

COMMERCE GENERAL

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JANUARY — MARCH.

Pretoria (30)  
STAIR  
2/1/86  
boycott off  
conditionally

Pretoria Correspondent

The month-long consumer boycott of white businesses in Pretoria will be called off conditionally from today.

The Pretoria Consumer Boycott Committee (PCBC) said in a statement on Tuesday that the boycott might be reimposed from February 1 — if certain conditions had not been met.

These include a call to the Pretoria City Council to stop the planned removal of the black taxi rank from Bloed Street to Marabastad, the withdrawal of the security forces from the townships, the lifting of the state of emergency, the unbanning of Cosas, the release of all boycott-related detainees and the reinstatement of fired Metal Box workers.

"We also want to make it clear to the white business associations that the only way of calling off the boycott forever is to meet our people's demands," said the statement.



GROUP AREAS

# Free trade soon?

Johannesburg is set to become the first city in which the entire central business district (CBD) will be opened up for trade, industry and the professions for businessmen of all races. However, a maze of legal technicalities remains.

"We are pulling out all stops to have the proclamation gazetted early in the new year," a spokesman for the Group Areas Board (GAB) tells the *FM*. Government sources also indicate that the Department of Constitutional Development and Planning is speeding up various administrative processes to expedite this "exciting" new move which has been in the offing for a rather long time. Members of the department have apparently worked over the Christmas season to prepare the way for these developments early this year.

The Johannesburg CBD area under consideration for non-racial trade lies between the M1 motorway (to the west), the M2 (to the south), Harrow Road-End Street (east) and the railway line (north), as advertised in September.

A potential snag which could hold up the final decision is a land survey definition of the present M2 boundary. Yet, most of the bureaucratic problems now seem to have been sorted out and the prospects for advancement in 1986 look good.

"The committee of the GAB investigating the issue recently heard evidence from representatives of the city council, the CBD Association, the Johannesburg Chamber of Commerce, the Urban Foundation and others," CBD Association chairman, Nigel Mandy, tells the *FM*.

At the meeting, these parties unanimously requested that the area under investigation be proclaimed under Section 19 of the Group Areas Act — not only for business occupation but also ownership by persons of all races. There were no submissions opposing the open trade proposal. Non-racial residential rights are, of course, not negotiable — at this stage, at least.

"The GAB committee appeared well aware of the need that there should be no delay in implementing the proposal. Government has already committed itself to opening CBD areas or defined parts thereof. Opening the CBDs is also one of the key requirements of the Sullivan initiative," says Mandy.

The fact that government withstood right-wing pressure in recently granting a couple of individual permits for multi-racial trade in Pietersburg and Krugersdorp gives further grounds for hope of real movement on the open trade issue.

The GAB committee has reported to the



**CBD Association's Mandy ...  
expecting a proclamation**

full board, which is to make its recommendations to Constitutional Development and Planning Minister Chris Heunis. He will then report to the State President and, after consultation with the Transvaal administrator, a final decision will be made.

"I expect a proclamation in the provincial gazette by early January," says Mandy. He does not expect any changes in residential Group Areas proclamation in the near future but, rather, that officials will just "look the other way" as far as areas like Hillbrow and Berea are concerned. "The GAB committee's terms of reference did not include any decision on residential rights in the CBD," he says.

"On the residential side there is yet no change in official policy, although pressure is mounting — also within government — to recognise in law some 'grey areas' that already exist in practice," Mandy adds.

Meanwhile, the main UIP/Warner and Ster Kinekor cinemas in the Johannesburg CBD have been given the green light and are now open to all races. "This is a low-key but very important recent development," says Mandy of its symbolic significance to reform.

The CBD Association asked government to withdraw proclamation R228, which stipulates that persons seated in cinemas or restaurants "occupy" these in terms of the

Act. "Although we are pleased that permits were granted to certain cinemas and restaurants, the total withdrawal of the proclamation is desirable," he adds.

If the CBD is opened, there could be the anomaly that an Indian, say, could obtain a permit for running a CBD cinema, while no Indian patrons would be allowed to frequent the premises.

The other major deregulation issue — more flexible trading hours for shopkeepers — is also on track and an amendment to the existing restrictive ordinance is expected by February next year. This will remove the onus of restriction from the provincial legislator and allow local authorities to legislate independently on shopping hours applicable in their own areas. ■

CAP TINES 3/1/86  
Boycott off conditionally

PRETORIA. — The month-long black consumer boycott of white businesses in Pretoria has been conditionally called off from today.

The Pretoria Consumer Boycott Committee (PCBC) said on Tuesday that the boycott could be reimposed from February 1 — if certain conditions had not been met by that time following a review of the situation in the townships.

Conditions to be met include a call on Pretoria City Council to stop the planned removal of the black taxi rank from the city centre, the withdrawal of the security forces from the townships, the lifting of the state of emergency, the unbanning of the Congress of South African Students (Cosas), the release of all boycott-related detainees, and the reinstatement of certain fired workers.

"We also want to make it clear to the white business associations that the only way of calling off the boycott forever is when our people's demands are met," said the PCBC statement. — Sapa

## Reef boycott called off

STAR 3/1/86 39  
The boycott of white-owned shops in Johannesburg, the Vaal area and on the Reef has been called off, according to a spokesman for the Consumer Boycott Committee (CBC) in the region.

The CBC made a brief announcement yesterday "to avoid confusion" in the townships.

The spokesman said that the CBC would be issuing a statement later explaining why the boycott had been called off and why it might be resumed.

S.T. 5/1/86

# Black company aiming for the stock exchange

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By Ciaran Ryan

**KHULANI Holdings** may be the first entirely black owned and managed company to seek a JSE listing.

The company has an impressive profit growth record. It was formed in 1979, and in the six months to August 1985 the pretax profit was R453 000 compared with R296 000 for the same period in 1984.

In the year to February 1985 it made a pretax profit of R506 000. In 1986 profits are likely to top R1-million.

The managing director of Khulani Holdings, Johnny Mhlungu, says it would be premature for Khulani to approach the stock exchange at this point because of the danger of a takeover.

But a listing is definitely on the cards in the next few years, he says, as the com-

pany looks at ways of financing its expansion plans.

"We want to build up a large black shareholding before going to the market. The company exists to allow small black shareholders an opportunity to invest in the free-enterprise system, and we are showing them it can work for them."

In January 1985 Khulani launched an insurance company in collaboration with Barclays Bank. Mr Mhlungu says this is where the greatest potential capital and profit growth lies.

"We expect the insurance arm to generate most of our capital needs over the next few years."

Khulani linked up with W G Brown to form Khulani Brown, in which it has a 51% stake, with Brown holding the balance. Khulani Brown

has four large wholesale stores with a turnover of R36-million a year.

The marriage with W G Brown has enabled Khulani to defy apartheid laws which preclude black-owned companies from owning businesses in "white" areas — Khulani Brown has one wholesale store in Mtubatuba in Natal and another in Phoenix, an Indian area outside Durban. Both are in "white" areas and are patronised by white, Indian and black clientele.

Khulani Retailing has two supermarkets in KwaZulu with an annual turnover of R5-million. Mr Mhlungu says the company will open at least two new retail stores in 1986 and another two wholesale stores.

Khulani Properties was set up to purchase and develop



**JOHNNY MHLUNGU**  
From lifesaver to tycoon

sites for the trading companies. Another subsidiary, Khulani Booksellers and Publishers, has a turnover of R3-million a year.

Khulani has an issued share capital of R600 000 at R1 each, and last year paid a dividend of 15c a share.

"We are conservative in our payment of dividends because we wanted to retain profits for our expansion plans."

# Blacks to decide soon on boycott

Mercury Correspondent

JOHANNESBURG—The black boycott of white-owned businesses may be resumed on January 15, a spokesman for the Johannesburg Consumer Boycott Committee said yesterday.

The spokesman, who declined to be identified, said a decision had been made last year to suspend the boycott on the Reef and in the Vaal area from January 2 and a decision would be made shortly to decide whether or not to begin the boycott again.

The spokesman said discussions were currently under way.

The Pretoria boycott committee also called off the boycott on January 2.

Mr Jabu Ngwenya, official spokesman for the Johannesburg committee, is still in detention after being 'picked up' last month along with 11 other

boycott leaders.

According to the committee, the campaign had been successful in Soweto, and in Potchefstroom, Kasigo and Krugersdorp there had been 100 percent support for the boycott.

The spokesman said the positive aspects of the boycott were that people had spent less money on alcohol than ever before, shebeens had closed down and people had not spent money on luxury items.

The spokesman said that the number of people who responded to the call for a 'black Christmas' had been 'very high'.

# Company cuts hit carmakers hard 6/18/86 BLS DA/30

COMPANIES trying to extend the economic life of their vehicle fleets, to save on replacement costs, hit manufacturers hard last year and will continue to do so this year, according to Toyota MD Colin Adcock.

"There is now a lot of extra maintenance and rebuilding being done to give commercial vehicles a longer life," he said.

"This is one of the main reasons why the heavy-vehicle market was so poor last year.

"We are now even finding lots of companies buying new cabs to keep

ALAN PEAT

up the look of these older units, as they extend the life further."

Car fleets are also affected by the slump and certain market changes will be caused by the perks tax, Adcock said.

"Most fleet owners are now buying down to smaller car models.

"I am sure we will see the small and light cars in the 1 300cc, 1 600cc and 1 800cc classes continuing to take a larger share of the market, as they have been doing for the last 15

months."

Toyota's estimates indicate that the small/medium car share of the market will rise from 45% to 60% by the end of 1986.

The market effect of the perks tax is more and more companies looking at financing arrangements for employees to own their own cars, said Adcock. This is opposed to the previous company-owned fleets.

"This is going to make it harder for manufacturers to go along to companies and advise on uniformity of make and/or model," he said.

Political comment in this

Monthville by Terry L ofthuse

# Boycott extended on West Rand

By Rich Mkhondo

The consumer boycott in the West Rand townships of Kagiso and Munsieville near Krugersdorp has been extended indefinitely and a boycott of Greyhound buses has been launched.

The boycott of buses has also been initiated at Mohlakeng and Westonaria near Randfontein.

These resolutions were taken residents meetings held at the weekend. Clothing that was bought on lay-by, furniture and hardware material have been exempted from the boycott until the end of the month.

The extension of the consumer boycott in the area came a few days after it was lifted in Pretoria townships, Soweto, Vaal Triangle and the East Rand.

A spokesman for the Krugersdorp Residents and Consumer Boycott Committees, Kagiso Youth Congress and Munsieville Youth Congress said the boycott had been extended because their "grievances and demands" have not been met by the authorities.

The demands included the release of detainees, the withdrawal of members of the SADF from the townships and the

lifting of the state of emergency.

"Basically, we do not see why we should support white-owned businesses while their brothers are still oppressing us.

The spokesman said they had decided to boycott Greyhound Bus Lines, because of its "insensitivity to the people's problems".

He said: "The bus company allowed its buses to be used by the police who filled it with vigilantes and went around assaulting members of activist organisations.

"Whenever there are funerals of unrest victims, the bus company

refuses to hire buses to the deceased's family.

"The company does not plough back into the community in form of bursaries and educational facilities, and has never bothered to erect shelters."

Greyhound Bus Lines General manager Mr Robert Nesbett confirmed the boycott and said his company believed "we are simply part of the general consumer boycott".

Mr Nesbett said he could not comment on the allegations levelled against his company, nor on the extent of the boycott.

Own Correspondent

THE boycott by blacks of white-owned businesses might be resumed on January 15, a Johannesburg Consumer Boycott Committee spokesman said yesterday.

The spokesman, who did not want to be identified, said that a decision had been made last year to suspend the boycott on the Reef and in the Vaal area from January 2, and a decision would be made shortly on whether to begin the boycott again.

The spokesman said that discussions were under way.

BUS DAY 7/1/86  
Reef consumer boycott  
might resume next week

The Pretoria Boycott Committee also called off the boycott on January 2.

JCBC official spokesman Jabu Ngwenya is still in detention after being arrested last month along with 11 other boycott leaders.

According to the committee, the campaign had been successful in Soweto, Potchefstroom, Kagiso and Krugersdorp where there had

been much support for the boycott.

The spokesman said that the positive aspects of the boycott were that people had spent less on alcohol, shebeens had closed and people had not spent money on luxury items.

The spokesman said many people had responded to the boycott call in the spirit of a Black Christmas.



**Meeting to  
protest  
about CBD  
decision**

Mercury Reporter

WHITE and black businessmen will meet in Port Shepstone today to protest against the town council's reluctance to open the central business district to all races.

The meeting follows a Government refusal to allow an Indian businessman, Mr Suliman Goga, to transfer into his name a commercial site in the town which he bought from OK Bazaars for R750,000.

Following the refusal the town council decided that it would not apply to the Government for permission to open the CBD.

Mr Kisten Moodley, Solidarity MP for Port Shepstone, said businessmen of all races would meet and sign a petition protesting against the town's CBD remaining white.

Mr Aubrey Thompson, MP for South Coast, and the council have declined invitations to attend.

**Businessmen 'trying to identify problems'**

# JCC chief says boycott effect 'hard to gauge'

STAFF  
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[scribble]

By Jackie Unwin

The president of the Johannesburg Chamber of Commerce, Mr Pat Corbin, says the effect of the black consumer boycott on Christmas trade was difficult to gauge as some members of the chamber were reluctant to provide information.

"There seems to be a dearth of news about it, but we certainly haven't had members screaming and complaining," he said.

He said the chamber was working through the Soweto Chamber of Commerce in trying to make contact with black leaders to identify problems.

"We are very much concerned about the boycott — as we are about the international boycotts. The whole reason for Assocom's existence is to keep on top of such problems and keep business running smoothly."

Mr Dan Rolt, of the Pretoria Chamber of Commerce, said he was receiving various reports though most businessmen said they were "quite satisfied" with Christmas trading.

"A number of factors affected turnover, not just the boycott," he said. "There is the recession and tremendous unemployment. A lot of firms were not able

to pay their year-end bonuses or paid only part of the bonus.

"People did not have the spending power they had in previous years and GST was higher at 12 percent."

He believed the action taken by the Pretoria business community "assisted tremendously."

He said he had received many reports of intimidation. "I have always been a believer in total freedom of choice and that is why we got together and approached the authorities and asked for protection at bus stops.

"It is still too early for us to assess the position with any accuracy but a number of firms said they had a better year than previously."

Mr Ed Verburg, Assocom statistician, said estimates for trading during November and December throughout the country had been R6 460 million and indications were that this was slightly more than achieved.

The economic situation had been taken into account when the estimates were made. He said: "The increase in money terms was not as much as in previous years with a decrease in real terms in volume."

# Kagiso boycott 'successful'

SOWETAN Reporter

THE organisers of the consumer boycott in Krugersdorp yesterday claimed that it was "100 percent" successful and will continue until the residents' demands were met.

The organisers said among their demands was that Mrs Winnie Mandela, wife of imprisoned African National Congress leader Nelson Mandela, should be unconditionally allowed to stay at her Orlando

West home in Soweto.

"This is one of our main demands," said one of the organisers who did not wish to be named.

He said other demands are that Mr Isaac Genu, executive member of the Kagiso Residents' Organisation (KRO), and other detainees be released.

The boycott of white-owned shops along the township's boundaries and in Krugers-

dorp started about three weeks ago.

Mr Genu was arrested under the state of emergency regulations in August last year and detained under the Internal Security Act.

"This is the only weapon we have to make the authorities listen to us and we have since checked and found out that the boycott is 100 percent successful," said the organiser.

SOWETAN  
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# Consumer boycotts suspended

By Andrew Beattie

Consumer boycotts in all regions of the country except Uitenhage have been suspended as various regional committees attempt to form a national boycott committee.

A spokesman for the regional Consumer Boycott Committee (CBC) said that boycotts in the Johannesburg, Vaal and Reef areas had been called off from January 2. He added that they might be reintroduced on February 1 if certain conditions were not met.

The demands included the release of CBC spokesman Mr Jabu Ngwenya, and other detainees; the withdrawal of security forces from the townships; and the lifting of the state of emergency.

"We would also like to see white business people putting pressure on the Government to heed our demands.

"The boycott is one of the few forms of non-violent protest that we have available to us. If necessary we will use it again," the spokesman said.

The Pretoria Consumer Boycott Committee called off its month-long boycott from January 2. It warned that it might be reimposed from February 1 if certain conditions were not met.

These included a call to the Pretoria City Council to stop the planned removal of the black taxi rank from Bloed Street to Marabastad; the withdrawal of security forces from the townships; the lifting of the state of emergency; the release of all boycott-related detainees and the reinstatement of fired Metal Box workers.

The Uitenhage boycott was resumed on January 1, because of the "hardline" attitude of the authorities in that area, a committee spokesman announced at the time.

This attitude was evident in the reluctance of police to release detainees immediately and unconditionally and to withdraw security forces from the townships, said Mr Buyile Nkumanda.

# CBD protest meeting opts for more talks

By Deven Moodley

ABOUT 100 Port Shepstone businessmen and women of all races met in the town last night and decided to send a five-man delegation to talk to the all-white council with the view of opening the central business district rather than call for a consumer boycott.

The meeting, organised by the Rev Danny Chetty, followed the council's refusal to apply to the Government to open the CBD.

The council claimed it had decided not to apply to open the CBD because of the Government's refusal to discuss the incor-

poration of more into the Section 19 are the town

## Proper

White and Indian businessmen said it would be better to negotiate with the council rather than confront it or call for a consumer boycott.

Mr Allan Usher, a property consultant and former town councillor, told the meeting that he was confident that the present council would be prepared to open the CBD if it was approached in a proper manner.

He said the sale of a white-owned property to an Indian outside the Section 19 area had been turned down by the Government because of a misunderstanding.

## Mercury Boycott

The Government is prepared to grant permission for a R750 000 site to be transferred to an Indian if the council opens up its CBD or incorporates the site into the Section 19 area.

Last night's meeting, called to protest against the Port Shepstone CBD remaining white, was also addressed by the local Solidarity MP, Mr Kisten Moodley.

Mr Chetty told the meeting that if the doors of negotiation were closed then the only other alternative was to call for a consumer boycott which had worked well in other towns.

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10/1/86 FM  
TRADE BOYCOTT 30

### One man's meat. . .

It's an ill wind which blows no good. Black activists seeking wealth redistribution have, ironically, simply shifted much of the benefit of the year-end sales boom from the retail sector to cash-and-carry wholesalers.

Retail sales figures for last year have been doubly hit by depressed consumer spending and by black consumer boycotts. Of all of SA's larger retailers, only Pick 'n Pay (P 'n P) apparently managed to show growth above the inflation rate last year.

The group's November and December sales were about 18% above the 1984 level, says MD Raymond Ackerman. He says the sales figures for the financial year to end-February are about 19% up on the previous year.

Checkers and OK Bazaars are reluctant to disclose figures but it is known that sales have been running well below the inflation rate during 1985. They did, however, benefit from the pre-Christmas run-up.

Even Woolworths, which normally boasts stable sales, has been able to increase sales by only 11% — well below the inflation rate — over the previous year. And even November and December sales shuffled along at

just about the same rate.

In stark contrast, wholesalers who supply many small black retailers are looking good.

Macro Cash and Carry, with around 17% of marketshare, is a case in point. Sales figures for 1985 are 20% up on 1984, "which is much better than we anticipated," says MD Doug Catto. November itself saw sales leap 23% and December sales in the Transvaal alone are 40% higher than December 1984.

The Trador group, which includes Score, says November and December sales are 50% above the previous year. MD Joe Sagor says the group's aggressiveness last year has paid off. It entered the market only four years ago and has been determined to make up market share, now standing at 10%-15%.

Buoyancy is sustained by Trador's concentration on groceries and essential lines rather than non-food items. The success of this policy is borne out, says retail analyst Eric Levine, by the poor results of traders dealing in clothes, footwear and textiles.

Kirsh's Metro, the largest wholesaler in the business, is coy about growth figures, although Levine says it, too, has had a very good year. It seems the group is nervous about the black boycott spilling over to wholesalers.

However, Macro's Catto reasons that the political situation has only partly contributed to the sector's growth. "Wholesalers will always wear better than other businesses during a recession," he says.

Smaller retailers strapped for cash for large stocks turned to cash-and-carry operators for more frequent shelf refills, he explains. In addition, suppliers are reluctant to carry small traders' growing, but traditionally high-risk, debts.

Nevertheless, Catto admits the consumer boycotts and township troubles which hamper manufacturers' and distributors' safe delivery of supplies, have added to the sector's success. Most cash-and-carry outlets are near township boundaries and accessible to both suppliers and traders.

"The sector has grown and matured this year," adds Levine. He expects it to be largely untouched by the economic downturn. As he says, cash-and-carry wholesalers have become vital to small traders, black and white. ■

## NEW DEVELOPMENT

# The battle up north

Perhaps because of its prime location between Johannesburg and Pretoria, Midrand has tended to hog the development limelight in recent times. It is not, however, going to have things all its own way if new-boy municipality Akasia can help it.

While Midrand is causing some hard feelings among developers by adopting a conservative approach to providing services (*Property* October 16), Akasia is laying down infrastructure on the north-west side of Pretoria at a rapid rate.

With its Rosslyn industrial base already well established, and Gencor's Rosslyn 2 being aggressively marketed, Akasia reckons it has a lot to offer — arguably more than cautious Midrand.

Akasia mayor and management committee chairman Frank Van der Tas agrees there is a major difference in approach between the two municipalities.

He points out with pride that Akasia, a municipality for only a year, has already moved from Category 6 (income of R3,7m to R7,5m) to Category 7 (income R7,5m to R13m). Says Van der Tas: "Let the developers come. We'll bend over backwards to accommodate them all."

"We read our crystal ball correctly while we still fell under the Peri-Urban Areas Board and realised that Akasia had tremendous growth potential. We did our planning then."

"We're ready now. All our pipelines for water and sewage are in place. Our infrastructure is jacked up. We welcome all who want to provide ground to be developed."

Van der Tas says this attitude has helped demand and the council is currently dealing with 102 applications from people and companies wanting to develop new townships.

Akasia, he says, "has other pretty advanced plans to attract development." No details are being announced yet, however.

The new town's strength is clearly its industry. It does not have a large residential population and is light on office development. There's not even a township for blacks. The 24 000-strong labour force serving its 126 industries commutes daily from nearby Bophuthatswana.

Although more than R34m worth of house plans were approved by the council in the first 10 months of 1985, Akasia's white population isn't much more than 8 000.

André Cilliers, manager of the industrial property department of Richard Ellis, Pretoria, says the difference between Akasia and Midrand is that Midrand is going for office-type developments and high-tech industries. Akasia, on the other hand, is better geared for heavy industries.

"Midrand can look after the light industry and the corporate head offices," he says. "Akasia will take care of their manufacturing arms and the heavy industries — as well as the slightly obnoxious industries," he says.

The two towns are about level-pegging when it comes to name-dropping. Companies like BMW, Siemens and SAB are represented in both.

Gencor's Rosslyn 2, Cilliers points out, is the biggest rail-served industrial township being marketed in the country. The township was proclaimed only in July.

Also included is Klerksoord, zoned to accommodate builders' yards, granite works, transport depots and other industries needing large, open spaces. Rosslyn East, where smaller stands which may not be consolidated are being sold, is targeted at light industries.

Cilliers says industrial sites of 4 000 m<sup>2</sup>-5 000 m<sup>2</sup>, formed from subdivision, are on the market at R45/m<sup>2</sup>. The asking price for smaller sites, such as in Rosslyn East, goes up to R50/m<sup>2</sup> and to R55/m<sup>2</sup> for rail-served sites.

The industrial letting market, he claims, has been surprisingly active recently. Prices range from R4,50/m<sup>2</sup> for prime properties to about R2,50/m<sup>2</sup> for basic accommodation.

Cilliers estimates that, with the sale of 11 000 m<sup>2</sup> of industrial land to Sterkolite Plastics by Shatterprufe Industries, there is now only about 20 000 m<sup>2</sup> of such space still available in Akasia. This includes about 7 500 m<sup>2</sup> in smaller units which came to

market at the tail-end of the last boom.

He calculates that about 400 000 m<sup>2</sup> of available industrial space is occupied by major companies and about 150 000 m<sup>2</sup> by smaller concerns. He's convinced that a shortage will develop quickly if there's an upturn in the economy.

There's a suggestion of bitterness when he explains why there are so few office developments in Akasia. The offices serving the town are in Pretoria North, which was a separate municipality until it was stripped of its municipal status years ago and incorporated into Pretoria.

"Pretoria has incredibly big boundaries," says Cilliers. "There is no reason now why Pretoria North should not be given to Akasia."

"Pretoria doesn't need it, but Akasia does — because of its well-developed shopping and office facilities. There's no point in trying to duplicate those offices and shops in Akasia."

30 FM  
SHOPPING CENTRES  
01/86  
**Big, bigger . . .**

The question is often asked these days: Have South African shopping centre developers overreached themselves?

Certainly, new space has grown more rapidly than the white population while most of the majors have arrived on the scene in less than a decade, as the *FM*'s listing of the top

## CAYZER'S GAME PLAN

The cancellation of Game Discount World's 8 000 m<sup>2</sup> lease at the Blue Route shopping centre in Tokai has hardly fazed landlord Cayzer Irvine (SA).

The cancellation means that almost a quarter of the centre will be standing empty with no immediate tenant in sight. But expansion plans are proceeding in the interim.

Commercial director John Jolly tells the *FM* that an application has already been made to the Cape Town City Council to permit major additions and redevelopment.

Rationale? Jolly says simply that "we think it could become a very attractive regional centre." He declines to give details on the nature of the planned expansion, saying that full disclosure at this stage will make things a lot more difficult

later on.

He does say, however, that the scheme will be "very large." The plans are known to include recreational, office and possibly medical facilities.

Nor is Jolly prepared to elaborate on a group press statement that "it is no secret that four major retailers have shown keen interest in the proposed re-developed centre. . ." The only secret in that case is their identities.

The group maintains that Game's withdrawal from the centre will permit greater planning flexibility, but the loss will obviously be costly in the short term.

Game, a subsidiary of Beares, is reportedly committed to consolidating on a national basis. Future expansion is currently planned for Natal and the Transvaal with the accent on the PWV area.

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30 shows.

It is said with justification that in design and convenience they compare well with the best in the world. The criticism is that there are just too many of them.

Landmark MD Marke Markovitz sees the country as "seriously overshopped" and he predicts that in the next six months more retailers will go to the wall. Rentals for secondary accommodation will then fall, but rates for primary space, he believes, "will continue on a slow, upward trend."

The gloomy scenario, however, appears to have done little to dampen the enthusiasm of retail developers. They clearly see room for still more centres to plug market gaps. In other cases, the strategy is to win business from older centres and shopping strips.

As experience in the US has shown, however, this is often the worst reason to build in areas that are already adequately served.

Bellville-Parow and Johannesburg's West Rand could already be over-traded and may well feel the heat in the next year or two. On

the West Rand, Kirsh's Westgate centre in Roodepoort appears to have kicked off well while competitors like Nedbank Cresta have upgraded to compete.

Yet Legal & General Volkskas (L & GV) is proceeding with a 10 000 m<sup>2</sup> development precisely where many said a centre should not be built — in Randfontein's CBD (*Property* November 4). L & GV (now planning a listing under the name of Lifegro) has, however, obviously done its homework and assistant GM Howard Schachat reckons it will work. Indeed, he is looking for further sites to develop and meet the perceived demand (*Property* October 4).

Gavin Main, executive director (shopping centres) of Rapp and Maister Real Estate agrees SA is overshopped — but only in some areas.

He sees problems looming on the East Rand and says that if all the planned CBD redevelopment schemes in the area go ahead, "an over-supply situation could develop and the viability of some, if not all, of those

schemes would be seriously impaired."

In other areas, however, he says "there is clearly a demand for more retail accommodation."

Main believes that if new centres are well located, have good parking facilities and offer an attractive shopper environment they could swing trade away from less attractive areas, including rundown CBDs.

"The letting market isn't easy," says Main. "There aren't queues of likely tenants waiting to snap up vacancies." Those vacancies, he says, are occurring more frequently.

Well-located centres, though, he stresses, continue to enjoy high occupancy levels. He cites as examples R & M's Sandton City and Eastgate, the country's two biggest centres. Generally, he has found that where weaker tenants may drop out, the stronger operators expand.

Centres such as the new Balfour Park and Westgate evidently possess the qualities Main specifies. Even though they belong to rival groups, he says "they are well let." ■

### SHOPPING CENTRES — THE TOP 30

CENTRE	LOCATION	RENTABLE AREA	AVAILABLE PARKING	DEVELOPER/OWNER	TYPE OF CENTRE	OPENED	LAST REVAMP
SANDTON CITY	SANDTON	90 000 m <sup>2</sup>	6 300 TO SERVE ALSO HOTEL & OFFICES	RAPP & MAISTER	REGIONAL	1973	1982
EASTGATE	BEDFORDVIEW OVERLAPPING JOHANNESBURG	80 000 m <sup>2</sup>	6 050	RAPP & MAISTER	REGIONAL	1979	—
SANLAM CENTRE	PAROW	80 000 m <sup>2</sup>	2 500	SANLAM	REGIONAL	1982	1985
GREENACRES SHOPPING CENTRE	NEWTON PARK PORT ELIZABETH	54 000 m <sup>2</sup>	3 500	RAPP & MAISTER & OTHERS	REGIONAL	1981	1985
TYGER VALLEY	BELLVILLE, CAPE	52 000 m <sup>2</sup>	3 100	METROPOLITAN LIFE, ESCOM PENSION FUND & MOBIL PENSION FUND	REGIONAL	1985	—
MENLYN PARK	PRETORIA	51 061 m <sup>2</sup>	4 500	OLD MUTUAL	REGIONAL	1979	1983
VERWOERDBURGSTAD	VERWOERDBURG	50 000 m <sup>2</sup>	5 000	AMPROS	REGIONAL	1985	—
NEDBANK CRESTA	NORTH-WEST JOHANNESBURG	50 000 m <sup>2</sup>	3 000	CONSORTIUM, ESCOM PENSION FUND, DE BRUYNS & NEDBANK	REGIONAL	1976	1985
CARLTON	CENTRAL JOHANNESBURG	47 000 m <sup>2</sup>	2 100 (SHARED WITH HOTEL & OFFICE BLOCK)	AMAPROP	REGIONAL	1973	1985
WESTGATE	ROODEPOORT	41 000 m <sup>2</sup>	2 760	CONSORTIUM LED BY ESCOM PENSION FUND	REGIONAL	1985	—
CAVENDISH SQUARE	CLAREMONT	40 000 m <sup>2</sup>	1 200	55% OLD MUTUAL PROPS 45% STUTTAFORDS	REGIONAL	1973	1984
SANLAM CENTRE	RANDBURG	38 000 m <sup>2</sup>	2 300	SANLAM	REGIONAL	1978	1985
GERMISTON HYPERAMA	EDENVALE	34 764 m <sup>2</sup>	3 000	CONSORTIUM OF PENSION FUNDS	OK HYPERAMA & SATELLITE SHOPS	1975	—
MARK PARK	VEREENIGING	34 400 m <sup>2</sup>	870	SANLAM	REGIONAL ANCHORED BY OK	1984	—
WONDERPARK (PHASE 1)	AKASIA (PRETORIA NORTH)	33 000 m <sup>2</sup>	3 000	SOUTHERN LIFE	REGIONAL	1985	—
KENILWORTH CENTRE	SOUTHERN SUBURBS CAPE TOWN	33 000 m <sup>2</sup>	1 800	SOUTHERN LIFE	REGIONAL	1973	1985
BLUE ROUTE	TOKAI	30 000 m <sup>2</sup>	2 000	CAYZER IRVINE	REGIONAL	1976	1984
PROSPECTON HYPERAMA	AMANZIMTOTI	29 245 m <sup>2</sup>	2 500	MINE OFFICIALS PENSION FUND	OK HYPERAMA & SATELLITE SHOPS	1977	1985
SUNNYPARK	PRETORIA	26 000 m <sup>2</sup>	1 100	AMAPROP	COMMUNITY	1974	—
ROODEPOORT HYPERAMA	ROODEPOORT	25 309 m <sup>2</sup>	1 760	OLD MUTUAL	OK HYPERAMA & SATELLITE SHOPS	1979	1984
SANLAM CENTRE & SANLAM PLAZA	EMPANGENI	24 700 m <sup>2</sup>	1 000	SANLAM	COMMUNITY	—	1985
SANLAM MUSGRAVE CENTRE	BEREA DURBAN	24 600 m <sup>2</sup>	1 300	SANLAM	COMMUNITY	1953	1985
BOKSBURG HYPER	BOKSBURG	24 500 m <sup>2</sup>	3 000	HILBOK PROPERTY	P&P HYPERMARKET & SATELLITE STORES	1975	IN PROGRESS
BRACKENFELL HYPER	N SUBS, CT	23 500 m <sup>2</sup>	2 000	OWNED P&P	P&P HYPERMARKET & SATELLITE STORES	1977	1982
KRUGER PARK	KRUGERSDORP	22 600 m <sup>2</sup>	1 100	SANLAM	COMMUNITY	1982	—
GAME CITY	DURBAN	22 000 m <sup>2</sup>	1 200	ESCOM PENSION FUND	COMMUNITY	1985	—
SANLAM PLAZA	BLOEMFONTEIN	21 100 m <sup>2</sup>	500	SANLAM	COMMUNITY	1973	BEING RENOVATED
BALFOUR PARK	NE SUBS, JHB	21 000 m <sup>2</sup>	1 275	NOVTER INVESTMENTS	COMMUNITY	1985	—
SANLAM SENTRUM	PAROW, CAPE	20 686 m <sup>2</sup>	2 500	SANLAM	OK HYPERMARKET	1982	—
NORWOOD HYPER	N SUBS, JHB	20 000 m <sup>2</sup>	2 000	LIBERTY LIFE	HYPERMARKET	1978	1985





**But the petrol price is no joke!**

"Stop clowning around with the petrol price," says the much-loved clown, Francesco. He has given the "Jack and Jill" petrol price petition his full backing and says he will have to give up his touring shows because the cost of pulling his caravan is too expensive. He was one of 700 people who have telephoned Mr. Jack Huber and Mrs. Jill Purkiss over the past four days. Francesco teams up here with Mrs Purkiss and her baby Daniel.

'Jack and Jill' project snowballs

# Black consumer body supports fuel petition

By Jackie Urwin

The Black Consumer Association has given its support to the "Jack and Jill" move to petition the Government to drop the petrol price increase.

The petition project is snowballing with more than 400 telephone calls offering to help since *The Star* published the story of the launch on Tuesday. The executive director of the association, Mr. Eldridge Madhubala, said: "Most of the black consumers do not have cars as they are a luxury, but when petrol rises it affects bread, milk, and margarine which the poor consumers are highly dependent on."

"We feel very strongly about this and must take some action." The petition was started by a Benoni pensioner, Mr. Jack Huber, and a 24-year-old Part-

hurt housewife, Mrs. Jill Purkiss, who decided to take a stand when the inland motorist was hit by the latest petrol price increase.

"We have had numerous calls from furious consumers all over the country, not only the inland areas, so we have decided to change the wording of the petition to include consumers in the whole of South Africa and not just the inland areas," said Mrs. Purkiss.

### New wording

The petition now reads: "We, the undersigned, object to the strongest terms possible to contain the increase in the fuel price. The Government should help to combat inflation by using the massive profits of the oil pipelines to reduce the cost of petrol."

Mr. Huber said: "The phone rings from dawn to midnight non-stop. The people feel we must stand up at last and stopped being pushed about."

"There is a lot of despair and people are finding it so difficult to make ends meet and get to work. "Jill and I take down their names and addresses, send them one copy of the petition and ask them to photostatic and calculate it to cut down printing costs."

He said some paper and envelopes had been given to help with expenses. But he said buying postage stamps might prove a problem. "Anybody who would like to help with the petition should telephone Mrs Purkiss at (011) 437 2769 or Mr Huber at 849 5371."

# General price freeze urged

Consumer Reporter

A Johannesburg man feels the petrol price petition is "a waste of time". Instead, the government should be petitioned to impose an immediate price freeze, says Mr. Harry Friedgut.

Mr. Friedgut said: "I think simply organising a petition in regard to the petrol price rise is a waste of time. We are actually being faced by an economy getting completely out of hand. "We have had three classic examples in the past few weeks — a 10 percent increase in the price of cement, which was totally unjustified, the milk price rise and the petrol situation."

### DISCOUNT PETROL.

"In reverse, when Pick n Pay wanted to something for the benefit of the consumer and discount petrol, the government moved with haste to stop it. "If the increase in our rand value should remain constant it will take months and months before we get the benefit — if ever. "Assuming the petrol petition succeeds, which is highly unlikely, all that is going to happen is the price will revert to R1. The petition should be for a general price freeze. Israel had a 400 percent inflation, imposed a price and wage freeze, and brought down inflation to 200 percent. "The petition on the government should be for an immediate imposition of a price freeze otherwise the country is headed in one direction. It is far more serious than a purely economic problem. In my view the man in the street, the black man, is not concerned with a vote, which is a concept, a nebulous thing. But when those who are employed can no longer feed their children then there will be trouble," he said.

THE ECONOMY

# Business should do its talking closer to home

The business of business is politics, says DUNCAN INNES, who offers industry leaders a simple way to find out what the black community wants.

AS South Africa lurches in a somewhat stupefied state into 1986, we find ourselves besieged with predictions and advice from the media.

One bit of advice I found particularly inappropriate for 1986 was directed at the business community. It exhorted them to "get on with making money" and leave politics to the politicians.

The business of business, it stated emphatically, is business!

I don't think this argument is ever true. Even in that paragon of free enterprise — the USA — companies spend millions of dollars lobbying both local and central government to enact policies which will be in their interests.

What is true for the United States and other countries takes on an added dimension here in South Africa, where the social environment in which the business community functions is widely acknowledged to be unjust.

It seems to me to be morally wrong to call on businessmen and women to ignore the system of labour control which causes the break-up of families, to ignore the mass poverty that surrounds us, to ignore arbitrary detentions without trial, the military occupation of the townships and the denial of basic human rights.

If one argues that it is acceptable to ignore all of this in order to make money, then is one not in fact claiming that the business community is somehow beyond morality?

But apart from these moral arguments there are practical reasons relating more to self-interest why our business community can no longer afford to leave politics alone.

Government policy is creating social instability on an unprecedented scale — which is hardly conducive to good business.

To advise the business community not to get involved in what is happening around them is rather like the kind of advice ostriches frequently give one another. The problem with it, as most ostriches tend to discover, is that just because one's head doesn't know what is going on does not necessarily prevent one's tail from getting shot to pieces.

If the business community wants to protect its tail it had better get its head out of the sand — quickly.

It was, after all, the government's handling of the unrest which caused overseas financiers to call in our foreign debt; it was the Rubicon speech which caused the rand to fall out of bed; it was the decision to send the police and army into the townships which started the stay-aways and waves of consumer boycotts; and it is the government's policy of racial discrimination which has generated the overseas campaign for economic sanctions and disinvestment.

If the business community wants to see these obstacles removed then it has got to take the government on politically.

The question, of course, is how.



FLASHBACK: A major strike in Pietermaritzburg, above, and the launch of Cosatu, below, two signs of a powerful union movement with which business will have to deal

A number of strategies are already being developed. Established organisations like Assocom and the FCI are adopting an increasingly high profile politically, overseas lobbies are being created, some businessmen are jetting off to chat to the ANC, companies are devoting more time and money to politics.

But while all this is going on, there seems to be one rather obvious area which is not yet being sufficiently tapped by the business community.

And that is simply talking to black employees and their representatives.

One of the problems this country faces is the communication gap between black and white. The latter group in particular has no clear idea what different sections of the black community think and want.

So why not ask them? Gavin Relly flew off to Lusaka to ask the ANC what kind of South Africa they would like to see in the future. I can't help wondering why Mr Relly doesn't also put that question to the hundreds of thousands of black workers who are employed on his mines and in his factories.

Our current rulers are forever telling us that radical black political organisations like the ANC, UDF and Azapo don't really represent the views of the people. The best way of finding out whether or not this is true is simply to ask the people

And where better for the business community to start than in its mines, farms, factories, shops and offices?

And this does not mean approaching a few selected yes-men. It means talking to the workers through their legitimately elected representatives, finding out what they think and seeing what support they can be given.

For many this will prove to be an uncomfortable experience.

We have already heard cries of horror emerging following the formation of Cosatu, which is seen to be a more militant trade union federation than its predecessors. Businessmen and women may well feel reluctant about approaching a federation of this kind either directly or through its affiliates.

But if they don't talk to organisations like Cosatu, then whom do they talk to? It would be foolhardy in the extreme to ignore an organisation with a membership of half-a-million because one is afraid of the views it holds.

If the business community wants to avoid coming under increasing attack from the black community in the year ahead, it has got to begin talking to that community, it has got to take seriously what it hears and it has got to find ways of supporting the legitimate grievances and demands of the people.

The time for sitting on fences is long past.

## 'Police beat me' says boy



Abishai Ngqeza

Staff Reporter

A 16-YEAR-OLD Ciskeian boy selling ice-cream on a suburban train to earn money for his schooling has alleged he was assaulted by a railway policeman at Maitland station on Wednesday.

In a sworn statement yesterday, Abishai Zamuxolo Ngqeza, a Std 7 pupil from Keiskammahoek, said he and another youth had no licence to sell the ice-cream.

As the train approached Mowbray sta-

tion they were apprehended by two men wearing gun holsters.

"We were taken to an office on the station where we were assaulted by these two men. There was another man present in the office whom I will be able to recognize. I was hit with fists and kicked."

According to a Somerset Hospital medical certificate, Abishai was treated for a minor fracture of the skull, a rupture in his left ear, bruising and a major injury to his left eye.

A Railways Police spokesman, Colonel P W Wolvaard, said that once a complaint had been laid by either the boy or his mother, the matter would be investigated "at once".

# Artists and activists - get together

THE countrywide consumer boycott and the call for a black Christmas last December created confusion among SA musicians.

Though most groups and artists felt the month-long entertainment boycott was necessary to bring political change in SA, musicians felt they were being singled out as "soft targets" to achieve these objectives.

Unless political organisations band together and form a cultural wing to liaise with artists on delicate issues affecting them, the struggle for political rights will remain the privilege of political activists.

Scores of SA artists, most of whom are parents with dependents to care for, have now been left financially incapable by the blanket ban on their only source of livelihood - making music.

While most working South Africans happily count their financial blessings in "extra pay" bonuses at this time of the year, local artists - despite their artistic contributions to various political and charitable organisations throughout the year - are now asked to

forfeit their right to earn a living and join the "struggle" with empty stomachs.

We all understand that to achieve democracy people will have to sacrifice certain frivolities and aspirations to exert pressure on the country's policy-makers.

But to achieve these objectives and knock some kind of democratic sanity

into the minds of the Nationalist Government, the custodians of our cultural heritage should also be allowed to play their role in the shaping of a democratic SA in their own way.

Most artists, both black and white, contributed vastly in helping some major organisations achieve some of their objectives by ren-

dering their services free of charge or at a nominal fee.

And for us to treat them so inhumanely by turning them into beggars is the unkindest cut of all. The least the Consumer Boycott Committee could have done was to give them some kind of option to earn their bonuses in December.

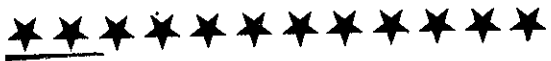
Unless all the country's

reorganised political groups create a single cultural body to liaise with artists there will always be this feeling of resentment, fear and mistrust among the victims of the oppression in SA.

During the first Free People's Concert over two years ago, the UDF made a stern call for such a body to be formed as it realised the

potential confusion the struggle for democracy could lead to.

Because this call was never pursued and implemented - because of other factors that arose after the Fun Valley concert - both political groups and artists have been thrown into a whirlwind of mistrust and confusion.



'Backlash from boycott will hurt blacks'

STAR 14/1/86 (30)

# Anti-centenary faction warned

By Shirley Woodgate,  
Municipal Reporter

Mounting centenary boycotts could cause a backlash that would hurt mainly black people, according to the chairman of the Johannesburg Centenary Festival Association, Mr David Lewis.

