eight units a day and employ over 300 workers

The houses will be built to S A B S specifications and Tidwell aims to work towards gaining a S A B S mark for its products.

Mr Tidwell said the factory would eventually include constructions for the industrial and commercial markets, including dining units and laundry units for mining and construction sites, as well as modular offices for urban areas.

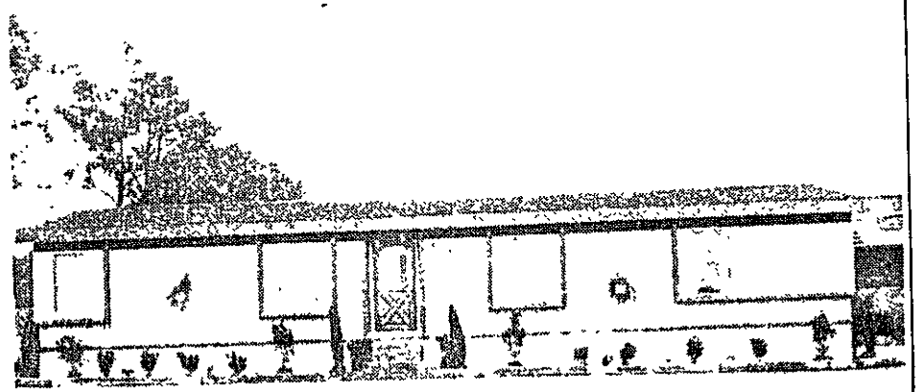
Sales centres are to be established at various sites by November this year

'Realising the tremendous housing shortage that exists throughout the world, Tidwell has for several years followed an aggressive policy of exploring promising opportunities for the shelter and housing business in international markets.

'Through on-site visits and extensive discussions, we found that South Africa provides a stable, attractive investment climate, a highly developed economy and far-sighted government officials and business leaders. We are very pleased to have this opportunity to extend our operations to South Africa,' Mr Tidwell said.

Tidwell has worked in Kuwait and Saudi Arabia, providing technical assistance and management services as well as establishing manufactured housing assembly lines.

Tidwell Industries employs more than 2 000 workers in the U S and sales in 1983 are estimated to total approximately R200 million.



ONE of Tidwell's manufactured homes — soon to be produced locally at Ezakheni industrial park.

30

28/6/83 Q.Col. 1715

Trading licences

1020. Mr. P. G. SOAL asked the Minister of Co-operation and Development:

How many trading licences were operative in each specified township falling under the control of the Orange Vaal Administration Board at 1 January 1982 and 1 January 1983, respectively?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The following trading licences were operative:—

	1 January 1982	1 January 1983
Sharpeville	161	161
Boipatong	21	21
Bophelong	21	21
Zamdela	21	23
Deneysville	4	5
Sebokeng	—	—
Zone 7A + &B	34	38
Zone 3	12	12
Zone 10	3	3
Zone 11	12	12
Zone12	17	17
Zone 13	25	25
Zone 14	31	32
Residensia	46	47
Evaton + Small farms	160	162
Hostels: Sebokeng	20	20
Arlington	6	7
Bethlehem	145	146
Bothaville	25	33
Clarens	—	—
Cornelia	3	3
Edenville	18	18
Frankfort	18	25
Harrismith	28	32
Heilbron	23	29
Kestell	5	5
Koppies	4	4
Kroonstad	122	68
Lindley	10	10
Memel	2	2
Oranjeville	1	1
Parys	16	20
Petrus Steyn	12	12
Reitz	21	23
Steynsrus	5	5
Tweeling	6	6
Viljoenskroon	22	22
Villiers	5	5
Vrede	11	11
Vredefort	8	8
Warden	7	7

Trading licences

1028. Mr. P. G. SOAL asked the Minister of Co-operation and Development:

How many trading licences were operative in each specified township falling under the control of the Northern Transvaal Administration Board at 1 January 1982 and 1 January 1983, respectively?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The following trading licences were operative in the Black township referred to:—

	1 January 1982	1 January 1983
Messina	5	5
Louis Trichardt ...	10	10
Soekmekaar......	1	1
Pietersburg.......	3	2
Naboomspruit	5	6
Nylstroom	3	3
Duiwelskloof.....	0	0
Roedtan	0	0

X

Another UK group sells

RDM 28/6/83

Financial Reporter

ANOTHER overseas company is selling its investment in this country to a South African group.