Mr Lewis was reacting to the joint weekend announcement by 50 of the country's top rock musicians that they had joined the black boycott of the city's celebrations.

Stressing that centenary projects were sponsored almost entirely by private enterprise, Mr Lewis said yesterday the celebrations did not comprise an endless stream of partying, but a meaningful handful of worthwhile projects which would benefit all races.

It was these projects that could be placed in jeopardy if mounting boycotts resulted in a withdrawal of funds provided by private enterprise, he said.

"The sponsorships we have obtained are neither patronising nor charity. They are investments from which the sponsor-

ing firms will obtain a great deal of mileage in the future.

"The centenary is simply the peg on which to hang the projects which will benefit all sectors of the community in Johannesburg. Without the centenary there would be no such benefits," Mr Lewis said.

"We asked people to identify projects that needed to be tackled, investigated their feasibility, and then approached big business for money.

## Community centre

"In addition to the six major projects for which the committee had obtained sponsorships of more than R100 million — the upgrading of the zoo and art gallery, the indoor stadium, improvements to the Newtown market precincts, the Smal Street Mall and the R50 million Gold Reef City — many features were planned purely for blacks in Soweto.

"These include a 15 km park between Soweto and Eldorado Park, a creche and a workshop for the blind in Soweto, a major community centre including a computer training centre, an art

workshop, a gym, a drama school and a library.

"These are the projects from which private sponsors could withdraw their money because of boycott action — and the black community would suffer most."

The musicians' group stated in a widely publicised weekend advertisement that "it is unacceptable to play our music against the backdrop of conditions that exist... we have nothing to celebrate".

Their demands include the release of political prisoners and the unbanning of people and organisations.

THE Krugersdorp Consumer Boycott Committee has warned it will act against youths who attack delivery vehicles in the township.

A committee spokesman said it was not their policy to engage in such activities.

"We warn these people — we do not know where they come from — that disciplinary ac-

# BOYCOTT GROUP WARNS YOUTHS

tion will be taken against them," the spokesman said.

Meanwhile, the spokesman said the consumer boycott and the Greyhound bus boycott were continuing.

## Demands

The consumer boycott started on December 9 and the bus boycott entered its second week yesterday.

The committee's demands are:

## **SOWETAN REPORTERS**

- Mr Isaac Genu, chairman of the Kagiso Residents' Organisation be released from detention;
- Mrs Winnie Mandela be allowed to stay in her Soweto house;
- The Government urban the Congress of South African Students;
- Greyhound Bus Company provide free ser-

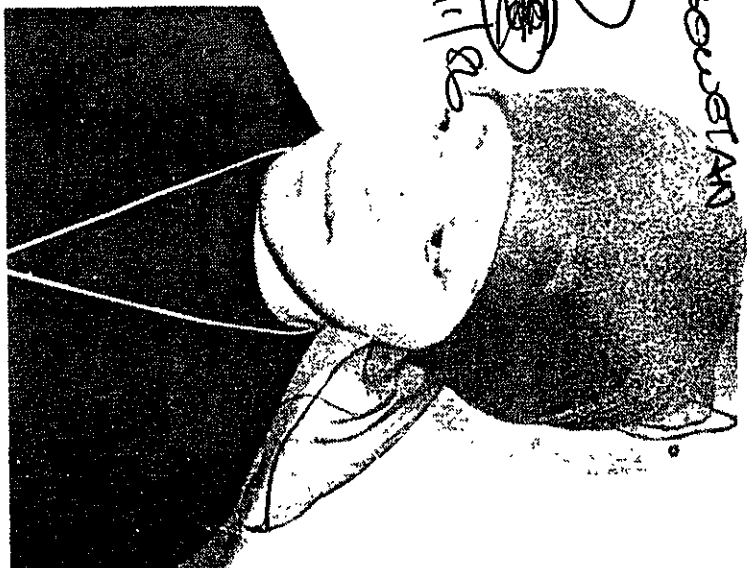
vice for all unrest related funerals;

- Pensioners be provided with two buses on payout days;
- Greyhound plough back some of its profits into the community;
- Schoolchildren be provided with free transport; and
- The bus company stop objecting to applications of black taxi owners when they apply for licenses.

Mr Robert Nesbitt, the manager of Greyhound Bus Lines, which serve townships on the West Rand, has appealed to the organisers of the bus boycott to hold talks with him to resolve the matter.

Mr Nesbitt said he was disturbed by the allegations against his company.

Buses are also being boycotted in Mhlangeni, Randfontein.



Mrs WINNIE MANDELA... allow her to stay in Soweto, says boycott committee.

# BMW will motor on — alone

By Jeremy Sinek

BMW appears to have scuppered hopes that any rationalisation moves will arise out of its recent talks with other SA car makers.

"Our recent studies on certain alternatives have not resulted in any agreement with other manufacturers," said BMW SA's Communications and Corporate Planning Executive, Mr Pierre de la Rey.

"At present we are not contemplating arrangements involving other parties."

It is known that late last year BMW had talks with Renault about possibly taking over manufacture of its R9 and R11 small cars, after that manufacture decided to withdraw from the South African market.

It is also reliably believed BMW had discussions with General Motors about building or marketing the Opel Kadett small car.

Now, says Mr de la Rey, BMW is "concentrating on our position in the car market even further."

"In 1985 our market share grew to a record level of 6,5 per cent (the precise figure will be known after NAAMSA has published full-year figures).

"Currently there are signs of a gradual improvement in the car market, and we are aiming at again increasing our share of that market this year," he said.

Argus 16/1/86

## Stuttafords' <sup>30</sup> city store hit <sup>49</sup> by hard times changing habits

### Staff Reporter

THE recession and the movement of shoppers to suburban shopping centres in the last few years have forced Stuttafords to close the basement and second floor of its Adderley Street branch — the food and houseware departments — at the end of February.

This is the second time the famous 128-year old store has been forced to abandon part of its space. It will now concentrate on fashions, fashion accessories and "CBD convenience goods" — books, sweets and so on for city workers, on the ground and first floors.

The popular Bird Cage cafe restaurant in the basement would also close though the Crumbs restaurant on the first floor would stay open.

### FUTURE

A store spokesman, who did not want to be named, said the future of the employees who would be affected was an internal matter.

Several smaller businesses leasing space on the two floors, including a butcher, a Malay kitchen, a toy shop and a furniture shop, would have to find new premises.

He did not know how the space would be used and could not confirm reports that the basement would be converted to a parking garage and the second floor taken over by the post office.

There was no question of the store itself closing, and the Cavendish Square branch was doing well, he said.



# December fillip for hard-hit motormen

STAR  
17/11/86  
30

By Jeremy Sinek

South Africa's car-makers ended 1985 on a relatively high note, with December passenger car sales 9,5 percent higher than November's.

But while the car total of 19 170 sales was the second-best monthly figure of 1985, it has to be seen in the context of an exceptionally difficult year for the motor industry.

The combination of the depressed economy, perks tax, high interest rates and spiralling car and fuel prices caused by the sliding rand, meant that over the full year car sales fell by 24 percent: from 268 751 in 1984 to 204 322 last year. It was the lowest total in eight years.

Sales of commercial vehicles improved only marginally in December, and for the full year were down by 26,3 percent from 1984 levels. Heavy truck and bus sales in 1985 were the lowest in 22 years.

The resulting total vehicle market of 305 327 was 24,8 percent less than 1984's 405 810.

The director of the National Association of Automobile Manufacturers of South Africa (NAAMSA), Mr Nico Vermeulen, said that sales during December had maintained their improved momentum of recent months. This he attributed to pre-emptive buying to avoid price increases — most cars went up by around eight percent at the turn of the year — renewed replacement demand, and easier finance terms.

## OPTIMISTIC OUTLOOK

Of the year ahead, he said: "Lower interest rates, the relaxation in credit instalment terms, various tax relief measures and other official measures to stimulate economic activity should all combine to underpin demand for new motor vehicles at current levels and provide a base for modest growth during the year ahead."

Mr Vermeulen predicted that the car market could reach 215 000 in 1986, and that combined commercial vehicle sales would exceed 110 000.

These figures represent a more optimistic outlook than those forecast by the car makers in November last year. In a survey published by the trade magazine *Automobil*, those polled predicted car sales of 202 200 on average (individual predictions varied from 190 400 to 210 000) and just over 99 000 commercial vehicles.

Market leader in 1985 was once again Toyota, which took 27,9 percent of the total vehicle market compared with 24,8 in 1984.

Runners-up were Samcor partners Ford and MMI, though the new conglomerate's market share of 19,7 percent was well down on the 24,3 percent achieved by the two marques' combined sales in 1984.

Star performer of the year was Volkswagen which improved its car market share from 10,6 to 14,3 percent. VW was the only manufacturer to sell more cars in 1985 than in 1984.

Despite a 48,5 percent slump in VW's light commercial vehicle sales, this was just enough to give VW third spot in the overall manufacturers' league table with 11,28 percent.

# Sakekamer: attract other races to QT

## Dispatch Reporter

QUEENSTOWN — Businessmen here would have to move away from being dependent on black buying power, the chairman of the local Afrikaanse Sakekamer, Mr Adri Loots, said yesterday.

Mr Loots said in view of the consumer boycott, the town should rely more on attracting more people of other races.

He said he received several phone calls from Mlungisi Residents' Committee members, who told him they had no intention of ending the boycott.

He said about 30 shops closed down as a result of the boycott, and the remaining shops were relatively inactive.

"One way of combating the problem we have now would be to make provision for more job opportunities, not only for blacks, but for all the other races as well.

"Industrialisation will just have to take place here at a much faster pace, and we'll have to

see that the whites, coloureds and Indians become financially so strong that they will be able to keep the town alive without it having to rely on the black population to sell.

Mr Loots urged improvements in the reception of TV channels other than TV 1.

"We have been told that everything would be organised and ready in February, we now hear that we will have to wait until June before we will be able to receive TV 4. People get tired of all these delays."

He said the railway station should be improved, and a better ser-

vice for passengers to and from bigger centres installed "This is very important — to have physical contact with bigger centres.

"Another aspect of making Queenstown more accessible would be to have decent and scheduled flights from the airfield outside town to airports like Port Elizabeth and East London.

"And then, we, as a country, should be careful not to bind ourselves to the USA alone for commercial ties, but we have to see where the bigger part of our esteemed businessmen and industries come from — and that is nowhere else than in Europe."

17/1/86 DISPATCH

17/1/86



# Ford to shut down PE works

Own Correspondent

CAPE TOWN — The Ford assembly plant in Struandale, Port Elizabeth, is to be closed in the second half of this year, managing director of the Samcor Group Mr Spencer Sterling announced yesterday.

The move will affect about 950 salaried and hourly-paid workers.

Production of the Sierra range is to be transferred to Samcor's assembly plant in Silverton, Pretoria.

The move follows the closing last year of the Neave plant, where the Escort was produced.

The engine plant at Struandale would not be affected, Mr Sterling said.

Makers express cautious optimism

# December car sales rise 9,5%

BUS DAY  
17/1/86

30

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NEW car sales in December hit 19 170 — the second highest monthly figure in 1985.

According to National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen, the improvement was due to pre-emptive buying to avoid price increases, renewed replacement demand, reduced financing costs and easier credit instalment terms.

December's sales were 9,5% up on November's 17 501 and 8,6% on December, 1984.

Light commercial vehicle sales rose

DAVID FURLONGER

2,87% on November to 7 253.

Conditions in the truck and bus sector remained under pressure. December sales of medium commercial vehicles were down 2,6% on November to 447, and heavy commercials down by 11,4% to 746.

The final annual figure confirmed the acknowledged fact that 1985 was a bad year for vehicle manufacturers.

New car sales, down 24% on 1984, were the lowest for eight years. Light, medium and heavy commercial vehicle sales declined by 27,3%, 16,47% and 22,3% respectively.

Heavy truck-and-bus sector sales of 10 430 in 1985 were the lowest for 22 years.

Vermeulen said he expected recent official moves to restimulate the economy — including lower interest rates, relaxation in credit instalment terms and tax relief measures — to underpin demand for new vehicles at current levels and provide a base for modest growth this year.

He expected monthly sales of new cars and commercial vehicles to improve gradually and predicted 1986 car sales could reach 215 000, compared to 1985's 204 322.

Demand for commercial vehicles should also firm slightly, said Vermeulen, and combined commercial vehicle sales should exceed 110 000, compared to 101 005 in 1985.

Naamsa president Peter Searle said the vehicle market had bottomed out in mid-1985, and a mild recovery was in progress.

He warned, however: "As with most forecasts of this nature, a prerequisite is a stable rand and no further deterioration in the socio-political environment in Southern Africa.

"Given these pre-conditions, a modest improvement in car sales is forecast for 1986, with the market likely to respond positively to the re-stimulation of the economy, especially during the first six months of the year."

He said vehicle prices still did not reflect the full effect of exchange rate developments and high cost of imported components.

"The price of cars is, therefore, likely to increase by more than the local inflation rate in the year ahead."

□ The 10 best-selling cars in 1985 were: Toyota Corolla, VW Golf, Toyota Cressida, Honda Ballade, Mazda 323, Opel Kadett, Ford Sierra, BMW 3-Series, Ford Escort and Nissan Langley/Pulsar.

**BUSINESSMAN OF THE WEEK**

**Blowing up a storm in retailing**

By TOM HOOD  
Weekend Argus  
Financial Staff

A GROWING supermarket chain that aims to pass the mighty Pick 'n Pay in food turnover is Jazz Stores.

It caters exclusively to black consumers in the Transvaal and has similarities with P and P: it was started by a Cape Town man, its market is at the same stage of the white market when P and P started about 20 years ago and most of its shareholders live in the Western Cape.

But, says Earl Sachar, managing director, it is not likely to open many stores in the Cape — possibly two in Guguletu.

Coloured and white shopping patterns are similar — both are largely geared to monthly salaries and are vastly different from the needs of the black consumer, who in invariably is weekly paid.

The country's food market is worth about R231 billion and by the year 2000 it will grow to R168 billion with inflation, estimates Mr Sachar.

"If we capture only 10 percent of the market you will see a chain with sales of R16 billion, which is mind-boggling."

The business started 10

years ago with R1 500 of stock, a sales assistant and 800 sq m of first floor premises in a warehouse in Industria, Johannesburg.

Jazz grew to 23 stores and sales topped R22 million last year, estimates Mr Sachar.

It is set for a major expansion by taking over nine Checkers stores in black areas which will boost turnover from R30 million to R100 million this year.

Main reason for the company's success is that management has defined a target market through its siting poli-

cy and merchandise.

The company has encouraged black management and investors and the first of the staff to get shares were black workers.

Stores are concentrated in industrial areas around heavy commuter traffic, creating a strong element of convenience shopping.

The range of about 2 500 product lines is carefully chosen for the black consumer.

The group is perceived to be a black chain and during the rioting in townships the Jazz

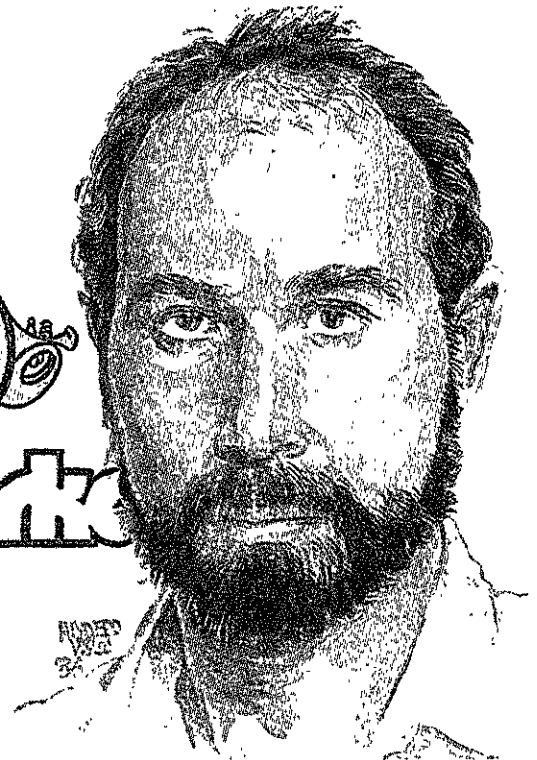
shop was often the only one left standing, he says.

"We had the opportunity to increase prices but instead we embarked on a price-cutting strategy and sales increased dramatically — a turnover that has been maintained even after the township stores reopened."

Jazz was listed on the Johannesburg Stock Exchange in October via a reverse takeover and buyers who paid 150c a share for the eight million on offer have seen their investment rocket to 290c, of which 60c was in the past week.

W/G  
ARGUS  
18/1/86

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Mr Earl Sachar . . . reaching for the high notes.

20/11/66. DISPATCH

# Chamber move to help unemployed

30 1973 1973

CAPE TOWN — The Cape Town Chamber of Commerce has stepped in to help thousands of school leavers and graduates who have joined the ranks of the unemployed in the country's stressed economic situation.

The chamber has proposed a youth training scheme and suggested that Assocom refer the plan to the National Manpower Commission.

If put into action, the scheme could provide a positive bridge of training and temporary employment between

school or university and the employment sector.

Describing the plan in its latest bulletin, the chamber suggests employers and the state contribute towards an allowance for each candidate enrolled in the scheme. The young person would receive a month's "induction training" and would work for 11 months with a company while receiving a subsistence allowance.

The chamber cautions too that without help now, young people could drop out of society and become a serious bur-

den to relatives, friends and the state.

The chamber's suggested scheme is similar to those used in the United States and the United Kingdom when young people were offered induction training and subsidised jobs with companies who took them on temporarily.

"In the UK, candidates were offered a six-week induction training period and were then placed with a company for 10 months during which they were paid an allowance by the government," said the bulletin.

— Sapa

# R35m development programme for homelands

20/1/86. R. B. S. P. A. Y.

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**JOB-CREATION** through the development of small businesses in the independent and self-governing national states will be boosted by a R35m development programme announced by the Development Bank of Southern Africa at the weekend.

An amount of R25m, allocated to the bank from R600m set aside by government for special job-creation programmes, will be used for comprehensive small-business develop-

ment programmes.

A further R10,5m has been set aside by the Department of Manpower for allocation to the governments of the Development Bank's participating states — Transkei, Bophuthatswana, Venda, Ciskei, Gazankulu, KwaNdebele, KwaZulu, Lebowa and QwaQwa.

The bank will monitor distribution of the money.

G J Richter, the bank's divisional manager, programmes and projects, said the programme was expected to have an important medium-term development impact in Southern Africa.

"Progress with DBSA's development programme since it became operational two years ago is expected to make a further significant contribution to employment creation in Southern Africa during this year," he

said.

"Eighty projects with a total investment value of R1bn have been approved from February 1984 to December 31, 1985. Based on the sound preparation of projects by development agencies, and with DBSA's support in the form of technical assistance, a further significant number of projects is expected to be approved for implementation during this year," he added. — Sapa.

Cape Times  
21/1/86

## Twelve garages robbed in month

Crime Reporter

THREE petrol attendants were shot, wounded and robbed of a total of R500 at the weekend.

The latest spate brings to 12 the number of petrol station robberies in the Peninsula this month.

Captain Jan Calitz, a police liaison officer for the Western Cape, said the first robbery was about 2.40am on Saturday when three men shot petrol station attendant Mr Frank Meshlonibala, 64, in the stomach at Ben Foster Motors in Coronation Road, Maitland.

Two other robberies followed the theft of an Oudtshoorn-registered car from outside a Foreshore hotel on Saturday.

Using the stolen car's registration plates, a gang of four men held up two petrol stations in different cars.

Mr Gert Bloem, 35, an attendant at Gerhard Motors in Voortrekker Road, Kuils River, was shot in the hip at point-blank range seconds after an expensive German car pulled up at the petrol pumps.

About 5am, Mr Arthur Masango, 38, an attendant at Trek Stop Motors, Voortrekker Road, Maitland, was confronted by four men who pulled up in a saloon car. The men fired two shots, hitting Mr Masango in the upper leg and hip.

Captain Calitz and Mr George Beckman, chairman of the South African Motor Traders Association, appealed to motorists to use credit cards or pay in exact cash amounts when buying petrol after hours.



# MIXED REACTION TO OPEN CBD

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BLACK businessmen yesterday greeted the announcement that Johannesburg's central business district would be open to all races with mixed feelings.

The Minister of Constitutional Development and Planning, Mr Chris Heunis, announced in Cape Town yesterday that the Johannesburg CBD will this week be proclaimed a free trading area.

He said there were more than 50 applications from other municipalities for similar status which are being speeded up for approval within the next few weeks.

"The opening of CBDs in Johannesburg, Durban and Cape Town will

be announced any day now while other centres will follow soon, Mr Heunis said.

He gave no specific dates but it is reliably understood that Johannesburg's CBD will be proclaimed a free trading zone this week.

Mr Richard Maponya, top businessman in Soweto and race horse owner said: "This is long overdue".

"Black people should take this opportunity to prove that we can compete with other races. For too long we were denied this right and it is only now that it has been given in.

"We must also be afforded opportunities of being given financial as-

sistance. No discrimination whatsoever should be practised when we go to ask for financial assistance. Time has come for us blacks to mobilise our buying power even in the CBD's. We must try and support our black businesses everywhere," Mr Maponya said.

He added: "We are going to be competitive in the CBD's. Black people should not only support us on sentiment. They must buy in the township when they find the prices are the same as those in town. This is exactly how the Afrikaner build himself into the country's mainstream economy."

Mr David Malloane,

spokesman of the Soweto Chamber of Commerce said: "One cannot be fully thrilled with this move. This type of legislation was in the first place not supposed to have been there. It is the black sweat that has contributed to more than 50 percent of what Johannesburg is but blacks all along have not been allowed to trade there.

"It is the economic situation that is forcing them to take this decision. But one may welcome the move with reservations. It is also helping those whites who have moved to the suburbs to either sell or rent their offices which are turning into white elephants," he said.

21/1/86 (30) DISPATCH

# Three large centres to open CBDs to all races

CAPE TOWN — Central Business Districts (CBDs) in Cape Town, Johannesburg and Durban are to be opened up to trading by all races "any day now" — and other large centres will follow soon.

The Minister of Constitutional Development and Planning, Mr Chris Heunis, announced yesterday that procedures followed in proclaiming free trading areas were to be speeded up, following application by more than 50 municipalities to have their CBDs opened to trading by all races.

A spokesman for Mr Heunis' department said at the weekend that the proclamations for Cape Town, Johannesburg and Durban had already been processed and would take effect "very shortly".

Other major centres that have applied for

free trading areas include Port Elizabeth, East London and Kimberley — but not Pretoria or Bloemfontein.

Western Cape municipalities that have open CBD applications pending include Fish Hoek, Ottery, Bellville, Parow, Durbanville, Stellenbosch, Paarl, Worcester, Kuils River and Gordon's Bay.

Applications for these areas are all expected to be approved "within the next six months", according to a government official.

In a weekend statement, Mr Heunis said that the proclamation of free trading areas "is unfortunately a time-consuming process".

However, he had instructed his department "to treat this matter with the utmost priority" and to limit the administrative preparations to a

minimum wherever possible in order to have the proclamation areas finalised as early as possible.

Meanwhile, in Johannesburg, the legal manager of Assocom, Mr Ken Warren, said the expeditious implementation of free trading areas will afford all population greater opportunities of full participation in the free enterprise system.

Mr Warren said Assocom welcomed the announcement that the procedural requirements for processing applications for free trading areas were to be streamlined.

"Assocom believes that the expeditious implementation of free trading areas will afford all population groups earlier and greater opportunities of full participation in the free enterprise system," Mr Warren said. — Sapa

# Greyhound in bid to end Kagiso bus boycott

By **MANDLA NDLAZI**

**SISTER** Bernard Ncube, president of the Federation of Transvaal Women (Fedtraw), says Greyhound Buslines' general manager, Mr Robert Nesbitt said his company was prepared to meet the consumer boycott committee to help end the bus boycott.

The boycott enters its third week today. The company has been operating a skeleton service since the boycott started. Buses are running without passengers.

Sister Ncube says she told Mr Nesbitt that he would have to wait for the release of the boycott committee members who were arrested during raids in their homes last week.

Sister Ncube said: "If their arrests were aimed at ending the boycott, then this action has had the opposite effect."

She said the arrested committee members had been mandated by the community to make the release of all detainees one of their demands for ending the consumer and bus boycotts.

"Their arrests will certainly fuel the boycott," said Sister Ncube.

Sister Ncube says she received a letter dated January 15, 1986 from Mr Nesbitt and written to the committee. The letter states: "On behalf of the management and staff of Greyhound Buslines, I am writing to suggest that representatives of the consumer boycott and management of this company meet as soon as possible to resolve the current unpleasant state of affairs."

"As many people are suffering because of the boycott of our bus service, we wish to emphasise our sincere desire to meet and talk."

"Senior management of the company are ready to meet the consumer boycott committee at any suitable place."

"Let us meet, let us talk, it can only be to the benefit of the community," ends the letter signed by Mr Nesbitt.

SOWETAN



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CAPT Tint's 22/1/86

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# Tension

By BARRY STREEK

TENSION in a number of mid-Karoo towns where a rent and consumer boycott is in force is at its worst pitch ever, according to the Rev Abe Visagie, chairman of the Midlands Council of Churches.

"Since the state of emergency we've been living in a state of tension and it has got worse. Now it is at its worst," said Mr Visagie, a Nederduits Gereformeerde Sendingkerk priest in Mid-delburg.

He said the government's reform policies meant absolutely nothing in the Karoo towns of De Aar, Hanover, Middelburg, Steynsburg, Philipstown, Bridgetown, Cradock and Graaff-Reinet.

"We don't experience any exposure to change. The people there don't know what the word 'reform' means." In his first year as a priest in Mid-

delburg he never had a cup of tea or a meal with a white person.

The white priests in the Ned Geref Kerk never contacted him at any stage and he had not spoken to them until he telephoned them to set up a meeting to explain the Sendingkerk's decision to regard apartheid as a heresy.

Mr Visagie estimates the unemployment rate in the area "easily at 50 to 60 percent" and says a survey showed that 75 percent of households were dependent on state grants for old age, disability and child allowances.

It had also been established that the average salary of domestic workers in the area was R30 a month, although in Philipstown they were getting R15 to R20 a month. Many building companies, "even those owned by so-called coloureds", paid labourers R18 a month.

In response to these conditions, a

# 'at its worst' in Karoo towns

rent boycott had been in force for more than nine months, "particularly in the African communities". In De Aar, 876 of the 960 houses, involving about 10 000 people, were not paying rents.

A consumer boycott had been in force for nine months in most towns and introduced in others during the black Christmas.

"Hanover is like a ghost town because of the effect of the consumer boycott". During the Carnegie investigation into poverty in South Africa, Hanover was found to be the poorest town in the country.

Emergency detainees had been released in Graaff-Reinet on December 24 but seven people were still being held in Cradock, including Mubelo Goniwe, brother of the murdered Mathew Goniwe.

"With youth groups, residents' asso-



The Rev Abe Visagie

ciations and detainees' support groups, the areas are under the control of the people. The peoples' organization is just amazing.

Mr Visagie said the main demands for ending the consumer boycott in the Karoo towns were:

- The lifting of the state of emergency.
- The arrest of the murderers of Mathew Goniwe.
- The lifting of the ban on meetings, imposed before the state of emergency, of all UDF-affiliated bodies in the area.

"The people would also like Nelson Mandela to be released and the bans on the ANC and PAC lifted."

Some attempts had been made by the white authorities to negotiate with the residents' associations, he said, but the people had refused to negotiate while others were detained.

# FCI presents major reform package to Govt

22/1/86



**JOHANNESBURG**—Far-reaching political and economic reform proposals have been presented to the Government by the Federated Chamber of Industries (FCI).

The proposals, which have also been circulated to other national employer bodies and foreign embassies, are contained in a charter of social, economic and political rights prepared by the FCI and in a comprehensive action programme for reform at all levels.

The FCI says there are problems in obtaining agreement on the basic pre-conditions required before real constitutional negotiations can begin, as well as on the issue of which parties should sit

around the negotiating table.

It says such pre-conditions could include:

An undertaking by Government to abolish statutory race discrimination in all legislation;

Power sharing at central level in a single institution;

The abolition of influx control and the Group Areas Act;

## Housing sites

A return to the basic norms of the South African common law, thus reaffirming the rule of law; and

The release of political prisoners from detention.

The FCI says a major prerequisite for effective business mediation is for

the Government substantially to increase its 'currently low domestic and international credibility'.

It says among the most significant short-term steps that need to be taken are the provision of affordable serviced housing sites for urban blacks on a substantial scale, the immediate implementation of freehold title, elimination of forced removals and the rapid opening of central business districts to all races.

The business community's mediatory role would include organising conferences, sponsoring research programmes and assisting overseas government emissaries.

'As regards constitution-making, business can assume the role of promoter and propagator of those constitutional models which in the Western democratic tradition of open, free enterprise societies have proved to provide the most solid guarantees for individual rights and freedoms and protection against State authoritarianism,' the FCI says.

## Stimulate

Discussing what it sees as the economic initiatives which are needed to put the country back on its feet, the chamber says a national economic strategy providing greater clarity about the future pattern of economic development is needed.

'A clear and explicit policy framework would do much to stimulate business confidence and new investment in the country,' it says.

It says the major priorities which need to be addressed are the future pattern of industrial and economic development, employment creation, inflation and

economic opportunity and living standards of all the population groups.

Other economic-related issues which it focuses on in its action programme are the need for a 'new positive urbanisation strategy' and, going hand-in-hand with that, privatisation and deregulation.

'Government has already accepted this policy approach and business will assist in its effective implementation by marshalling whatever resources are required to support this important initiative.'

## Emphasis

It believes 'entrepreneurship by anyone should be allowed in all business areas and all legal restrictions pertaining to race should be removed when licences, permits and other dispensations are considered. Movement of all people should be free and unrestricted in order to allow them to seek job opportunities and to create work mobility.'

Regarding the Government's short-term economic policy of moderate stimulation of the economy, the chamber agrees with this approach but says the emphasis should fall on lower interest rates interlinked with a cut in direct taxation.

To achieve this, the FCI believes South Africa must publicly remain committed to market-related policies in an open economy and must remove the 10 percent surcharge on imports.

It says a firm directive is needed to control escalation in administered prices by requiring parastatals to re-evaluate their financing, expansion and tariff policies. — (Sapa)

● See Editorial Opinion

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# PROPERTY

**THE OPENING of CBDs as free trading areas is unlikely to have an immediate significant effect on the property market. What the move will do, however, is legalise the position of a number of existing black CBD tenants.**

Blacks have been part of the CBD — occupying retail and office space — for several years now, in most cases either by going through white "fronts" or where landlords have chosen to ignore the restrictive laws.

Some — the African Bank and Nat-coc, for example — are in the CBD on special permits, though it is understood the issuing of permits has stopped since government announced its intention early in 1984 to open up central business districts.

The Johannesburg CBD, as defined for non-racial trade, will probably lie between the M1 motorway (to the west), the M2 (to the south), Harrow Road-End Street (east) and the railway line (north).

Although officially landlords and their agents say they are obliged to act within the law, many concede that they rarely turn anyone away.

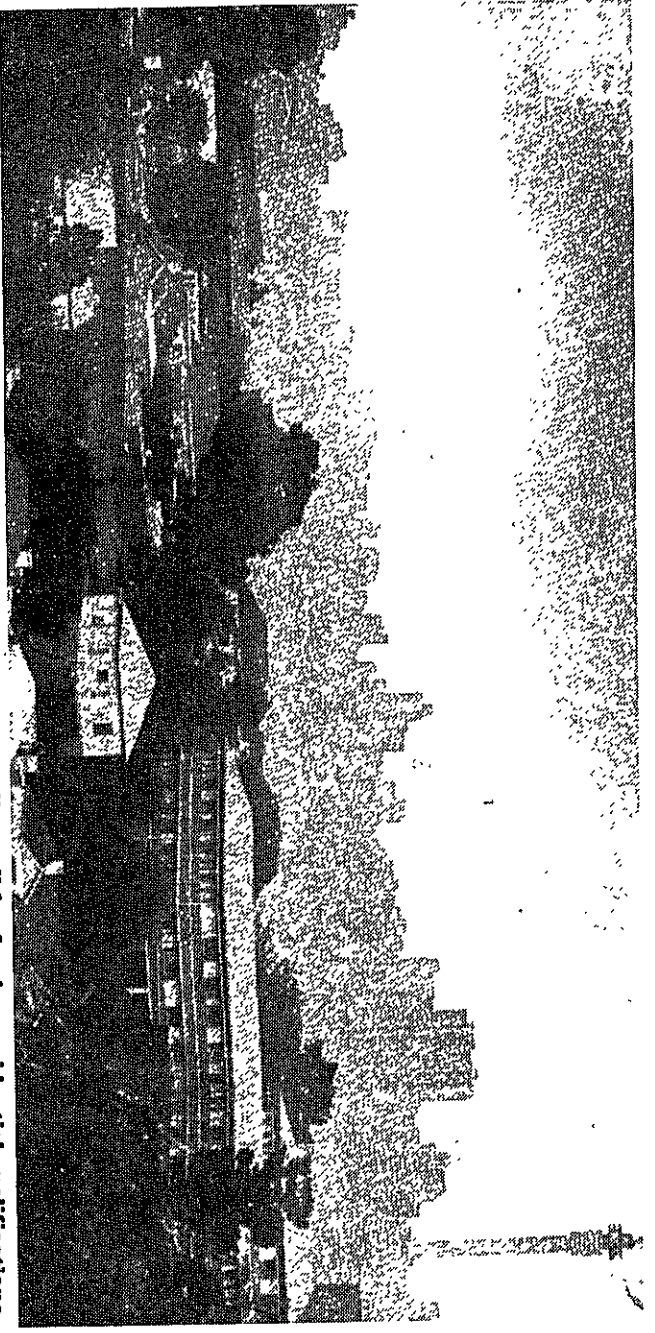
But happy as they are with the legalisation of this practice, the next step must be the removal of race restrictions on central residential properties. Central Johannesburg after trading hours is something of a ghost town.

This would be a tremendously positive step, says J H Isaacs executive chairman Les Weil, pointing out that major cities abroad — such as New York and London — have a high residential component which livens up their CBDs after dark.

He cites Newtown as a sector which could be developed with high rise residential blocks to bring people to live closer to town.

Some secondary and tertiary buildings in parts of downtown Johannesburg have a high proportion of black tenants... and, strictly speaking, this is still illegal.

Landmark's Nick Hill has been dealing with black clients for some



JOHANNESBURG'S SKYLINE... after CBDs being opened to all, a call for freeing residential qualifications

# Free CBDs won't mean instant boom

JANE STRACHAN

time, and a number of deals with them account for a substantial part of his business.

"It's never worried me," says an institutional representative who has done this type of deal himself. "If I can accommodate someone, I will."

He is particularly pleased that the new dispensation will see the phasing out of white nominees.

While he won't go so far as to say the fronts are exploiting their clients, he comments that the money charged

30 BUS DAY 22/1/86

is sometimes "a rip-off". They're taking advantage of an unfair political situation, he adds.

It seems that nominee fees range from a token R200 or R300 up to as much as R1 000 a month.

Since government announced its intentions, interest among blacks in moving into the CBD has been picking up slowly.

Joe Hallis, national letting manager at Anglo American Property Services, has noticed a growth in black entrepreneurs looking for central accommodation.

There are those who find it unacceptable to work through a white nominee, to be devious just to be able to trade, who are coming to the fore only now that they can operate without going through the process of looking for loopholes in the law.

There are those who find it unacceptable to work through a white nominee, to be devious just to be able to trade, who are coming to the fore only now that they can operate without going through the process of looking for loopholes in the law.

# Border industry backs charter

23/1/86

DISPATCH

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Dispatch Reporter

**EAST LONDON —** Members of the Border Chamber of Industries will be urged to uphold the principles contained in the Federated Chamber of Industries' charter which calls for equal social, economic and political rights.

This was announced yesterday by the president of the BCI, Mr John Rich.

The FCI charter, which has been presented to the government, calls for far-reaching changes in South African society and commits the organisation to a mediatory role in bringing about negotiations for power sharing in South Africa.

It supports principles of individual freedom, land tenure, property and residential rights for all in a system of free enterprise which is open to all races. It calls for the release of political detainees, mobility of labour and the removal of statutory discrimination, including laws like the Group Areas Act.

The document also calls for universal suffrage and devolution of state powers to place the government close to the will of the people and commits the FCI to a "watchdog" role in scrutinising discriminatory practices.

Mr Rich said yesterday the charter was a sincere attempt by South African industry to outline what it believed should be basic human rights in society and to promote these ideas among other sectors of the economy.

"To this end, the charter is being circulated locally to all members of the BCI and they are being urged to uphold the principles in their everyday business," Mr Rich said. "It is also being sent to the local chamber of commerce and Afrikaanse Sakekamer."

"We hope the charter will also act as a catalyst within government circles to speed up the process of reform."

"After all, industry took action in the past to dissolve certain restrictive barriers such as separate facilities and job reservation on the factory floor long before these aspects of legislation were abolished."

"We cannot change the laws. We can only, as an organised body, do everything possible to convince those who can change the laws to do so with minimal delay and for the betterment of the country as a whole," Mr Rich said.

DISPATCH

# Open CBDs to be advertised

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**Dispatch Reporter**  
EAST LONDON — Parties interested in the opening of the city's central business district (CBD) should soon be able to voice their sentiments to the government.

The director of land allocation in the Department of Constitutional Development and Planning, Mr Bertie Nel, said yesterday from Pretoria the East London City Council's application for open trading areas had been "approved for advertising" in the media.

"The application was sent through and approved, and the next step will be to draw up a map which will be placed with the advert calling for comment on the area proposed by the city council."

On Monday the Minister of Constitutional Development and Planning, Mr Chris Heunis, announced that CBDs in Johannesburg, Durban, and Cape Town would be opened up to trading by all races "any day now", and that other large centres would soon follow.

He said the procedure to be followed in proclaiming free trade areas would be speeded up, following applications by more than 50 municipalities to have their CBDs opened to all races.

Mr Heunis also said he had instructed his department "to treat this matter with the utmost priority" and to limit the administrative preparations to a minimum wherever possible in order to have the free trading areas finalised as soon as possible.

Mr Nel said once the department's drawing office had completed the map "it shouldn't be too long before we are able to place the adverts. When it has been prepared it will be sent to

23/11/86  
the department's regional office in Port Elizabeth, and staff there will arrange for it to be published in the local newspaper."

Ten days would be allowed for interested parties to respond to the advert, following which a report would be drawn up and sent to the minister. Mr Nel said if a controversy arose over the proposed area, a public meeting could be held to discuss the matter.

"But in our experience the Section 19 areas have not sparked much of a debate."

He gave the assurance the department was doing its "level best" to process the applications as soon as possible. "The minister's statement will certainly streamline the process, and internal changes have also been made."

The city's acting town clerk, Miss Abby Cronin, said council had lodged its application in May last year. "The application was made shortly after the minister announced CBDs could be opened. In our case, council had resolved that all business areas, and not just the CBD, should be opened up, so our application was sent back to us with a request for descriptions of all the proposed areas.

"This meant we had to undertake a field study, which took a few months to complete, and the application was again sent to the department. It is now basically up to the minister to decide on our application."

The mayor, Mr Joe Yazbek, said he fervently hoped East London would not be overlooked in the applications that were soon to be approved.

"We are very anxious that not only CBDs but all business areas are opened at the earliest

opportunity. We cherish the hope we will be included. If we are passed over we will make the strongest possible representations, and in this we will have the solid backing of both commerce and industry.

"I cannot believe we will be overlooked because we were among the first to comply with all the requirements necessary to motivate the application."

Meanwhile, business leaders have both criticised and welcomed aspects of Mr Heunis' announcement earlier this week.

The president of the East London Chamber of Commerce, Mr Nico Cloete, asked why the city "had been left out. We applied right at the beginning so why are we different from the other bigger centres?"

"Our application seems to be taking a long time and we can't understand the reasons for the delay. There seems to be an incredible amount of red tape to get through."

While welcoming the announcement that procedures would be streamlined, he said the chamber would see if it "could speed up things ourselves. We are urgently awaiting the go-ahead."

The chairman of the North End Traders' Association, Mr Dennis Meyer, said: "We are pleased the efforts we and others have made are bearing fruit, and we urge the government to open East London's CBD without delay."

He also urged that efforts to remove discrimination in other areas be pushed through without delay.

The chairman of the Afrikaanse Sakekamer, Mr Willie Kruger, was in Transkei yesterday and could not be reached for comment.



# Business Charter of Rights

## Commitment to equality

23/1/86 (30)

DISPATCH

EAST LONDON — The Federated Chamber of Industries has undertaken to assume a "watchdog" role in scrutinising discriminatory practices and working for equal rights for all in South Africa.

This is one of several undertakings given in a "business charter of social, economic and political rights" which the FCI has presented to the government following consultations which the FCI said had included the ANC and the United Nations.

In the far-reaching document the FCI, the major representative of industry in South Africa, commits itself to the principles of equal political, legal, social and property rights for all and calls for an overhaul of the economy based on growth stimulated by a "supply side" policy of tax reductions and free access by businessmen and workers of all races.

Principles spelt out in the charter are:

- Equal dignity and rights for all, equality before the law and rejection of discrimination based on sex, race, descent, language, origin or religious beliefs;

- Protection by law of everyone's right to life;

- Rejection of arbitrary

arrest, detention or exile and the right of all to fair trial;

- Respect for private life and protection and assistance for the family. "the natural and fundamental group unit of society";

- Freedom of opinion and expression;

- Advocating of national, racial or religious hatred to be banned by law;

- Freedom of movement and residence and the right to travel abroad;

- Freedom of thought, conscience and religion;

- The right to equal educational opportunities and the right of parents to ensure such teaching conforms with their own religious and philosophical convictions;

- Equal rights for all national groups within the community with regard to cultural and language practices;

- Equal rights to own property and protection of these rights;

- The right to work and free choice of employment;

- Equal pay for equal work and fair remuneration;

- Freedom of association and the right of workers to join trade

unions of their choice;

- The right of all to employ people freely and to manage a business in accordance with the rights and principles set out in the charter;

- Citizenship for all;

- The right of everyone to take part in the government, either directly or through elected representatives;

- Equal access to public services;

- The will of the people to be expressed by universal suffrage in periodic and genuine elections, with due regard being given to the protection of minority rights in a multi-ethnic society;

- The separation of state powers, the independence of the judiciary, the supremacy of the legal system, the freedom of the press and free formation of political parties;

- Government must not be above the law and, through decentralisation and devolution of power, it must be close to the people and their needs.

The charter commits the FCI to promoting and implementing these principles by urging industry and commerce to uphold them and by influencing government

and political parties to abide by them.

It undertakes to assume "an active role, through watchdog bodies and other mechanisms, to scrutinise all discriminatory laws, measures and practices."

The FCI also says it will:

- Work towards ending turmoil and emergency conditions;

- Strive for the release of political prisoners;

- Support training and social welfare programmes;

- Take measures to abolish racial discrimination;

- Work towards peace and stability in the Southern African region and seek international understanding and co-operation.

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OPEN CBDs

**Red tape red herring?**

Nearly two years after government agreed to allow all races to trade in central business districts (CBDs), they are still exclusively white because of seemingly endless bureaucratic procedures.

Constitutional Development and Planning Minister Chris Heunis this week blamed red tape for the delay. But he promised a new, streamlined procedure which could lead to

CBDs in Johannesburg, Cape Town and Durban being opened to all races "any day now."

This week's excuse is the latest in a series that followed the March 1984 announcement by the then Community Development Minister, Pen Kotze, that government had agreed to allow all races to trade freely in CBDs. But instead of acting swiftly to make the most of what was hailed as a significant reform, government hesitated, back-tracked and stumbled into a bureaucratic morass from which it appears unable to emerge. One

FM 24/1/86

of the unofficial excuses is that government cannot reconcile non-racial CBDs with racially exclusive Group Areas trading areas.

The Group Areas Act was amended last year to facilitate apartheid-free CBDs — but this was conditional on compliance with complicated procedures. An obviously embarrassed Heunis seemed this week to be unclear on just when CBDs would be opened. He could give no time frame other than "any day now" for the three main centres and "soon thereafter" for the other large centres. No mention was even made of small centres.

Heunis pledged a more streamlined — but still complicated — procedure to speed up matters, and disclosed, not surprisingly, that pressure is being exerted on government in general, and himself in particular, to get a move on. There are now 50 applications for open CBDs with his department, he says.

According to Bertie Nel, an official in Heunis's department, all major towns and cities have applied for open CBDs — except Pretoria and Bloemfontein.

Heunis's excuse for the delay is that the proclamations could not be made before "a time-consuming process which is coupled with compulsory administrative preparations and statutory consultations." But he promised to order officials to give the applications top priority and limit "administrative preparations" to the minimum.

Critics of the delay have pointed out that President P W Botha has the executive power to carve through the red tape and proclaim open areas as an interim measure.

Even the streamlined procedures announced by Heunis will require, among other things, widespread advertising of proposed open CBDs, 10 days for representations after publication of the adverts, 10 days for comments from provincial administrators, and meetings of Group Areas Boards (which in the past have met only quarterly, but will now convene more often).

But it is not only open CBDs that are being thwarted by red tape. Western Cape Development Board spokesman Sampie Steenkamp confirmed this week that "problems at the deeds office" were delaying the registration of 99-year leases on properties in black townships in the region. This admission comes nearly 18 months after P W Botha gave the go ahead for the scheme.

24/11/86  
STW  
**General Motors  
to stay in PE** (30)

Own Correspondent

PORT ELIZABETH — General Motors would stay in Port Elizabeth and no mergers or agreements had been concluded with any other manufacturers, the carmakers said yesterday.

The assurance came from GM's managing director, Mr Bob White, in a Press statement and was simultaneously repeated at the first GM dealer council meeting of the year.

Withdrawal from the city of other vehicle manufacturers had improved GM's position, already backed by "unparalleled resources" of the giant American owners, he said.

Mr White dispelled persistent rumours that American-based GM was considering withdrawing from South Africa or relocating its manufacturing plant.

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# GM has no plans to pull out

STP/K 24/11/86  
Financial staff

~~SECRET~~

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General Motors has no plans to divest its SA operation nor will it cease operating in Port Elizabeth, says managing director Mr Bob White.

Mr White issued a statement which he says is to dispel the rumours and speculation which arose late last year concerning the future of the company.

At the time it was speculated that GM was considering an alliance with another manufacturer, with BMW often mentioned.

Mr White said: "Due to the contracted market, the poor exchange rate of the rand against other currencies and an overpopulated vehicle market with its high number of manufacturers, we have looked at certain alternatives to improve our short and medium term viability."

"Such alternatives have included discussions with other manufacturers in South Africa. However these discussions have not resulted in any agreement with any manufacturer."

As a subsidiary of the world's largest manufacturer, which is backed by "unparalleled resources", he said that GM will continue to "build on our successes".

The Opel Kadett T-Car and the highly successful Isuzu range helped boost the company into third place in the market last year with an 11,3 percent share.

Mr White added that "with the withdrawal of several manufacturers in 1985, we are well placed in the market to attain improved sales and ratios through our well established dealer network."

Jo'burg CBD set  
to open to all

STAR 24/1/86  
30

CAPE TOWN — It's all systems go for the opening of part of Johannesburg's central business district for trading by all races.

It was understood the paperwork for the opening of the CBD had been completed, except for a Government Gazette proclamation, expected on February 7.

It was originally hoped to make the proclamation in today's gazette according to sources, but this has been held over to brief regional officials.

— Political Correspondent.

# EL businessmen back FCI charter

30

DISPATCH

24/11/86

## Dispatch Reporter

**EAST LONDON** — A group of 15 city businessmen yesterday came out in support of the Federated Chamber of Industries' charter calling for equal social, economic and political rights in South Africa.

In a joint statement, the traders said they backed the FCI's call for:

- An undertaking to abolish all statutory race discrimination.
- Power sharing.
- The abolition of influx control and the Group Areas Act.
- A return to the basic norm of common law.
- The release of political prisoners.
- The right to equal educational opportunities.

A spokesman for the group, Mr Les Horwitz, said: "At long last the FCI has come out in this vein, and this is cause for optimism."

"One can only hope that more concerned citizens will endorse the charter as everybody has a stake in the country. We owe it to future generations to create a country where people of all races can live in peace and harmony."

The signatories were: Mr E. Spring, Mr H. Winearls, Mr L. Horwitz, Mr B. Armist, Mr T. Wigley, Mr B. Aufrichtig, Mr D. Geyer, Mr B. Hudson, Mr T. Bryant, Mr E. Gray, Mr M. Weil, Mr R. Carp, Mr J. Levi, Mr S. Marillier and Mr D. Meyer.

In a separate statement, three of the traders — Mr T. Wigley, Mr B.

Hudson and Mr B. Armist — endorsed the FCI stand and urged the government and city council to take note of certain points in the charter. Among these were:

- All human beings were born free and equal in dignity and rights.
- Everyone should be equal before the law.
- Everyone has the right to freedom of movement and residence.
- All national groups should have equal rights within the community.
- Everyone has the right to work and to free choice of employment.
- Everyone, without discrimination, had the right to equal pay for equal work.

24/1/86 CAC,  
C.T.

# UDF suspend W Cape boycott

Staff Reporter

THE Consumer Action Committee (Western Cape), supported by the United Democratic Front, has suspended the consumer boycott in the Western Cape.

In a statement released yesterday, the CAC said the suspension would take effect from today.

"This decision was arrived at after a careful evaluation of the gains and lessons of the boycott and rigorous consultations, despite the state of emergency.

"The decision to suspend the boycott is in line with similar decisions already taken elsewhere in the country.

"The boycott can be reinvoked after discussion if our demands are not met. The demands remain: An end to the state of emergency, troops out of the townships, and the immediate and unconditional release of detainees.

"To the people who so courageously and loyally supported the boycott, we extend our appreciation. The struggle for our demands continues."

## 'No time limit'

A UDF spokesman said the suspension did not mean the boycott could not be reinvoked "at any time".

"There has been no time limit set on the meeting of these demands, but the boycott will not be reimposed without a national decision being taken.

"Our decision to end the boycott is in line with a nationwide trend and we are reorganizing the co-ordination of our tactics on a nationwide level," he said.

Other organizations which supported the suspension are the Thornhill Residents' Association, the New Unity Movement, the Western Cape Traders' Association and the Western Province Council of Churches.

The Congress of South African Trade Unions did not underwrite the call, but "agreed completely with the sentiments it expressed", said the UDF spokesman.



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# SA's small business sector needs big boost

27/1/86. BUS DAY (30)

**INVESTMENT** in SA's small business sector is pitifully small by international standards.

Between 1981 and 1985 the Small Business Development Corporation spent a mere R90m to help finance 5 000 small businesses, while in Japan small businesses owe \$658,7bn to 15 financial institutions.

The development of small businesses in SA is hampered by the conservative lending policy of the SBDC.

Founded by Rembrandt's Anton Rupert, it operates on free-market principles and its interest rates, at 19,5%, are scarcely favourable.

Its Small Business Aid Fund, worth R36,3m, provides a maximum of R50 000 to existing businesses which have short-term problems, at an interest rate of only 10%, but the fund deals with only a fraction of the 17 000 inquiries a year.

A spokesman for a leading commercial bank claimed that while banks were prepared to lend to big corporations and write off bad debts, their record

**Business Day Reporter**

on venture capital was poor.

"Banks have had their fingers burnt too often in venture capital projects and are reluctant to risk money on an unknown quantity," he said.

Many entrepreneurs starting up their own businesses have turned to the Small Business Advisory Bureau of the Potchefstroom University.

Wim van Heerden had no experience of running liquor stores when he bought Liquor Inn Brakpan and he realised after a month that he needed professional help.

His adviser from Potchefstroom spent two days with him and advised him on bookkeeping, employment and marketing.

In December 1985 his turnover was R122 000, compared with the R66 000 his predecessor achieved in December 1984.

"My adviser was an absolute bargain for a fee of R343,50."

Speck pumps began as a two-man operation in Randburg in 1971 and now employs 25 workers.

Its sales of swimming pool pumps have grown from 2 000 to 20 000. Since 1977, its turnover has grown from R428 000 to R5,6m. Its average growth has been 20% a year.

Manager Thomas Webb attributes his success to the quality of his product: "The original German company was the first to introduce the all-plastic swimming pool pump in 1967, which had the selling point of being a non-corrosive pump."

Exports are now worth R400 000 to the company, the main areas being Australia, Germany, the US and Canada.

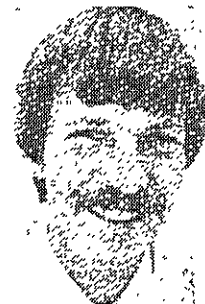
With worldwide back-up and a large domestic market, Webb expects Speck turnover to increase to R10m in the next three years.

Jeremy Sampson came to SA after two years designing the colour magazine for the London *Observer* and formed the design company Jeremy Sampson Associates (JSA) in January 1973.

With 16 employees and an annual turnover of R2m, it boasts Nedbank, Edgars, Sasol and Ford International among its



● SAMPSON



● WEBB

clients.

Last year, it was engaged in re-designing the corporate identities of Southern Life, SAB Beer Division and the Rebel Discount Liquor Group.

One of JSA's major tasks is to turn company reports from statutory financial documents to multi-purpose public relations tools, mainly by the use of attractive graphics and colour pictures.

Sampson claims reliability and a close relationship with his clients has been responsible for his success.



# SBDC plans big drive to raise funds

Business Day Reporter

THE Small Business Development Corporation plans a major fund-raising drive as part of its 1986 programme, according to Press officer Francois Baird.

It will also put a new emphasis on training.

The most promising development area for the informal sector has been in facilities in disused factories which provide equipment to share that informal-sector entrepreneurs could not otherwise afford.

The first, known as the Hive of Industries, in Port Elizabeth, was developed in the old Hawker-Siddeley factory. The second has just opened in Bloemfontein.

Ten more are planned in sites all over the country, including Durban, the South Coast, the Western Cape and Soweto.

The SBDC will be lobbying for deregulation and will negotiate at all levels with central and local government. It will also take up a number of ad hoc test cases.

Baird believes that progress has already been made by the prospective opening of central business districts to traders of all races.

The SBDC also plans to double the output of publications. The new publications will help the small businessman to improve his skills by teaching him, for example, how to prepare balance sheets and do cash flow analyses.

Corporation MD Ben Vosloo has announced that there will be no new property developments undertaken from next month because it cannot spare cash for such low-yielding projects.

These developments will resume as soon as those large corporations that have not yet contributed do so.

Vosloo believes that foreign companies, in particular, should contribute more substantial sums to the SBDC.

# Call for all to own CBD property

DISPATCH 30  
2/11/86

JOHANNESBURG — Black businessmen would continue to be underdogs unless the government allowed them to own their property once the CBDs were opened to all races, the Soweto millionaire entrepreneur, Mr Richard Maponya, said here.

"We have to take on the government on the question of ownership. At the moment it's unclear whether we will be allowed to own property in the CBDs or just to occupy it," he said in an interview.

Mr Maponya, who is one of Soweto's leading businessmen, said he was looking round for suitable business premises, but his decision to move into the CBD might ultimately depend on the question of ownership.

"If we are to be seen as

competitive we have to be given the opportunity to own the land we are trading on. Otherwise we will still be the underdogs.

"If the government wants the opening of the CBDs as free trading zones to be attractive enough for blacks to take up the challenge, there should be a package deal allowing blacks to both own and occupy premises," he said.

Mr Maponya said he did not expect a major

rush of black traders into the CBDs, "because it is saturated already".

"Nearly every type of business is catered for at the moment. Black traders will have to be very selective as to what type of business they go into if they don't want to get into trouble financially," he said.

Blacks needing office and factory space would be more likely to move to the CBD, "because there is a dire need for such facilities." — DDC.

# Sappi out to double exports in '86

CHERYLYN IRETON

BU > DAY 30/1/86

SAPPI'S new international division is taking on the overseas paper markets with an aggressive drive intended to double the company's exports in 1986.

After a modest entry to the international commodity markets during 1984, Sappi last year increased its paper and particle board exports by 100%.

Now, fired up by the extra capacity available from the Ribn Ngodwana mill, Sappi is planning

to repeat last year's feat by doubling the tonnage of exports.

Leading the export drive is Ian Forbes, former chief of Sappi Timber Industries, who has been appointed as division MD.



● FORBES

He says the outlook for exports is positive. Ngodwana is operating at budgeted levels and the company's other mills are running at full capacity, even though local

demand is down.

Forbes says Sappi is not entering the export market for short-term benefits. It sees itself as a long-term exporter and will try to entrench itself as an international supplier.

World paper prices are strengthening and demand is not expected to fall dramatically in the near future. However, politically-inspired boycotts and sanctions could threaten Sappi's duration on international markets.

# Zimbabwe calls for SA trade boycott

30  
DISPATCH  
3/1/88

HARARE — Zimbabwe's Prime Minister, Mr Robert Mugabe, today accused South Africa of destabilising neighbouring black-governed countries and called for international sanctions against the white government.

Mr Mugabe spoke at the opening of a two-day conference of nine black nations which have joined together in an effort to loosen their trade, transport and communications links with South Africa.

He said the countries "need an environment of complete peace and security" to build their own economies and promote regional co-operation without South African interference.

The Zimbabwe leader urged delegates and international donors at the fifth consultative meeting of the Southern African Development Co-ordination Conference (SADCC) to step up support for guerilla armies fighting South Africa.

"We in SADCC are also agreed that the international community must apply comprehensive economic sanctions

against South Africa as another important strategy in the struggle to rid this region of the menace and threat to peace that apartheid represents," he said.

He cited the recent economic blockade of the small mountain kingdom of Lesotho, military incursions into Angola, and South African support for rebels in Mozambique and Zimbabwe.

"All this is clearly done in defence of the white supremacist regime and in pursuit of its pipe dream of a constellation of states in Southern Africa."

Mr Mugabe was referring to Pretoria's proposed confederation of countries in the region. The idea has been rejected by all its neighbours.

"Because of apartheid, many member states have had to spend funds on defence and other security requirements, thus diverting them from economic development," Mr Mugabe told the delegates.

The SADCC chairman, Mr Peter Mmusi, who is

Vice-President of Botswana, also urged members and 40 donor nations to support insurgents and impose sanctions against South Africa.

Addressing representatives of the African National Congress (ANC), the Pan Africanist Congress (PAC) and the South West African People's Organisation (Swapo), who were present at the conference, Mr Mmusi said: "Your cause is our cause, especially since we are increasingly threatened and attacked by the same evil power that is hunting your people."

Nigeria's Foreign Minister, Professor Bolaji Akinyemi, said the regional organisation is "fast becoming a success story in African self-reliance."

"SADCC is building blocks for the wall of a wider African economic community in these troubled times when some nations are not taking seriously a possibility of revolt by the poor nations against the rich nations" over mounting debts, the Nigerian said.

SWAPO leader Mr Sam Nujoma, replying to Mr Mmusi, said the Lesotho blockade "once again underscored the importance of the task that SADCC has set itself."

Mr Nujoma, speaking for the insurgent movements, said South African actions against its own people and neighbouring states had been "covertly abetted by some Western powers." He did not name any countries.

Noting that some neighbouring states were dependent on South Africa for food, medicines and other commodities, Mr Nujoma said: "This has become a prominent feature in the arsenal of the racists ... the maize train, no less than the gun, is today an instrument in this policy of destabilisation and aggression."

A report prepared for the conference urged members to support economic sanctions against South Africa, even though their own economies could be damaged. — Sapa-AP

# Boycott threat looms in PE again

By ALLAN SOULE and JEREMY McCABE

ULTRA-radical black activists in Port Elizabeth want to reimpose a conditionally suspended consumer boycott which last year ruined several white businesses.

The activists are threatening to torpedo delicate negotiations between black moderates and white business leaders in the ailing coastal centre.

Last year, sectors of the Port Elizabeth business community were financially crippled by the four-month boycott by black consumers.

In November, boycott leaders called for the conditional suspension of the protest action pending the outcome of negotiations with business and civic leaders.

The suspension coincided with the withdrawal of security forces from Port Elizabeth townships.

## Townships

The director of the Port Elizabeth Chamber of Commerce, Mr Tony Gilson, whose organisation headed efforts to negotiate an end to the boycott, was this week reluctant to speculate on the possible reimposition of sanctions. "The talks hinge on numerous factors, many of which are beyond our control," he said.

"Success depends on the ability of the authorities to maintain a climate for negotiation."

Negotiations were dealt a serious blow recently when security forces re-entered the city's black townships.

This week, the chairman of the PE Boycott Committee, Mr Mkhusele Jack, warned that the situation in black residential areas was becoming increasingly volatile because of "naked provocation" by the security forces.

Jack not talking about boycott

By KIN BENTLEY

THE spokesman for the Consumer Boycott Committee, Mr. Mkhusele Jack, said today he did "not want to talk about" the possibility of the Port Elizabeth trade boycott being re-imposed.

He said that when he mentioned this possibility on Saturday, he was voicing "initial reaction" from the black community to the State President's speech on Friday.

On Saturday, he said he received "calls for action, like consumer boycotts" as a result of the speech.

The boycott is scheduled to be resumed at the beginning of April, unless progress has been made in addressing various demands.

Asked today if the proposed national statutory council — to include blacks — and the promise to scrap influx control by July was not an indication of progress, Mr Jack said the State President should first have addressed the major demands like the release of detainees.

# Swap plan seems to have flopped

CAPE TOWN — The Government's latest plan to have Nelson Mandela released in exchange for two Soviet dissidents and a captured South African commando appears to have flopped.

Both Angola and the Soviet Union at the weekend rejected State President P W Botha's proposal to free the jailed African National Congress (ANC) leader "on humanitarian grounds". His conditions were

that Moscow release Jewish dissidents Dr Andre Sakharof and Mr Anatoly Sharanski and that Luanda free Captain Myrand du Toit.

But the Angolan Government has indicated that it might swap Captain du Toit, who was seized last year during a botched South African commando raid on United States-Angolan oil installations in the northern Angolan enclave of Cabinda, in exchange for

Angolans and a Cuban allegedly held in South Africa.

A spokesman for the Soviet mission at the United Nations has reportedly said that Moscow was not interested in an exchange of Mr Mandela for Jewish dissidents.

Meanwhile, a reliable source has dismissed as "outlandish mystification" suggestions that the South African and US governments might have

struck a deal on the swap proposed by Mr Botha in Parliament on Friday.

However, the subject was apparently broached during recent talks between the Government and the US Assistant Secretary of State for African affairs, Dr Chester Crocker.

Reports from Bonn say that Mr Sharanski will be included in a swap of Eastern bloc and Western agents.

the biggest exchange of East bloc and Western agents in post-war history, has been arranged between Bonn, Washington, Moscow and East Berlin and will take place in the next few days.

Reports from London say Mr Botha's offer was seen as "impractical" in Western capitals.

Whitehall officials said the offer appeared to be a last-minute addition to his speech — Sapa- Reuter

"All that he said, falls short. There are scores of people in prison."

He did not foresee black leaders participating in the council as long as the security laws are there and there are detainees all over the place.

Furthermore, he said, Mr Botha "decided on it alone. We'll not support him as long as democracy is something he's ignorant of."

He said Mr Botha should have got round a table with "representatives of the people and decided with them."

He said this could only happen "when all the leaders are out"

# Business welcomes speech

SOKJETAN 3/2/86

**BUSINESS** organisations welcomed the speech by the State President, Mr P W Botha, who announced a legislative programme aimed at internal reform at the opening of Parliament in Cape Town on Friday.

However, anti-apartheid organisations such as the United Democratic Front and the South African Council of Churches said the government had failed to address the fundamental issues.

## Shifts

The speech was praised and welcomed by the Association of Chambers of Commerce, the South African Federated Chamber of Industries, the Clearing Bankers Association, the Free Market Foundation of Southern Africa and the Afrikaanse Handelsinstituut.

Welcoming the basic thrust of Mr Botha's speech, the president of Assocom, Mr V M Ridgeway, said "the speech clearly recognises the interdependence of economic performance and political stability."

## 'Reagan taken by surprise'

MOSCOW — The Communist Party daily Pravda said yesterday that Soviet leader Mr Mikhail Gorbachev's latest arms proposal had taken President Reagan by surprise.

However, he said, there were aspects such as the role of the new statutory council for local homeland blacks which required further clarification.

The KwaNdebele Government appreciated Mr Botha's great emphasis he put on the upliftment of the general standard of living of the black people, Chief Simon Skhosana said.

Venda State President Chief Patrick Mphephu said the changes embodied in Mr Botha's address represented fundamental shifts in government policy and "only the cynically naive or politically dishonest would dismiss them as cosmetic."

Mr Botha had lost his last chance to create a new future for South Africa, the general secretary of the South African Council of Churches, Dr Beyers Naude, said.

He said he was "gratified" to note that certain general principles with regard to the future po-

sition of blacks had been stated, concerning the government's acceptance of an undivided South Africa and of one South African citizenship, as well as the affirmation of the sovereignty of law.

## Trust

"We have to point out that it is meaningless to talk of equal education

without equal political rights, or title deeds without making land available.

"Equally, there is a serious contradiction in talking about an undivided South Africa and at the same time of recognising and entrenching the position of minorities."

The United Democratic Front said the

speech was "simply doublespeak and fails completely to provide a real solution to the crisis ... created."

The organisation said his speech was "replete with intentions and National Party history does not lend itself to trust. The country's present crisis requires immediate action," it said. — Sapa.

# Small businesses corporation flooded with eager entrepreneurs

(30) STAR 4/2/86

By Michael Chester

The quickening tempo of South Africans eager to launch their own new business ventures can be measured at the telephone board and mailbox of the Parktown head office of the Small Business Development Corporation (SBDC) in Johannesburg.

The trickle of requests from potential and fledgling entrepreneurs seeking loans to make a start or guidance on how to keep going, has turned into a flood of 12 000 a month.

The inquiries are from blacks and whites — from housewives anxious to pad out the family income to re-trenched executives hit by the recession — convinced they can make a go of business ventures of their own.

## STRINGENT TESTS

The SBDC is sympathetic to all. But the success rate of applications for loans is no higher than one in every four or five — often because of the stringent tests used by its team of experts to thin out proposals that look doomed to failure.

"We're here to try to assist everyone, however modest the proposition, and we have launched hundreds of new ventures," says Mr Francois Baird, SBDC liaison executive.

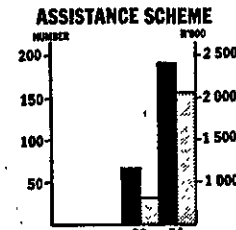
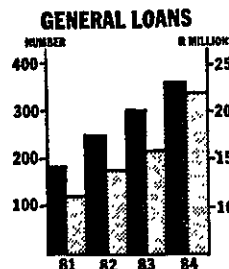
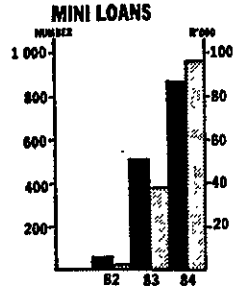
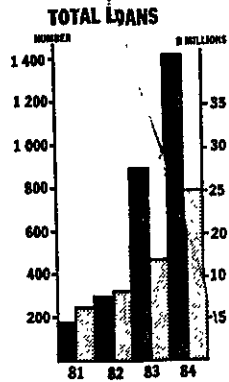
"Size has little influence on the projects we agree to finance. For instance, the number of loans we handed out under our mini-loan programme — R2 000 or less over 24 months — more than doubled in our last financial year to almost 1 500.

## REGULATIONS

"And the applicants came in all shapes and sizes — groups of housewives forming knitting circles, backyard producers of beadwork or window frames, welders, dressmakers, shoe repairers, photographers, upholsterers.

"Also, we are hard at it trying to convince the authorities to dismantle the pile of regulations that hold back initiative — especially among blacks seeking to make a start in the informal sector with backyard enterprises that collectively can do miracles in curbing unemployment.

"But we cannot operate as a charity. Proposals have to make sense. And so we run a simple set of tests to prove viability.



NUMBER OF LOANS

AMOUNT OF LOANS

The SBDC runs a variety of loan schemes tailored more or less to the size of the small business.

● A mini-loan programme is designed to help infant enterprises — knitting and sewing circles, welders, shoemakers, beadwork shops and cottage industries in general. Loans are R2 000 or under, repayable over two years.

● A comprehensive assistance scheme awaits the small fry when they want to expand into the formal sector and perhaps move into an industrial park or shopping centre. Loans go up to R30 000, with a bundle of supplementary services on hand.

● A general finance programme caters for bigger ventures in the industrial and commercial sector. Loans go as high as R300 000 and cover items such as share capital, lease and business guarantees.

"It would be useless and counter-productive to encourage someone to start a factory to manufacture snowballs for export to the eskimos".

So the SBDC combs through a few ground rules when it considers loans. Among the basic factors that come under the microscope are:

## BASIC RULES

● Applicant's experience, track record and management skills.

● His or her own contribution to total capital requirements.

● Capital structure of the proposed new business.

● Market potential of the business and growth prospects.

● Profitability and cash-flow forecasts.

All this has to be filled in when application is made for financial assistance.

Applicants are advised to keep five basic rules in mind:

● Funds likely to be tied up for more than 12 months should be obtained from sources that allow long-term repayments.

● Funds required for current needs, such as buying stock, should be obtained from short-term sources such as bank overdrafts.

● Owners should be equipped to provide at least one-third of total capital requirements.

● Value of current assets should always exceed the value of current liabilities.

● Cash flows should be adequate to meet normal business obligations as they fall due.

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The R75-million injection of new capital from the Government, made three months ago,



## Why so many new ventures collapse

"It is an unfortunate fact that the failure rate of small businesses is high.

"In the United States studies have shown that out of every 10 new businesses started, seven survive the first year, five survive to the third year, and after five years only two remain

"Why?

"The real answer is in the quality of key management decisions on strategy. Strategic issues may present themselves at any time and there is a danger that they can be overlooked if time is not set aside for conscious and regular reviews.

"The more clearly an entrepreneur defines his business strategy, the more likely are his chances of success".

● Mr John Stretch, management consultant and lecturer at the Graduate School of Business at Cape Town University, who will be the key speaker at two special seminars to be run by the Johannesburg Chamber of Commerce on February 13 to examine the problems that new small businesses may meet.

has been swallowed by a new batch of SBDC services.

The first R25million went into what the SBDC calls its Small Business Start-Up Fund, designed for allocation to new ventures needing loans for premises, working capital, machinery and establishment costs.

The maximum loan under the programme is R300 000, to be repaid over 10 years. To avert cash-flow problems, entrepreneurs are given a breathing space with deferrals in payments and low interest rates.

## BUILDING

● New manufacturing ventures can be given a moratorium on capital repayments for up to four years, in which time interest will be pegged at 10 percent.

● New businesses in the commercial and service sectors can be granted a moratorium on capital repayments lasting two years.

The emphasis of the programme is fixed on the potential to create new jobs, import substitution and export promotion.

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Next, R10 million has gone into a Small Builders Bridging Fund, specifically aimed at encouraging initiative to tackle the immense and chronic housing shortage.

The fund sets out to pro-

vide bridging finance for small builders, with loans inside a maximum of R20 000 per building unit and interest set at 15 percent.

One stipulation: the builder must have a buyer for the house and the loan is linked to a formal contract.

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R10 million goes into an Entrepreneurship Training and Development Programme, under which the SBDC is expanding the number of cluster industrial workshops it operates, creating "small business clinics" and opening up buyer-and-seller exchanges.

Factory units will be provided as virtual nurseries where new entrepreneurs can be groomed — again with emphasis on the creation of more jobs.

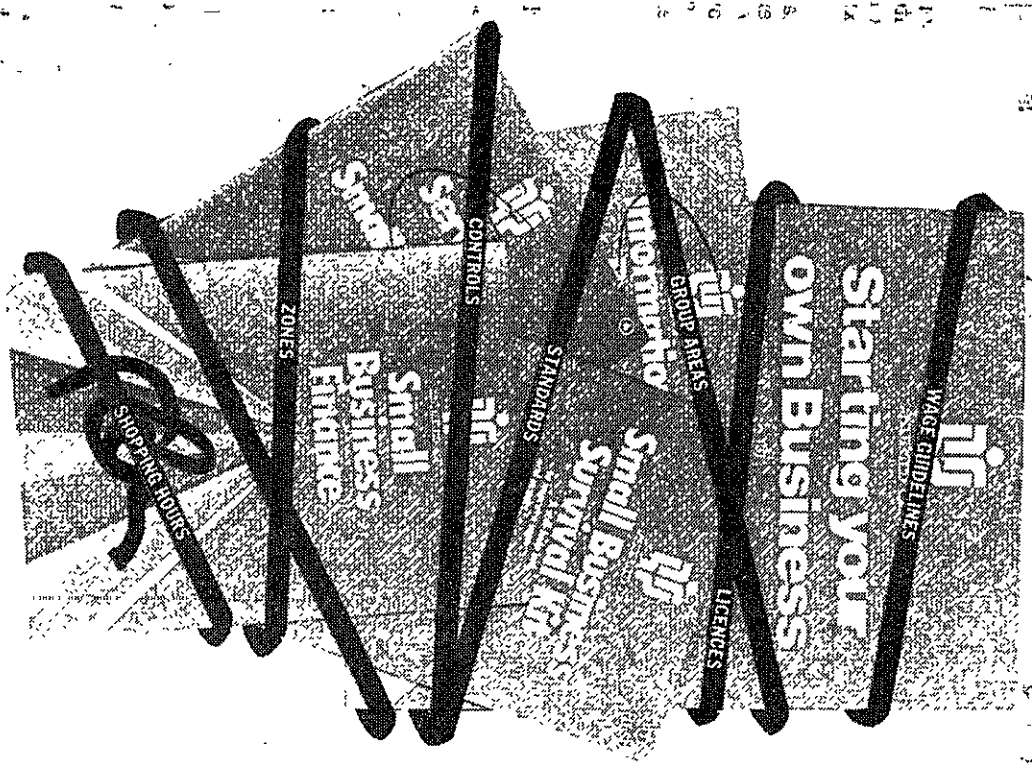
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The Small Business Aid Fund — designed to provide short-term bridging finance to existing small businesses feeling the worst pinches of the recession — takes R30 million.

Loans of up to R50 000 carry interest rates of only 10 percent and capital repayments may be postponed for the first 12 months.

A key proviso: the business must prove to be viable in the long term and its continued existence likely to make a sound cumulative contribution to its local community.





# SBDC pleads: cut red tape and let us take off

By Michael Chester

A renewed warning has been issued by the Small Business Development Corporation that programmes aimed at creating new jobs on any big scale will all be hamstrung unless the Government removes the web of regulations that ensnares black initiatives in red tape.

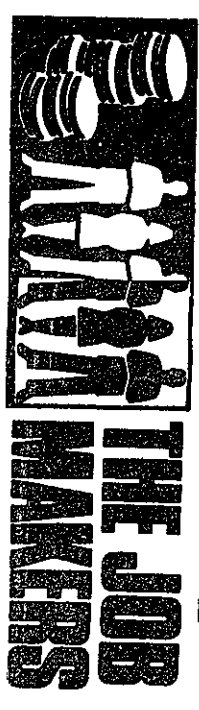
The top priority, argues managing director Dr Ben Vosloo, should be to provide a vigorous thrust to the informal sector — the mass of small backyard enterprises whose main concern at the moment is to dodge a horde of bureaucrats they blame for constant harassment.

Optimism about more freedom for the informal sector has been kindled by remarks by President Botha at the opening of Parliament last weekend.

But critics remain wary until the emergence of actual evidence of deregulation of the small business sector in general.

Dr Vosloo often wonders whether the politicians, whatever their extremes, will ever learn the lessons he is convinced have been spelled out by the international economic giants.

He runs out of fingers when he trots off the barriers that have been enforced in South Africa.



- The Group Areas Act, which limits access to markets and finance.
- Business zone boundaries and regulations inside them.
- Standards to meet legal requirements on such items as health services and building regulations.
- Minimum wage guidelines laid down by industrial councils that he feels are "unduly rigid".
- Red tape related to the issue of business licences.
- Restrictive business and shopping hours.
- Rigid controls that confine the informal sector in general.

In Japan, he likes to point out, the small business sector has been groomed into a gigantic job-maker behind its "economic miracle".

A chain of 15 special institutions in Japan have been created specifically to finance the launch of new ventures by entrepreneurs. The scale of the operation emerges from a recent count showing that a staggering R1 500 billion has been showered on new small enterprises.

The impact shows in 1984 statistics. Small businesses, each with total labour forces all below 300 workers, accounted for no less than 51,4 percent of Japan's overall production in the manufacturing sector.

Even more significant, in Dr Vosloo's view, the business minnows between them now provide no less than 72 percent of all the factory jobs in Japan.

Britain, West Germany and the United States are among a growing number of competitors who have been stunned by Japan's successes and have ordered full-scale research into how to disentangle bureaucratic regulations that prevent their own informal sectors from being given full rein.

"When is South Africa going to learn?" asks Dr Vosloo. "Especially with its acute socio-political problems and its desperate need to create jobs".

The SBDC takes enormous pride in its achievements since its 1961 launch. It has been the financial and guiding hand behind the launch of around 5 000 new small ventures that between them have created more

than 36 000 new jobs — virtually out of the blue.

But the corporation has had to spread a budget that amounted to little more than R90 million, at least until a couple of months ago.

The Government came in with a R30 million prop to SBDC finances a year ago and added another R75 million a few months ago.

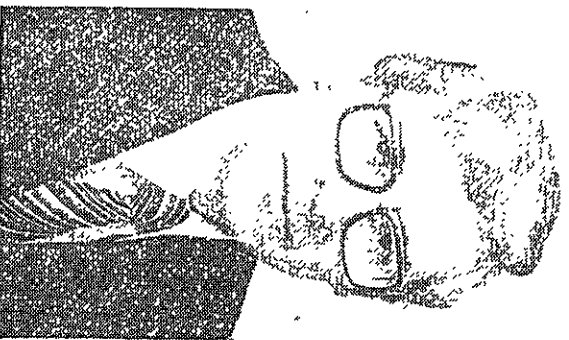
But this assistance looks puny alongside estimates by Dr Vosloo that South Africa needs to plough at least R5 000 million into new black businesses alone over the next five years.

The figure may sound astronomical but is in fact no higher than the expenditure committed or planned for new developments in the white areas.

"The sum of R5 billion is mentioned to set the scenario for the vast amount of money required," says Dr Vosloo.

"What is of paramount importance is that a commitment be made to actively accelerate new developments so that the present black townships become normal cities with their own neighbourhood shopping centres and central business districts."

The SBDC has already outlined its thinking in confidential talks with the Southern Africa Development Bank, the Industrial Development Corporation and the huge insurance



Dr Ben Vosloo of the SBDC... "South Africa can learn from Japan's economic miracle".

ance companies and pension funds.

A special action committee has been formed as a task force to probe deeper in a search for solutions to the problem of where the finance will come from.

● TOMORROW: Eric Mafuna, a pioneer among a new generation of metropolitan black business entrepreneurs, watches the Third World converge with the First World from atop the Carlton Centre.

The best way to encourage initiative in the informal sector, says the Small Business Development Corporation, is to remove the mass of red tape created by out-moded regulations.

# Call off boycott, say Greyhound workers

STAY 5/2/86

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The organisers of the Krugersdorp bus boycott have received a letter from Greyhound Bus Lines employees urging them to call off the boycott as it could lead to the closure of the bus company in the area.

In the letter the employees say that if the boycott is prolonged there is a likelihood they may lose their jobs.

"We are solely dependent on Greyhound for our earning together with our families. We the workers would like to draw attention to the boycott committee that our future is at stake because of the boycott.

"We call on the organisers to hold talks with Greyhound man-

agement about the issue," the letter said.

A spokesman for the bus boycott organisers dismissed the letter as "another attempt by Greyhound management to confuse residents".

"We are prepared to call a meeting with the Transport Allied Workers Union to discuss the boycott and ascertain the origin of the letter.

"We will not hold any talks with the bus company because some of our leaders are still being held under security legislation."

The boycott is in its fourth week.

# How a black man got right to the top

By Michael Chester

Eric Mafuna gazes down from the plush executive suite he has taken over on the 49th floor of the Carlton Centre in Johannesburg and points to the peak-hour bustle on the motorways weaving around the city centre.

"Notice all the battered jalopies coming in from Soweto and the south," he says. "And notice how the lanes from the northern suburbs are packed with Mercs and BMWs and Porsches.

"At last we are seeing the convergence of the Third World and the First World after generations of polarisation.

"It's going to demand a lot of readjustments in attitudes on all sides as blacks move into the economic mainstream with metropolitan businesses of their own.

"It's beginning to happen — and it's damn exciting."

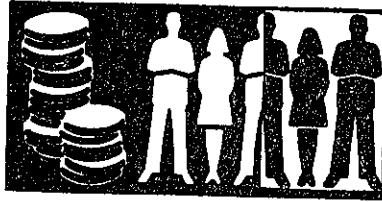
Mr Mafuna has been sharing in the excitement of a metropolis in transformation since he graduated from the University of the North in Pietersburg in 1970 and donned a pinstriped suit to join the J Walter Thompson advertising agency.

Determined not to allow colour to stand in the way of a career, he slogged to the top and earned a seat on the main board of directors.

Three years ago, a reputation well established, he decided to branch out and create his own company, Consumer Behaviour, devoted to market research and management consultancy.

In the process he became one of the first black businessmen to stretch entrepreneurial wings in the heart of the city.

"You soon learn a lot of the chatter about black advancement is little better than lip



## THE JOB MAKERS



Mr Eric Mafuna, in the vanguard of the first wave of black entrepreneurs carving a niche in the metropolitan business world.

service when it comes to the crunch," he reflects.

"It starts when you want to raise the finances to launch your own business. I chased from one bank to the next — all of them full of charm until the conversation turned to cash.

"Blacks, it seemed, were okay in top job positions, as long as they were merely window dressing to put a nice touch of liberalism on view. But lending out money to finance a black business venture — well, er, hum, it's a bit risky, old boy.

"I almost despaired, but then I heard of the Small Business Development Cor-

poration (SBDC).

"All of a sudden the welcome didn't ice over when I started to outline my plans to launch my own company. Inside a couple of weeks there was a R50 000 loan available and I was off and running.

"Not that racial problems vanished. Taking over an office suite in the middle of Johannesburg, and at the top of the Carlton Centre at that, involved all sorts of hassles.

"But the SBDC were stars. Their advice was invaluable, especially in coaching me about business techniques and matters like cash flow and cost control.

"Still, it seems ludicrous

that because I'm black I have the embarrassment of having to make arrangements to hand cheques to a white colleague to pay the rent on my behalf.

"There are other snags for black businessmen who operate in a white environment. It's amazing how much business gets done around the swimming pools and cocktail parties in Bryanston and the rest of the smart white northern suburbs.

"One is invited along from time to time, of course. But how do you reciprocate by asking the gang to come over to Soweto next weekend?"

Whatever the snags and disadvantages, Eric Mafuna has made it.

Consumer Behaviour, with a list of corporate clients as long as your arm, all queuing for advice on management strategies and guidance on marketing, especially on how to tap the huge black consumer market, now has an annual turnover approaching R500 000.

Mr Mafuna has recruited a team of seven top-notch researchers and specialists — blacks and whites — to help handle the load. And the team will be expanded again next month.

"Business is the nut that needs to be cracked — and it's cracking as more blacks are given a chance to test their business talents.

What stirred Mr Mafuna's enthusiasm, and optimism, was a spell in the United States, where he took an MBA degree at Tufts University in Boston.

"The gigantic potential of the black consumer market and the potential for black entrepreneurs were unfolded by studying the advancement of the Negro in the US", he says.

"It made me reflect about the inevitable course of developments in South Africa

# Johannesburg CBD to open in 10 days

*BUSINESS*

6/2/88

PATRICK CULL  
Political Correspondent

30

THE Central Business District in Johannesburg is to be opened to all races at the end of next week. And it is understood that CBDs in other major cities will follow suit, within the next two or three months.

It is believed that the cumbersome formalities that need to be gone through prior to declaring the CBDs open have been virtually completed.

An announcement formally opening the areas can now be made.

A statement that CBDs were to be opened to all races was made about 12 months ago.

Since then, however, the move has been bogged down in an administrative quagmire.

One question that still remains unanswered is whether blacks will be able to obtain freehold rights in the areas, or whether they will only be able to operate the businesses.

# New boycott — ex-chairman

DISPATCH 6/2/86 (30)

**Dispatch Reporter**  
EAST LONDON — The consumer boycott would be resumed on March 3, said the former chairman of the consumer boycott committee, Mr Mzwandile Mampunye, who added the decision had been taken at a meeting of community organisations.

He said local and national authorities had failed to meet community demands. Nego-

tiations with authorities broke down in December last year when the local authorities could not come up with satisfactory answers to the boycott committee's demands, he said.

The demands were the opening of all city amenities to all races, an end to harassment of trade unions, end to the expulsions of workers during stayaways, lifting of restrictions on funerals, end of retrenchments,

end to the harassment of hawkers, lifting of the state of emergency, release of political prisoners and the return of exiles.

He said the demands had been presented to local authorities and concerned bodies like the chamber of commerce and the Sakekammer, though some of the demands needed the attention of the central government.

Mr Mampunye said the boycott was not initiated by the previous consumer boycott committee, but by the communities of Mdantsane and Duncan Village through their organisations. The boycott committee had been dissolved when the boycott was lifted in November last year.

A boycott of stores started here in August last year and was suspended in November.

# Chamber to meet dissatisfied blacks

30 7/2/86 DISPATCH

GRAHAMSTOWN — The chamber of commerce here was approached yesterday by certain individuals from the black community who wish to discuss the upgrading of community life with members, the chamber's president, Mr Steve Birt, said.

In a formal statement, the men, Mr S. Mayi and Mr A. Maseti, said many black people did not agree with the policy of the Grahamstown Civic Association (Graca).

They said the chairman of the organisation, Mr Billy Ndwebisa, was not elected by the people of Grahamstown.

Graca did not have a mandate from the majority of the people, and the consumer boycott had proved a failure, they said.

They stated that the people of Grahamstown wanted education for their children, many of whom were already at school in Ciskei, and they were disturbed by

threats of petrol bombs and burning houses.

The people did not want to die of starvation either.

Mr Birt said it had always been the stated policy of the chamber that they would discuss the upgrading of the townships with any interested parties.

He said: "The chamber has, therefore, agreed to have a formal initial meeting with this group of citizens."

# East Cape boycotts 30 may be revived

By BENITO PHILLIPS

EAST London's consumer boycott could be reintroduced on March 3 - despite the recent dissolution of the Border Consumer Boycott Committee.

Former chairman of the Border Consumer Boycott Committee, Mzwandile Mampunye, told City Press the matter was now in the hands of the various progressive people's organisations.

He said the boycott committee had decided to call off the reintroduction of the boycott on February 3 because of requests from the community.

He could not comment on the proposed new date to reintroduce the consumer boycott.

Mampunye said although his now-dissolved

committee had had discussions with the local authorities on the question of banings on weekend funerals, there had been a communications breakdown.

His committee had pointed out to officials that the reason there had been mass stayaways from work on week days was because of the bans on weekend funerals.

His committee had also been disappointed because the only response to their demands during the consumer boycott from local authorities was to allow hawkers in the CBD, and the opening of municipal halls and beaches.

The previous consumer boycott in East London was called off on July 29 last year.

Meanwhile, Mono Babela reports that SADF troops and a large contingent of police in riot gear patrolled Port Elizabeth's black townships this week, resulting in widespread speculation that last year's successful consumer boycott might be reintroduced.

The consumer boycott was conditionally suspended by the Port Elizabeth Consumer Boycott Committee on November 30 last year after troops and cops were withdrawn during the last week of November.

The boycott crippled white businesses in the area.