A consortium headed by W & A Investments, controlled by Mr Mannie Simchowitz, has bought an 86,3% stake in the British investment group Anglo-African Finance (AAF) for just under R20-million

AAF has effective control of five associated companies listed on the Johannesburg Stock Exchange — Williams Hunt, General Tire & Rubber, Aurochs Investments, Cap Auto Investments and Autolec.

The consortium apparently does not intend making an offer to minority shareholders in those companies.

● See Page 11

Pick 'n Pay eyes US market

Financial Correspondent

CAPE TOWN — Pick 'n Pay will expand steadily throughout the 1980s at a rate of five stores a year in this country, says its chairman, Mr Raymond Ackerman.

After that it will grow in Australia, where building is due to start of its first hypermarket in partnership with the Australian chain Half Case.

And after that — America.

Mr Ackerman, who was the first in the new breed of supermarket men in South Africa who see mass retailing as a challenge and an adventure, says: "I have always wanted to succeed in the United States".

He foresees Pick 'n Pay entering the US market in partnership with an American company in an arrangement similar to that for the Australian venture.

"There is a risk in going to Australia," he admits. "We know there is a likelihood of trouble with staff and unions and are going into this with our eyes open.

"But if you don't tackle trouble you don't get anywhere. A company needs the challenge of a certain amount of trouble and stimulation.

"And we believe we can stimulate retail trade there. It is less efficient than retailing in South Africa".

The hypermarket in Brisbane is intended to be the first of 10 and Mr Ackerman thinks that after this Pick 'n Pay may extend its partnership with Half Case into a new chain of supermarkets.

He denied the suggestion that the overseas expansion was "funk money" or an insurance against any future trouble in South Africa.

The group had a tremendous investment in South Africa which it planned to increase. With only 70 stores in existence against 170 or 180 of the larger competitors, there was still room for growth.

Pick 'n Pay chairman Raymond Ackerman...steady expansion in SA plus entry of the Australian and US markets.

"We are going to build supermarkets, superstores and hypermarkets. Our 10th hypermarket will open this year and there are three or four more to come.

"The second thrust in our growth will be to open supermarkets in black and coloured areas with black and coloured shareholders, as we hve done in Mitchell's Plain, near Cape Town.

"We sold shares in our Mitchell's Plain store to people living there as an experiment and it has succeeded".

There were also plans to expand the do-it-yourself section. With rising costs, this was becoming an increasingly popular activity. D-I-Y departments were being planned in more of the group's supermarkets.

It was also intended to have a chain of garages. Cars were almost as important as food to many people. The fight to be allowed to sell cut-rate petrol continued. So far only in Boksburg had this been allowed.

It was ridiculous that the Government should protect the interest of oil companies in South Africa when price-cutting on petrol was widespread in Europe.

He believed that by the 1990s there would be no further room in South Africa for the group to expand, hence the need to look abroad.

"I would not deserve my position as chairman if I did not look ahead to future growth outside this country."

The group would expand into other Southern African countries if allowed to do so. Its money and know-how could help develop the economies of Zimbabwe, Mozambique and Angola. But it was necessary to look abroad as these countries "do not want us".

On the state of the economy, Mr Ackerman believes that farmers, the Government and retailers should get together to discuss how to avoid disastrous rises in food prices as a result of the drought.

He proposes a levy on people whose telephone, water and electricity bills are above a certain limit. Funds raised like this from the more affluent would be used to assist the jobless.

(30) ~~2~~ Hansard Q.61. 1811
30/6/83

Trading licences

1040. Mr. P. G. SOAL asked the Minister of Co-operation and Development:

How many trading licences were operative in each specified township falling under the control of the Western Transvaal Administration Board as at 1 January 1982 and 1 January 1983, respectively?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The following trading licences were operative:—

	1 January 1982	1 January 1983
(a) Potchefstroom	25	26
(b) Klerksdorp	44	44
(c) Carletonville	21	21
(d) Stilfontein	13	15
(e) Orkney	17	20
(f) Fochville	3	4
(g) Biesiesvlei	1	1
(h) Bloemhof	10	11
(i) Wolmaransstad	6	6
(j) Coligny	4	8
(k) Schweizer Reneke	19	19
(l) Ottosdal	2	2
(m) Leeudoornstad	4	4
(n) Ventersdorp	10	11
(o) Makwassie	8	9
(p) Hartbeesfontein	2	2
(q) Koster	11	12
(r) Christiana	3	3
(s) Witpoortjie	—	—
(t) Lichtenburg	6	7
(u) Swartruggens	3	4
(v) Zeerust	6	7
(w) Sannieshof	4	4
(x) Delareyville	2	2