Eastern Cape UDF vice president and acting Port Elizabeth Black Civic Organisation head Henry Fazzie, said security force presence was a "provocative act" which could result in the community reintroducing the boycott.

# Anti-Centenary body claims more support

STAR 10/2/78 By Michael Tissong (30)

The Community Support Committee (Cosco), which is co-ordinating opposition to the Johannesburg centenary celebrations, says it has received written support from ministers of the Johannesburg dioceses of the Catholic, Anglican and Methodist churches.

Cosco projects co-ordinator Mr Kehla Mthembu said the ministers had formed a committee called Task Force to monitor the centenary celebrations.

Mr Mthembu said: "It is encouraging to realise that it is already February and no major centenary event has taken off."

## GAMES 'IN RUINS'

"The big issue at the moment is the South African Games at Ellis Park in April. It is common knowledge that they are in ruins because of Cosco's work in persuading artists and sportsmen not to participate."

"We have nothing to celebrate or be happy about concerning the 100 years of Johannesburg's existence," he said.

One of the producers of the Ellis Park extravaganza, Mr Ed Harper, recently complained that entertainers and big business had turned their backs on the show.



Shift away short-term needs'

# Blacks seen as the big retail target

Jul 20 AY

10/2/86

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**BLACKS** will become the main retail target market, more small stores will cater for them and the JSE will see more listings in this sector.

Frankel, Kruger Incorporated's industrial analyst, Jerome O'Regan, writes, in an overview of retailing that the black market will represent at least 66% of retailing by the end of the century.

Retail sales for the total population last year is estimated to be more than R30bn.

O'Regan says growth in black consumer spending will average between 6.5% and 8% a year over the next 15 years.

As black disposable incomes rise, the shift towards the end of the century will be away from short-term needs to consumer durables and "lifestyle" consumption.

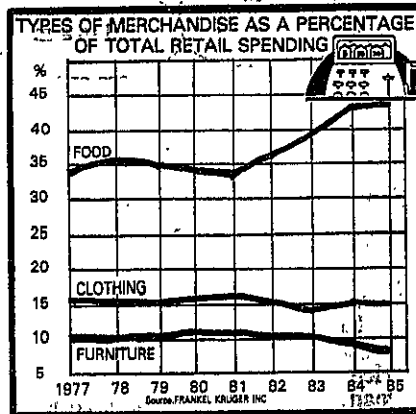
In foods, fewer necessity purchases will be made, and more upmarket food will be bought.

Retail sales for all population groups in 1984 accounted for about 50% of total private consumption expenditure. In that year, food accounted for 40.1% of total retail spending, clothing 15% and furniture 9.6%.

The trend away from durables to food, says O'Regan, is determined by levels of disposable income and personal saving, the recession and severe changes in legislation.

For the year to September 1985, proportions were: food 43.6%; clothing 14.9%; and furniture 7.9%.

Durable retailing, such as furniture, is the most volatile, he says, as high margins are sensitive to volumes. As a percentage of annual total retail sales, fur-



FRED STIGLINGH

niture sales have declined from more than 11% in 1977 to 8% last year. Clothing is less volatile and has been able to maintain a stable share of the total retail market, benefiting from declines in durables sales.

It is estimated about 47% of total clothing sales are to black consumers.

Since 1978, food has increased its share of the total retail market by about 26% — from 35% to over 44% in 1985.

Volume increases in food purchases have, however, seen a decline since 1982. Retailers, says O'Regan, will have to fight for market share in a declining market, particularly those catering to lower income groups.

Pressure to increase in-store use of space to improve turnover will be strong in future, and smaller stores will become more specialised to avoid direct competition with large chains, O'Regan concludes.

# sunrise news

Improve the roads or watch city centre die — warning

# 'CBD strangled by poor traffic system'

STAR 10/2/88 (30)

By Shirley Woodgate,  
Municipal Reporter

The future of Johannesburg's central business district is at stake unless the entire transport system is upgraded, chairman of the Transportation Committee, Mr Danie van Zyl, warned this week.

A top council official confirmed the roads in the city centre had reached saturation point, with the volume of traffic in the CBD showing virtually no increase during peak periods over the past 10 years.

Figures from 1974 to 1984 show that peak hour traffic in

the CBD increased by only 4,7 percent (from about 33 000 vehicles to about 35 000) and all-day traffic into the CBD rose by only 20 percent (from about 207 000 to 249 000).

But traffic entering the greater Johannesburg area shot up by a massive 64 percent and overall peak hour volumes increased by 54 percent from 36 000 to 55 000.

The discrepancy showed clearly that cars were avoiding the CBD, said deputy metropolitan planner Mr T I Carlisle, and the alternatives were clear: improve the flow of people into the CBD or face its eventual deteri-

oration as people travelled elsewhere to do business.

If that happened everyone would suffer, the business sector as well as the citizens who would be saddled with extra rates.

Mr Carlisle was commenting in a wider sense on the furore which greeted the council's attempt this week to get people back into the buses.

The Transport Department upgraded the Newlands park-and-ride and closed off one of the three city-bound traffic lanes for buses only. But the poorly publicised move caused early-morning traffic jams on

Ontdekkers and Main roads.

Motorists complained the exercise was futile as it had not improved bus usage, merely delayed cars or rerouted them while half-empty buses shot past in the fast lane.

"We have tried most of the other options to improve the flow of traffic in the CBD," Mr Carlisle said.

"New one-way streets have been created allowing for 20 percent more capacity, roads have been widened, robots synchronised."

More buses could be put on the routes as demand increased.



# ALL THE WEEK

# Soweto businessmen launch relief fund

The Greater Soweto Chamber of Commerce and Industry yesterday launched a relief fund to help pay for medical care and funerals of unrest victims and for community-building programmes.

Chamber president, Mr Makana Tshabalala, said the relief fund was designed to stop the "chaotic situation whereby various groups call on business people on a regular basis demanding

30  
11/2/78 STAR  
funds and goods for numerous activities.

"This has placed the chamber and business people in an invidious position since, although some of the donations are for a just and worthy social cause, there are unfortunately certain opportunists who have taken advantage of the situation to exploit business people for their own selfish ends.

A number of people were harassed and victimised for showing some misgivings or lack of understanding for some of these requests.

"Because of this the chamber and the black community in general have lost a number of worthwhile business people. We have launched this fund to place a curb on this disturbing trend."

Mr Tshabalala said the relief fund would have two types of membership — full and associate. People qualifying for full membership would be Soweto residents.

Their membership would cost a minimum of R100. Associate members whose fees would be a minimum of R200, would be people with businesses in Soweto but residing outside the township.

Market of 298 000 predicted

11/2/86

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# BER <sup>BUS DAY</sup> sees worse for motormakers

ALAN RUDDOCK

MOTOR sales will fall further this year, according to the University of Stellenbosch's Bureau for Economic Research (BER).

In its latest quarterly review of trade and commerce, it says the motor industry "is expected to experience its fifth consecutive annual decline in sales during 1986".

The BER expects real consumer spending to decline in the first quarter of the year — with increases in spending only possible in the last three quarters — and sees a 0,5% fall in total real private consumption expenditure.

This gloomy outlook for the motor industry is supported by Samcor market estimates. Spokesman Roger Houghton says Samcor expects a total vehicle market of 298 000 — 200 000 passenger cars, 82 000 light commercials, with medium and heavy commercials making up the balance.

However, there are a number of positive factors for the industry this year. The continuing strengthening of the rand will alleviate the massive foreign exchange related add-on costs manufacturers suffered last year.

The steady relaxation of interest rates has helped offset last year's price in-

creases and there is hope the "replacement factor" will stimulate sales.

The last quarter of 1985 indicated replacements were stimulating the market. Consumers, who had delayed purchases for as long as possible, were drawn back. Their vehicles needed to be replaced and if they did not do so, there was a danger they could not afford to in the foreseeable future.

Economist Tony Twine of Econometrics differs with the BER and Samcor conclusions. He believes passenger vehicle sales will improve about 10% this year to 220 000, with commercials contributing a further 112 000.

"There should be an increase in durable goods spending this year — it certainly could not be worse than 1985. Personal transport equipment accounts for about 40% of durable good spending in an average year, but it was severely down last year to about 36%, although the final figure will not be known until the Reserve Bank bulletin is released.

"The past seven-year average is 40% and if this is achieved this year, it translates roughly into a 10% increase in passenger car sales," he says.

# Chamber slams centenary

(30)  
President of the Greater Soweto Chamber of Commerce and Industry (GSCCI), Mr Makana Tshabalala, yesterday criticised the organisers of the Johannesburg centenary celebrations for ignoring the black people who helped build Johannesburg from a mining village to a major city.

STAR 11/12/76  
Mr Tshabalala told a meeting of the chamber in Soweto yesterday that the GSCCI executive was approached by the centenary organisers last year to take part in the celebrations.

"We said in strong terms that we would not take part unless credit was given to the black people who were involved in the building of Johannesburg. We said that if there were any funds some should go to these blacks.

"We also said that if these people were ignored, we would have nothing to do with the celebrations. Today we have nothing to do with it.

"We are not part of the celebrations because we see nothing worth celebrating," Mr Tshabalala said.

Mr Tshabalala announced that the chamber would engage in community-building programmes and grant bursaries with money from a relief fund it had set up.

6/2/80 BUS DA 30

# Forecast of white 'ghettos' in CBDs

PROPERTY economist Neville Berkowitz likens the injection of black entrepreneurs into parts of the CBDs to immigration patterns that changed the faces of American cities in the early part of this century. The white group will, in time, become a minority force in the city centres, he predicts.

With the opening of the central cities the blacks, Indians and coloureds will start to redefine territories where they will work, shop and ultimately live, Berkowitz writes in the latest quarterly investment report of *The Property Economist*.

Hence there will be profound changes taking place, he says — an opinion contrary to views expressed by many other property observers who envisage unremarkable change.

As primarily a long-term investment, any future planning must recognise the likely medium- to long-term restructuring of the CBDs

and the effect of this on investment values. "Non-white" business people will reshape many of the poorer parts of town, in the same way immigrants did to American cities.

Their need for shops, offices, workshops, factories, warehouses and recreational facilities will increase, and eventually those communities will take over from white investors, becoming themselves the creators, investors and tenants of these new developments.

Whites will form small "ghetto" areas in which to work and shop, with these areas likely to be on routes into town closest to where senior management live.

So, he perceives an initial scenario of racially-created territories, with, in the long-term, the eventual merging of all racial groups with one major territory. "The breaking down of racial barriers will not happen overnight," he concludes.

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## INDUSTRY

BUS DAY 12/2/86

# Car sales collapse with 27% drop in January

VEHICLE sales collapsed in January. Car sales fell 27,7% compared with December while heavy commercial sales were the lowest for 24 years.

Car sales fell to 13 859 from December's 19 170, light commercial vehicles (LCV) to 5 403 (7 253), medium commercials fell marginally to 433 (447) and heavy commercials more than 31% to 513 (746).

National Association of Auto-

## ALAN RUDDOCK

mobile Manufacturers of SA (Naamsa) director Nico Vermeulen said January sales figures "confirmed that the SA motor vehicle manufacturing industry continued to face extremely difficult and competitive business conditions".

He described January's sales of LCVs as meagre and said the sales of new trucks and buses "showed an unprecedented decline".

"The continuing negative sales trend in the strategically vital truck and bus sector is extremely worrying, as it reflects continued weakness in general business conditions and underlines the need for further official steps to revitalise the economy."

For the third month in a row, manufacturers blamed the depressed market on stock shortages.

Yesterday they blamed higher-than-expected December sales and the Christmas factory shutdown, for the depressed January market.

They admitted that their market predictions had been out of line with market demands and said the lag time on completely knocked down parts from their source countries was between five and eight months. They said stocks should be available again in March.

BMW put in a strong January performance, being the only manufacturer to increase volume sales as well as market share. Marketing director Vic Doolan said BMW's share of the dealer market was expected to be "an all-time record".

General Motors suffered the most traumatic collapse in market share, falling almost six percentage points in December to 5,73% of the passenger car market, and plunging seven points in the total vehicle market to 6,7%.

A GM spokesman described January sales as disappointing and said GM car sales "were especially hard hit by shortages of the Kadett T car, due to the higher demand than expected during the latter part of 1985".

Nissan marketing director Stephanus Laubser also blamed stock shortages for reduced sales, but said it was better to lose a few sales than to be over-stocked.

Toyota, with 25,7% of the car market, savaged the opposition and moved more than five points clear of its nearest rival, Samcor — 20,6% — and nearly 10 points clear of third placed Volkswagen — 14,89%.

## VEHICLE SALES FOR JANUARY SUPPLIED BY NAAMSA

(National Association of Automobile Manufacturers of South Africa)

## CARS

BMW — 3 Series 890, 5 Series 173, 7 Series 82, Other 5, Total 1 150.

General Motors — Opel Rekord/Commodore/Senator 222, Ascona 59, Kadett 512, Total 793.

Mercedes-Benz — Honda Ballade 749, Honda Prelude/Civic 4, Mercedes New W123 Series 719, New W126 Series 151, Other 2, Total 1 625.

Nissan — Langley/Pulsar 653, Skyline 340, Laurel 40, 280 ZX 3, Other 5, Total 1 041.

Renault — Renault 9/11 735, Other 4, Total 739.

Samcor — Ford Escort 551, Sierra 535, Granada 76, (Ford total 1 162), Mazda 323 843, Mazda 626 376, Tre-dia 338, Peugeot 504 7, Peugeot 505 141 (MMI total 1 705), Total 2 867.

Toyota — Corolla 2 725, Cressida 835, Other 8, Total 3 568.

Volkswagen — Golf/Jetta 1 674, Passat 262, Audi 500 128, Total 2 064.

Other — Lancia 4, Jaguar 2, Range Rover 5, Mini 1, Total 12.

Total January 1986 — 13 859.

Total January 1985 — 18 551.

Total December 1985 — 19 170.

## LIGHT COMMERCIALS

GM 433, Leyland 36, Nissan 1 222, Samcor (Ford 612, MMI 448) 1 060, Toyota 2 294, VW 358.

Total January 1986 — 5 403.

Total January 1985 — 7 096.

Total December 1985 — 7 253.

## MEDIUM COMMERCIALS

GM 71, M/Benz 31, Nissan 48, Samcor (Ford 25, MMI 127) 152, Toyota 131.

Total January 1986 — 433.

Total January 1985 — 441.

Total December 1985 — 447.

## HEAVY COMMERCIALS

Erf 11, Fodens 2, GM 49, Hestair 2, International Harvester 2, Leyland 49, Magnis/Nissan 33, Malcomess 9, Man Truck 35, M/Benz 177, Samcor (Ford 14, MMI 47) 61, Toyota 83.

Total January 1986 — 513.

Total January 1985 — 741.

Total December 1985 — 746.

## Rag trade gets together

US IMPORT quotas could lead to greater co-operation in the SA clothing industry.

Moves are afoot to get manufacturers in the Transkei, Bophuthatswana, Venda and Ciskei to affiliate with the National Clothing Federation.

NCF president Mike Getz says

the fact the US recognises SA only as a partner in negotiations over import quotas lies behind the move.

Informal discussions have already been held with a view to establishing a single body to deal with the export interests of all manufacturers in a broader SA context.

## Monopolies under attack <sup>Star</sup>

(30)  
PARLIAMENT — Monopolies, restrictive trade practices and price-fixing posed greater dangers to South Africa than Marxism and the ANC, Mr Derek Watterson (NRP, Umbilo) said yesterday. 12/2/86

He was speaking during the debate on the Second Reading of the Maintenance and Promotion of Competition Amendment Bill, which extends the powers of the Competitions Board.

Mr Watterson said the Government was prone to back down before "massive monopolistic powers".

"How can we expect black people to respect free enterprise if they can't get into it?"

Mr Watterson said "monopolistic" supermarket chains were putting small shopowners out of business, with up to 70 smaller shops closing for every new supermarket opened.

Replying, the Minister of Trade and Industry, Dr Dawie de Villiers, said supermarkets could not be called monopolies as there were various chains in fierce competition with each other. — Sapa.



BUS DAY 12/2/86

# Jo'burg CBD deals on the up... 30

**OFFICE ACCOMMODATION** deals done in Johannesburg recently seem to indicate a cheering level of interest in the market and possible forthcoming improvement. Leases are being signed on both prime and secondary space in and out of the CBD.

Anglo American Property Services (Ampros) has let a total of 4 259m<sup>2</sup> of office space since Christmas. National leasing director Joe Hallis comments that the past two months have elicited a perceptibly greater degree of confidence across the board.

In the last month or so:

□ Bowman Gilfillan have taken 850m<sup>2</sup> in JCI House, in addition to the 1 500m<sup>2</sup> already under lease. Ampros has a head lease over four floors (6 000m<sup>2</sup>) in the building and this recent deal means Ampros has now let 3 850m<sup>2</sup>, or 65% of this area.

□ Volkskas Merchant Bank has consolidated its position in the Carlton Centre, signing a new lease on existing premises and taking an additional 1 600m<sup>2</sup>.

□ High activity at the JSE has seen stockbrokers take 1 000m<sup>2</sup> across the road in Barnib House (11 Diagonal Street). Ampros, which has about

9 500m<sup>2</sup> left out of 32 000m<sup>2</sup> in the building, has intensified its effort to attract the overflow of stockbrokers. By April they will have installed a cable communications link between the JSE and 11 Diagonal Street, enabling brokers to have screens on their desks reflecting activity in the trading hall. Direct telephone lines will also be available. It is felt that a further 3 000m<sup>2</sup>, or two floors, could be taken by this type of client.

□ WTC Shipping has taken 800m<sup>2</sup> of space in Braamfontein Centre.

At Landmark, commercial manager Nick Hill says he has concluded 12 lettings since the beginning of the year. Of the total 2 600m<sup>2</sup> leased, the deals range in size from 60m<sup>2</sup> to 550m<sup>2</sup>.

□ **GROUP FIVE Building/Combrink Construction** has been awarded a R1,1m contract for 2 605m<sup>2</sup> of extensions to existing warehousing at New Centre, Johannesburg, for Spicers. Spicers is one of the oldest paper firms in the world and is part of Nampak, within the Barlow Rand group. The new area will be a 12m high steel construction building, due

His business includes letting of 305m<sup>2</sup> to the Urban Foundation's teacher opportunity programmes at Manchester House, CBD, at an average rental of R8m<sup>2</sup> for three years.

□ Osprey Aviation has taken 550m<sup>2</sup> at Carlon Falco in Sandton at R13,50 for three years, and Provicom Industries and Redelec Electronics have jointly taken 321m<sup>2</sup> on the 14th floor of North Towers, Doornfontein, for two years at R5,50m<sup>2</sup>.

Hill remarks that a number of significant and larger inquiries have also been received. One might also note that annual escalations have not been less than 10% for any of the leases negotiated.

for completion by the end of June.  
□ A NEW residential township of 400 serviced stands has opened in Verwoerdburg. Plots in Eldoraigue III range in size from 1 200m<sup>2</sup> to 2 000m<sup>2</sup> and sell at from R35 000 to R55 000. Marketer Shirley van der Merwe, for developers Zwartkop Landgoed, says particular interest is coming from those in the over-30 age group.

# Car sales slump heavily but 12/2/86 STAR 30 BMW improves market share

By Jeremy Sinek

Shortages of some car models, and sales pulled forward by pre-price increase buying in December, resulted in a confused car sales picture in January.

Overall registrations of 13 859 cars represent a 27,7 percent slump from December's relatively healthy 19 170, but these figures nevertheless indicate a 25,3 percent drop in sales from January 1985.

There were also significant falls in the sales of light and heavy commercial vehicles — down 25,5 and 32,0 percent respectively — though medium trucks and buses slipped only marginally from 447 to 433.

But the fortunes of individual vehicle manufacturers varied widely.

According to the official figures released yesterday, BMW actually improved its sales by 6,8 percent over December levels, while Renault (down 3,3 percent), Toyota (down 18,4 percent) and Nissan (19 percent) suffered less than the general market trend.

### SPECIAL EFFORTS

General Motors, on the other hand, saw its car and truck sales slashed to barely more than a third of December's figures.

This tends to support the view that the company made special efforts to record as many vehicle

sales as possible in December — leaving the cupboard virtually bare in January — in an abortive bid to beat Volkswagen into the number three slot for overall 1985 sales.

Toyota again headed the car sales charts with a 26 percent market share in January, followed by Samcor (20,7 percent for Ford and MMI combined), and Volkswagen (14,9 percent).

The most popular models were the Toyota Corolla (2 725 sold), Volkswagen's Golf/Jetta (1 674) and the BMW 3 Series (890).

For the first time since Alfa Romeo announced its withdrawal, there were no recorded sales of Alfa or Daihatsu models.

Cash and short term funds  
 Investments

19 310,3	15 728,2
1 307,6	839,3
755 R	489 3

## Draft law gives option to municipalities

# Late shopping a step nearer

STAR 30  
12/2/86

By Sue Leeman, Pretoria Bureau

The Transvaal's draft Shop Hours Ordinance, which will dramatically extend trading hours, entered the second reading stage in the provincial council yesterday.

The new legislation will do away with strictures which have existed since 1910, and will allow shops to remain open between 5 am and 11.30 pm daily six days a week except for religious public holidays.

The "status quo" on Sunday trading will remain, however, and individual local authorities will be empowered to restrict trading by shops within their jurisdiction as they see fit.

MEC for shop hours, Mr Skippie Botha, has called the introduction of the law "an historical event" and says he hopes it will end "all the unhappiness and dissatisfaction" over shop hours in the province.

Various chambers of commerce and business interests have lobbied vociferously in recent years for the extension of shopping hours.

The matter came to a head last year when traders in Hillbrow defied the provincial authorities and remained open in contravention of the law.

Introducing the second reading yesterday, Mr Botha said the clause on municipalities was included to allow these bodies to act according to their local needs.

Mr Botha said a local authority could decide that longer hours would cause traffic problems or that a public holiday should be celebrated "in the traditional manner". However, a municipality which decided on such a move must by law restrict all shops within its jurisdiction.

### Anomalies cancelled

Mr Botha added that the new ordinance cancelled several anomalies present in the old law.

For one, cigarette lighters and the "brickette"-type firelighters, as well as dog food, had been added to that list of goods (including food, drink and tobacco) which had always been available after hours and which may now be sold between 5 am and 11.30 pm seven days a week and on all public holidays.

The law also makes provision for hawkers for the first time — they may trade in tobacco, matches, milk, ice-cream, food or cut flowers between 5 am and 11.30 pm on any day including Sundays and public holidays.

# Rand's fall hammered motor industry profits

By Trevor Walker

The motor industry has highlighted better than any other sector the spectacular fall in profitability produced by the rand's plunge below 40 cents.

The governor of the Reserve Bank said recently that the recent rise in the rand went against exports from the mining and agricultural sectors, but that it did help in the fight against inflation.

That is one side of the market, but on the other side major importers have seen business conditions not only weaken dramatically but also sometimes change materially almost overnight for reasons no business could ever anticipate or budget for.

Speaking to *The Star*, Toyota South Africa MD Mr Colin Adcock said the company had a traumatic time on foreign exchange markets last year (it reported a R17 million loss in this area in the six months to end-June), but all foreign operations were now fully covered.

He said the company would not be so ready to borrow abroad in the future even when interest differentials were substantially in favour of one doing so.

When the rand plunged to 34 cents there was no way the company could trade profitably or recover costs.

The position now was that with the rand trading above 45 cents CKD containers ordered today for payment in three weeks would eventually emerge on wheels in about three months time.

This meant that if the rand continued to hold at or move above present levels, the prospects for the second half of this year began to look much more reasonable.

Price increases this year were at

present expected to be less than the inflation rate, but could nevertheless still run at about 16 percent. However, this would depend almost entirely on the performance of the rand.

The company's strength in the light commercial passenger market is remarkable, and Adcock is forecasting extra business of not less than 50 to 70 percent in the existing market.

The main thrust of this business was on the Witwatersrand and in Durban and Cape Town, but there was no reason why this could not be expanded significantly elsewhere, particularly if certain existing restrictive legislation was removed.

The company had been in the process of introducing its new Cressida range of medium-sized passenger vehicles to its dealers and the media this month.

The company was convinced the new range would be even more successful than the old Cressida range.

The range had been widened to include a more luxurious top of the range model which has, as standard fittings, extras found on no cars in a comparable price range in the country.

The company's preliminary figures for the year ended December are due out shortly, and Adcock declined to comment on the trading position in the second half.

Whatever final dividend is finally decided on there is no doubt that the institutions will remain strong supporters of the company's stock.

There is little prospect of it being knocked off its perch as the country's leading motor manufacturer, and the trading outlook from June onwards is looking better and better every day.

# Business warned to shun centenary events

THE Community Support Committee (Cosco) has called on the entire private sector to dissociate itself from Johannesburg centenary celebrations.

Cosco leader and former Azapo president Khehla Mthembu said in Johannesburg this week that his organisation had warned certain companies believed to be involved in festivities that they could "incur the wrath of the black people".

"The private sector must keep out of the

SIPHÓ NGCOBO

centenary celebrations.

"We have warned some of the companies which we believe are supporting the centenary financially that they must withdraw or action will be taken against them."

He declined to give details of what action his organisation would take.

Instead of wasting money on "senseless

celebrations", the private sector should upgrade the lives and facilities of black employees, Mthembu said.

"Cosco expects the private sector to make true its often-stated commitment and assist in the dismantling and phasing out of the abhorrent hostel system by upgrading present facilities; introducing family accommodation for migrant families; and providing shelter for the so-called squatter settlement of our land."

# Longer hours split unions and commerce

**GERALD REILLY, PETER WALLINGTON and CLAIRE PICKARD-CAMBRIDGE**

**ORGANISED** commerce in the Transvaal unreservedly welcomes expanded shop hours but unions are angry at the 'calhous' disregard for their total opposition to the move.

The amended shop hours ordinance, which permits trading from 9am to 11.30pm, was passed by the Provincial Council this week.

National Union of Distributive and Allied Workers (Nudaw) general secretary, Dulcie Hartwell, told *Business Day* from Cape Town yesterday that "the forces ranged against us were just too strong - employer organisations, chambers of commerce, the Association of Chambers of Commerce, and provincial councillors".

Hartwell stressed that most *Nudaw* members opposed longer hours. Some smaller shopowners also opposed extended shopping hours. Their position was already threatened by the "big boys", and when they were forced to stay open beyond normal hours to compete, their financial plight would become even more serious.

Asked whether she planned any further protest, Hartwell said little could be done with unemployment already high.

Congress of SA Trade Unions (Cosatu) first vice-president Chris Dlamini said employers should have consulted the affected unions. Cosatu opposed longer shopping hours unless suitable working conditions could be negotiated with unions, he said. Commercial, Catering and Allied Workers' Union (Ccaawusa) general secretary Emma Mashinini said unions had fought against the proposed lengthening of shopping hours for a long time.

Johannesburg Chamber of Commerce, Hillbrow Traders' Association and the Central Business District Association have welcomed the move, saying there were more advantages than disadvantages.

CBD Association chairman Nigel Mandy said, while shops might be chasing the same money, they would be providing a customer service. He pointed out that flexible hours did not mean longer hours.

The Small Business Development Corporation said it "noted with approval that shopping hours in the Transvaal will in future be less restrictive".

□ Checkers MD Clive Well said his company would not "rush into this matter" but would try it on an experimental basis. He said Checkers had to take its staff into consideration.

## Business Day weather

### AIRLINE MOVEMENTS

Friday Air Schedule Johannesburg to Cape Town	1730	1905	SA429
	1745	1920	SA433



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Borrowing capacity  
Borrowing powers in terms of most restrictive limitation  
Borrowings  
Unutilised borrowing capacity



"We both feel like it's part of growing up."



"It's part of what we're entitled to as humans."



"I don't see any harm in it to anyone else but ourselves."



"So it's really our decision to make."



"Society does a lot of destructive things so I don't feel that I should have to trust its sanctions."



"We can find something together."



"Maybe we are two lonely people huddled against the storm. So what? That's better than nothing."



"We just have to decide for ourselves about whether to exercise our rights or not."



"We sometimes get very close ..."

"Very close to going 'all the way'."



"We feel we want to very much."

"The feelings are pretty overwhelming."

"We get caught up and almost can't help ourselves."



"We're not in control but we really don't want to be."

"Like you're really not in control."

"We want to get to know each other that way."



ATYST Industry figures — showing truck sales in January at their lowest monthly level for 24 years — reinforce the pessimism of vehicle manufacturers that the heavy commercial sector is in for a miserable time.

Predictions for 1986 sales are universally pessimistic, with a further decrease on last year's depressed levels anticipated. No significant upturn is expected for at least another three years, and even then it is expected to be modest.

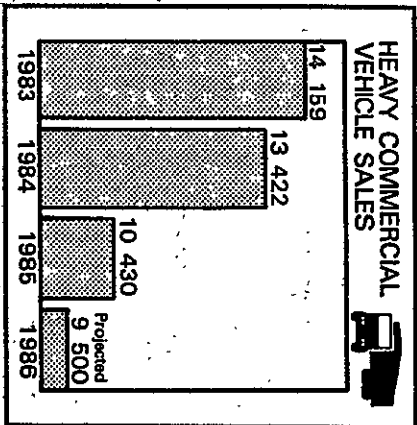
Manufacturers will have to reconcile themselves to a total market of between 8,500 and 11,500 units for the foreseeable future.

Profits are also a thing of the past. Breaking even in the SA heavy vehicle market is cause for celebration.

January's sales, manufacturers say, were in part affected by the same reasons which caused the collapse in passenger car sales, especially heavy pre-price increase purchases, towards the end of last year. The average price increase in the industry was about 55%, and there seems little doubt that price increases this year will be in the region of 30%.

**M**agnus MD Don Fife says that while heavy price increases are needed to restore margins, the increases will be dictated by the competitiveness of the marketplace.

"The market is very competitive and overtrading is a factor. Customers are taking advantage of it and brand loyalty is going." There are 12 manufacturers



ALAN RUDDOCK/Industry Reporter

# It's still very heavy going for truck manufacturers

Bus Day

14/2/86

30

competing in the over-7,500kg market with Mercedes-Benz the clear market leader.

Despite the overtrading, Fife says he is not aware of any talk of rationalisation in the heavy vehicle industry.

It is generally agreed that any rationalisation would not concern the smaller, specialised producers, such as Hestair, ERF, Forden and International Heavystar.

To have any real impact on the market, rationalisation would have to involve the higher-volume producers, such as Scania, General Motors, Mercedes-Benz, Magnús, MAN and Leyland. The takeover negotiations in Britain between Leyland and GM could, of course, affect the SA market.

National Association of Auto-

mobile Manufacturers of SA (Naamsa) director Nico Vermeiren says: "The continuing negative sales trend in the strategically vital truck and bus sector is extremely worrying, since it reflects continued weakness in general business conditions and underlines the need for further official steps to revitalise the economy."

The low volume of heavy commercial sales reflects shattered business confidence and a marked reluctance for investment spending.

Spin-offs of the recession — soaring price increases, currency

collapse, last year's high interest rates and the oilton falling out of consumer demand — have all led to the industry's parlous condition.

But there has been increasing confidence that a mini-recovery is in sight. However, January's sales of heavy commercials have cast doubt on that confidence.

The motor industry is clearly looking for some stimulatory action by government in the March Budget, but predictions by both manufacturers and economists for the next three years indicate that even government stimulus will not improve the economy will not improve their situation. Obviously, without any stimulus whatsoever, the future is even bleaker for manufacturers.

Any increase in GST, this March, would have a damaging effect on all segments of the industry, but historically it is the commercial vehicle sector that suffers the long-term hardships from any GST increase.

The heavy vehicle market is a clear indicator of the trend in investment spending. Fleet owners, especially long-haul, are refurbishing existing fleets rather than purchasing new units.

As companies have slowed down and township violence has accelerated, the refurbishing trend, which bus companies understandably relate to, is a good new vehicle to their dealers.

The continued growth in black taxis has also put the brakes on bus purchases.

The effect of refurbishing can

be seen by looking at the depreciation allowance as a percentage of total Gross Domestic Investment (GDI) over the past 15 years. From an average 58.9% in 1970/74, it rose dramatically to 61% in 1985.

As fleet owners' efficiencies increase, the rate of purchase also dries up. "When interest rates were low, it was not such a problem," says Leyland marketing director Ken Parr. "But now fleet owners realise they do not have to purchase a new fleet every time they get a big contract. They are thinking their trucks more efficiently and can increase productivity substantially without making any new purchases."

The structure of the market is changing. Parr points out that, based on an analysis of previous years, last month's sales would point to a total market this year of 7,500.

However, he says it is no longer safe to make comparisons with trends over the past few years. "They just do not apply to the market conditions of the moment."

He says, however, one potentially encouraging factor emerged in the second half of last year. The tipper market, which is closely allied to construction, started to regain its market percentage.

"In 1982, it accounted for 19.1% of the market, and as the recession began to bite, its percentage fell to 17.6% in 1983, 16.6% in 1984 and 13.8% in the first half of last year. However, its penetration for the first three quarters of the year improved to 16.4% and, by the end of the year, it had improved further to 17.1%."



# Woolworths' profits slip 12pc but dividend is held

Mercury

30

14/1/86

**Mercury Correspondent**  
**JOHANNESBURG**—The tough retailing climate is reflected in Wooltru's interim results, with trading profits slipping 12 percent. But the dividend is being maintained at 25c.

Margins were under severe pressure in the six months ended December, with sales up 5,2 percent to R384,2m but earnings per share were down 14,9 percent at 43c (50,5c).

## Results

Chairman Mr David Susman says the results are in line with the board's August forecast that there would be no improvement in consumer spending in the first half.

The Christmas trade in particular was disappointing, with consumer boycotts worsening the situation.

Mr Susman says that sales growth has accelerated somewhat since Christmas but he does not forecast much of an improvement in the second half to June.

Any upturn is likely to be seen only in the last half of calendar 1986, probably around August — September.

Consumers' take-home pay has been under severe pressure and he hopes the coming Budget will stimulate economic growth.

The group's stock mix has improved on last year, reflecting more efficient management.

While the interim has been maintained, Mr Susman says the decision on the final must remain open. The payment of the interim reflects the group's solid base and low gearing compared with resources.

Included in the current six months' figures are the costs of the extensive building programme.

Capital expenditure at R42m in the six months was nearly double the year-ago period and spending will remain at a high level in the current six months. The Capex is being funded from own

resources supplemented by outside borrowings.

The sale of Top Centre from October 1 had little impact on income and excluding the latter's figures, Wooltru turnover rose 8,1 percent.

Included in the interim report is a R357 000 profit on the sale of a subsidiary, which presumably relates to Top Centre. There was also a R2m profit on the sale of properties.

Wooltru is maintaining

its excellent reporting standards by adopting recent recommendations by the Johannesburg Stock Exchange.

Yesterday's interim report includes a balance sheet as at the end of December. A feature of the balance sheet is the sharp rise in fixed assets from R128,3m to R172,8m.

The property expansion has led to current liabilities rising from R68,3m to R97,5m.

# Men snatch R1 400 in 26th garage raid

Staff Reporter

LATE-NIGHT petrol station robbers snatched more than R1 400 in the 26th such robbery in the Western Cape this year.

Three armed men threatened an 8th Avenue, Kensington, attendant on Wednesday night and fled with R1 404.

The attendant, Mr Skosana Matzikula, 35, was not injured, said Lieutenant Attie Laubscher, police liaison officer.

This year armed men have robbed late-night station attendants of about R3 000 and at least four attendants have been shot and wounded.

Several methods of stopping the robberies have been suggested by bodies connected to the petrol industry.

The Garage Workers' Union has said it supports the proposal that garages demand exact payments for petrol sold late at night.

Recently Mr George Beckman, chairman of the Western Province division of the South African Motor Traders' Association, said he felt most garage owners did not feel a need to act because only a small percentage of the total number of garages had been robbed.

"If three out of 1 000 have hold-ups, it is difficult to convince the remaining 977 until they, too, get robbed," Mr Beckman said recently.

Police have asked customers to pay with credit cards or the exact amount after hours to enable pump attendants to deposit cash in night safes.

# Call to shun white shops

A BOYCOTT of white-owned shops in Randfontein was announced at the funeral of an unrest victim in Mokoleng this week.

The boycott was announced at the local cemetery when Mr Allen Matshogo (20) was buried.

He was allegedly shot by police last Friday.

Most residents stayed away from work

on Tuesday as a sign of mourning for Mr Matshogo.

There were no incidents during the funeral service at Mr Matshogo's home.

Crowds of people in the streets fled when security forces used sjamboks and fired tearsmoke.

A spokesman for the SAP Public Relations Division said police fired tearsmoke to disperse "illegal gatherings" and mobs who barricaded streets.

Local and overseas newsmen were turned away from the funeral and escorted out of the township.

Several youths were allegedly arrested at the night vigil and also the next day.

But the police spokesman said: "No arrests and detentions were reported to us".

# Soaring debt in PE, Uitenhage puts liquidators under pressure

By BARBARA ORPEN

UP to 200 judgments a day are being granted against debtors in the Port Elizabeth-Uitenhage area — more than three times the number at this time last year.

The daily figure varies between 100 and 200 as more and more people fall on hard times.

Some of the busiest people in the recession-hit region are now the liquidators, who are working "all hours".

The debt figures were given by Mrs Brenda Simpson, Eastern Cape and Border regional manager of Kreditinform, which collects information on people's credit-worthiness.

She said: "The figures represent a startling increase on the number of daily judgments recorded by the firm in 1984 and in January, 1985, when we were recording 40 to 60 judgments a day."

She explained that records of summonses for money owing to individuals and businesses were collected from court every day.

"We have noticed a remarkable new trend in our company over the last year. We deal much less with new accounts and seem to be spending all our time on problem accounts — businesses or individuals battling to get money owed to them."

Mrs Simpson said that a similar trend had been found in East London and that the increase in the number of summonses in these areas could be attributed partly to the consumer boycotts last year, over and above the depressed national economy.

She said the national statistics for summonses in 1985 were "eyeball-breaking and rather horrifying".

A total of 7 079 judgments against businesses at a value of R1,9 million had been recorded for January, 1984, in South Africa, whereas a "devastating increase" to 11 689, valued at R6,1 million, had been recorded for January 1985. And the figures for January, 1986, were still to come.

"I hate to think what the national statistics for January will be like," she said.

Meanwhile, a 50% increase has been reported in the number of liquidations and insolvencies in the Eastern Cape for January, 1986, compared with the same month last year.

Mr P Wessels, Assistant Master of the East Cape Supreme Court, said there had been 37 liquidations and insolvencies in the region this year compared with 25 in the same month last year.

Liquidators in Port Elizabeth were so busy this week that it was difficult to arrange an interview.

One switchboard operator said the firm's specialists were so busy it was impossible to make an appointment to see them during working hours.

"They barely have time for their own families," she said.

"They are working after hours and most weekends because there is such a demand for their services at the moment."

Mr Basil van Zyl, manager of the insolvencies department at Syfrets, said he was starting work at 5am.

The director of East Cape Trustees, Mr Stephen Levin, said he was working "all hours".

National statistics show that last year broke all records for liquidations and insolvencies, compulsory liquidations more than doubling from 742 in 1984 to 1 541 in 1985. This year was expected to be even worse.

# 30 Big impetus for small man

THE government grant of R75m, channelled through the Small Business Development Corporation (SBDC) to aid small businesses and finance job-creation, is starting to bear fruit.

MD Ben Vosloo says the SBDC's second, hive-of-industries project, opened in Bloemfontein on January 23, is having a great demand.

The Port Elizabeth hive employs about 100 in 23 small businesses. Another 168 businesses wanting to participate.

In this type of project, an existing factory is converted into smaller

ANDRE VAN ZYL

working units, which are then let out on a short-term basis to fledgling entrepreneurs or unemployed people of any race that could turn their hobby or handicraft into a business.

SBDC provides finance and business expertise while new businessmen have the use of the factory's infrastructure and equipment.

The scheme is a product of the R10m entrepreneurship development and training fund.

More of these centres are planned for Natal, Western and Southern Cape and Northern Transvaal.

From the SBDC's small business aid fund — now 49-weeks-old and augmented by R30m — 1 000 loans valued at R40m were approved, creating and maintaining 20 000 jobs. The R10m fund for small builders,

14 weeks old, already had 1 300 inquiries. It received 120 applications amounting to R2,4m. So far 78 loans valued at R1,5m have been granted to create 530 jobs and maintain 900.

In the same period the R25m fund for development of new businesses had 1 700 inquiries. It received 380 applications, amounting to R22m, of which 95 loans valued at R5m were granted, creating 636 jobs.

# ICA <sup>(30)</sup> man <sup>2/17/86</sup> sent 6/2/86 to jail

By DAN DHLAMINI

IKAGENG Civic Association member Johannes Sekati, 32, of Potchefstroom was this week jailed for 12 months for intimidation.

His conviction was a sequel to an incident on July 31 during the consumer boycott in Ikageng.

He was originally charged with Solly Mathews and Michael Molebatsi. Charges against Molebatsi were withdrawn.

Regional Court Magistrate PAJ Kotze found Sekati had intimidated policewoman Agnes Leokaoke by threatening to cut her throat and burn her home if she kept buying in town during the boycott.

He was sentenced to a R1 000 fine or 12 months' imprisonment.

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## Richard Ogden

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of the

Burlington Arcade Piccadilly London

roads, near Cape Town, but no one was injured, the report said. — Sapa.

### ARGUS 17/2/86 Calm returns after boycott of work, school

The Argus 30  
Correspondent

PRETORIA. — Calm returned to Atteridgeville today following a weekend of teargas and of tyre-burning and sjambokking.

Buses, trains and taxis ferried commuters between the township and Pretoria.

Police in Casspirs patrolled the area while South African Defence Force members manned roadblocks at the township's entrance.

Atteridgeville had been hit by a three-day stay-away called to pro-

test against the presence of white policemen and SADF members there and the shooting of two local pupils.

The stayaway, which started on Friday, was organised by the local stayaway committee to "demonstrate our rejection of the SADF and the police who have caused us much pain".

On Friday, quirt-wielding police dispersed hundreds of women who were about to march to the local police station. Several women were injured.

● Pupils at secondary and high schools in Mamelodi were back in class today following a week-long boycott in protest against the arrest of pupils and the death in unrest of Kleinbooi Mahlangu, a Mamelodi High School pupil.

CORRIJATE

By Kashvina Jaga

STAR 17/11/68  
Most traders at the Oriental Plaza in Fordsburg, Johannesburg, say extended shopping hours will not be beneficial to them.

They were reacting to the draft Shop Hour Ordinance for extended shopping hours, which entered its second reading stage in the Transvaal Provincial Council recently.

The new legislation will do away with restrictions which have existed since 1910 and will allow shops to remain open between 5 am and 11.30 pm six days a week except on religious holidays.

The chairman of the Plaza's Merchants' Association, Mr Yusuf Bhamjee, said the extra trading hours would not be a viable proposition for most traders for the following reasons:

#### TRANSPORT

- Traders would not be able to afford the extra staff for longer hours.
- Staff would have transport difficulties.
- Fordsburg is not a high-density population area like Hillbrow, where people were on the streets all the time.

The majority of traders interviewed shared Mr Bhamjee's sentiments.

"We have to get up very early to travel from Lenasia to town every day, and extended hours would be very tiring for us," said Mr R Jivan.

"The Plaza becomes a

## Most Plaza traders don't want extended shop hours

dead trading area after 5 pm as people start going home," said Mr G H Bhaga, the owner of a sweet store.

A clothing store owner, Mr B Pillay, said extended trading hours would "disrupt family life".

He said only larger concerns could afford to employ extra staff and still make a profit.

"Most stores in the Plaza are run by few people," said Mr Pillay.

Mr S Jivan, a supermarket manager, said extended hours would mean employing extra staff to work on a shift basis which was not practical.

"Not many people are prepared to work 16 hours a day," he said.

However a trader who wished to remain anonymous, said traders would benefit from longer hours on Saturdays as it was a good business day.

He said the public would benefit tremendously by being able to spend more time shopping.



6th Floor, King Centre  
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Bus. Day  
18/2/86

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Z

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WERENT MAZDA AND OTHER FINE CARS.

HUNT LASCARIS TBWA 8501/70

### Car workers get increase

Business Day Reporter

**WORKERS** at Ford, General Motors, Volkswagen and Mercedes-Benz in the Eastern Cape will receive pay increases ranging from 16c to 22c an hour after talks with the Eastern Province Automobile Manufacturers' Association.

The National Automobile and Allied Workers' Union (Naawu) said the agreement reached with employers at the industrial council also provided for a minimum wage increase from R2,70 to R3 an hour for unskilled workers.

Political comment in this issue by Nigel Bruce. Newsbills by Neil Jacobson. Headlines and sub-editing by Gordon Amos. All of 171 Main Street, Johannesburg.



# Call to expand black business

**OPPORTUNITIES** await black businessmen keen to expand their markets.

A host of white businessmen are looking for black suppliers keen to link up with them in order to buy their goods.

The idea, promoted by the Urban Foundation, is part of an effort aimed at linking both sectors.

Mr Derek Drake of the Foundation said there was a demand for all aspects of black business, such as purchase of supplies and opening of franchises and agencies.

Said Mr Drake: "In the last six months the Foundation has been involved in a concerted effort to find white businesses keen to receive supplies from the black sector. We received a most enthusiastic response from the white sector.

"We have been able to place orders with black businesses which, so far, have amounted to more than R500 000," he said.

This project was a joint effort involving a number of business development agencies in the Pretoria-Witwatersrand-Vereeniging region.

Mr Drake can be contacted at (011) 836-3381, or at P.O. Box 9868, Johannesburg 2000.

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18/2/86

SOWETAN

Bus Day  
19/2/85 (30)

## Farming machine sales fall

**Business Day Reporter**

JANUARY sales of most items of farm machinery fell substantially compared with December.

Strong demand for balers was the one exception in a disastrous month for manufacturers.

January baler sales were double December's and about 40% up on January 1985.

However, January tractor sales fell 17% on December and 20.6% on January 1985.

SA Tractor Manufacturers' Association chairman Robin Phillips attributed the drop to two main factors:

- The sharp rise in tractor prices;
- Farmers' debts.

"Many farmers are exercising caution despite prospects for a quite good summer grain harvest this season," Phillips said.

Combine harvester sales collapsed last month, falling 73% on December and 88% on January 1985.

CAP 71-2K 19/2/86  
**Garankuwa trading resumes**

PRETORIA. — Garankuwa was calm yesterday after a one-day stayaway on Monday.

Residents returned to work yesterday and all shops and business centres — which were closed on Monday — resumed business.

However, students at Setlogelo Technikon stayed away from classes yesterday morning. They have apparently decided to stay away until Friday in solidarity with Garankuwa students who have

been boycotting classes since last week.

Residents travelling between Mabopane and Pretoria encountered roadblocks manned by Bophuthatswana troops and police for the third week running.

The Mabopane/Winterville Crisis Committee has urged President Lucas Mangope to intervene in the unrest in the Garankuwa-Moretele areas and to order the withdrawal of police and troops from the townships. — Sapa

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**D**ESPITE the seeming bleakness of the property market over the past few months, the larger than usual number of "To Let" signs and the relative quiet on the new building front, there is a strong current of faith which underpins the notion of property investment in SA. Nowhere is this more evident than in Johannesburg's CBD.

Consider that, in the Ampros portfolio alone, 45 000 m<sup>2</sup> of office accommodation has been added to the city centre in the form of Barnib House and 66 Sauer Street.

JCI House, completed last year, adds 21 000m<sup>2</sup>, the Price-Forbes building, a further 25 000m<sup>2</sup> and the AA Mutual Life building 29 000m<sup>2</sup> more. The Ned-bank head office, with 21 000m<sup>2</sup> and the final phase of the Gold Fields building, which will total 30 000m<sup>2</sup>, are scheduled for completion over the next 12 months.

On the drawing boards or in early construction are the Old Mutual development, which will contain 28 000m<sup>2</sup> of space, the Prudential Building on the site of the Colosseum, with 17 000m<sup>2</sup>, and the massive Standard Bank development in Simmonds Street, phase one of which will total 51 000m<sup>2</sup>.

**A**t the end of this decade it is quite possible that more than 500 000m<sup>2</sup> of office accommodation will have been added to the economic infrastructure of Johannesburg, in the CBD alone, during the Eighties.

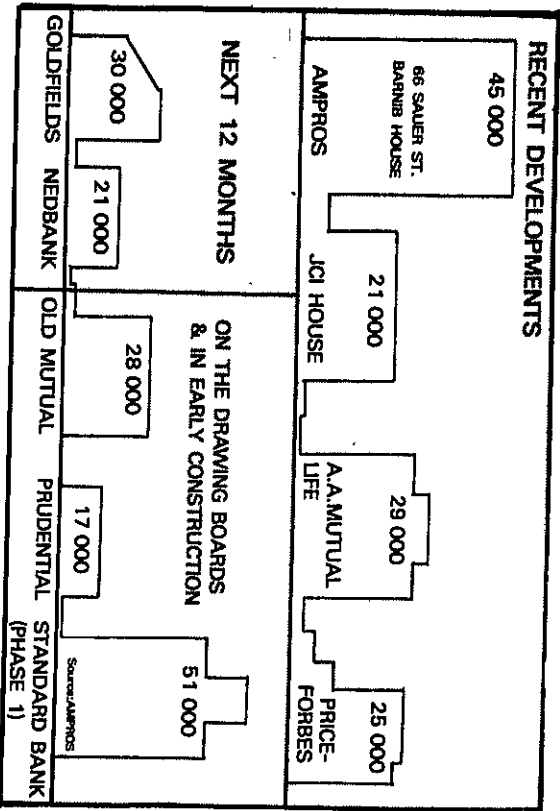
This exponential development has not been confined to office accommodation. The new Johannesburg Sun Hotel, the largest in

# Johannesburg's CBD: Optimism is the keynote

19/2/88. BussDAy (30)

GERALD LEISSNER

OFFICE ACCOMMODATION IN JHB CBD (m<sup>2</sup>)



the southern hemisphere, has added 800 bedrooms to hotel space available in the city centre. Shopping space in the CBD is also being increased with the construction of the Smail Street Mall, which will link the Carlton Centre with the Johannesburg Sun Hotel. The recent revamp of the Carlton Shopping Centre has ensured that shops there have kept pace with the needs of the times.

**A**ll this adds up to the gearing of the city for the future. Current economic gloom has not deterred developers from a sanguine view of the future.

Other developers should now be taking positions in strategic sites, on the premise that the economy has bottomed out. An anticipated 3% growth rate is sure to filter through to the property market.

As the economy firms there will be a need to increase employment. Additional employees need increased space. The oversupply of accommodation is likely to be taken up by early 1988, which should see the establishment of an equilibrium between supply and demand of office space. Rentals in better quality buildings will probably begin to firm

in late 1987 and will start to rise appreciably by mid-1988. Buildings such as Southern Life Centre, Sanlamstratum and the Carlton Centre, which are presently obtaining rentals around R13.50/m<sup>2</sup>, should achieve R22/m<sup>2</sup>, and lesser-priced buildings should rise in the same proportion.

It is also becoming apparent that two distinct cores are developing within the Johannesburg CBD: a financial district and a commercial district. Traditionally, the stock exchange lies at the heart of the financial district in most major cities. It's not surprising that many of the head offices of finan-

cial, insurance and mining houses are located on the south-western side of the CBD near the site of the old Johannesburg Stock Exchange (JSE) building in Hollard Street.

**S**ince the JSE has moved farther north to Diagonal Street, the financial heart of the city has been transplanted. Developments around the JSE building suggest that many institutions are following the stock exchange, which will soon resume its position as the heart of the financial district.

Very few of the tenants in the financial centre are candidates for relocation to the suburbs. All major financial institutions are tied to the CBD in that they either own their buildings or need to be in close physical proximity to other financial institutions.

This places a premium on the redevelopment of the power station site, which forms the next logical expansion of the financial city. It is essential that this site be utilised to maximum advantage to create a point of interest in the new financial city.

The second evolving core is consolidating itself on the eastern side of the CBD around the new

GERALD LEISSNER ... Anglo American Property Services (Ampros) MD



Carlton Shopping Centre and the Smail Street Mall. The two developments, together with the many newly-revamped buildings in Prudential Street, are very commercial in flavour.

**T**he notion that upmarket shopping could only be done in suburban centres is being put to rest as an entirely new commercial trend develops in this area. There is little doubt that, despite current uncertainties, Johannesburg is preparing to face its next 100 years with vigour.

PE and EL  
CBDs open  
to all soon

Feb. 1986

<sup>30</sup>  
~~30~~  
E. Post  
Political Correspondent  
CAPE TOWN — Central Business Districts (CBDs) in Port Elizabeth and East London are likely to be opened for trading by all races within the next few months following the opening of Johannesburg's CBD, which is due to be announced in next Friday's Government Gazette.

A source in the Department of Constitutional Development and Planning said today that procedures in other centres were likely to be much faster than they were for Johannesburg.

Surveying requirements had been met in other centres. Cape Town and Durban were in line before PE and East London, he said.

# Chamber of Commerce presses ahead

By KIN BENTLEY

FURTHER efforts are being made by the Port Elizabeth Chamber of Commerce to assist with black problems and head off the resumption of a consumer boycott on April 1.

Already representations have been made to the Government to consider black demands, and these will continue. Meetings have also been held with black organisations to deal

with more localised problems.

Mr Tony Gilson, director of the chamber, stressed today that the chamber was "not trying to assume a role it can't assume. We can't change laws or operate as a political party."

"But we can make representations about things we believe in."

The chamber believed, he said, that there was:   
● No justification for

legislation which discriminates on the basis of race.

● All South Africans should participate in and be included in the political process up and including central government level.

● There should be no detention without trial.

The chamber would continue to make representations "when appropriate".   
Among demands made by the Consumer

Boycott Committee are the unbanning of banned organisations, including the African National Congress, the lifting of the state of emergency, the return of exiles and the release of detainees.

It was involved in addressing local, infra-structural and facility issues. Action was only taken in consultation with the community involved, with most being "fairly lengthy programmes".

He said the decision to introduce monthly payments of black old age pensions through automatic bank tellers this year, would obviate the long queues which people had to stand in.

Asked if any further joint action between the chamber and other employer organisations like the Afrikaanse Sakekamer was envisaged, he said where they could work on a joint basis, they would.

Mr Gilson will be one of the speakers at a two-day industrial relations seminar in Johannesburg next week.

He will discuss dealing with boycotts, stayaways and intimidation.

Mr Gilson told the Evening Post his speech would cover the defusing of conflict through negotiation, some of the lessons learned through stayaways and boycotts and some details of the issues involved.

20  
20/2/86 E. Post

# First CBDs 'open' to all tomorrow

77645 20/2/86  
Political Staff  30  
THE central business districts of Durban and Johannesburg will be open to all race groups for trading from tomorrow.

The announcement is due to be made today by the Minister of Constitutional Development, Mr Chris Heunis.

CBDs in Cape Town, Pretoria, Maritzburg and Bloemfontein are expected to follow soon.

The opening follows more than two years of delays since the legislation was approved by Parliament.

Last month Mr Heunis announced that red tape was to be cut and officials of his department said the CBDs would be open by the end of January.

This was followed by an embarrassed silence while opposition politicians used the repeated delays as an example of why the credibility of the Government's reform intentions came under fire.



# Race curbs on CBD traders will go tomorrow

Political Staff

CAPE TOWN — The central business districts of Durban and Johannesburg will be open to all race groups for trading from tomorrow.

The announcement is due to be made later today by the Minister of Constitutional Development and Planning, Mr. Chris Heunis.

The opening comes after more than two years of delays since the legislation was approved by Parliament and 10 years since the move was recommended by a commission of inquiry.

The delays came to a head last month when Mr. Heunis announced red tape was to be cut and officials of his Department said the CBD's would be open by the end of January.

This was followed by an embarrassed silence while opposition politicians used the repeated delays as an example of why the credibility of the Government's reform intentions were under fire.

Other areas such as Cape Town, Pretoria, Pietermaritzburg and Bloemfontein are expected to follow shortly.

The move to open CBD's is the first break in the National Party's racially exclusive group areas policy.

# Durban's CBD opens to all today

Ormande Pollok  
Political  
Correspondent

CAPE TOWN—The central business districts of Durban and Johannesburg will today become the first South African free trading areas open to all races.

An announcement in the Government Gazette this morning will clear the way for property and business ownership to all races in huge parts of the downtown city areas.

Mr Chris Heunis, Minister of Constitutional Planning and Development, said yesterday that more areas in other cities were to follow soon as the Government had accelerated the process of dealing with formal applications from city councils.

Cape Town would be next on the list, in a matter of weeks, and, he said, plans for opening the CBDs of Pietermaritzburg, East London and Queenstown would be advertised for comment on February 28.

The proclamation of Durban and Johannesburg's free trading areas means that members of all

population groups can now freely obtain occupation and ownership rights of premises in the proclaimed area for business, commercial, professional or religious and educational purposes in terms of the current town planning schemes of the city concerned, said Mr Heunis.

Maps of the first two free trade areas (FTAs) were displayed at the Press conference to show that, in Durban the FTA is roughly bounded by a jagged line running behind the Esplanade-facing line of flats, from the Customs House to Broad Street, across to the Technical College, along the city side of Warwick Avenue and Centenary Road, Carlisle and Derby Streets, up First and Stamford Avenues to Argyle Road, back along Umgeni to the Old Fort Road area where it cuts blocks bounded by Old Fort Road and Ordinance Road before turning back along Brickhill Road, up behind some beachfront hotels, back and along Point Road, returning along Shepstone and Rutherford streets to the Customs House.

# On a better pitch

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FIN. MAIL.  
21/2/86

It's tough out there in the retail sector. Retailers freely admit that 1985 was the worst year they have yet experienced. What they are now concerned about is whether the worst is over — or will 1986 prove even more harrowing?

It is not just the recessionary cycle which bothers them — after all, plans and provisions can be made. But retailers are inordinately dependent on the nation's state of mental health, better known in the trade as "consumer confidence." And, "when anxiety is up, spending is down," Checkers MD Clive Weil comments. "So much depends on politics," he adds, as well as the rand, the inflation rate, and unemployment.

Last year's steep decline in private consumption expenditure (pce) — the yardstick by which the retail sector is measured — vividly documents not only the impact of the recession, but also the period of deep uncertainty and insecurity all South Africans were subjected to. "It became impossible to predict how any quarter would fare," is Edgars MD Vic Hammond's appraisal.

However, as economists are quick to point out, the recessionary cycle *should* have bottomed out last year. Eric Levine, MD of Retailinform, says when pce grows by less than 2% a quarter, this is interpreted as a downswing. And throughout 1985 pce growth was negative, reaching an all-time low in the second quarter when it fell by 6,5%, according to the Standard Bank. Estimates for the whole of the year show an average decline of 3,2%.

In fact, the last two quarters of 1985 could have shown far worse results had it not been for the relaxation of HP rates in September and some escalation in sales in the run-up to Christmas. Now there are signs of a gradual recovery which, while retailers could never hope for a return to the heyday of 1981, could allow most to lick their wounds and bolster operations.

Confidence among retailers themselves, also an indication of consumer confidence, appears to be growing. Most are cautiously optimistic, inspired by the strengthening rand and President P W Botha's Rubicon 2 speech. "Things look healthier this year," says OK Bazaars MD Gordon Hood. Amrel executive chairman Ronnie Cohen echoes the sentiment: "Sales should be better — people will spend."

"Yes, we are more optimistic about 1986," echoes Hammond. And Weil asserts: "The vibe is good, both from customers and staff."

However, this wave of fresh expectations from retail operations is not unqualified by doubts about the future. "It will be a tough year," Hood warns. "Despite signs of improvement, the inflation rate is still high, wages are not keeping up, and unemployment is on the increase." And, once again,

**This year should hold out improved prospects for the sector — though nothing like the heyday of 1981. The future depends on the development of the black market and, inevitably, politics.**

the unspoken doubt centres on the political outlook.

The sectors which suffered most last year were durables, or big ticket items (furniture, white goods and appliances), as well as semi-durables (clothing, footwear and textiles).

The latest Reserve Bank figures show that in the first nine months of 1985 pce was down by 2,8% in real terms over the previous year. Durables were down by 20% and semi-durables by 0,5%.

Clothing sales are reportedly down by 10% and in the non-durables sector, beverage sales have taken a beating, declining by 20% this year which, in part, explains the 2,4% drop in pce on non-durables.

Personal disposable income (pdi) also declined during the first nine months of 1985 to R51 billion from R60,2 billion in 1984, according to Reserve Bank figures. Says Ferguson Brothers retail analyst Ian Davidson: "The forecast for 1986 and 1987 is that there will be no material change in both pce and pdi. Year-on-year increases for 1986 and 1987 are estimated to average under 2% in both categories in real terms."

Davidson warns that Ferguson Brothers' estimates for 1986 could be too optimistic. Still, a growth in pce on durables of around 1,5% appears to be borne out by Amrel's Cohen: "We are very confident about furniture sales this year, but not so about profits. In constant terms, a sales improvement would only result in putting us back to the level we were at two years ago."

Apart from the relaxation of HP rates in September, the durables sector has picked up because of pent-up demand and in response to fears of hefty price increases this year. With most

distressed merchandise in the country sold out, price increases are inevitable. Hood expects big ticket items to increase by 20%-40% this year. As an example of an imported item, he cites the video cassette recorder which was selling at R1 299 in late 1985. This year, Hood says, the price could rocket to around R2 000.

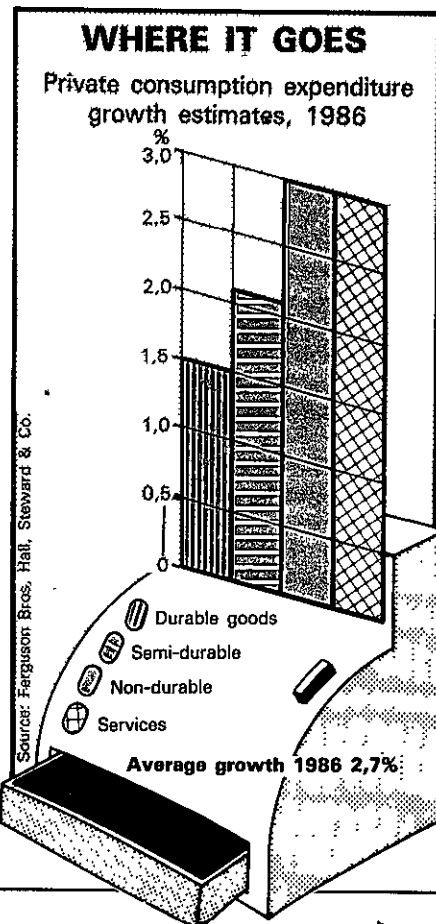
The semi-durables sector, which is not expected to begin recovering until around August this year, will also see some increases in prices, of around 15%-20%.

Prices of non-durables will probably increase by around 20% too, from a low of about 8% in locally supplied canned goods to a high of 30% in detergents, which have a high import content, predicts Hood. Checkers' Weil, who has been successfully trying to lower prices, agrees: "We can't fight the inevitable. Suppliers will have to increase prices and we will have to pass it on to the consumer." If the rand continues to strengthen this year, the rate of price hikes should slow down during the latter half of 1986.

But undermining all possible forecasts for 1986 is the threat of consumer boycotts. In this context, retailers might as well be battling blind. "There is no doubt about it — the boycotts were an effective weapon," says an industry source. There is also no doubt at all, in most retailers' minds, of the importance of the black sector both now and in the future.

Over 50% of Amrel's overall sales come from the black sector. In Edgars the figure is around 40% while its Jet Stores take some 50% and Sales House 100%. At OK 30% of big ticket sales are to the black sector and about 50% of food sales.

Other retailers, such as Checkers, are finding ways to increase their share of the black consumer market. Recently, the Kirsh group acquired Jazz Stores, the highly successful chain of 26 convenience stores trading almost exclusively in the black market. Jazz has now taken over 11 of Checkers' stores, placed in areas convenient to the black sector, and will operate autonomously, MD Clive Sacher tells the



FM.

"We are the chain for the future," he predicts. "By 1995, blacks will probably be spending more on food than whites." Sacher is not alone in his views: "If you're not reaching the black market by 1990, it's not worth being in business," says Cohen. "Thirty percent of the black community in SA is under 16 and about 500 000 are coming into the urban areas every year," Hammond asserts. He continues: "The black market has to be the area of growth. Whites are just going to have to face facts — we are getting poorer and this will continue. But the blacks will become more affluent."

Retailers, while aware of the vast potential within this market, differ greatly in their approaches. "It's the big question," says analyst Levine, "how to handle the black market?" Levine says there are two current philosophies: "Most retail groups seem to think they should let the market evolve into the existing one. The other philosophy is that as the vast majority of blacks in this country are still unskilled and illiterate, yet the urban population will have more than doubled by the year 2 000; it is a Third World market which needs its own very specific retail format."

Both philosophies, in fact, probably have a place in SA. As blacks become more afflu-

## THE BUYING GAME

### Retail trade sales by merchandise (Rm)

Merchandise	1982		1983		1984	
	Inc	%	Inc	%	Inc	%
Food .....	6 532	15,7	7 780	19,1	9 274	19,2
Non-edible groceries .....	1 349	17,9	1 698	25,9	1 954	15,1
<b>Total</b> .....	<b>7 881</b>	<b>16,1</b>	<b>9 478</b>	<b>20,3</b>	<b>11 228</b>	<b>18,5</b>
Beverages .....	1 911	-10,7	1 657	-13,3	1 794	8,3
Cigarettes and tobacco .....	525	11,5	582	10,9	64	14,1
<b>Total</b> .....	<b>2 436</b>	<b>-6,7</b>	<b>2 239</b>	<b>-8,1</b>	<b>2 458</b>	<b>9,8</b>
Footwear .....	706	12,2	850	20,4	909	6,9
Male Clothing .....	1 267	11,4	1 275	0,6	1 478	16,6
Female & babies clothing ..	1 794	13,6	1 694	-5,6	2 089	23,3
Textiles .....	647	-10,5	693	7,1	774	11,7
<b>Total</b> .....	<b>4 414</b>	<b>12,5</b>	<b>4 512</b>	<b>2,2</b>	<b>5 259</b>	<b>16,6</b>
Furniture .....	1 273	-12,7	1 208	-5,1	1 197	-0,9
Domestic appliances .....	660	-12,8	754	0,5	15,0	
Audio .....	316		390	23,4	433	11,0
T.V. sets .....	283	38,1	423	49,5	465	9,9
Soft furnishing .....	315	18,4	372	18,1	394	5,9
Other domestic hardware ..	564	10,6	674	19,5	719	6,7
<b>Total durables</b> .....	<b>3 411</b>	<b>19,7</b>	<b>3 821</b>	<b>12,0</b>	<b>3 966</b>	<b>3,8</b>
Pharmaceuticals etc .....	1 318	19,6	1 546	17,3	1 804	16,7
Stationery, etc .....	574	25,6	693	20,7	715	3,2
Entertainment requisites ..	578	12,0	753	30,3	800	6,2
Jewellery .....	276	3,0	362	31,2	412	13,8
All other merchandise .....	1 197	16,9	1 520	27,0	1 775	16,8
<b>Total general</b> .....	<b>3 943</b>	<b>17,1</b>	<b>4 874</b>	<b>23,6</b>	<b>5 506</b>	<b>13,0</b>
<b>Total</b> .....	<b>22 085</b>	<b>13,0</b>	<b>24 924</b>	<b>12,9</b>	<b>28 417</b>	<b>14,0</b>

**NOTES:**

1. % increase is the change from the previous year in current prices.
2. Audio section was introduced in January 1982. Prior to that date Audio figures were included under Domestic Appliances.

Source: Woodside Communications

ent, reasons Pick 'n Pay (P 'n P) joint MD Hugh Herman, they will become more mobile and be able to shop in those suburbs where P 'n P stores are largely located. OK, on the other hand, has always tried to gear itself to the black market. Its stores are placed in areas where there is much commut-

er traffic. Cash and carry wholesalers also seem to be particularly suited to the black market, not least because of the consumer boycotts. While suppliers could not reach the townships, traders were buying up from wholesalers.

Cash and carries Metro, Makro, and Score's good results this year have sparked off a new trend for warehouse outlets among retailers. Says Weil: "We have three at the moment which are working well. They run on a 'Pile 'em high, sell 'em low' concept which attracts the bulk-buyers."

The warehouse concept helps a group to expand without much capital outlay. It can also put a large store to good use, especially if it is in one of SA's many overtraded areas. "Until the overtrading sorts itself out, there's really not much point in expanding; unless it's to a totally new neck of the woods," such as a township, says an industry source. Thus, for the next few years, it looks as though retailers will be expanding cautiously. Most are waiting for more clarity on the issue of political reform: "Without knowing what will happen politically, it is so hard to know what is going to happen economically," says Cohen. As Levine puts it: "A bigger collapse in the retail sector is almost impossible, unless society itself collapses."

# First CBDs open to all races today.

DISPATCH

21/2/80

Dispatch Correspondent  
CAPE TOWN — The central business districts of Durban and Johannesburg will become the first South African free trading areas open to all races today.

The Group Areas Board had completed investigations into the opening of 19 CBDs, advertised three applications and were preparing to advertise another 38.

An announcement in the Government Gazette this morning will clear the way for property and business ownership to all races in huge parts of the downtown city areas.

The opening of the CBDs to all races means that the owners of businesses in the area will be able to decide for themselves who they will admit to the premises, and this includes cinemas and restaurants.

Mr Chris Heunis, Minister of Constitutional Planning and Development, said yesterday that more areas in other cities were to follow soon as the government had accelerated the process of dealing with formal applications from city councils.

"In order to eliminate any uncertainty and in continuation of the government's programme of eliminating any form of discrimination, I can now announce that the Cabinet has decided that owners of such businesses in the free trading areas will in future decide themselves as to who they are prepared to receive on their premises," said Mr Heunis.

Cape Town would be next on the list "in a matter of weeks" and, he said, plans for opening the CBDs of Pietermaritzburg, East London and Queenstown would be advertised for comment on February 28.

"Up to now a permit was needed.

"The proclamation of Durban and Johannesburg's free trading areas means that members of all population groups can now freely obtain occupation and ownership rights of premises in the proclaimed area for business, commercial, professional or religious and educational purposes in terms of the current town planning schemes of the city concerned," Mr Heunis said.

"The onus therefore shifts from the government to the owner himself, and to make this possible proclamation R 228 of 1973 has been amended."

He made it clear that ownership rights were attached to business premises and did not include residential rights.

He said the move was proof of the government's seriousness in allowing all groups access to the economic system.

In reply to questions Mr Heunis said that combination buildings with both business and residential premises would be subject to sectional title divisions.

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# Boycott still on in most NE Cape towns

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2/2/80. DISPATCH

**Dispatch Reporter**  
**QUEENSTOWN** — Although the consumer boycott has been lifted in some North East Cape towns, it is still in force in most towns in the area.

In Aliwal North, the chairman of the Afrikaanse Sakekamer, Mr R. Swenson, said businesses in the town were still being boycotted.

People who wanted to buy from neighbouring villages like Sterkspruit were being intimidated, although labourers had protection from farmers when they came into town to shop.

Mr Swenson said no shops had closed because of the boycott, although some showed up to a 95 per cent decrease in sales.

"It is too early to say that shops will close as the consumer boycott only started here in January.

"Intimidation is being done on a big scale and that is the main reason for blacks not buying at white-owned businesses.

"The boycott here is not very effective, as it is not the majority of the blacks who want to boycott, and because some articles are not obtainable in the township.

"The prices at shops in the township are also high, but people are scared that their houses will be burnt down.

"We are planning to have a meeting with our MP as we in the Sakekamer feel the government has to act more strongly against this sort of thing, especially the intimidation."

Mr Swenson said the main demand given at the start of the boycott was that certain prisoners be set free from jail.

"We in the sakekamer cannot tell the police who to catch and who to set free; in fact most of the demands are about things over which the Sakekamer has no control.

"My message to businessmen would be to sum up the situation to the best of their abilities, and to change radically if need be, especially concerning stocks."

The chairman of the chamber of commerce in Aliwal North, Mr R. Cohen, said black people themselves were feeling the effect of the boycott.

"I think it will lift slightly now, as a lot of people have no work and most have no money to buy the expensive items in the townships, or in town for that matter even if they want to."

The town clerk in Moltento, Mr P. J. Moolman, said the boycott had been effective in the town since August 12.

One cafe had closed and a shop had been burnt down, and the situation was "bad", he said. He had received no indication as to when or if the consumer boycott would be lifted.

The town clerk in Elliot, Mrs V. van Biljon, said Elliot had had no problems.

In Burgersdorp, the consumer boycott started on November 19, and although it was lifted for a few days over Christmas it was continuing, the assistant

town clerk, Mr Jan Koen, said.

Mr Koen said he had had no contact with black leaders with regard to the boycott for a couple of months, the last contact having been made near the end of last year when 35 people came to a meeting. "They did not know what they wanted."

"I don't think the people know what they want. About a week ago members of the black community dug a trench in front of the bridge leading into the township so that police vehicles could not enter.

"They soon found out, however, that if police vehicles could not enter, neither could supplies from town, so they filled the trench up again.

"Businesses have learnt a lot from the boycott, mainly that one cannot cater just for one section of the community alone.

"Then at least one could have some income if something like this happens."

Dordrecht, although experiencing a boycott, was not as hard hit as some other places, the acting town clerk, Mrs E. Jordaan, said.

She said there were no indications that the boycott would be lifted soon, and said some businesses were struggling, while others had more or less the same turnover.

The town clerk in Cathcart, Mr Andre van Vuuren, said the town was still in the middle of a boycott which started

in August. No shops had closed.

"We have tried to negotiate with the people, and they would say do this and that and the boycott would stop, and we would try to the best of our abilities to do what they asked, and the boycott just did not stop," he said.

"I think we have come to the stage where we are not interested in negotiation any more."

The chairman of an action committee dealing with the boycott in Stutterheim, Mr Dennis Boardman, said the boycott had been lifted. They did not know whether this was permanent.

The chairman of the Sakekamer, Mr D. van Onselen, said two shops, one a general dealer, had closed. There was a "marked difference" in the town since the boycott had eased.

In Queenstown the boycott is continuing, and the chairman of the chamber of commerce here, Mr A. S. du Plessis, said there was no indication as to when or how it was going to stop.

"We have heard nothing whatsoever about the whole business, but I think most shops have adapted to the situation now."

One blamed everything on the boycott but one forgot the difficult economic position of the country.

"It may have been that a whole lot of businesses would have had to close anyway," Mr Du Plessis said.

**JOHANNESBURG** — There has been an overwhelmingly positive response to the declaration by the Minister of Constitutional Development and Planning, Mr Chris Heunis, of South Africa's first two open CBD areas — in Johannesburg and Durban.

It was seen as a step in the right direction by Mr Roland Walker, president of the SA Property Owners' Association (Sapoa), who said: "Sapoa has long been recommending the opening of CBDs to all race groups."

Soon the CBDs of Port Elizabeth, East London, Maritzburg and Cape Town would also open, as procedures were almost

# All-race CBDs in SA well received

30 21/2/86 E. Post

finalised, he said.

Most business organisations also welcomed the Minister's statement that "there was no prohibition on any city having more than one open area".

The Federated Chamber of Industries referred to the move as "a positive step" while Assocom said

it was "gratifying to note that all race groups will now be able to enjoy rights of both ownership and occupation".

The president of the Johannesburg Chamber of Commerce, Mr Pat Corbin, said it: "It is another practical action by the Government in the to-

tal dismantling of apartheid."

For the first time the prevalence of the Group Areas Act — one of the cornerstones of the "apartheid edifice" — was beginning to crumble.

The deputy executive director of the Natal Chamber of Industries, Mr

John Pohl, said the move would be very favourably received by "our overseas trading partners and goes a long way towards the normalisation of relations in our country".

Durban's Town Clerk, Mr Gordon Haygarth, said: "We will continue to apply for more areas."

**R108/m<sup>2</sup> for prime site**

FRIDAY 21/2/86

30

THE last substantial site of industrial land close to Durban's CBD was auctioned yesterday at a disappointing average of R108/m<sup>2</sup>.

Top bid on the sub-divisible 14 217m<sup>2</sup> in Sydney Road, 3,5km from the centre of town, was R1,525m. However, the sale is subject to confirmation within 14 days and it is possible that this figure could be increased.

J H Isaacs' Jamie McWilliam says the auction was well-attended, indicating interest in the privately-owned property, but agrees that the price is lower than expected.

An assessment of what amount to expect was based on the sale last year by the Durban municipality of 21 536m<sup>2</sup> in

JANE STRACHAN

several smaller plots in the same area. The council achieved its upset price of R2,5m, representing R117/m<sup>2</sup>.

The land on offer yesterday comprised two general industrial-zoned subdivisions of 8 191m<sup>2</sup> and 6 026m<sup>2</sup>, as well as 6 000m<sup>2</sup> of buildings on the larger of the two sites.

McWilliam says it is the only substantial site of this size so close to the CBD, harbour, airport and southern industrial areas.

The highest bidder is believed to have been acting on behalf of a syndicate wishing to develop the land.

**Swapo executed its former commander**

FRIDAY 21/2/86

NOEL BRUYNS

WINDHOEK — Swapo had executed Peter Nanyemba, former commander of Swapo's military wing PLAN, a former founding-member of Swapo, Andreas Shipanga, said in Windhoek on Wednesday.

Shipanga, who is a cabinet minister in the SWA interim government, made the statement in the National Assembly on Wednesday.

The disclosure comes after Swapo's announcement earlier this week that at least 100 South African spies had infiltrated its Angolan and Zambian operations.

Nanyemba had not died in a car accident as reported by Swapo, Shipanga said.

Shipanga said he could give the names of many other people in Swapo's ranks who had disappeared.

RECI



BUS DAY (30)  
21/2/86  
**CBD move approved**

Business Day Reporter

GOVERNMENT's decision to proclaim the first two free trading areas in the central business districts (CBD) of Durban and Johannesburg in today's *Government Gazette* has been welcomed by organised commerce and industry.

Under the legislation, restaurants and cinemas in the designated areas will be open to all races — if owners so wish.

Constitutional Development and Planning minister Chris Heunis said yesterday Port Elizabeth, East London, Maritz-

● To Page 2 →

BUS DAY (30) 21/2/86  
**Commerce welcomes open CBD's**

burg and Cape Town would follow soon. He said the required procedures were almost finalised and that 60 applications were being processed.

"The proclamation of free trading areas means that members of all population groups can now freely obtain occupation and ownership rights of premises in the proclaimed areas for business, commercial, professional or religious purposes.

"I can now announce that the Cabinet has decided that owners of businesses in the free trading areas (FTAs) will in future themselves decide as to who they are prepared to extend an invitation to do business with, i.e. receive on their premises.

"Up to now a permit was needed," Heunis said.

The move has been welcomed by the Federated Chamber of Industries (FCI), the Association of Chambers of Commerce (Assocom) and the Johannesburg Chamber of Commerce.

Johannesburg Chamber of Commerce

← ● From Page 1  
president Pat Corbin said it was "another practical step by government in the total dismantling of apartheid".

"What is good for the business community must ultimately be to the advantage of all. The longer it takes for reform to be implemented the greater the damage to the country. Let's get on with what we all know needs to be done. Time is not on our side," Corbin said.

Assocom said it hoped the latest decision to allow places of public entertainment to be opened to all races in FTAs "will eventually be extended elsewhere".

FCI CE Johan van Zyl welcomed the opening of the two CBD to persons of all races.

Natal Chamber of Industries deputy chairman, John Pohl, said: "This is a profound and welcome move by government".

Two prominent Durban Indian businessmen, Sadeck Vahed and C T Bhoola both welcomed the move.

# 'Open all PE' call

E. POST

21/2/86

30



Post Reporters

**THE Town Clerk of Port Elizabeth, Mr Paul Botha, today confirmed that the municipality had applied for the whole municipal area to be opened to traders of all races.**

He agreed that the residential provision of the Group Areas Act would, however, prevent shops with flats above them from being owned or occupied by "non-whites".

This could see numerous buildings in PE with shops below and flats above remaining reserved for whites only.

According to Mr John Fourie, Deputy Director of Constitutional Development, the proposed boundaries of the city's first racially open Central Business District (CBD) will be advertised next month.

He said the proposals had been submitted for

signature by Dr A H van Wyk, Director-General of the Department of Constitutional Development and Planning, and the proclamation could be expected within months.

It was confirmed that at present there were several "non-white" businesses and offices being run in the city under permits.

The new provisions will do away with permits.

The first open CBDs in South Africa — in Durban and Johannesburg — were proclaimed in the Government Gazette today.

Mr Heunis, Minister of Constitutional Develop-

ment, said the proclamation of Cape Town's first open CBD was being prepared for signature and the proposals for East London, Queenstown and Maritzburg would be advertised next Friday.

CBDs — like restaurants and cinemas — were being opened to all races for trading purposes and the Cabinet had decided that owners of premises would have the right to decide whom they wanted to admit, he said.

Mr Heunis said that up to now a permit was needed for the admission of people of other races in a specific group area. The onus was now shifted

from the state to the owner and occupier.

There would be no more state interference in free trade areas.

The proclamation of these areas meant that people of all races — including blacks — would be able freely "to obtain occupation and ownership rights of premises in the proclaimed area for business, commercial, professional or religious and educational purposes in terms of the current town planning scheme of the city concerned".

Answering a question, Mr Heunis said the opening of the CBDs did not allow mixed residential



**Mr PAUL BOTHA,**  
Town Clerk of Port Elizabeth.

living.

Regarding other applications received, 19 investigations had been completed by the Group Areas Board, three had been advertised, but not yet investigated, and 38 were being prepared with a view to advertising.

There could be more than one open CBD in a city, he said, as was the case with Durban, proclaimed today.

'Changes simply right the wrongs of the past'

# CBD is opened to all traders

21/21/36 STAR 30

By Shirley Woodgate,  
Municipal Reporter

Johannesburg, centre of South African capitalism for 100 years, today took its first step towards multiracial trading when the CBD was declared an "open" business area.

In terms of regulations published in today's Government Gazette, black, coloured and Indian businessmen can join their white counterparts trading, but not living or owning premises, in the area bounded by the M1 and M2 motorways, the Harrow Street offramp and the railway line.

Although the announcement has been welcomed by business leaders of all races, it is not seen as a great concession by financier Mr Ebrahim Kharsany. His company, Corporate Group, was previously refused permission to occupy premises in Johannesburg's CBD.

He shrugged: "Whatever changes are taking place here

are not reformist, but simply righting the wrongs of the past. In a country that preaches free enterprise this not a privilege but a right.

"That right should not only be extended to trading wherever one wants to but living in the area of one's choice," he said.

## Corruption

"As for relaxing apartheid by allowing all races to trade in the city's CBD, I do not see a great rush to the city centre. Many of the traders who want to be there have already moved in, either legally with permits or illegally under white nominees.

"In fact the system was wide open for corruption and certain 'fronts' became exploitive, some boasting they actually made a fulltime business out of being nominees."

Mr Kharsany did not see open trading as an answer to

the large number of offices lying vacant, but believed some traders might take up the available prime shop space.

"The consumer will benefit. He will be able to buy the best commodity at the best price right in the middle of the city.

"The days when shoppers chose their shopkeeper by the colour of his skin have long gone.

"Why do you think the whites have patronised first 14th Street in Pageview and then the Oriental Plaza?" he asked.

He believed competition with whites was no problem for Indian traders who were already well established in business, but thought the less experienced would look to grouping into syndicates, drawing on their combined efforts to match up to competition.

Mr Kharsany looked forward to the day when the responsibility for opening trading areas was not left to individual local authorities but became a blanket decision by the Government for the whole country.

## Free trading move is hailed by the left, slammed by the right

By Sue Dobson

The opening of two free trading areas in the central business districts of Durban and Johannesburg to all race groups has met with mixed reaction in business and political circles.

PFP leader in the Johannesburg City Council Mr Sam Moss welcomed the move, saying: "Any move towards the normalisation of trade and race relations, however belated, is to be welcomed.

"However, I am concerned that the opening of selected areas to all races could be an example of 'tokenism'. If we are to genuinely participate in a free enterprise system then the whole of Johannesburg should be open to all races."

He added the Government could have the "ultimate motive" of wanting to bring trade back to central business areas because of the recent movement towards regional shopping centres.

Mr Nigel Mandy of the Johannesburg CBD Association welcomed the announcement: "All business opportunities everywhere should ultimately be opened to all in a free and indivisible econ-

omy."

Conservative Party MP for Jeppe Mr Koos Van Der Merwe said: "We are vehemently against this announcement. It will destroy the principle of separate development and blacks will swamp whites in their own areas and eventually take political control."

He warned the Government "not to underestimate the growing white backlash".

HNP leader Mr Jaap Marais also slammed the announcement, saying it would lead to further racial integration and friction in business and residential areas.

"The principle of the Group Areas Act will be affected and occupants of business premises will soon look for accommodation close by, leading to residential areas becoming racially mixed," he said.

Dr Johan van Zyl, chief executive of the Federated Chamber of Industries, said: "While removing a serious obstacle to black involvement in the market economy, this move also demonstrates the Government's sincerity in implementing its reform undertakings."

## Official bodies greasing wheels of change

By Michael Chester

Moves by the Johannesburg City Council's Management Committee to investigate municipal by-laws and regulations that hinder the launch of new small business ventures have been assured of backing from the Chamber of Commerce.

The chamber said it was setting up a working group to identify regulations and procedures delaying the development of more small businesses.

One issue to be given immediate attention is the issue of harassment of black street traders and hawkers.

A chamber bulletin says: "The existing legal requirements seem to be too restrictive and should be relaxed."

The chamber has also expressed concern about the rigid restrictions preventing small businessmen from launching trade promotions by outdoor advertising.

It intends to study the maze of other regulations on licences, town planning, parking, transport and the operation of business ventures from homes.

In tandem, the city council

has appointed a special committee to consider a new set of minimum standards for small businesses.

It includes the Chief Licensing Officer, the Director of Planning, the Medical Officer of Health, the Director of Produce Markets and the City Secretary.

Moves to dismantle obstacles to black entrepreneurs in cities are also strongly backed by the Small Business Development Corporation, which has loan and advisory services waiting to help the informal sector.

JOHANNESBURG  
Central business districts (CBDs) are not likely to undergo sudden dramatic change as a result of the lifting of racial occupation and ownership restrictions.

The immediate implication is that many black traders who are already in CBDs, either through white "fronts" or where landlords have ignored the restrictions, will have their positions legalised.

Some secondary and tertiary buildings in parts of downtown Johannesburg have more black than white occupants, many of them paying nominee fees ranging

# CBD opening: few changes

ing from a token R200 or R300 up to as much as R1 000 a month.

Apart from putting these cases above board and eliminating some exploitative fronts, the move is likely to encourage CBD interest from those blacks who find it unacceptable to work through white nominees.

While Johannesburg property developers and brokers report a slow pick-up in black interest, they believe it will take time before significant impact is seen.

The opening of trading to all does mean that blacks, who have previously worked surreptitiously through just one broker, keeping a low profile, will now be able to shop around to try to get better deals. In this respect the market will certainly be opened up.

One commercial broker says he's had a few inquiries since the announcement that CBDs were definitely to open, one of them from a trade union looking for 2 500 square metres of space. Others were from entrepreneurs wanting much smaller premises.

The exclusion of residential accommodation from the new provision is pinpointed by a number of observers as needing attention. People should be able to live in an area if they can work and own commercial property there, they say.

Mr Ebrahim Kharsany, MD of the Islamic Corporation and the Corporate Group of Companies, stresses this point as vital.

Mr Kharsany also finds unacceptable the fact that only certain

areas are to be open, rejecting government's argument that blacks would suffer if whites were able to move into traditional black territories.

In Durban it seems that instead of blacks moving into white CBDs, the reverse might happen, with whites moving into the lucrative and previously only Indian Grey Street sector.

Mr John Deavin, Anglo American Property Services's branch manager there, has seen no noticeable increase in inquiries from blacks and Indians.

A similar situation prevails in Durban as in Johannesburg, where numerous Indians are already in the city centre working behind fronts or having technically white-controlled companies.

OB Property Economist, Mr Neville Berkowitz has painted a scenario of profound changes in the CBDs. He says this, together with the scrapping of influx control, will precipitate the creation of racially defined territories some time before the end of the century, with whites becoming a minority group in the CBD.

CITY P. 23/2/86.

## Teaching welders to make profits

30 THE Small Business Development Corporation Limited is holding a one-day productivity clinic for metalwork manufacturers at the Industrial Park in Orlando West on February 26.

The course - which forms part of the SBDC's range of advisory services - will be led by Anthony Stocking, Metals Engineering Unit Manager at the National Productivity Institute.

It is aimed at helping metalwork manufacturers - like welders - to achieve better profits by working more efficiently. Practical examples on how to solve productivity problems in a small manufacturing business will be given.

"If small manufacturers want to cut costs, they must learn how to work smarter, not only harder," said SBDC's Development Services General Manager Mike Smuts.

The course - which is free of charge - will start at 4pm and end at 7pm. Entry forms can be obtained from Mary Hlatshwayo at 643-7351.

# Mixed schools to feature in CBDs?

24/2/82 DISPATCH

**EAST LONDON** — Mixed educational institutions and places of worship could become a feature of central business districts when the government opens the areas to all races soon.

This emerged following investigations after the Minister of Constitutional Development and Planning, Mr Chris Heunis, announced that CBDs would be opened in Johannesburg and Durban and that others such as East London and Queenstown would be advertised on February 28.

The town clerk of King William's Town, Mr Henry Hutten, confirmed that the Group Areas Board would hold a hearing in the town today following the borough council's application to open the CBD.

"Our application was

advertised long ago," Mr Hutten said.

He said that, according to law, the opening would not affect the approximately 30 flats in the CBD which would remain for occupation by whites only. The eight restaurants and one cinema would be opened automatically if the owners wanted to admit all races.

Mr Hutten said the CBD was largely reserved for business premises and if a church or educational institution wanted to move in, the specific site would have to be rezoned.

"Just as we would not allow a business to be built on a site reserved for a church, so we would not allow the opposite. There will have to be a rezoning," he said.

In East London, the

deputy city engineer (planning), Mr Brick Bradford, said the general business zone in the CBD allowed for use of the premises as places of worship.

"It's only if the premises are zoned special business that municipal authority is needed," he said.

It is not known how many flats are in the CBD area but the nine eating outlets will not require a permit to serve all races when the CBD is opened. The only cinemas in the CBD are already permitting all races and will not need a permit to permit all races once the CBD is opened.

The town clerk of Queenstown, Mr Peter Gerber, was not available to give details on Queenstown's CBD.

ARGAS 24/2/86

BUSINESS

COMPANIES

30

## Tax credit saves Bradlows

A TAX credit of R877 000 has saved Bradlow's Stores from ending R1 million in the red for 1985.

The company's pretax profit dipped by more than R1 million to R2 million and it finished with a net loss of R191 000 after a R65 000 loss for 1984.

The loss of 11,4c a share is also an improvement on the 117c loss reported at the end of the first half.

In view of the severe credit legislation, exceptionally high interest rates and adverse socio-economic climate, the results for the 12 months can be considered satisfactory, says the chairman, Mr P H Jacobson.

But Bradlows is "well poised to take advantage" of any upturn in the economy, particularly any improvement in the unrest and boycott situation".

● Another furniture retailer, Beares, virtually repeated its after-tax profit for the first half.

Profit was R3,8 million, similar to the R3,9 million earned in the first half of 1984.

But the number of shares jumped 14,1million to 22,8 million.

● Cullinan is maintaining its interim dividend at 12c and hopes to keep the final payout at 18c, says the interim report.

Although after-tax profit dropped by R600 000 to R2,5 million, earnings from associated partnerships and companies brought in R1,3 million and raised earnings to 36,4c (31,7c) a share.

Electrical engineering lost money but other divisions made profits, chiefly electrical insulators and refractories.

A lower level of borrowings and reduced interest rates brought big savings in interest costs.

Tom Hood

# Toyota hammered by forex losses, interest

By Peter Farley

A massive foreign exchange loss of almost R60 million, combined with a six-fold increase in interest charges to R28 million, pushed Toyota's bottom line heavily into the red in the year to end-December.

Problems were further compounded by a fall in operating profit to R38 million from R85 million, with its own unit sales down by 15 percent to 85 000.

Nevertheless, a small bright spot is that the fall in volume sales was much less than that in the rest of the motor industry and Toyota's market share climbed to almost 28 percent from a shade under 25 percent.

The fall in the rand, plus additional borrowings, pushed the total debt level up to R260 million from R161 million at the end of 1984. And though a large portion of this is offshore financing, it has all now been covered.

Toyota "played" the foreign exchange market earlier last year, but systematically misread the market and so multiplied its losses in that area.

The eventual covering of those foreign liabilities late last year, has meant, however, that the company has taken the worst possible loss with no opportunity to now recover profits as the rand appreciates.

And though no split has been given

between local and foreign borrowings, management estimates they will both be brought down this year. The target to reduce the total last year by 30 percent was only a third successful, in that a further depreciation of the rand again pushed up the cost of imported parts in the second half of the year.

At the per share level the company registered a loss of 1 338c, against a 735c a share profit in 1984. Not surprisingly, no final dividend has been paid after the interim was slashed by two thirds to 25c.

Nevertheless, the share price has steadily appreciated from a low late last year of 3 500c to a peak in the past few days of 5 000c. It's still 1 000c off record highs of mid-1984 and 1985, and there is likely to be renewed downward pressure in the wake of these figures.

However, the worst should be behind the firm, with the market seemingly coping with higher vehicle prices, the rand strengthening above 50c and all forex losses now accounted for.

In an accompanying statement, management notes that there appears to be more optimism about the year ahead, but adds that too many uncertainties make forecasting impossible.

"Given that nothing untoward happens to change that confidence, there is the expectation of an improved trading year, with better financial results."



# Conservatives, Nationalists clash over Pietersburg's free trade areas

STAR

26/2/86

By Dirk Nel,  
Northern Transvaal Bureau

30

PIETERSBURG — Differences over the implications of Pietersburg's proposed free trade area surfaced during a heated debate in the town council this week.

A proposal by the Conservative Party-controlled management committee that a few blocks forming part of the town's present "black trade area" be recommended to the Government, was questioned by Nationalist councillors.

Claiming that the proposed area was too small and unviable, Mr Schalk Schalkwyk (NP) said the white residents living in parts of the proposed free trade area deserved greater consideration.

Instead of their having to put up with an assortment of shops "on their doorsteps", the area could be enlarged to give these residents the opportunity to sell their homes profitably to businesses, he said.

Mr Mars de Klerk (CP), who introduced the proposal, said he personally was not in favour of free trade areas that were being "imposed" by the Government.

His view was endorsed by the chairman of the management committee, Mr Nic du Preez.

Mr Lodwyk Snyman (NP) declared he could not understand how a town councillor could propose something he did not believe in.

The committee's proposal was carried by five votes to four, with the Mayor, Dr Willie Botha, using his deciding vote.

## MAYOR'S ALLOWANCE INCREASED

There was also a lively debate about the mayor's allowance.

Mr Snyman proposed an increase of 10 percent, in line with State departments, saying a special Town Council Centenary Fund made provision for an increased number of mayoral events during the year.

The CP majority, however, voted for a 60 percent increase from R22 000 to R36 000.

Mr Snyman said after the meeting: "The town council is answerable to the ratepayers for this kind of excess. I believe the council should set an example in these difficult economic times."

# Open trading shows shift in policy-making

## CBDs: a 38-year journey from ideology to realism

SPAK  
26/2/86 (30)

Two phases of government policy-making are highlighted in Johannesburg CBD Association chairman Mr Nigel Mandy's socio-economic history of Johannesburg.

Mr Mandy describes attempts by the Government to keep blacks as temporary migrant workers, through job reservation, influx control and the Group Areas Act.

And he gives details of the many commissions, reports and representations by business to Government that have led to open trading areas — an official acknowledgement of the permanence of urban blacks.

The following are the key milestones in this policy evolution:

### 'UNTENABLE'

● In 1948, the Fagan Report, commissioned by the Smuts Government, found that "previous policy relating to urban blacks had been based on the 'untenable proposition' that they were all temporary migrants," Mr Mandy says.

However, by the time the report was published, the Nationalist Government had come to power.

● In 1950, the Group Areas Act was passed. This reserved the CBDs and major trading areas of all cities and towns for white traders, and the de-

centralisation of industry to the homelands began. Black entrepreneurship in urban areas was penalised by law.

"As recently as the 1960s, it was a fundamental assumption of Government policy that by 1978 the tide would turn and that the blacks would be flooding back towards new opportunities in the homelands," Mr Mandy says.

● In 1979, the Riekert Commission, appointed by Government to inquire into manpower in South Africa, recommended that free trade areas should be permitted in CBDs at the option of the relevant local authority.

The Government responded with a White Paper supporting the underlying objectives of the Riekert Report.

It held out the possibility of designating particular areas for occupation by all races for business, commercial or professional purposes in consultation with local authorities.

The Group Areas Board would establish such areas, but only if their designation did not lead to the under-utilisation of State-provided trading facilities or residential mixing.

The Minister of Community Development, Mr Pen Kotze, then invited

The opening of the Cape Town and Durban central business districts (CBDs) to traders of all races was gazetted yesterday. The move follows a 38-year battle between the exponents of economic realism and a government intent on implementing apartheid. LESLEY COWLING looks at the history of restrictions on city trading, as described by Mr Nigel Mandy in his book "A City Divided".

representations on the designation of open trading areas in cities and large towns.

Johannesburg's Chamber of Commerce and CBD Association suggested, in a memorandum, that the entire CBD and Braamfontein be opened. It was unfair to take advantage of black skills and buying power without making opportunities available to them, they said.

### DEVELOPMENT

They said it was unlikely there would be dramatic changes overnight if free trade areas were instituted.

Such zones would simply provide opportunities for economically viable development over a long period of time.

● In 1984, Mr Pen Kotze, Minister of Community Development, accepted a private member's motion calling for the opening of all defined CBDs for trading by all races.

The Government would gradually start considering applications for open-

ing CBDs, he said.

At this stage, according to Mr Mandy, central Johannesburg was already multiracial, with Indian, coloured and black businessmen trading through nominees.

● In July 1984, the Government amended the Group Areas Act to facilitate the creation of "open trading areas".

● In May last year, the amendment was promulgated, and in August the statutory notice of inquiry into Johannesburg's downtown area was published.

Finally, Johannesburg's CBD was opened to traders of all races.

But various restrictions on black access to the free market still remain under the Group Areas Act, Mr Mandy says.

These include influx control — which the State President has promised to abolish by July this year — and some restrictions on black business in their own residential areas, he says.

## For the chop

LONDON — Blood has flowed for almost 1 000 years at London's historic Smithfield meat market, but the place may soon find its own place on the chopping block as developers eye the area's prime real estate.

Smithfield, tucked in the north-west corner of the ancient city of London, has been the site for its meat trade since 1123. Today it is the last of London's major traditional food markets, but its survival is doubtful.

Like the celebrated flower market at Covent Garden, which developers transformed into a tourist mall with fashionable restaurants and boutiques, each of the city's big markets, except for Smithfield, has been moved outside central London.

"The Corporation of London plans to parcel the area off and sell it to the highest bidder. I'm absolutely certain of that," says the head of a group aimed at preserving the area's historic character.

City authorities, faced with a drastic decline in Smithfield's meat trade, want the market to be trimmed down. They say its buildings do not meet modern health standards and are falling apart. — Sapa-Reuter.

## Open CBD leads to commercial interest

SINCE the official opening of the Johannesburg CBD to all races, Landmark's commercial division has been "overwhelmed" by enquiries from blacks looking for central premises.

Commercial letting manager Nick Hill says that, as he had been doing business with blacks for a couple of years anyway, he had not expected much change. However, the difference is phenomenal, he comments.

Most interest is from professional firms looking for an average of about 100m<sup>2</sup>, usually in the area between Main, Pritchard, Von Weilligh and Eloff Streets.

Hill says he's having no problem placing clients, who are paying rentals of about R8/m<sup>2</sup> to R10/m<sup>2</sup> gross. He's just signed up a firm of coloured insurance brokers, who've taken 95m<sup>2</sup>, and expects soon to tie up a deal with a black personnel agency.



Motor oil,  
grease  
prices to  
be cut

The Argus Correspondent  
JOHANNESBURG. — BP  
Southern Africa is to cut the  
price of motor oil.

The chairman, Mr I J Sims,  
said his company would lower  
the prices of petroleum prod-  
ucts not regulated by the Gov-  
ernment Gazette on Monday.

The cuts were possible be-  
cause of weaker crude oil  
prices and the improvement in  
the rand/dollar exchange rate.

Prices of motor oils will be  
reduced by 23,6 cents a litre,  
industrial oils by 24,6c l, grease  
by 19,6c kg and liquid petro-  
leum gas by 11,7c l.

BP will also cut heavy fur-  
nace fuel by 8c l, bitumen by  
7c kg, aviation turbine fuel  
12,2c l, aviation gasoline  
23,6c l, power paraffin 11,4c l,  
benzine 22c l and white spirit  
by 15c l.

The Argus Political Staff re-  
ports that the Minister of Agri-  
cultural Economics, Mr Grey-  
ling Wentzel, today appealed to  
food producers to pass on the  
benefits of a lower petrol price  
to consumers.

Food producers spent R600-  
million a year on fuel, so the  
cut in the fuel price from next  
Monday would be welcome re-  
lief to them, he said.

Meanwhile a spokesman for  
South African Transport Ser-  
vices said it was unlikely that  
the recently announced in-  
creased bus fares would be re-  
duced because of the cheaper  
fuel price.

**Valleys** CITY SWENSKIS BOKU PAARI  
SITR VALLES PAKOU PAARI  
Exciting NEW winter range of  
**Girls' CO-ORDINATES**  
by D.E.R.M.A.R.  
In latest brights, satin trims  
and checks from **R25,99**

# Cape Times

Cardinder Inside

FOUNDED 1876 \*

THURSDAY, FEBRUARY 27, 1986

40c (36c plus 4c GST)

**Stuttafords**  
**FRUITED VINEGARS**  
**FROM FRANCE**  
Some of the selection, Blackcurrant, Bilberry, Red Currant and Cherry.  
Claremont Food Hall

# More petrol price cuts possible — minister

**IN A MOVE** welcomed by commerce and industry and criticized as "not enough" by the Opposition, the government yesterday announced that the petrol price will drop between 8 and 10 cents a litre on Monday. And further price cuts could be on the way.

Announcing the cuts, the Minister of Mineral and Energy Affairs, Mr. Danie Steyn, said the government would consider further reductions in June, especially if the rand-dollar rate continued to improve.

**Diesel**

He also indicated that June 15 was the deadline for oil companies to convert petrol pumps from the half-price system. From Monday the price of 88-octane petrol will drop by 8 cents a litre at the coast and that of 93-octane by 10 cents a litre.



The Minister of Mineral and Energy Affairs, Mr. Danie Steyn, announces the decrease in price of petrol yesterday.

The price-control system on fuel prices would stand, he said, parties yesterday criticized the government for not creating a fund to help contain inflation but it should be the job of many government departments.

Mr. Steyn said he was confident the cuts would have a significant effect on inflation and challenged the private sector to pass on the effects by lowering prices.

*Oct 7/16/85*  
*z 7/2/86*

Octane:	93 98	93 98	93 98
Current price:	R32,90 R34,30	R51,70 R53,90	R75,20 R78,40
New Price:	R29,40 R31,50	R46,20 R49,50	R67,20 R72,00

**Filling a tank**

The price-control system on fuel prices would stand, he said, parties yesterday criticized the government for not creating a fund to help contain inflation but it should be the job of many government departments.

Mr. Steyn said he was confident the cuts would have a significant effect on inflation and challenged the private sector to pass on the effects by lowering prices.

take the opportunity of translating this into benefits for the consumer.

The chairman of the SA Motor Traders Association, Mr. George Beckman, said the drop in fuel price was "a step in the right direction".

The Federated Chamber of Industries said it was "very pleased".

The FCI strongly supported the request that the reduction be passed on to the consumer through reduced transport, delivery and other charges.

The South African Agricultural Union said it was "satisfied".

Its president, Mr. Kobus Jooste, said 1985 was a year of price rise in the agricultural sector. He said the government's decision to reduce the price of agricultural products was a "welcome step".

He also called on the government to reduce the price of agricultural inputs such as fertilizers and pesticides.

The managing director of Checkers, Mr. Cliff Wells, said he was delighted that the government was acting in the interests of the country.

— Political Staff Reporter and Sapa

(30) WEDNESDAY 27/2/86

## Drop in clothing sales expected

CLOTHING sales were expected to decline a further 3% this year, National Clothing Federation president Mike Getz said yesterday.

"The volume of clothing currently being manufactured in South Africa is no higher than that manufactured during 1979," Getz told a Johannesburg Press conference.

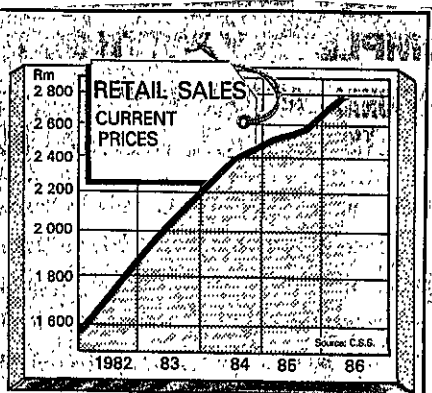
In a survey taken during December 70 clothing manufacturers expected a further decline in production volume during the first quarter of this year, a further decline in orders received, and a decline in the number of work-

LINDA ENSOR

ers employed and hours worked per factory, he said.

Since reaching a peak at the end of 1981, output in the industry had shrunk by about 35%, compared with a 9% decline in employment.

Fabric contributed between 55% and 60% towards the industry's costs and the protection enjoyed by important sectors of suppliers meant "raw materials are being supplied under conditions of no competition and no penalties for non-performance".



## Retail tills ring up slower sales

RETAIL sales this month are expected to hit their lowest level since September.

Latest estimates from Central Statistical Services show the actual value of sales is expected to total R2,45bn in February — down from January's R2,54bn, and the lowest since September's R2,41bn.

Seasonally adjusted, the expected total is R2,77bn, compared with January's R2,8bn.

At constant 1980 prices, the drop is even more marked. February's expected actual sales figure of R1,22bn compares with January's R1,28bn. Actual sales in the three months to end-February are expected to show a 9.2% rise on corresponding figures for the previous year.

Sales from December 1985 to February 1986 are likely to hit R8,74bn, compared with R8bn between December 1984 and February 1985. At constant 1980 prices, however, the latest three months are expected to show a 5.5% drop, from R4,6bn to R4,4bn.

Seasonally adjusted, an expected December-February figure of R8,2bn is 4.3% up on September-November.

Chamber chief →

21/28  
47  
30  
DISPATCH

# says lets get back to basics

Business Editor

**EAST LONDON** — The private sector should stand together and call for a "going back to basics" to re-assess the proper role of the authorities in a democratic society, the re-elected president of the East London Chamber of Commerce, Mr Nico Cloete, said at the chamber's annual meeting last night.



At the annual meeting of the East London Chamber of Commerce last night were, from left, the president, Mr Nico Cloete, the project development manager of the Small Business Development Corporation, Mr Jo Schwenke, and one of the vice-presidents of the chamber, Mr Errol Spring.

"We must remind ourselves and the authorities that we have an elected government at all tiers and have given them a mandate. For many known reasons the emphasis has shifted from government executing their duties to suit the electorate to the electorate being manipulated to suit government," Mr Cloete said in his presidential address.

Referring to the "intertwined relationship of business and economics", Mr Cloete said every businessman would wish that politics did not exist — "but I fear that in our country that is wishful thinking."

Mr Cloete said democracy and the free market system were synonymous. "We must all remain involved in the maintenance of rights to do business in an unrestricted manner. We as a chamber will continue to canvass for deregulation and the cutting of red tape."

He appealed to the authorities to implement "a true democratic system of electing all bodies to run our affairs at all tiers."

The current system of

community councils and the like was outdated.

"I must hasten to say that there is no real criticism against the individuals selected to serve on these bodies, but the mere fact that they were not placed there by popular vote places them in an invidious position.

"You ask me why the chamber should involve itself with these issues. I reply by saying that it is our business because a destabilising factor in the community affects our pockets."

Mr Cloete also criticised the timing of the announcement of salary increases for MPs and cabinet ministers. "I find it ironical that in one breath increases in the ranks are kept to a minimum while those at the helm agree to an open cheque.

"Perhaps the figures quoted are not unreasonable for the job in question, but the timing of this type of decision-making is of major concern."

Mr Cloete also referred to contact with the "architects of the Natal/KwaZulu option".

"The similarities between their position and ours in this region are of great interest and lead one to believe that a similar exercise locally is long overdue," Mr Cloete said, adding that a report to the chamber's executive would be made shortly.

Mr Cloete said the past year had been one of conflict, violence, consumer boycotts, sanctions, high interest rates — "and generally speaking a year which one would not wish on one's enemies." The local chamber and Assocom, its national body, had played a positive role on many fronts.

"We have played a leading role in a mediatory capacity during the bus boycott, the consumer boycott and we have been instrumental in calling for the opening up of our CBD to all races.

Those who had survived the recent boycott were looking seriously at their own position "with a view to restructuring or even getting out of the game. This in turn will have serious ramifications down the line in preparing the ground for corporate takeovers and monopolies."

The guest speaker at the meeting was the project development manager

of the Small Business Development Corporation, Mr Jo Schwenke.

Mr Schwenke said small and medium businesses provided the bulk of employment opportunities overseas and small business had to play a far more important role in South Africa in creating jobs and accompanying stability.

He said that while the SBDC, with its various programmes of financial aid, provision of premises and advisory services, had succeeded in creating 40 000 jobs over the past four years, estimates were that South Africa needed to create 200 000 new job opportunities a year. "The small-business sector has an enormous role to play in solving South Africa's problems.

"We have to find the people who have the courage to throw up a secure existence and start their own businesses, thereby becoming employers and starting to solve the problems of South Africa," Mr Schwenke said.

He said that, in addition to its financial services, which were applied on business lines, the SBDC also undertook a lobbying function for the removal of red tape and unnecessary regulations.

He supported the idea of an export processing zone in East London as an exciting concept and offered the SBDC's services in lobbying for this concept.

Mr Schwenke said the SBDC would also be investigating the possibility of establishing entrepreneurial development centres in East London.

The Mayor of East London, Mr Joe Yazbek, told the meeting it was essential that "we all get together and communicate more."

He said East London was the only city in South Africa to have held mass meetings for all races.

Black attendance at these meetings had been "superb" but the white attendance had been poor and this had been commented on by black spokesmen, Mr Yazbek said.

Mr Nico Cloete was re-elected president of the East London Chamber of Commerce, as were the vice-presidents, Mr Errol Spring and Mr Brian Walker. The secretary is Mr Jock Allison.

TO

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GST



# Foshini group to lay off 302 employees

27/12/80 Mercury

~~302~~ 302

## Labour Reporter

ABOUT 302 employees from 600 Foshini group stores throughout the country are likely to be retrenched next month, Mr H A L Matthews, managing director of the Cape Town-based company, confirmed yesterday.

But, Mr Important Mkize, a spokesman for the Commercial, Catering and Allied Workers' Union, said the union had declared a dispute with the Foshini Group after the company allegedly refused to accept the union's proposals as an alternative to the retrenchments.

He said the national clothing store had informed the union that it intended retrenching staff from its Pages, Markhams,

American Seas and Foshini stores throughout the country.

'We proposed a scheme which involves reduced working hours or short-time, but the company claims that this is unworkable in the retail trade.

'Throughout the long-drawn negotiations dating from the beginning of the year over alternatives to the retrenchments, the company showed no serious consideration of the union's proposal, but to go ahead with retrenchments,' he added.

Speaking from Cape Town, Mr Matthews told The Mercury that the retrenchments, which would be carried by the middle of March, were the result of 'very careful consideration

and negotiation' with the union over the past two months.

He said the union's proposals were totally unworkable in a business operation. The company was reluctant to reduce its staff but their posts had become redundant.

The number of people made redundant was negligible in a total workforce of 5 200, he added.

# Supermarket chain will keep selling cheaper petrol



Mr Raymond Ackerman

PETROL stations operated by Pick'n Pay will continue to sell fuel at discount prices until Monday, says chairman Mr Raymond Ackerman.

He denied today that any Government order had been received banning his company from selling petrol at below the official prices.

"In terms of the Petroleum Act the Minister may issue an edict forcing me to stop selling at discount prices, but until that happens we carry on as before."

"Two major oil companies have continued to supply me with petrol, but one has refused. I know that the Government is working feverishly with the oil companies to stop me," he said.

BP yesterday told Pick 'n Pay hyperamas that they would no longer be supplied with petrol. This was in the wake of Mr Ackerman's announcement that its petrol price was being dropped three days before the Government's scheduled date.

Mr Ackerman charged that there was a "strong feeling of a monopoly and a cartel" in the oil industry.

"It is evil. It is bad. And I believe anybody who forms a cartel should go to jail." The only reason BP had adopted such strong-arm tactics, according to Mr Ackerman, was because of he was "totally and utterly opposed to price-fixing" and his introduction of discount petrol.

"I don't need the Government to tell me what to do,"

said an indignant Mr Ackerman.

"At our Boksburg outlet we have set a precedent and have been allowed to sell petrol at discount prices for 10 years. Now they have the audacity to ask us to stop."

"The authorities have shown a lack of sensitivity and flexibility by not wanting to deregulate the supply of petrol to the public," Mr Ackerman said. — Staff Reporter and The Argus Pretoria Correspondent.

Argus 29/2/84  
 (50)  
 of companies

28/2/86 FIN MAIL (30)

FEATURE

# Betting on black

Retail spending by SA's 18m blacks may be down because of unemployment, boycotts and civil disturbance. But, increasingly, the growth of the country's total retail market, estimated at R32,3 billion last year, will lie in black hands.

As Amrel chairman Ronnie Cohen told the recent Frankel Kruger investment conference: "Anyone not catering to the needs and aspirations of this burgeoning market can only intend being a specialist to a very small percentage of the total population."

SA has experienced a boom in black spending and, in spite of temporary setbacks, will continue to do so. It is common cause that the real disposable income of blacks has risen far more rapidly than that of whites, and Cohen believes this trend is accelerating.

He says black, coloured and Asian spending doubled between 1970 and 1985 while white spending in the same period increased by only about 20%.

Cohen lists four main reasons for the increase in black spending:

- Social pressures to increase black salaries, linked with demands for wage increases from the unions;
- Population growth;
- The establishment of a strong middle-class black community; and
- The changing aspirations of blacks.

While Cohen sees major growth ahead in black demand for cars, electrical appliances and holidays, the recession may delay this development. "Despite higher levels of income, the main priority is still to buy food," says National African Federated Chamber of Commerce (Nafcoc) treasurer Sy Kutumela.

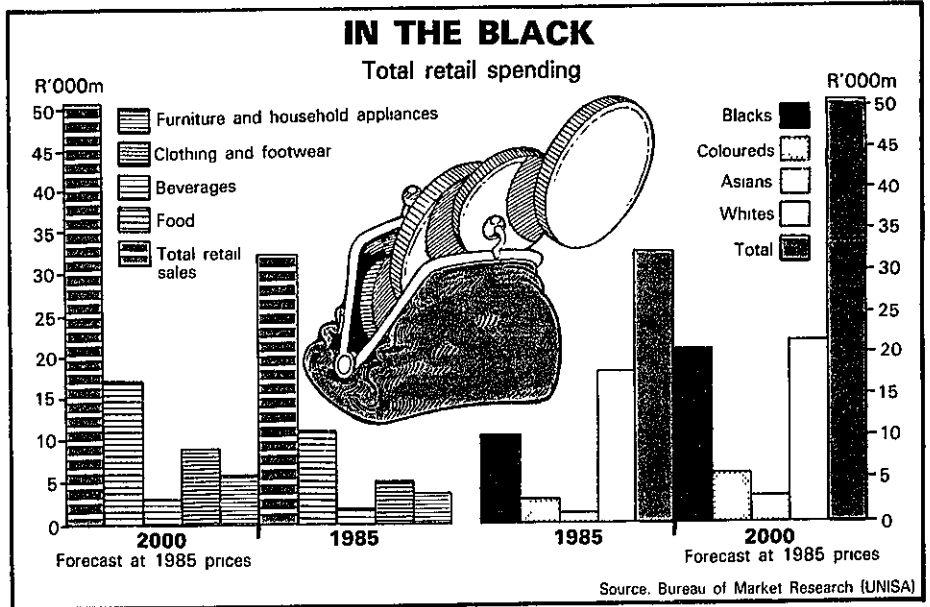
But, even in food sales, black buyers are more selective in what they buy. Woolworths, for instance, which aims to serve all ethnic groups, has felt the pinch of the recession. "We sell quality food which in some instances may be too expensive for any eth-

nic group to buy. Some of our stores — Johannesburg's Kerk Street shop, for instance — records more black customers than white, and the reverse is true for other shops," says MD Michael Stakoll.

Premier Milling says sales of basics, such

Pep Stores, which targets on the black family and supplies mainly clothing, shoes and household textiles, draws about 64% of group turnover from black buyers and has recorded an increase in black spending.

"We've seen an increase in black buying



as flour, maize and margarine, have been fairly constant over the years, but black purchases of third generation products like chickens and eggs have increased.

Purchases of clothing and footwear recorded increases until the recession, and will continue to rise in the future. "But here unit sales to blacks and whites would be more similar, particularly in urban areas," says Cohen.

He explains that black consumers have become more value conscious and that their needs are fast moving towards shopping for the same merchandise at the same prices as their white counterparts.

for some five years now and the increase in black customers in the future will be incredible," says MD Basil Weyers. "Blacks' needs are rapidly matching those of whites."

The location of retail outlets is obviously critical in developing a black clientele. Pick 'n Pay's Raymond Ackerman, for instance, blames the Group Areas Act for the fact that whites still dominate spending in his supermarkets.

Ellerines, which is 90% frequented by black customers, has noted a slump in sales recently. "But this isn't a reflection of future trends," holds chairman Eric Ellerine, "buying will pick up again towards the year-end."

## More to go

28/1/86 (30)

The opening of the Johannesburg and Durban CBDs to all races last Friday is no more than a start, as far as government is concerned. The good news is that another 58 CBD areas, including Cape Town and Bloemfontein, await the same proclamation. The bad news — it could be years before all are through.

In Johannesburg alone a campaign spearheaded by the Central Business District Association (CBDA) and supported by SA's major business organisations has battled since 1977. CBDA chairman Nigel Mandy says: "In all the representations we made we strongly emphasised that all business opportunities everywhere should ultimately be open to all in a free and indivisible economy.

"The major CBDs are the appropriate places where, in accordance with evolving government policy, the example should be set and the process of adjustment initiated."

However, Department of Constitutional Development director Bertie Nel, who is in charge of administration of the Group Areas Act, points out that the process towards opening up a CBD is often hindered by red

lamation R228, thus giving restaurants and other places of entertainment in the open trade area the right to decide who to serve. Special permits are no longer required.

Change in the new open areas may still be held back by the present economic climate. Mandy reckons the main opportunities are not in retailing, but more probably in the professional, commercial and service industries and in light manufacturing.

"A number of professional people, flouting the law, have already established practices in the CBD," says Small Business Development Corporation (SBDC) spokesman Francois Baird. "The important thing is to get the smaller man established."

The CBDA, the SBDC and Sullivan Signatories have joined forces to come up with schemes to help black entrepreneurs set up shop. Sullivan Signatories CE Lionel Gruen says a contingency fund has been set up by members. Talks with black businessmen to establish their needs and advise them on how best to use the money are scheduled over the next two weeks. ■

tape. "Although government would like to open other CBDs as quickly as possible, particularly those in the larger urban areas such as Cape Town, Bloemfontein and Port Elizabeth, there are problems."

In Cape Town, government is still trying to define what constitutes the CBD. In Bloemfontein, the matter is complicated by an outmoded law which denies Asians the right to live in the OFS. However, there are moves to repeal this law.

Says Nel: "It is impossible to say when the other areas will be opened up. We can only say we're working on it."

Along with last Friday's move, government also withdrew the much-resented Proc-

# Lay-offs affect Border

Dispatch Reporter

EAST LONDON — The planned retrenchment next month of at least 302 employees from 600 Foschini stores throughout the country would affect employees in the Border area, the regional manager, Mr D. Wild, said yesterday.

Mr Wild said he could not reveal yet which stores would be affected by the retrenchment as an announcement had not yet been made to employees concerned.

This follows an announcement this week by the managing director of the Cape Town-based company, Mr H. A. L. Matthews, who said the national clothing store intended to retrench staff from its Pages, Markhams, American Seas and Foschini stores throughout the country.

Mr Matthews said the retrenchments, which would be carried out by mid-March, were the result of "very careful consideration and negotiation" with the Commercial, Catering and Allied Workers' Union over the last two months.

The number of people to be made redundant was negligible considering that the more than 600 outlets of the company had a workforce of 5 200, Mr Matthews said.

"In effect it will amount to about one or two

people losing their jobs from each outlet."

Meanwhile, a spokesman for the union, Mr Important Mkise, said the union had declared a dispute with the company after it allegedly refused to accept the union's proposals as an alternative to the retrenchment.

"We proposed a scheme which involves reduced working hours or short time, but the company claims that this is unworkable in the retail trade," he said.

"Throughout the long drawn out negotiations dating from the beginning of the year over alternatives to the retrenchments, the company showed no serious consideration of the union's proposal, but to go ahead with the retrenchments," he added.

Mr Matthews said the union's proposals were unworkable in a business operation and the company was reluctant to reduce staff but their posts had become redundant.

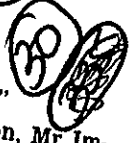
Mr Matthews rejected the union's allegations that the company refused to find alternatives to the retrenchments.

"We furnished the union with a great deal of information of our plans, but they were unable to come up with a reasonable and acceptable counter proposal," he added.

DISPATCH

28/2/86

1986



# Open CBD in EL closer

By DIRK VAN ZYL

Political Correspondent

CAPE TOWN — The proclamation of racially open central business districts (CBDs) for East London and Maritzburg comes a step closer today with legally required notices for a Group Areas Board investigation being published.

The CBDs of these cities should be open for trading by all races in two months' time, a senior official of the Department of Constitutional Development and Planning, Mr Bertie Nel, said from Pretoria yesterday.

Port Elizabeth's should be proclaimed in about three months' time, he added.

Open CBDs were proclaimed for Johannesburg and Durban last Friday and Cape Town is expected to be the next, according to the Minister of Constitutional Development and Planning, Mr Chris Heunis.

Interested people and institutions can make representations regarding Maritzburg and East London for the next 10 days after today's advertisements.

A report will then be prepared for the Group Areas Board.

## Boycott suspended

THE three months long consumer boycott in Krugersdorp will be suspended from Sunday until April 7, said one of the organisers yesterday.

He said the decision was taken at meetings of residents last week. The reason for suspending the boycott, he said, was to give the residents a break and enable them to buy commodities that are not available in the townships.

He said a new campaign had been started last Friday in Kagiso and Munsieville townships. The campaign, he said, was to boycott the council-owned bottle stores and to ostracise councillors, soldiers and police living in these areas.

"They are collaborators in this oppressive system we are fighting to get rid of," said the spokesman.

30  
Suspended  
24/2/88

## Structural stigma <sup>28/2/88</sup>

Progress reports show the R600m unemployment relief package is like taking aspirin to cure cancer. This is hardly surprising. When it was introduced in October critics cried out that while temporary respite for the jobless is commendable, the structural problem must be tackled.

According to Manpower Director General Piet van der Merwe, R307m created jobs for a daily average of 151 000 people — working some 10,7m man-days — at the end of December. He estimates this could increase to 300 000 by April.

### Business projects

In addition, R38m and R75m was spent by the Development Bank and Small Business Development Corporation respectively on small business projects creating a total of 8 114 job opportunities.

Van der Merwe is "very happy" with progress "considering the haste and pressure we have had to work under," attributing progress to the involvement of the private sector "in both training and job creation."

However satisfied Van der Merwe might be, these figures will not satisfy the jobless or the many critics who cry out that unemployment is so high (some say more than 4m) that these attempts at addressing the symptoms are futile.

At a recent Economic Society of SA seminar on unemployment, National Manpower Commission Chief Director Frans Barker commented that "the training of people, creation of revolving funds to get small busi-



Van der Merwe ... looking very happy

restricted blacks to the lower rungs of the job ladder. Thus genuine political reform is essential for the elimination of unemployment and poverty."

Van der Merwe says government is aware of the structural problem: the solution lies in "economic growth and political stability." Economic growth, Natrass says, is not sufficient. Rural development, the provision of jobs in urban areas that can be filled by people with low educational levels, and la-

moves towards a solution will also have to be multi-dimensional. Sound economic policies often fail because they are defeated by stronger interest groups who have other goals."

She is adamant that better results will be achieved by removing factors constraining job creation rather than new development programmes. "Poverty is political as much as economic. It is linked to underdevelopment of black areas, migrant labour and influx control, and racial discrimination which has

nesses and housing schemes going, introduction of businesses to labour-intensive schemes and government's taste of success with the programme all have long-term benefits."

Van der Merwe insists the programme was never intended as a long-term solution. "It is an interim relief measure."

But, as professor of development studies at Natal University Jill Natrass made clear: "The problem is multi-dimensional, so



# Buyana calls for talks on boycott issue

28/2/86 (30)  
DISPATCH

EAST LONDON — The chairman of the Ex-Robben Island Prisoners' Committee, Mr Zola Buyana, has called for talks to clarify the consumer boycott scheduled to start here on Monday.

Mr Buyana said the boycott could be an effective non-violent weapon but if it was called by a group of unknown individuals, the people could be misdirected through pamphlets distributed at night.

"This can affect the people's lives and we feel a mass meeting should be called to discuss the consumer boycott," he said.

Mr Buyana urged people not to be afraid of intimidation and harassment by people who lacked information about organisations fighting repression.

"We have been to Port Elizabeth and Uitenhage and held discussions with the consumer boycott leaders there. They are prepared to come forward and discuss issues unlike the leaders in the Border region who make decisions at random.

"As long as we have not discussed the consumer boycott issue on a platform, it will be taken as something which does not exist. Harassment and intimidation will be frowned upon by people wishing for good, harmonious and peaceful change in this country.

"All those found to be troublemakers will be dealt with severely. We have nothing against

boycotts, but there must be negotiations."

Mr Buyana said changes in the city relating to the central business district, hawkers, the beach issue and the removal of troops from the township were brought through negotiation.

"It did not come about through pressure groups purporting to fight for black rights through concepts such as black consciousness."

He said the African National Congress had been established by blacks and whites. Whites were victims of the class struggle while blacks were victims of the racial struggle.

"As true freedom fighters, we have nothing against whites others than those running and Afrikaners who are not businessmen and stand as a stumbling block towards reform.

"As former members of the ANC, we ask people not to be afraid of intimidation by uninformed people," he said.

Discount

CARE TINT  
1/3/86

# petrol 'till tanks run dry'

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~~30~~

Staff Reporter

**PICK 'N PAY** said yesterday it would sell discounted petrol "until tanks run dry" in the wake of a government directive to oil companies to stop supplying petrol to outlets not selling at the prescribed price.

A spokesman for BP SA yesterday confirmed the directive was sent to his company, which at present co-ordinates the price aspect of the oil industry. Other suppliers had been informed.

He said the directive ordered suppliers not to supply petrol to any outlet "at which petrol was offered at any other price than that prescribed", and said that in effect this stopped supplies to Pick 'n Pay, which was the main retailer of discounted petrol.



Mr Raymond Ackerman

Mr Gardiner said he felt the issue had come to a head now because his company had upset people in high places.

He was referring to a meeting in January in which Pick 'n Pay had told the authorities they were misguided and that they should have the courage to deregulate the petrol price.

BP said in a statement yesterday that the omission in some newspapers of the first paragraph of the statement by the chairman of BPSA, Mr Ian Sims, in which he refuted an allegation by Mr Raymond Ackerman, placed the remarks out of context.

The opening paragraph of Mr Sims's statement read: "Mr I J Sims, chairman of BP Southern Africa (Pty) Ltd, has refuted Mr Raymond Ackerman's claim published in Business Day on February 25, that the oil companies were 'making a killing' because government had not reduced petrol prices."

The remarks attributed to Mr Ackerman in Business Day read: "Ackerman said it was clear government had taken a decision favouring the oil companies, which he accused of 'making a killing' under present circumstances."

BPSA said its statement was issued to refute Mr Ackerman's specific allegation and had nothing to do with reports on the discounting of petrol in which in some cases the statement was inexact.

## Queues

Pick 'n Pay director Mr Alan Gardiner said yesterday that the company expected the supplies to be cut until Monday, when his company would again be selling at the prescribed price and therefore be entitled to petrol.

There were queues of cars at the Brackenfell Hypermarket yesterday, where about eight times the normal daily amount

of petrol was sold yesterday.

"We sold 60 000 litres of petrol there today, which is more than some garages sell in a month," he said yesterday, adding that Pick 'n Pay would sell discounted petrol over the weekend until tanks ran dry.

He thought the government action was tough and heavy-handed and referred to the government's behaviour as "unreasonable" and "disgusting".

## Damages for Vangelis

LONDON. — Vangelis, the composer whose hits include the theme from the film "Chariots of Fire", and two musicians were awarded 250 000 sterling (£720 000) yesterday for a record company's illegal release of their early work.

A High Court judge ruled that Pye Record Sales, which in an earlier hearing had consented to judgment being entered against it for breach of copyright, should pay the amount for damages, interest and costs.

A lawyer for the three told the court the illegal releases consisted of several pieces of music recorded by his clients in the early 1970s.

He said Vangelis, whose full name is Vangelis Papathanassiou, regarded these pieces as inferior.

— Sapa-Reuter

Mercury  
1/3/78

# Commerce welcomes open CBD

## Pietermaritzburg Bureau

THE imminent opening of the central business district here for free trade by all races has been welcomed 'with delight' by the Pietermaritzburg Chamber of Commerce.

The chamber's new president, Mr L E Kerk, said the proclamation of the CBD as an open trading area would give all races greater opportunities to participate fully in the free enterprise system.

The chamber appreciated the efforts of the Department of Constitutional Development and Planning in limiting the administrative preparations to the minimum and in having the proclamation finalised as early as possible.

Mr Kerk also welcomed as an 'exciting development' the Provincial Council's decision to allow

extended trading hours.

The Licence and Business Hours Amendment Ordinance was passed by the council this week without amendment to allow businesses to open on all days except Christmas Day, Good Friday, Easter Sunday, Ascension Day and the Day of the Vow.

Mr Kerk urged businessmen to investigate more fully shift work and flexitime so that trading hours could be adapted to suit the consumer.

'Twenty-four-hour trading will revolutionise shopping patterns and businessmen should give serious consideration as to how their businesses could be affected should it be implemented.'

The question of security in the CBD and at shopping centres would have to be looked into to prevent crime against late-night shoppers, he said.

By **BENITO PHILLIPS**  
MONDAY, March 3, is D-Day for East London businesses as the consumer boycott kicks off for an indefinite period.

The boycott of white-owned East London businesses has been organised by various progressive people's organisations since the recent dissolution of the Border Consumer Boycott Committee.

Several people told City Press that this boycott would have more impact than the first one - which lasted for four months.

East London businessmen have been warned that if any black staff are retrenched or sacked - as happened during the first consumer boycott - the present boycott would be intensified.

Already pamphlets have been printed and distributed - even to people living in the remote rural areas - calling for their support.

An attempt will also be made to persuade coloured and Indian people to give support.

Former members of the Border Consumer Boycott Committee claimed they

# Boycott back in East London

(30)  
CITY P.  
2/3/86

were let down badly by these communities.

"During the last boycott most of the Indian and coloured community continued buying in town," they said.

The same applied to the bus boycott, they said.

The consumer boycott is continuing in other East Cape Towns such as Molteno, Burgersdorp, Cathcart, Dordrecht and Queenstown.

An Aliwal North Sakekammer spokesman con-

firmed the town experienced a consumer boycott.

No shops had closed down, he said - though some showed a 95% decrease in sales.

The spokesman said the boycott had started in January.

Molteno town clerk PJ Moolman said the boycott in Molteno had been in effect since August 12.

Burgersdorp town clerk Jan Koen said the Burgersdorp consumer boycott started on November 19.

# Cape Town's laws on hawkers for review

## Dispatch Correspondent

CAPE TOWN — The Cape Town Chamber of Commerce has called for an urgent rethink on the laws and regulations "smothering" hawkers and street traders.

The chamber's executive council adopted on Friday the first report of a work group set up to identify regulations governing small business regarded as "unreasonable and unnecessary" and to formulate proposals for their removal.

A statement issued by the president of the chamber, Mr Andrew Peile, said informal business activity played a vital role "as a safety valve for unemployment." Adjusting business regulations to accommodate Third World business activity had become an urgent priority.

He said the chamber would be sending copies of the report to local and provincial authorities and central government, with the request that urgent steps be taken to meet the recommendations of the report.

Among recommendations of the working group set up by the chamber are:

- That the laws requiring hawkers and street traders to be licensed are "too onerous" and should be scrapped. Instead they should simply be required to register, for a nominal fee, and should be able to do so at a wide range of local authority offices. Annual renewal should not be required.
- The areas where hawkers are prohibited should be reviewed in order to increase the number of sites from which they can operate. While "uncontrolled hawking could downgrade shopping conditions in business areas", the report notes that "informal trading activities can bring dull and featureless areas to life".
- That the law requiring all hawkers to have a storeroom should be scrapped. Where health is a consideration, in respect of foodstuffs for example, storage should be subject to control by health authorities.

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3/3/86

# Govt asked to step in in petrol price saga

**Own Correspondent**  
**PORT ELIZABETH.** — The Progressive Federal Party spokesman on energy and mineral affairs, Mr John Malcomess, called yesterday on the State President, Mr P W Botha, to intervene in the petrol price dispute between Pick 'n Pay and major oil companies.

Petrol supplies to Pick 'n Pay have been cut on the instructions of the government and by Saturday the discount chain's 12 outlets had begun to run dry.

Mr Malcomess said he strongly objected to the action of the large oil companies in cutting supplies of petrol to Pick 'n Pay, pointing out that the man in the street was being penalized.

"Their only reason is that Pick 'n Pay is selling petrol to the public at a discounted price. The main villain is of course the government, (which is) forcing the private

sector to sell at its price and no lower."

Mr Malcomess said the Motor Industries Federation should also share the blame "for encouraging the government to take this action in order to protect their own vested interest".

"I am calling on the State President to intervene and if he will not take action then I accuse him of contravening a national goal as set out in the Constitution Act of South Africa. The goal concerned is 'to further private initiative and effective competition'," Mr Malcomess said.

Meanwhile, director of Pick 'n Pay Mr Sean Summers said yesterday that there had been "total chaos" at the Boksburg service station on Friday and Saturday with queues of up to 60 cars. On Friday 58 000 litres were pumped — one-third more than usual.

Today Pick 'n Pay is to announce the price of petrol at its Boksburg outlet, where it has in the past discounted petrol by 4c/l. The government ordered it to stop doing so from midnight on Friday and it is uncertain how it will get around to discounting on the cut petrol price.

## 'Not the end'

"It's not the end of the petrol saga," Mr Summers said yesterday, but he declined to disclose what the company intended to do until today's announcement.

Mr Summers said the oil companies would resume their supplies to Pick 'n Pay from today when the new petrol price goes into operation at all service stations.

Executive director for Pick 'n Pay Mr Alan Gardiner said he thought the government behaviour regarding discounting petrol was tough, unreasonable and disgusting.

In the past Pick 'n Pay had had no reaction from the government when it sold old stocks of petrol at a discounted price before scheduled price cuts or rises.

"There is no precedent for the government's harsh action," he said.

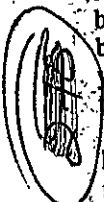
Pick 'n Pay defied the government by dropping its petrol price by 8c/l and 10c/l four days before the specified date. At the Boksburg hypermarket where it usually discounts by 4c/l it dropped its price by 12c/l and 14c/l respectively.

Boycott

# of white shops in E Cape

SOWETAN

2/3/86



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THE Alexandria Boycott Committee has launched a three month boycott of white businesses by residents of this township near Port Elizabeth, a committee statement said at the weekend.

The boycott was announced following a residents meeting last week.

Committee chairman, Mr Tamsanga Prince, told Sapa's correspondent the boycott would be from March 10 till June 10.

He said Alexandria residents resolved to boycott white business because talks earlier this year with local authorities had proved fruitless.

The talks had been held between a six-member residents delegation and the Eastern Cape Development Board, the Joint Management Council and the Alexandria Chamber of Commerce.

Mr Prince said the residents' demands included an end to: Sewerage dumping near the township; inadequate electricity supplies; untarred streets; bucket system toilets; inadequate water supplies and demands for the release of student leaders in detention.

## Inhuman

"White businessmen should know that we're not fighting them but protesting against what we feel is our right to protest against inhuman living conditions in our township," Mr Prince said.

He said residents had resolved not to negotiate until their demands had been met.

Chairman of the Afrikaanse Sakekamer, Mr Piet Pelsler, said there was merit in the residents' dissatisfaction, and promised his organisation would put pressure on the municipality to respond to the residents' demands.

Sapa

# A better road ahead for Nissan

**THE DECLINE** of the motor industry in SA in the past three years has left a trail of casualties. Last year saw the withdrawal of three manufacturers and the near-collapse of at least two others. Consumer demand for new vehicles tumbled as interest rates soared, GST rose steadily, disposable income was squeezed and unemployment increased.

Most manufacturers lost money in 1984 and they all did last year. Nissan, once market leader, suffered badly but found a white knight in corporate giant Sanlam. Now Nissan believes it has weathered the crisis and has come to terms with its and the market's problems and can aim for a steady increase in market share and turnover.

John Newbury, MD of the Sanlam-controlled vehicle manufacturer, says Nissan's difficulties were identified earlier than the industry's. "We took certain corrective actions earlier than other manufacturers, and if we are in a better position now it is primarily because of that."

Sanlam's commitment to Nissan is underlined by the fact that Nissan is to invest R170m in tooling up for new models in 1987 and 1988.

Since Nissan is not a public company, Newbury sees no advantage in disclosing the company's profit/loss or actual turnover figures, but he is prepared to say that turnover last year was in the region of R550m and offers a ballpark figure of R5,5bn for total vehicle industry turnover.

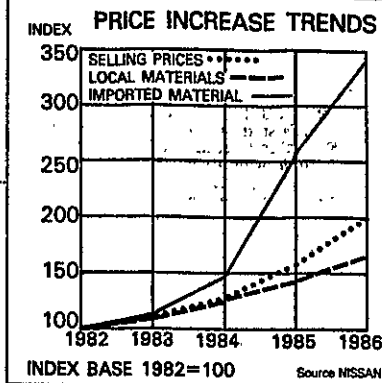
"We made losses like everyone else in the industry last year, but our losses were not as high as some people tried to make out. In fact, if the rand had not collapsed so dramatically we would have turned a profit in the second half of the year."

## Shortened

He says that despite the heavy industry losses last year, Nissan managed to come off better than most of its rivals. "In the past two-and-a-half years we have shed 2 500 jobs and the combined Magnis/Nissan workforce is now 5 100. The job losses were from all levels of the company. We took out an entire layer of management and have shortened the reporting lines. We believe it is important in these times especially to play the game from the field and not from the stands."

"The rationalisation of Magnis back into Nissan last year had strong cost benefits, because we were able to take out the duplication in both companies. Nissan will not feel much pain this year."

To combat the ever-escalating cost of tooling up for new models, New-



JOHN NEWBURY

## ALAN RUDDOCK

bury says model life cycles will be extended from the traditional Japanese four years to six years and the tooling up cost will therefore be amortized over the six years of the models' life.

"As much as possible of the equipment required will be sourced locally, but about 60% in value will have to be imported. We will move more towards automation, but not full automation — you could say progressive robotics."

Last year Nissan had an overall market penetration of 11.7% and Newbury intends to increase that to 12.5% this year in a market of about 206 000 passenger cars, 95 000 light commercials (LCV) and 9 400 heavy commercials (HCV).

Newbury says Nissan is satisfied with its performance in the past year. Market share increased and quality has been restored, he says.

"Our marketing has been aggressive and we have made a bold statement on quality. Our image with the consumer is improving and we are not seen as a company that will withdraw from the market."

Newbury believes there will be no more withdrawals from the SA market "but there could be one more joint venture. We are not talking to anyone, and have no intention of talking to anyone. A single franchise is better for us and for Nissan Japan."

He says the market will continue to be too small for the number of manufacturers. "Some manufacturers will continue to exist but will not be profitable."

The Japanese technological involvement in Nissan SA is substantial and has been instrumental in the dramatic improvement in quality, he

says. While the Japanese have no financial involvement in the company "you can place a value on the technological co-operation".

"If the Japanese ban our investment in SA were lifted we would welcome Nissan Motor Company as a shareholder — and we believe it would be very beneficial. But I doubt they would want to get involved in SA at the moment."

Nissan's fall from grace — it was the market leader in the late Seventies and is now well down the log — is explained, says Newbury, by the company's strong commitment to the local content programme from its inception in the early Sixties.

"We developed skills early on, but the strength of the rand in the early Eighties penalised us heavily. Now a weaker rand has helped, and we are well positioned to take advantage of the benefits of local manufacture."

## Aggressive

In 1987 Nissan believes the car market will improve to about 230 000 units, HCVs to about 10 000 and LCVs will remain static, and a year-on-year growth of about 15% thereafter.

Newbury is putting his faith in aggressive marketing, product quality and consumer awareness. "Our customer-care programme is paying dividends and we are expanding the base of our dealer networks and the quality of the dealers. Our quality improvement is on-going and we are determined to increase our fleet representation."

"We are working hard at cost control and improving productivity, and are working with our suppliers to improve their inputs. At the moment we

have the highest plant productivity in our history, and that is also one of the major benefits of the Japanese.

"We worked hard with the National Productivity Institute, did a lot of soul-searching and recognised our deficiencies. Productivity is neglected in SA and improved productivity does not necessarily mean job losses. One has to use improved productivity to increase market opportunities."

Nissan and fleet sales always gets the opposition shouting "foul". The belief exists in the industry that Sanlam pressures its subsidiaries into buying Nissan products. "Sometimes I wish it were true, but Sanlam was not prepared to do that. They have not imposed their will on us to support their component companies, and they will not force their subsidiaries to buy Nissan."

He points out that there is not a single Sanlam manager in the company. "Sanlam is not forcing its presence on us or trying to inculcate its philosophies. With new parents coming into the company, at the time one could not be sure how the relationship would work out, but they have been an absolute pleasure to work with."

## Increases

The widening disparity between the rand/deutschmark and rand/yen exchange rate is causing some pricing problems for Japanese-sourced companies. Even the Japanese inflation rate at 1.8% over the past year is marginally higher than the West German equivalent of 1.3%.

"Car prices will continue to rise, probably by about 5% in early March followed by a quarterly 5% increase. There is a substantial need for increases, and price moves in the past 15 months have not been adequate. The increases are influenced by the competitiveness of the market, and we follow what the market leader does. In the present circumstances it is to our advantage that the market leader is also Japanese-sourced."

Another spin-off from Toyota's market leadership is that Japanese technology is perceived to be superior to German technology, Newbury says.

He admits to being "a little autocratic" in his management style, but says he and the other managers are very open. He is not a believer in committee decisions.

"I don't believe companies can afford to have extra management layers which inevitably lead to committee decisions. We work much closer to the frontline — direct involvement is vitally significant. The needs and requirements of this industry, and of business, are that you run hard."



CMT Traits 4/3/86

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# New plan to beat fuel price

Own Correspondent

JOHANNESBURG. — Pick 'n Pay is expected to announce today plans to offer discount food coupons at its 12 filling stations countrywide, a move which could cause the retail giant to run headlong into another dispute with government and major oil companies.

Oil industry sources said that the rationale behind the move was that Pick 'n Pay would be passing on to the consumer savings made on its petrol sales.

Pick 'n Pay would therefore be able to argue that consumer savings were in line with government's call for food price reductions following the petrol price decrease.

However Pick 'n Pay chairman Raymond Ackerman would neither confirm nor deny the plan yesterday. He said a major statement could be expected today.

## Price cuts

Pick 'n Pay and its major retail competitors, OK Bazaars and Checkers, have announced price cuts on various items following the petrol price decrease.

If Pick 'n Pay do go ahead with this scheme, it could herald another clash between itself and government, and possibly the oil companies.

Three oil companies last week cut off supplies to Pick 'n Pay filling stations after they had reduced the price of petrol three days ahead of schedule.

Mr Gardiner called for an objective inquiry into the selling of oil products and questioned the fact that companies,

including Pick 'n Pay, which owned car and truck fleets, were able to get discounts from suppliers, while the man in the street could not buy discounted petrol.

Dr Louw Alberts, Director-General of the Department of Mineral and Energy Affairs, said the relationship between the wholesaler and the retailer did not affect the man in the street, provided the retail price was fixed.

## Soared

He believed the discount obtained by bulk buyers from suppliers was only about two-thirds of a cent per litre.

In Cape Town yesterday petrol sales soared after prices dropped by 10c/l for 93-octane petrol and 8c/l for 98-octane at one minute past midnight yesterday morning.

Mr George Beckman, national chairman of the South African Motor Traders' Association and Cape Town service station owner, said his sales yesterday were 30 to 40 percent higher than usual on a Monday.

A Rondebosch service station owner said "customers were saying that petrol was sold out all over the place".

● The Boland Poultry Producers Association yesterday announced they would recommend a 4 cents per dozen drop in the egg price with immediate effect because of "a drop in production costs mainly as a result of the improved exchange rate and lower price of petrol".

The association hoped the lead would be taken up by other suppliers to the industry.

Indians are welkom (30)

WELKOM - Welkom City Council is to investigate how to provide housing and other amenities for Indians who may wish to move into the area.

The council decided last month to apply for permission to open the CBD to traders of all races.

State departments will be contacted to ascertain whether a separate residential area must be established for Indians, and, if so, whether there will be Government financial assistance.

# BUSINESS

## Markets

\$/Rand 50,30c (F-rand 37,00c)  
FT close 1267,4 down 10,0  
Dow close 1696,67 down 12,39

## Commodities

Copper (3-mths) £1008,50  
Platinum \$398,60 (\$396,75)  
Sugar £109,00 (£99,50)

Krugerrand Trading  
(011) 23 3586/7  
Spot and forward transactions  
Minimum quantity 50 coins

**INVESTEC BANK**  
Registered Bank Est 1925 Relationship Banking

### Financial Staff

The private sector cannot afford the projected R1-billion public sector pay rise, says the Transvaal Chamber of Industries.

In a comment headed "Adding insult to injury" in its latest *TCI Bulletin*, the chamber says it is no argument to insist that as the public sector had all pay "frozen" since January 1984 a 10 percent rise was justified.

"For apart from being otherwise unaffected by the wrath of the economic slump — unlike its much bigger provider the private sector — employees from central, provincial and local government had enjoyed bracket creep so that between March 1984 and December 1985 pay increases of 26 percent, 32,5 percent and 18 percent respectively, thus pocketing R390-million and fuelling inflation.

"Some pay freeze!"

Thousands of businesses had gone under, many more shrank, scores of thousands were laid off by bigger companies, profits plummeted and expansion to absorb the growing unemployed "shrivelled up".

The chamber said most of the major reasons advanced for the economic downturn were linked to government policy or action. There was rampant inflation now 20 percent and possibly 22 percent once the PPI percolated

# Vaal industrialists oppose R1-bn public sector pay rise

*SMP* *30* *11/2/85*

through) which in many ways suited government receipts, high taxation to feed the insatiable coffers of Pretoria (state overspending hit an historic high of 30 percent of the GNP in 1985), and high interest rates of loans, but no real return on investments.

"They can be extremely grateful for their 10 percent and the reinstatement of their full bonuses for many private sector companies again had neither (a bonus is a privilege not a right). Very few also receive the extra low interest form subsidised home mortgage schemes that public servants enjoy.

### Unrealistic move

"And yet members of the SATS are threatening to strike for more pay. Will they also be protected against dismissal?"

The chamber said SATS staff had to realise that any strike had to be paid for by everyone, including themselves, and would aggravate SATS's forecast losses of R396 million.

"Another unrealistic move was the untimely release of the proposed pay ranges for the 368 parliamentarians ranging from 68 percent to 108 percent."

The private sector would not be "anaesthetised" into accepting that 10 percent or 68-to-108 percent increases were justified in the present circumstances.

There were 1 064 110 public servants, outside the TVBC states, employed by various public services and statutory bodies like Escom. In comparison 4 939 014 people worked in the private sector (excluding agricultural and domestic workers) and some 9 130 000 people were actual or potential employees.

"For the public service therefore to help itself to the few remaining economic crumbs at the expense of the private sector is akin to the tail wagging the dog.

"Because government is undoubtedly fuelling inflation, raising taxes and in so many

other ways doing little to help meaningful economic expansion, more manufacturers and other businesses stand on the brink of demise," the chamber argued.

"Many false illusions exist that recovery is in sight and that our balance of payments surplus, which is attributable to dwindling imports arising from the shrinking economy, is healthy. "Don't forget that SA's debt repayments are so far in arrears."

The chamber said massive changes and improvements were needed to bring SA's ailing economy back on an even keel so that most companies could increase employment and training. "Social upheaval is assured if raised economic expectations are not fulfilled.

"One section of the economy cannot milk another dry and flourish. The public sector would be wise to heed this principle, particularly as government and its departments must remember they are the servants of the people and the economy."

# Up to 400 000 in PE, U'hage 'subsisting'

4/3/86 E. Post.

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By JACK DEWES

A TYPICAL Third World economy, much like the "bare necessities" economy of Nigeria, is being established on a large scale among black people in the Port Elizabeth/Uitenhage region.

This is suggested in the findings of a pilot survey conducted by Professor Michael Levin, director of the Port Elizabeth campus of Vista University, and Professor Alwyn du Plessis, head of the faculty of business economy at Vista.

From the survey arises a picture of up to 400 000 people living from hand to mouth, surviving on incomes from activities such as fruit and vegetable trading, tailoring, operating pirate taxis, drug peddling and prostitution.

These people are referred to in the survey as "the informal sector". The economy controlled by whites is referred to as "the formal sector".

The survey was carried

out in September and October last year with 12 black estate agents employed as field workers. The authors write:

"The outstanding characteristic of the informal sector is the fact that it is unrecorded, that is, that the activities are not recorded in any official register. This implies that income is not declared and not taxed."

The Third World economy arises from the fact that the economy is dominated by whites while the "closed sector" cannot supply enough jobs for the fast-growing labour supply.

The authors suggest that the "formal sector" must recognise the emergence of this Third World economy and change its attitudes fast.

They urge that two essential steps which must follow are:

- The scrapping of frustrating laws, ordinances and by-laws.

- The establishment of an institution which



Prof MICHAEL LEVIN

specialises in the financing of the types of enterprises urgently required.

"It is clear that most of the informal sector proprietors find it impossible to obtain financial accommodation from the existing financial institutions. A way out of the impasse may be to establish such an institution for Port Elizabeth."

The following are the main points of interest in the findings of the survey:

- "If it is presumed that extensive use is made of child labour, for which probably no remuneration is paid, it appears that the informal sector in the researched areas are not really employment-creative yet."

eration is paid, it appears that the informal sector in the researched areas are not really employment-creative yet."

- "Women are a major factor in most of the informal sector activities. Their responsibility to ensure the survival of their families is very likely their major motivation. They usually focus on activities which do not require too much muscular strain, such as trade."

- "At this stage it may be stated that assistance (not necessarily from Government) in the form of better infrastructural facilities and services should create an environment in which it would be possible for informal sector enterprises to render improved services to the black community."

- "This will create the opportunity to become established enterprises as against what they are at present, namely marginal enterprises."

1986, certain parent bodies do not enjoy official recognition; if so, (a) which bodies do enjoy such recognition and (b) what criteria are used in granting recognition;

- (2) whether any applications by parent bodies for recognition have been refused by his Department or any provincial education departments; if so, (a) which parent bodies are involved and (b)(i) when and (ii) for what reasons were their applications refused;
- (3) whether he has granted interviews to any parent bodies not enjoying official recognition; if so, (a) to which bodies and (b) when;
- (4) whether he will make a statement on the matter?

#### †The MINISTER OF EDUCATION AND CULTURE:

(1) Yes, the ordinance of the Transvaal Education Department already makes provision for the recognition of parent bodies and official recognition has been given to the Transvaalse Afrikaanse Ouervereniging. The request for recognition recently received from the Transvaal English Parents' Association is under consideration. The Department of Education and Culture has not yet given official recognition to parents' associations and has accordingly not yet formulated criteria. If necessary the co-ordination of criteria for the provinces will be considered at a later stage;

(2) no, all the provincial education departments are already considering the recognition of parents' associations and consultation is under way with a view to final resolutions when the legislative basis for such recognition has been established;

(3) yes;

(a) the English Speaking Parents'

Association and OFS Afrikaanse Ouervereniging;

(b) on 17 February 1986 and 6 August 1985 respectively; and

(4) no, the matter will be further dealt with if Act 39 of 1967 is amended appropriately.

Mr R M BURROWS: Mr Speaker, arising from the hon the Minister's reply, the hon the Minister will be aware of the fact that there are contradictory provisions being applied by the various directors of education in the different provinces as far as the recognition or non-recognition of parents' associations is concerned. I should like to ask the hon the Minister whether he does not consider now to be the time when he should set up express guidelines for the provinces for the recognition of parents' associations.

†The MINISTER: Mr Speaker, the hon member is aware of the fact that until 1 April the recognition of parents' associations depends on the discretion of the different education departments. It is possible that the different education departments have set different standards for the recognition of such parents' associations, and I am aware of this. However, after 1 April the situation will change. I agree with the hon member that it is absolutely essential that we investigate the question of the recognition of parents' associations because according to the Government's White Paper and also pursuant to the De Lange Report it is important that we do give the necessary recognition to parents' associations so that they can achieve the necessary participation. As I also indicated in the reply to the hon member's question, we will give attention to this at a more convenient time.

Mr R M BURROWS: Mr Speaker, arising further from the hon the Minister's reply, I should like to point out that both Act 39 of 1967 and the Government's White Paper on education give express recognition to a parental function in advising on changes in the educational structure in South Africa. The hon the Minister will be aware of the fact that all four provinces are at the moment concerned with changes in the structure of

education, particularly pertaining to the education council. How is it then possible that a parents' body can advise if it has not been recognised? The hon the Minister seems to be suggesting that parents' associations will only be recognised after 1 April.

†The MINISTER: Mr Speaker, the members of the parents' associations have the opportunity to put their case, either at the education departments concerned or to me. They could have had an interview with me, as my reply very clearly indicated. Some parents' associations which up to now have not had recognition have applied for an interview with me, which I have granted. We have listened to these people.

For written reply:

General Affairs:

Small Business Development Corporation  
HAN SARKIS asked the Minister of Trade and Industry:†

- (1) Whether his Department (a) has received any representations on and/or (b) has been informed of irregularities which have allegedly occurred in the vicinity of Amanzimtoti in connection with the claim for removal costs of the Small Business Development Corporation; if so, what is the nature of the alleged irregularities;
- (2) whether his Department intends taking any steps in this connection; if not, why not; if so, what steps?

The MINISTER OF TRADE AND INDUSTRY:

- (1) (a) and (b) No. The Small Business Development Corporation has not effected any removals in the vicinity of Amanzimtoti and is also not aware of any irregularities regarding alleged removals or claims.
- (2) Falls away.

HAN SARKIS asked the Minister of Trade and Industry:  
National Liquor Board  
HAN SARKIS asked the Minister of Trade and Industry:

\* 163. Mr D J N MALCOMES asked the Minister of Trade and Industry:  
What was the cost of operating the National Liquor Board in the latest specified year for which figures are available?

The MINISTER OF TRADE AND INDUSTRY:

R756 700 during the 1984/85 financial year.

Labour Relations Act  
HAN SARKIS asked the Minister of Manpower: 41386

- (1) How many (a) strikes as defined in section 65 of the Labour Relations Act, No 28 of 1956, and (b) discontinuances of work reportable in terms of section 65A of the said Act took place in 1985;
- (2) how many (a) prosecutions were instituted and (b) convictions were obtained in that year in respect of contraventions in terms of section 65 of the above-mentioned Act;
- (3) how many (a)(i) recognition and (ii) other agreements have been filed with his Department in terms of section 31A of this Act since 1 September 1984 and (b) *status quo* orders in terms of section 43 of the Act were (i) granted and (ii) refused by the Industrial Court in 1984 and 1985, respectively?

The MINISTER OF MANPOWER:

- (1) (a) 346.  
(b) 390 [including the figure specified under (a)].
- (2) (a) and (b) The Labour Relations Act, 1956, does not require that the Department of Manpower must be informed of prosecutions in terms of section 65

# New petrol-coupon scheme in trouble

By RENEE MOODIE

PICK 'N PAY yesterday announced a move to give a 4-cent coupon, redeemable on other purchases at their stores, for every litre of petrol bought at their service stations.

But the move seemed set to be blocked by the government.

Mr Theuns Burger, deputy director of the Department of Mineral and Energy Affairs, said yesterday afternoon the new system was considered a petrol discount and fell under a ban on petrol sales to outlets not selling at the official price.

## 'Savings'

Pick 'n Pay announced yesterday that customers at their 12 service stations across the country would receive a 4-cent coupon for every litre of petrol bought, and they could redeem these coupons at any Pick 'n Pay store on any item except petrol.

Savings could amount to R2,50 to R5 a tank of petrol.

Mr Burger said the government directive issued on Friday was still in force and it was now up to the oil companies to decide on any action.

The directive signed by Mr Danie Steyn, Minister of Mineral and Energy affairs, said that in terms of the powers vested in him by the Petroleum Products Act he prohibited the supply of petrol to any outlet at which petrol was offered for sale or supplied to customers:

- "at any price other than the price

agreed upon, in respect of the area concerned, between the department, the wholesale petrol suppliers and the organized petrol outlets industry, and

- "under an arrangement in terms of which any refund or any other consideration of whatsoever nature is made or offered to consumers in respect of such sale, or

- "other than against a monetary consideration."

The directive was read to Mr Raymond Ackerman, chairman and joint managing director of Pick 'n Pay, who said his company had launched the new system after "poring" over its agreements with the oil companies, and after carefully consulting the Trade Coupons Act.

## 'Agreements'

"The coupon system does not break any of our agreements and is in line with the Trade Coupons Act," he said.

"It seems to me that the minister is not only superseding carefully negotiated, long-standing commercial agreements, which fully comply with the Petroleum Act, but that he is also superseding the Trade Coupons Act, issued by another department, and which allows coupons or discounts to be given on one item for another item."

He said Pick 'n Pay was still receiving petrol from its suppliers and added that the chain would continue with the discount system for the time being.

# Petrol: <sup>OMK Trans</sup> 6/3/86 Interdict next step?

PETROL supplies to rebel discounters Pick 'n Pay were stopped yesterday for the second time in a week — and the company says it will seek an urgent interdict to counter this if the government does not respond favourably to a letter it has sent to the Minister of Mineral and Energy Affairs, Mr Danie Steyn.

The retail chain's two major suppliers, Shell SA and Trek Petroleum, as well as BP SA, which supplies petrol to only one station, all confirmed yesterday that deliveries to Pick 'n Pay's 12 service stations had been halted in compliance with last week's government directive ordering suppliers not to deliver fuel to outlets that discounted petrol.

The notice was issued by Mr Steyn when Pick 'n Pay began selling petrol at a discount price several days before Monday's official price drop.

Petrol supplies were cut off on Friday and resumed on Monday when Pick 'n Pay again sold petrol at the discounted price.

Joint MD Mr Hugh Herman delivered the letter to Mr Steyn yesterday afternoon.

Mr Herman said the directive had been issued three days before Pick 'n Pay introduced the discount coupon system, and therefore could not apply to the coupon system.

## Company 'not discounting petrol'

He added that Pick 'n Pay was not discounting petrol. It was sold at the normal price, but Pick 'n Pay gave a 4c discount coupon for every litre sold. This was exchangeable at its supermarkets.

Pick 'n Pay believed Mr Steyn had acted beyond his powers with regard to the coupon scheme. The Petroleum Products Act dealt with the supply and procurement of fuel, while the issue of discount coupons fell under the Trade Practices Act.

He said these matters had been pointed out to Mr Steyn in the letter.

Mr Herman said he hoped Mr Steyn would reply by today. If the response was negative Pick 'n Pay would seek an urgent court interdict compelling the oil companies to recommence deliveries.

Mr Theunis Burger, deputy director of the Department of Mineral and Energy Affairs (DMEA), said it had issued the directive because it felt it had no alternative.

He said Pick 'n Pay's argument that the DMEA was encroaching on commercial agreements was a matter of opinion. — Staff Reporter, Sapa and Own Correspondent



CHERYLYN IRETON

JOHANNESBURG centenary boycott organisers have claimed victory in forcing the removal of the centenary tag from projects marking the city's 100th year.

The Johannesburg Centenary Festival Association (JCFA) this week said it would remove the word centenary from planned events and hand over centenary projects to private enterprise and the black community.

The JCFA offered all projects planned for Soweto to the Community Support Committee (Cosco).

Cosco — the organisation behind the boycotts — welcomed this and said it would gladly act as intermediary between sponsors and identified community projects.

However, it turned down a request from centenary chairman David Lewis not to boycott companies still linked to the centenary through the manufacture or sale of franchised goods.

"We would rather sacrifice funds raised through the fake centenary symbol," said Cosco's publicity secretary Khehla Mthembu yesterday.

"Johannesburg may have a heart of gold for some, but it certainly hasn't for the majority. We are not going to change our attitude towards the franchised goods."

If franchised goods are boycotted, the JCFA's income could be trimmed from the initial target of R2m to R500 000.

Lewis said yesterday: "It will be unfortunate if Cosco doesn't change its mind because it will be punishing companies willing to underwrite community projects. If the boycott goes ahead, Soweto could lose three or more major project sponsors."



6/3/86. RDMY

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# Pick 'n Pay pushes oil giants to legal brink

PICK 'n PAY will drag giant oil companies into court if government fails to back down over the mass retailer's coupon system.

Everything depends on Mineral and Energy Affairs Minister Danie Steyn's response to yesterday's letter from the mass retailer.

Pick 'n Pay wants petrol supplies resumed or it will seek an urgent interdict to force suppliers to start pumping. Joint MD Hugh Herman delivered the letter to Steyn yesterday afternoon after Shell, Trek and BP cut off supplies for

PETER WALLINGTON

the second time in six days.

Trek and Shell, which between them supply 11 of Pick 'n Pay's 12 filling stations, said they were complying with last week's government directive prohibiting deliveries to retail outlets that discounted petrol in any manner.

He added Pick 'n Pay was not discounting petrol. It was sold at the normal price but the mass retailer gave a 4c discount coupon for every litre sold. The

coupon was exchangeable for other goods at Pick 'n Pay hypermarkets.

Herman also pointed out that Pick 'n Pay believed Steyn had acted beyond his powers with regard to the coupon scheme. He said the Petroleum Products Act dealt with the supply and procurement of fuel while the issue of discount coupons fell under the Trade Practices Act.

He said these matters had been pointed out to Steyn in the letter and Pick 'n Pay had asked whether Steyn and the oil

companies "had misdirected their minds on the matter".

He said he hoped Steyn would reply by today. If the response were negative Pick 'n Pay would seek an urgent interdict compelling oil companies to resume deliveries.

Company chairman Raymond Ackerman said the petrol coupon scheme had been launched after weeks of discussions with top legal counsel and, in their opinion, the scheme was not in contravention of the Petroleum Products Act.

## Discounting

In terms of the scheme introduced to coincide with fuel price cuts this week, Pick'n Pay is offering a 4c coupon for every litre of petrol bought, redeemable on any merchandise except fuel.

The department views this as a form of petrol discounting.

Mr Gardiner claimed that the Government was waging a vendetta against his group because many petrol stations "are giving away everything from half-sheep to free car washes and free service to their customers".

He also charged that petrol companies themselves were engaged in "backroom prac-

(Turn to Page 3, col 1)

ARGUS 6/3/86

~~30/1/83~~ ~~2/1/83~~ ~~2/1/83~~

## Discount fuel row growing

Continued from Page 1

tices" involving discounts to customers.

"Why single out Pick'n Pay which gives food coupons?

"If the Minister has the power under his directive issued on Friday, why is the Government victimising only Pick'n Pay?"

The joint managing director of Pick'n Pay, Mr Hugh Herman, said that his company was not looking for confrontation with the Minister, but believed it was a relevant matter and would therefore not back down.

"We are willing to sit and negotiate with him.

"We have taken advice from our lawyers and senior counsel and my company is not in contravention of the Petroleum Act or the Trade Practices Act."

Opening the annual meeting of the Queenstown Chamber of Commerce last night Mr Raymond Ackerman, the managing director of Pick'n Pay, said the argument that strategic considerations justified Government control of fuel prices did not apply in the present situation of a world oil glut and falling prices.

"There may have been reason to protect oil 10 years ago but there is no longer a strategic interest," Mr Ackerman said. — Political Staff and Sapa.

Mr John Malcomess, the Progressive Federal Party's spokesman on energy, today challenged the Government's propping-up of the petrol price by preventing Pick'n Pay from discounting petrol.

He also demanded that the price of petrol be reduced because of the increase in the value of the rand and the continued softening of international oil prices.

Pick'n Pay today claimed that it was being victimised by the Government over its petrol coupon scheme as a head-on confrontation loomed between the company and the Minister of Mineral and Energy Affairs, Mr Danie Steyn.

## Deadline

The company has given Mr Steyn a deadline of midday today to reply to a letter protesting against a department directive to oil companies on Friday to stop supplying Pick'n Pay with petrol.

If no reply was received the company would apply tomorrow for an urgent interdict against the Department of Mineral and Energy Affairs, the national manager, Mr Alan Gardiner, said.

Mr Malcomess called on President P W Botha to intervene in the discounting controversy.

"If he is in favour of deregulation and private enterprise he cannot sit back and allow the Government to force up prices, and still retain his credibility," he said.

## "So quiet"

"Why also are organisations such as Assocom, the Afrikaanse Handelsinstituut and the Chamber of Industries so quiet?"

He also asked why the Automobile Association had supported the amending legislation that had given the Government the power to force the petrol companies to stop supplying the supermarket chain.

A spokesman for the Department of Mineral and Energy Affairs confirmed that the department had served notice on the petrol companies to stop supplying fuel and it was now up to the supermarket company to follow whatever course it wanted.

He confirmed that the current price was set on an exchange rate of 47 US cents to the rand and not to the current exchange rate of more than 50 cents.

THE growing controversy over discount petrol widened today with the Government's commitment to free enterprise being challenged.

Queries were raised about why organised commerce and industry remained silent while the Government intervened directly to keep fuel prices high.

# Discount petrol price row grows

ARGUS 6/3/86



Mr Ackerman

# East London tense as Boycott II bites

WEEKLY MAIL REPORTER,  
East London

A CONSUMER boycott has again been clamped on white shops in East London, as tensions rise in the city's Duncan Village township.

After a hectic weekend of last-minute shopping, Monday morning saw an almost complete fall-off of black shoppers in town, while policemen patrolled the central business district in large numbers.

Chamber of Commerce Secretary Jock Allison said it was too early to tell the exact extent of the boycott. But he added: "It looks like we may be building up to last year's level."

Last year the boycott lasted four months and was devastatingly effective.

Allison said about 80 percent of businesses had been seriously affected. He said the chamber had advised its members to restructure themselves to lessen their reliance on black custom. On the demands listed in a boycott pamphlet, he said attempts had been made to deal with local grievances, but national demands should be

addressed to the government: "How the hell can we deal with those?" he asked.

Allison said the Chamber had not yet decided on any plan of action to deal with the situation as the "full extent of the problem is not yet known".

On the shop floor the talk is far more militant. A white shop assistant said she had been laid off for the duration of last year's boycott. She said: "We must cut off their light and water. Then they'll have to come into town."

Another shop assistant said, "I told this one coon girl — because it's always just a few who want to boycott, maybe two or three — the others must just sweep them away."

"To talk plainly, it's all a lot of bullshit. These blacks get everything they want anyway, and then they just raise their demands."

Meanwhile, in Duncan Village, tensions are rising.

Hard on the heels of PW Botha's announcement that the State of Emergency is to be lifted because of the improvement of the unrest situation, Duncan Village seems set for another violent explosion.

Already there have been a number of incidents of houses, cars and delivery vehicles being stoned and burned, and the first deaths have occurred.

There is growing concern about the activities of a "people's court" in the township, which has reportedly been

meting out punishments of up to 60 lashes.

Community leaders have stressed that they are concerned about the situation and attempts are being made to control the excesses.

Contributing to the tension has also been the transfer of six leading members of the East London Progressive Teachers' Union to outlying areas by the Department of Education and Training.

The ELPTU has called the move "clear victimisation", and students were planning a sit-in demonstration for today.

The transfer comes against the background of teaching continuing to take place in contradiction of DET arrangements.

Schools have been using church halls for tuition and have ignored temporary schools being built for them.

Community sources said clashes had been sparked when the police took action against picketers operating roadblocks and searching vehicles for goods bought in town on Monday.

Security police have detained two community activists under Section 50 of the Internal Security Act, lawyers for the two said.

Those detained are said to be Elvin Fredericks, a resource worker at the Community Resource and Advice Office, and Muluani Xofa, who works in the UDF office in East London. Police have not yet confirmed their detention.

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# Petrol dispute goes to court

SALDRU  
SCHOOL OF ECONOMICS  
U.C.T.

CML

Tim B.

7/3/86

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**THE petrol discount/coupon controversy will be taken to the Supreme Court today as Pick 'n Pay seeks an urgent interdict to set aside a government notice which prevents oil companies from supplying petrol to outlets selling petrol at a discount.**

Pick 'n Pay decided to take this step after receiving an unfavourable reply from the Minister of Mineral and Energy Affairs, Mr Danie Steyn, to a letter to him in which they protested against the notice.

The Pick 'n Pay letter, delivered to the minister on Wednesday by joint MD Mr Hugh Herman, questioned several aspects of the notice.

Mr Steyn had replied saying the notice was still in force and was aimed at preventing the direct or indirect discounting of petrol.

## MP pleased

A spokesman for the Department of Mineral and Energy Affairs (DMEA) confirmed that a reply had been sent to Pick 'n Pay but would not comment on the content of the letter.

Reacting on the issue yesterday the PFP's spokesman on energy, Mr John Malcomess, said he was "pleased" that Pick 'n Pay had decided to take the government to court in the light of its intransigence in the petrol discounting controversy.

He repeated his challenge to President P W Botha to take a personal hand in the mushrooming controversy, particularly in view of "the President's stated commitment to deregulation and free enterprise".

However, Mr Botha yesterday refused to be drawn into the row, saying the issue should be dealt with by Mr Steyn and the oil companies.

Mr Malcomess also questioned the "deafening silence" of commerce, industry and other political parties in Parliament in the face of direct government intervention to artificially prop up fuel prices.

He challenged Assocom, the Afrikaans Handelsinstituut, the Chambers of Industries, the Automobile Association, the Labour Party and the National People's Party to demonstrate their support for "the man in the street" and publicly object to the government's stand.

The government notice was issued on Friday last week after Pick 'n Pay began selling petrol at a discount price several days before Monday's official price drop.

Petrol supplies were resumed on Monday, but cut off again on Wednesday when a discount coupon system announced by Pick 'n Pay was held by the DMEA to be a form of discounting petrol.

Mr Herman yesterday said: "Direct or indirect discounting of petrol is precisely what we are not doing. We are offering coupons, redeemable on other purchases, for litres of petrol purchased. We are still selling petrol at the prescribed price."

He said the interdict was being sought on the basis that the directive was issued on Friday last week, while the coupon scheme was only announced on Tuesday and on the basis that Mr Steyn was acting beyond his powers.

Petrol supplies from Shell SA, Trek Petroleum and BP SA, were still cut off yesterday.

The managing director of Total South Africa, Mr Bernard Lafitte, said in a press statement yesterday that allegations that the oil companies in South Africa were being protected by the government to the detriment of the consumer, were untrue.

## Fixed margin

The oil industry enjoyed a fixed margin, which was less than that of the oil pipeline costs, the levy for the National Road Fund and the amount being collected for GST.

Mr Lafitte said that about one-third of the cost of petrol went towards taxes and levies which were unrelated to the actual cost of fuel.

He said the oil industry was only allowed to make a certain profit on its assets before taxation and if the industry did not make the allowed profit there was no mechanism to make up the difference. — Staff Reporter, Political Staff and Own Correspondent.

Minimum level will no longer apply

~~30~~ 7/3/86  
B. DAY ~~30~~ ~~30~~

# Owners of small shops given wage exemption

**SMALL** businessmen in the commercial distributive trade will no longer have to comply with minimum wage agreements.

The Wage Board has decided to exempt businesses which employ fewer than five people from minimum wage agreements.

New employers, regardless of the number of employees or stores, will be exempt for their first year of trading and will pay 10% less than the minimum wage for the second year.

Dulcie Hartwell of the National Union of Distributive Workers said yesterday she was horrified by the decision. "They are asking workers to subsidise businessmen and it is not going to stop there. The whole system of minimum wages is under attack," she said.

Hartwell said rural areas would be

## Business Day Reporter

especially hard hit, and employers with slightly more than five employees would be tempted to cut down to four and avoid the minimum wage requirements.

"This will not create any extra employment, it will lead to greater unemployment," she said.

The minimum wage for a general assistant in the main business areas is R232 a month, for a general shop assistant R339 and for a sales assistant R545. About 200 000 people are employed in the commercial distributive trade.

The latest report on minimum wages by Cape Town University's SA Labour and Development Research Unit shows minimum wages in the industry have declined seriously

since 1968 and no increases were granted for two years from November 1983.

Hartwell said she also feared the Temporary Removal of Restriction on Economic Activities Bill would allow the State President to interfere in any business and would "give him the power to reduce wages and change working conditions if he wants to".

A Small Business Development Corporation spokesman said yesterday flexibility in minimum wages would contribute to job creation.

"A relatively small percentage of workers employed will be affected, while better prospects for employment will be available to the jobless. The benefit of higher living standards for all people can be achieved by the accelerated creation of new small businesses," he said.

they like in Durban's newly opened CBD.

There was a time when properties in Grey Street, because of the shortage of freehold business properties available to Indians, would sell for a hefty premium.

Initial impressions, at any rate, are that the relaxation on ownership in the CBD has taken some of the promise out of the court-enforced auction sale of the two properties, Moosa's Building and Sayani Centre, which are the subjects of a disputed family trust.

From that point of view, the timing of the sale on March 20, only weeks after the new mixed ownership rights were announced, could not have been worse for auctioneers Isaacs, Geshen (IG). In truth, though, many must have suspected that the new dispensation was coming. But the chances are that they would have held back anyway.

IG commercial director Roy Alderdice takes a different perspective. He believes the changes could be even more advantageous in realising the upset prices — "because this time whites will be bidding alongside Indians."

What is going to be most intriguing, he says, is whether the interest comes from Indians, who are traditional land owners and traders in the area, or whites who are newly qualified.

That the level of interest, generally, is likely to be high is not in dispute. Alderdice says he has had over 400 separate inquiries,

some from as far afield as Swaziland, Ficksburg and Pretoria. He is even thinking of changing the auction venue to accommodate a larger crowd.

Both properties occupy valuable corner trading sites in Grey Street at the intersection of Commercial Road and Queen Street. Comparable properties in Durban's hardcore, Alderdice points out, are all tightly held by institutions.

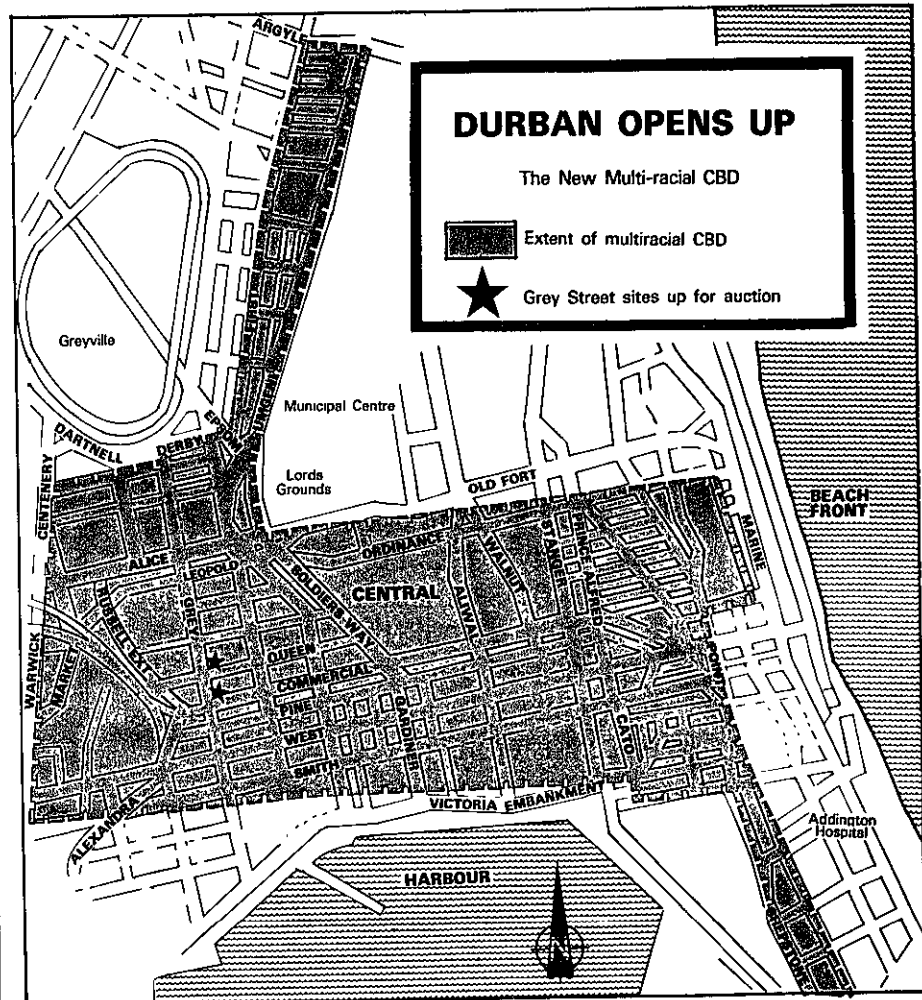
#### Costly administration

But in this case the institutions are unlikely to feature. The feedback Alderdice has had is that they are switched off by the multi-tenant nature of the properties and the high degree of administration involved.

More likely purchasers, he believes, will be investor syndicates, both white and Indian, or traders who recognise the sites' business potential. Tenants in Moosa's Building, for example, are on a monthly tenancy.

An upset price of R1,8m has been attached to Moosa's Building and R2,4m to Sayani Centre. But Alderdice is confidently predicting offers "well in excess of that."

As far as Indian attitudes towards the purchase of white-owned property in the CBD is concerned, Alderdice reckons the true test will come only once an equally well-located property in the hardcore goes on the block.



#### OPEN TRADING *FIN MAIL* Grey area

30

It will be interesting to see how Indian investors respond to the forced sale of two prime Grey Street properties now that they are legally entitled to buy virtually anywhere

BERRIT KHOWA FIN MAIL 7/3/86  
3551  
**Super marketeer** 30

The Bus Stop Supermarket in Durban's Fisher Street has a new proprietor. She is Berrit "Ntombizonke" Khowa, the first black to be given legal permission to trade in the recently desegregated CBD.

When Khowa (26) was handed the key to her shop door last week, it was the end of a chapter in the statute books which for years had made trading in the city's commercial heartland the exclusive preserve of whites.

Elated at finally being given the opportunity to pit her business skills against others, regardless of race, Khowa says: "I think it's wonderful that blacks are now entitled to trade in white areas. I aim to prove that blacks can easily be as successful in business as whites."

Something of a novice trader in her own right, Khowa has first to prove that to herself before she will be able to convince her associates. But if hard work, determination and sheer grit are any help, she should have no difficulty with that.

She's not, after all, called "Ntombizonke" for nothing. Literally translated, the nickname given to her by her mother means "a woman capable of doing the work of five women."

Admittedly, her experience in retailing is limited. Underpinning her first big break in business is six years of running the family "tuck shop" from her home in Harding where she sold "cool drinks, sweets and vegetables" to her neighbours. "It wasn't a proper business," she explains, "only 50c here and there." But then, she notes, other successful traders have also started out small.

Khowa's plight was typical of other black

entrepreneurs excluded from participation in the "white" market. For years she painstakingly saved the earnings from her "tuck shop," looking for an opportunity to invest.

First she looked at setting up shop in one of the black townships around Durban. "But there was just nothing available," she laments.

Then she spotted a newspaper advertisement offering a business for sale just off

There is also a discernible shift towards more black orientated merchandise — a market Khowa obviously has set her sights on.

Wisely too. Like Khowa, the Bus Stop Supermarket has been appropriately named. Around the corner in Point Road is a major bus terminus used by thousands of black workers who pour into the city each day.

Each morning she rises at first light and heads for the market and the wholesalers to



Khowa ... saved her earning for years

Point Road. The idea of opening a store in "Ethekeini" was appealing. But the owner, an Indian trading through a white nominee front, reluctantly explained that she was precluded by law from purchasing.

When Minister of Constitutional Development and Planning Chris Heunis made his long-awaited announcement permitting mixed trading in Johannesburg and Durban CBDs, she knew her moment had come. "I was there the next day with the money in my hand," she recalls. This time there was no stopping her.

Khowa is confident she will be successful. She can even visualise the day when she will be the owner of a string of stores, "maybe even taxis," she enthuses.

Business holds no special mystery for her, perhaps because of the elementary accountancy, business economics and economics she took as subjects at the Pinda Valley High School near Umkomaas where she matriculated. She sees it as a simple matter of buying and selling. "I have always enjoyed business, ever since I was a little girl," she says, "though it does help to have money behind you."

Evidence of her intuitive business acumen is becoming apparent. She took occupation only a few days ago but already advertising specials are daubed across the shop window.

buy in produce she needs for the day's trading. But then hard work has its rewards — as "Ntombizonke" has discovered. It has certainly earned her the right to go down in history as one of the first blacks to break the barriers of racially exclusive trading. ■

TRUCK MANUFACTURE

# Local discontent

Motor industry chiefs will meet this week to decide their stance on the Board of Trade and Industry's (BTI) proposed local content programme for truck and bus manufacturers. Local content is one of the major issues to be faced by the embattled industry this year.

The trade is particularly concerned at the timing of the new programme, coming as it does immediately after January's record sales slump. Manufacturers who cannot meet the local content levels face stiff financial penalties which will inevitably push the price of heavy vehicles even higher.

The BTI's plan, if it reaches fruition, is aimed at a minimum 50% local content level by value for heavy trucks over 3 000 kg and 43,3% for medium commercial vehicles. This brings vehicles over 1 300 kg in line with the 25-year-old practice for passenger and light commercial vehicles.

Broadly, the BTI wants current protection measures on locally-built engines, gearboxes and other components to be replaced by a dual mass/value local content programme. It hopes that dropping existing protection will make state-owned Atlantis Diesel Engines (ADE) and AS Transmissions and Steering (Astras) trim production to come into line with the sharp downturn in truck and bus sales.

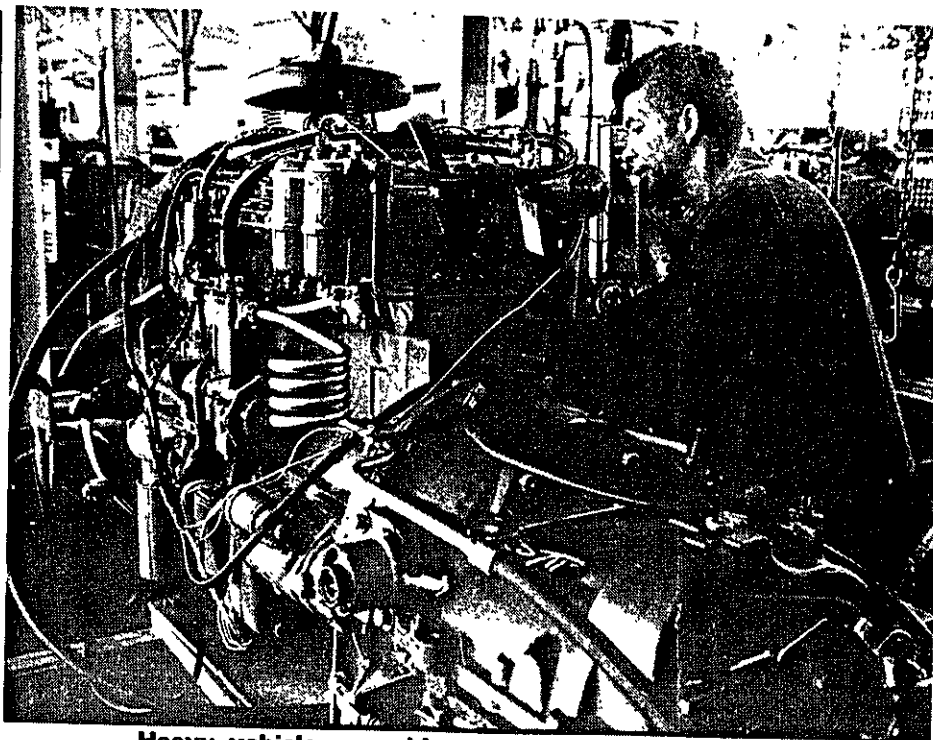
It sounds fine on paper. But can SA's 14 truck and bus manufacturers afford to be lumbered with the high cost of increasing local content in the current climate?

"In our market we do not have the economies of scale to justify a local content programme for heavy trucks," says Samcor truck division sales manager Koos de Wet. "While European truckmakers can stretch to a monthly production run of a few thousand chassis frames, SA would be limited to less than 100 for each model."

Nissan MD John Newbury, however, thinks stiffer local content measures will restore some sanity to this heavily overtraded sector. "A shake-out is long overdue," he says, "especially among specialised manufacturers. This is a niche the majors could easily fill."

Arguably, a shake-out has already started: Vetsak and VSA's truck divisions quit the South African market last year; Oshkosh and Ford pulled out of the field two years ago; and more recently, International Harvester closed its Maritzburg assembly line.

Much sensitivity surrounds the BTI proposals, covering 37 component categories. Most manufacturers contacted by the *FM* this week declined to comment on the effect a local content programme will have on their operations.



Heavy vehicle assembly ... local content worries

The National Association of Automobile Manufacturers of SA (Naamsa), the industry's umbrella body, says it wants to "clear up some grey areas with the BTI on certain issues." But it does seem happy with the thinking behind the proposals.

Says Naamsa director Nico Vermeulen: "It's a realistic attempt to better the balance of the truck and bus sector's poor performance and the cost of protection for the drivetrain industry."

Long overseas supply lines mean that few manufacturers of medium commercial vehicles will be geared to meet the minimum local content requirement from day one. "It's not a tap you can simply turn on," says De Wet.

As the proposals stand, heavy commercial vehicles will be subject to basic excise duties of 15% *ad valorem*, which will be rebated in line with achieved local content. But if the weighted average local content falls below 40%, the basic excise duty becomes 60%.

Another major concern is that the move will handcuff some manufacturers to ADE in order to achieve the local content level.

International Harvester, for instance, spent more than R1m in 1983 switching from Cummins to ADE engines — a process which involved changing cab mountings and the steering position.

But Samcor, Nissan's truck arm Magnis, Toyota, Mercedes-Benz and General Motors are thought to be already close to the mini-

num level on ADE-powered vehicles.

ERF, too, has switched to ADE engines. Sales director John Barnett says the company is phasing in as much local content as possible. This contrasts with ERF's efforts to standardise on engines, gearboxes and axles in other parts of the world. ■



# Jo'burg's birthday candles blow out

JOHANNESBURG'S short-lived 100th birthday party is over.

At a gloomy breakfast press conference on Tuesday, David Lewis, chairman of the Johannesburg Centenary Festival Association, conceded victory to the boycott movement which has reduced the city's extravagant birthday treat to an expensive joke.

Smoothing down his centenary tie, Lewis announced: "We thought the centenary celebrations would bring a

smile to everyone's lips, that people would say 'gosh, isn't this super?'. We realise we were wrong. We're sorry. I beg you to listen to my story..."

This is the story Lewis told. From now on there will be no 'centenary projects'. But the projects mobilised by the centenary association will continue unabated — in the hands of other people.

This means that private enterprise sponsors will negotiate the projects with community representatives while

By CHARLOTTE BAUER

projects already under way will continue under

These include the controversial R60-million Gold Reef City, the R10-million renovations to the Johannesburg Art Gallery and the R26-million Smal Street Mall.

The sale of franchised goods will continue and the profits will, ironically, be handed over to Cosco, the Community Support Committee

which led the centenary boycott and can lay most claim to its triumph. Cosco has agreed to act as intermediary between sponsors and identified community projects and all funds destined for Soweto will also now come Cosco's way.

The JCFA has also pulled out of the South African Games but the ill-starred spectacle, under the direction of Bill Faure, will go ahead.

So what, if anything has really changed? This was the question that

continued to prickle throughout Lewis's hand-wringing speech about how awfully sorry he was to have upset "our wonderful black peoples".

He refused to admit that the centenary celebration had been a massive flop ("No, it's absolutely not a failure"). He refused to acknowledge that the JCFA no longer had a role to play ("We'll dissociate ourselves in an active way but will be together 'till the very end"). So this isn't the end then?

From the morass of conflicting information one thing appears clear: the JCFA seems to have decided that it is the 'centenary' symbol that has caused so many people such massive indigestion, not necessarily the event. Zap the nasty word, and the problem goes up in a puff of party smoke.

All that has happened to the centenary is that it has gone into the closet. The organisations who have spearheaded the boycott aren't fooled.

Cosco, while agreeing to administer certain funds on behalf of the community, has refused to call off the boycott of companies still linked to the centenary through the manufacture or sale of franchised goods — even though the more goods sold the more money its black beneficiaries will make.

Khehla Mthembu, Cosco's publicity secretary put it baldly: "We would rather sacrifice funds raised through the fake centenary symbol."

Congress of South African Trade Unions president Elijah Barayi said Cosatu was very happy that the JCFA had "come to its senses" but would adopt a wait-and-see attitude before calling off the boycott.

And the National Union of Mineworkers are sceptical. "They may have dropped the centenary stamp formally," an official said, "but that doesn't necessarily mean a rejection of 'celebrations'. Anyway, the same projects are going ahead with or without the JCFA and they have still been planned and executed without the consent of the people who built this city."

"We have become the whipping boy of 1986," wailed Lewis at the press conference, brightening only momentarily at the thought that, of course, "if a wonderful spirit re-emerges in time ...". Somewhere along the line the Johannesburg Centenary Festival Association seems to have missed the point.

The boycotts that have wrecked Johannesburg's centenary celebrations were part of an efficient and carefully orchestrated decision taken by organisations across the spectrum of black political opinion.

Under the banner of slogans such as: "100 years of exploitation. We have nothing to celebrate", organisations ranging from the ANC to the Soweto Chamber of Commerce blocked the centenary.



## Mphephu warning to Lutherans

PATRICK MPHEPHU'S quasi-independent state of Venda has threatened to establish its own independent Venda Lutheran Church.

According to an impeccable source in the Lutheran Church, Mphephu loyalists in the Venda regime have written to the Bishop S E Serote of the Evangelical Lutheran Church, demanding the recall of three top Lutheran pastors in Venda: Dean T S

By PATRICK LAURENCE

the clergymen, failing which they have threatened to establish an independent Venda Lutheran Church.

Two of the three clergymen, Farasani and Phosiwa, were detained in Venda following an attack on a police station in Venda in 1981 and the death in detention of a prominent member of the Lutheran Church,

the proposed Northern Transvaal Action Committee and all are said to be members of the Lutheran Church.

Former Transkei President Kaiser Matanzima set a precedent for the establishment of independent churches in the "homelands" when he banned the Methodist Church of SA in 1978 in Transkei and established the Methodist Church of Transkei in its place.

## Palme suspects held

DANISH police yesterday arrested two Yugoslavs in connection with the murder of Swedish Prime Minister Olof Palme.

The men, travelling in a red Porsche, were seized on board a ferry from Sweden that arrived in Elsinore at 1,50pm, police said.

One of the men is resident in Hamburg, the other in Los Angeles. Late last night police were still questioning the suspects. — Sapa-Reuters.

# Petrol battle: Court rules

By PETER DENNEHY  
Supreme Court Reporter

**PICK 'N PAY** Retailers (Pty) Ltd have been forced to drop their coupon scheme of selling petrol at an effective discount until the Supreme Court decides on the legality of the matter.

Petrol supplies to the company's 12 outlets had been cut off and some outlets expected to run out yesterday, Mr Hugh Herman, a director of Pick 'n Pay Retailers, said in an affidavit before the Supreme Court yesterday.

Mr Sam Aaron SC, who appeared for Pick 'n Pay, requested permission to sell under the scheme while the court hearing was postponed for the Minister of Mineral and Energy Affairs to draw up an answering affidavit. "Nobody would be harmed. People benefit, they don't suffer," Mr Aaron said.

Mr Justice L. Rose-Innes said he was not disposed to make an interim order which clashed with the minister's regulation, which "might be valid".

Mr Herman said in his affidavit that the minister, Mr Danie Steyn, had sent a letter to petrol wholesalers last Friday prohibiting them from supplying outlets which sold petrol for less than the formally agreed price, even if "under an arrangement".

Pick 'n Pay's suppliers had stopped supplying petrol to the company. Yesterday Pick 'n Pay took the minister to court, seeking an urgent order setting aside his notice, of declaring that it did not prevent companies from supplying Pick 'n Pay. The notice should be set-

aside because the minister had acted beyond his powers, or had been too vague, or had abused his powers, according to Mr Herman's affidavit.

Mr Herman also said the letter should not affect the supply of petrol to pick 'n Pay as the company had not made any "arrangement" with its customers, but adopted a scheme available to all members of the public.

The Director of Energy Supply, Mr Lourens van den Berg, said in an affidavit that he believed Pick 'n Pay was making a profit of 6,25c a litre without the coupon scheme. If the company dropped the scheme while the minister was given time to respond in court, its petrol supply would be resumed and it could continue to profit, he said.

Earlier Mr P. Hodes, for the State, had asked the court to turn down Pick 'n Pay's application on the grounds that all parties with a substantial interest in the matter, particularly its three petrol suppliers, Shell, BP and Trek, were not involved in the proceedings.

### 'Subordinate'

However, Mr Justice Rose-Innes ruled that the minister's directive in question was subordinate legislation and it could not be expected that all affected parties need be involved in the litigation. The matter was postponed until March 17.

Mr Justice L. Rose-Innes presided. Mr S. Aaron SC, with Mr L. Weinkove and instructed by Sorblik, appeared for Pick 'n Pay. Mr P. Hodes SC, with Mr D. van Reenen and instructed by the State Attorney's office, appeared for the minister.



Mr Raymond Ackerman, chairman of Pick 'n Pay, leaves court yesterday.

*CAP Tim 25  
8/5/86*

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# R120m complex planned for Cape Flats

Cape Town 8/3/86

**By AUDREY D'ANGELO** cheills Plain Pick 'n Pay. A CAPE TOWN business consortium has announced plans for a R120m retailing and industrial complex and industrial complex to serve Khayelitsha, Mitchells Plain, Mandalay, Lansdowne and a wide area of the Cape Flats. The site, covering about 36 hectares, is at the intersection of the N2 and the Cape Flats freeway.

Cape Town financiers Mr Willem Stronck and Mr Barry Fletcher, who head the consortium, said this week that the project would include one of the largest shopping centres in the Western Cape on a four hectare segment of the site. It would have two large stores tenanted by national chains, possibly with black and coloured shareholders on the same basis as the Mit-

chells Plain Pick 'n Pay. The stores would be linked by a colonnaded mall of line shops let to tenants of all races including residents of Khayelitsha.

There would be a 300 m<sup>2</sup> line of stalls, creating a market atmosphere, where it was hoped that local people carrying on informal business of all types would sell their products.

The industrial park would have 84 sites covering both light and heavy industry.

These would range from 12 500 m<sup>2</sup> to 2 000 m<sup>2</sup> and although large firms were expected to open factories there it was hoped that some black industrialists would also start up.

Caltex had already taken up an option to build a 2 000 m<sup>2</sup> service station on the corner of

Lansdowne Road and the service road to the shopping centre.

"The Caltex decision to back the project will definitely contribute to a better living style for local residents, who currently have no petrol facilities," Mr Fletcher said.

He and Mr Stronck emphasized that they hoped people of all races, including whites, would shop and work in the area.

But it was important that the project would provide work opportunities on their doorsteps for thousands of Khayelitsha people, as well as good local shopping facilities.

"Black people have had to spend hours travelling to and from work for far too long."

Mr Fletcher said work on the project was expected to start in the

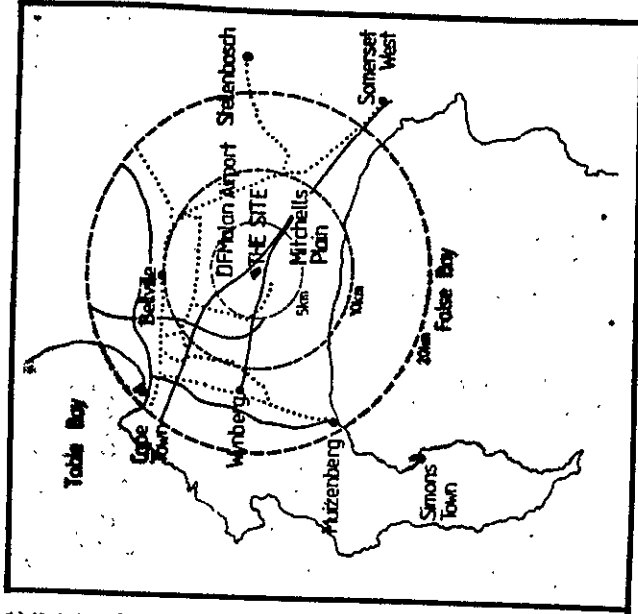
first quarter of next year. He thought this would be the ideal time because the recovery should be under way by then and the problem of unrest solved.

He did not think it was a risky place to build, in spite of recent political disturbances.

People who worked and shopped in the area would "not be very happy" about any attempts to vandalize or burn it down.

"And without being prepared to take a bit of a risk, no-one gets anywhere."

Mr Fletcher said the consortium had discussed the project with the Urban Foundation and intended to talk to the National African Chambers of Commerce (Nafccc), the Cape Town Chamber of Commerce and the Cape Chamber of Industries.



This shows the site in relation to surrounding development, including roads and a railway still to be built.

# Consumer boycott in Uitenhage to be lifted on Monday

Weekend Post Reporter

30  
E. Post  
8/13/80

THE boycott of white shops in Uitenhage, which has been in operation for just over two months, is to be lifted from Monday.

A spokesman for the Uitenhage Consumer Boycott Committee, Mr Buyila Nkumanda, said today it had been decided to lift the boycott indefinitely because some of the committee's short-term demands, such as the release of detainees and the lifting of the state of emergency, had been met.

He said the full reasons would be explained at a meeting to be held at the Jabuva Stadium in Uitenhage at 1pm tomorrow.

Mr Nkumanda said he wanted to thank "the people" for the co-operation the committee had received.

The committee would still press for the release of Nelson Mandela, the dismantling of apartheid and the return of political exiles to South Africa.

BUS. TIMES 9/3/86

# High-priced Merces give BMW a leg-in

By Don Robertson -

**MERCEDES-BENZ** lost ground to BMW in the lower end of the luxury-car market last year, but gained on its closest competitor in the ultra-expensive sector.

Toyota dominated all segments below R20 000 in the number of cars sold.

Statistics compiled by Business Times show that Mercedes-Benz lost ground in the lower end of the luxury market as price increases took its cars into a higher category. BMW made hay with its 3 Series.

## Soaring

The luxury class of the market has become less important because of soaring car prices and expensive fuel make medium to small cars more popular. Fleet owners and well-off individuals have moved into the small and medium sector which makes up more than 60% of the market.

However, high prices placed Mercedes-Benz second among manufacturers in terms of sales value last year. BMW, with its lower production capability, was seventh.

Price increases at the top end of the market have a multiplier effect as a 5% move on a R29 000 car is much more than on a R15 000 model.

Mercedes-Benz lifted prices by 5% this week on its W123 range. The cheapest in the range — the 200 — now costs R1 490 more at R31 330 before Gst.

The range's flagship 280E automatic has increased in price by R2 380 to R51 625.

In April, Mercedes will introduce the W124 Series to replace the W123 range. It is expected that the new 200 will cost about R45 000.

It is expected that most cars in the W123 range will be sold out by the time the new model is launched, although there should be sufficient stocks of the 200 range to meet demand until July.

BMW will consider increasing prices in April.

## Strong gain

In the R20 000 to R25 000 sector, Mercedes fell out of the market towards the end of last year because of price increases. BMW held its 40% share in unit sales with its 318 and 320 range. Toyota also had a good share with the Cressida.

Mercedes lost considerable ground in the R25 000 to R30 000 segment, most of which was taken up by the BMW 3 Series. Volkswagen's Audi also gained strongly.

In the R30 000 to R35 000 bracket, Mercedes maintained its domination with the 200, and BMW held a small share with the 520.

Higher up in the bracket to R40 000, Mercedes enjoyed a hefty 78% of the market with its 230 range. BMW languished at 19,7% with its 528i.

From R40 000 to R50 000, Mercedes had 64% and BMW 35%.

In the ultra-luxury sector, Mercedes outstripped its competitor, the 380SE far outselling the BMW 7 Series.

# Businesses crumble as boycotts bite

A RENEWED wave of black consumer boycotts threatens to plunge two cities into economic crisis.

In East London, boycott measures were reintroduced on Monday, while in Port Elizabeth, consumer sanctions are likely to be resumed on April 1 unless protest demands are met.

In the embattled business communities of the two cities — where previous boycotts have crippled many small businesses — frail hope has turned to despair.

Negotiations between mediators from the civic and business communities and boycott organisers have reached a deadlock.

Last year, a five-month boycott of most white, coloured and Indian-owned shops almost brought Port Elizabeth's business community to its knees, triggering a telling surge of liquidations as small businesses crumbled and unemployment rocketed.

In November, black community leaders announced the temporary suspension of the boycott while demands were being negotiated. Local traders have used the past four months to shore up their ailing concerns.

But this week the re-implementation of the boycotts appeared imminent as major demands had not been met.

## Irony

The East London boycott, which started on Monday, was described by the vice-president of the East London Chamber of Commerce, Mr Errol Spring, as "100 percent effective".

Bitter irony marks the reimposition of the city's boycott — during recent months, the centre's white leaders have blazed a path of racial reform which has brought them perilously close to confrontation with the Government.

Last week, the East London City Council made a controversial decision, to open residential areas to all races in defiance of the Government and its commitment to the Group Areas Act.

The council's decision has been forwarded to the Ad-

## Sunday Times Reporter

ministrator of the Cape, Mr Eugene Louw, who will refer the matter to the Government.

And in December, the council braved a backlash from conservative constituents when it removed apartheid signs from city beaches.

This week, Mr Spring said the East London City Council had done more than most centres to address black demands.

## Controversial

"One of the first things we did was to remove discriminatory signs from our beaches.

"We asked the Administrator to allow blacks to use the city's beaches and did not prosecute those who did.

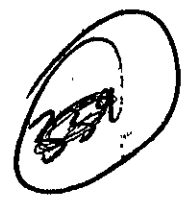
"The council has also recently passed a controversial resolution calling for all the city's suburbs to be opened to all people."

Mr Spring said the demand for "undemocratic" authorities such as community councils to be disbanded had in effect been met by the council which no longer dealt with their "discredited members".



Urban Foundation staff members check out the UF's computerised register of black businesses.

# Is this your pot of gold?



30  
CITY P.  
9/3/86

GOLDEN opportunities await black, "coloured" and Indian businessmen in the PWV region and who are keen to expand their markets.

A host of their white counterparts are looking for black suppliers and are keen to link up with them in order to buy their goods.

### Prospects Reporter

Drake has already drawn up a list of services, skills and products known to be currently available from black business.

Derek Drake, home industries and marketing co-ordinator at the Urban Foundation, said the foundation had, in the last six months, been involved in a concerted effort to find white businesses which were keen to receive supplies from the black sector.

This list needs to be expanded to include all the trade and commercial services, and manufactured products currently produced by black business in the PWV.

He said there had been an enthusiastic response from the white sector.

This project is a joint effort involving the business counsellors of a number of business development agencies active in the PWV area.

"We've been able to place orders with black businesses which, so far, have amounted to more than R500 000.

Drake said: "There are market opportunities for businessmen which, I am sure, they have never dreamed of."

"There's a demand for all aspects, such as purchase of supplies and services and the opening of agencies and franchises, and so on."

Drake can be contacted at (011) 836-3381, or write to him at PO Box 9868, Johannesburg 2000 giving details of name, address, telephone number, contact person and type of business.

### JOB OPPORTUNITIES SMALL BUSINESSES

THE Urban Foundation would like to make contact with all small businessmen (African, coloured and Asian). Whether your business is home-based or you operate from an industrial park, they would like to hear from you so that you can be involved when job opportunities are located and identified in the PWV area.

Complete this coupon and return to:

Mr D Drake  
Home Industries Marketing Co-ordinator  
PO Box 9868  
Johannesburg  
2000

Name of business: .....

Business activity: .....

Address: .....

Postal address: .....

Contact person: .....

Title: .....



# Vrystaat! Welkom to the Indians

By BOETI ESHAK

THE Goldfields city of Welkom has set the pace in the Free State by launching an investigation to provide housing and other amenities for Indians who may wish to move in.

Archaic legislation prohibiting Indians from living in the OFS has been lifted and the 12-member Welkom City Council did not want to get caught napping when CBDs are thrown open to all races.

At its monthly meeting last week, the council unanimously decided to apply for permission to open the central business district to traders of all races.

This action has been given overwhelming support by the people of the city, which is celebrating its 25th anniversary as a municipality this



Businessman Papis ... wants a nonracial city

year. Traders and people interviewed this week welcomed the move to have an open CBD, and also to allow Indians to live in the area.

Welkom has a population of 216 000, made up of whites, Africans and coloureds.

“My council supports the establishment of an Indian community in Welkom. I have accordingly been instructed to investigate the possibility of an exclusive suburb for the community, with due regard to the Group Areas Act and the Act on Separate Development,” said the

town clerk, Mr Chris Rademan. “I have also been instructed to apply to the relevant state departments for a declaration of free trade areas in the CBD.

Welkom has a population of 216 000, made up of whites, Africans and coloureds.

“We hope the central government will speed matters up. “Integration will not be difficult in our town as we have a cosmopolitan community.”

Mr Ian Auret, director of the city's Redging Publicity Association, also welcomed the move, saying it would boost the city's image.

“Business is international and nonracial. It knows no barriers and the sooner we have a free enterprise system, the better,” he said.

Mr Nick Papis, a property and business broker in Welkom, said the move was “wonderful and long overdue” and that he could not wait to see the local community becoming completely mixed.

“Sure, you will find the odd objection from the public, like those who oppose the Government's reform movement and the concept that apartheid is outdated,” Mr Papis said.

## Samoosas and boerewors DO mix

By BOETI ESHAK

WHEN I drove into Welkom I was apprehensive — after all, no Indian has officially lived in the Free State.

When West Indian Alvin Kallicharran stayed and played there, he was treated as an honorary white.

But I was pleasantly surprised by my reception.

Not knowing the way, I stopped in the middle of a two-lane road to ask, in my

best Afrikaans, a traffic officer for directions to the civic centre.

She stopped a patrol car, which escorted me the 2km to my destination.

I had no appointments with senior city officials, but all agreed to see me and talk about their town.

Mr Ian Auret, Welkom's Publicity Association director, left a meeting to chat to me. And Mr Chris Rademan, the town clerk, was about to

leave work for the day, but welcomed me into his office.

In the civic centre corridors, people greeted me politely.

White workers and shop owners did not object to being interviewed by an Indian; in fact, their hospitality was typically South African — warm and friendly.

At the local hotel, being the only non-white, never mind the only Indian, in the coffee

shop did not make heads turn. It seems that Indians, especially professional people and businessmen, will be made welcome in this part of the country, should they decide to migrate there.

Regrettably, there was an absence of samoosas in the boerewors-stocked cafes. But, from my experience, boerewors and samoosas could well become the favoured mixed grill of the Free State.

“We are all for free enterprise and the vast majority of people are in complete agreement.

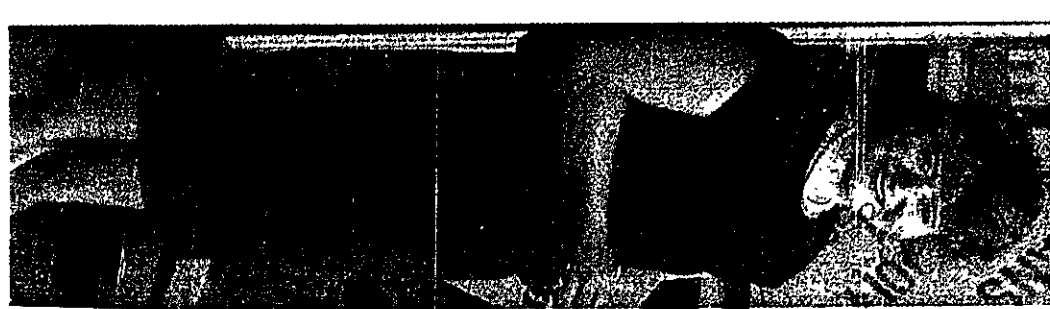
“I have also been instructed to apply to the relevant state departments for a declaration of free trade areas in the CBD.

Mr Rademan added the broad spectrum of the Welkom business community, represented by the Chamber of Commerce, the Afrikaanse Sakekamer, the Master Builders Association and the mining companies, have all welcomed the decision.

The chairman of the Goldfields Chamber of Commerce, Mr Doug Rowlands, said: “I am delighted that the council has taken this decision.

“This should have been done a long time ago,” she said. “It's time we move along with the times.”

ROSEMARY KRIEL, Welcomes a mixed Welkom was “a tremendously good idea” to have all races, particularly Indians, living and doing business in Welkom.



ROSEMARY KRIEL, Welcomes a mixed Welkom



211-1 P. 9/13/82

# E London won't boycott buses

By BENITO PHILLIPS

THE PROPOSED Mdant-sane bus boycott has been called off.

The decision was taken by commuters at a mass meeting in East London City Hall this week.

Instead, commuters will continue using buses under protest - and their strong disapproval of the increases will be conveyed to the bus company.

The Ciskei Transport Corporation implemented its new fare hikes last Saturday despite strong opposition from workers who said it was ill-timed because it coincided with increased food prices and rail tariffs.

CTC also decided that weekly ticketholders would pay less because of the reduction in fuel prices.

The meeting, convened by the Committee of Ten, resolved to oppose the fare increases.

The Committee of Ten said the bus company had told it fares could not be reduced because of high running costs.

The report said the company had claimed that a reduction in fares could also lead to retrenchments.

Commerce  
to meet on  
extended  
shop hours

The Johannesburg Chamber of Commerce has convened a meeting of local business interests tomorrow to consider the implications of the new Shop Hours Ordinance and to formulate a joint strategy.

The general manager of the chamber, Mr Marius de Jager, welcomed the new ordinance but said it would only become law once the State President had assented to it.

"We understand this is not likely to happen before June," he said.

The ordinance provides for trading on six days a week from 5 am to 11.30 pm, but another provision enables local authorities to curtail these hours.

#### FLEXIBLE APPROACH

Mr de Jager said he did not foresee an immediate and radical change in trading patterns, but appealed for an initial flexible approach by local authorities to allow the trade to establish the most suitable hours for each area or situation.

"We are getting a group of business interests together to consider a joint approach to the Johannesburg municipality to put across our view as to how it should handle its new-found power.

"We feel there should also be some form of co-ordination between local authorities."

The Hillbrow Traders' Association has been invited to the meeting.

and private

# Township residents defy work threats

30  
329 STMR  
10/3/06

Residents of the troubled township of Belabela near Warmbaths defied threats of being sacked and continued to stay away from work today.

The stayaway, which started last Monday, was supposed to have ended yesterday but because of the detentions on Friday morning of five members of the delegation which met authorities last week, the residents resolved to extend the stayaway.

A police spokesman confirmed the arrests of several Belabela residents, but did not name them.

A residents' spokesman said today another five-man delegation had been appointed at a meeting yesterday to secure the release of the detainees.

## REPORT BACK TODAY

The delegation was to meet the police today and report back to the residents this afternoon.

The spokesman said a prayer service had been arranged this afternoon at the local football stadium.

Residents would also discuss threats by their employers not to reinstate them after the stayaway.

The spokesman said besides the five leaders being detained more than 50 youths detained earlier in the week were still in prison.

Some Warmbaths business people confirmed their decisions not to reinstate the workers.

The owner of a fast food outlet, Mr Loodt Bothman, said all his 31 "striking employees will not be reinstated".

He said: "We have already made arrangements to get labourers from other areas, including Durban and George, to start work immediately."

11/3/85  
30 B-Day

## Motor trade takes knock in revenue

Industrial Staff

TOTAL trading revenue for wholesalers and retailers in the motor vehicle and accessories industry declined in 1985 compared with 1984, according to the latest release from Central Statistical Services (CSS).

Wholesale trading revenue dropped 3,6%. The sector's sales of new vehicles fell by 6,1%, but that of used vehicles jumped by 31,4%.

Among retailers, trading revenue declined by 15,7%, with new vehicle sales down 6,4% but used vehicle sales up by 23,2%.

The last quarter of 1985 showed slightly improved conditions with wholesalers' trading revenue up in that quarter to R839,8m, an improvement of 4,5% on the same period in 1984.

Retail trading revenue rose even more significantly by 38,8% to total R4 319,7m.

Both sectors also showed improvement on the conditions in the previous quarter.

The last time he did not surface. WOM DISORDER 100.

# Warmbaths may cut blacks' water as stayaway continues

STAR

11/3/86

30

Pretoria Bureau

Black residents of the small northern Transvaal town of Warmbaths yesterday vowed to continue their 10-day-old stayaway, amid threats by the local authorities to cut off water and electricity supplies to Belabela east of the spa resort.

Residents also decided to march on the local police station today to demand the release of the "committee of ten".

Warmbaths itself was tense yesterday as white businessmen waited to find out when Belabela residents would end the stayaway. Many were adamant they would not re-employ any or some of their black staff.

Tension between the Belabela residents and authorities mounted as the town council warned of possible electricity and water cuts and the police demanded the handing over of "unrest culprits" in exchange for the release of the "committee of ten".

At a meeting yesterday township residents agreed to continue the boycott.

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This could be done in the  
event of Parliament being un-

## Businesses set to take tough line on boycotters

PETER WALLINGTON

ALMOST half the Warmbaths workers who did not return to work yesterday are likely to remain unemployed, local chairman of the Afrikaanse Sakekamer Nic Strydom said yesterday.

Strydom said workers who had stayed away from work last week would not be paid for that period.

He said the business community of Warmbaths was not prepared to tolerate the tough stand taken by the workers.

The workers, from the nearby township of Belebele, were due to return to work yesterday but did not do so. Residents said their decision followed the detention of a number of members of a delegation that met authorities last week in an attempt to resolve the stayaway.

One resident said there would be no return to work until the demands made last week were met. These include the reduction of all rents in Belebele, abolition of corporal punishment at schools, the resignation of Belebele town councillors and increased wages for black workers.

Strydom said he believed up to 50% of the black workforce would remain unemployed unless they had particular skills that were needed.

He said the Sakekamer had not had a request to speak to township leaders and had not done so.

CALL Times 11/3/86 (30)

# 79 000 sign petrol petition

Staff Reporter

A PETITION bearing more than 79 000 signatures of people concerned about the high price of fuel was presented to the government yesterday.

A pensioner and a housewife from Johannesburg — with no help from any organization — raised the signatures over two months since January 7.

Mr Jack Huber said

yesterday: "When the price of petrol went up in January, I felt, I had to do something. So Mrs Jill Perkiss and I — simply as two concerned citizens — went on a drive to get public support.

"The result has been this incredible mass of signatures, which I have presented to the Minister of Transport Affairs, Mr Hendrik Schoeman."

Yesterday morning Mr Huber had a meeting

with Mr Schoeman, "who was astounded by our support and promised to take the matter to his colleagues".

The petition reads: "We, the undersigned, object in the strongest terms possible to continual increases in the fuel price. The government should help to combat inflation by using the massive profits of the oil pipeline to reduce the cost of petrol."

Mr Huber said the petition had first been published in a Johannesburg newspaper, "and then got splash treatment in all the major Transvaal papers.

"And although the price of fuel went down recently, our objections still hold good.

"We were inundated by calls for petition forms from as far afield as Somerset West. One man alone brought in

more than 1 100 signatures.

"I think it high time the government understood the plight of the man in the street. I made it clear to Mr Schoeman that this has been purely an effort of the people, and cannot be ignored".

Mr Huber said that Mr Schoeman had said he would make a public statement on the matter once it had been fully discussed.

JCC seeks  
talks on <sup>S.M.C.</sup> shop hours <sup>(20)</sup>  
<sup>12/3/86</sup>

Municipal Reporter

The Johannesburg Chamber of Commerce (JCC) is seeking a meeting with the city's management committee to discuss the implications of proposals to extend shopping hours from 5 am to 11.30 pm on six days a week.

The JCC held informal discussions on the new Shop Hours Ordinance yesterday with representatives of the Central Business District Association, South African Property Owners' Association, the Afrikaanse Sakekamer and the Hillbrow Traders Association.



New vehicle figures chug along 23 pc below last year

# Car sales still linger in economic doldrums

12/3/86 Star  
30

By Jeremy Sinek

The much-predicted upturn in new car sales is not materialising.

The sale of 13 913 new cars in February was only an 0,4 percent improvement on January's already depressed figure. For the year so far, sales are 23 percent lower than the same period last year.

It was the lowest February sales figure since 1977.

The commercial vehicle picture, however, is not quite so bleak. Sales of light and medium commercial vehicles both rose by about 14 percent and heavy commercials by 23,4 percent over January.

Overall vehicle sales, consequently, were 5,1 percent higher than in January.

Nonetheless, the director of the National Association of Automobile Manufacturers of South Africa, Mr Nico Vermeulen, sees the figures as an ominous sign for the industry's short-term prospects.

"The strategically vital truck and bus sector, representing essential factors of production, continued under pressure," he said.

## DISTORTED

"The negative sales trend in this sector was worrying, since it reflected continued weakness in general business conditions, reinforcing the need for further official steps to stimulate the economy."

To some extent, the poor car picture was artificially distorted by continuing shortages of some models.

The big loser of the month was Mercedes-Benz, known to

be short of Honda Ballade and S-Class production as a result of factory reorganisation for the introduction of the new W124 Series.

Its sales slipped by 30 percent compared with January.

The only other manufacturer to sell fewer cars in February than January was BMW — down 8,3 percent — no doubt influenced by the price increase at the beginning of February.

GM could manage no better than seventh in the car market after recovering by only 15,4 percent from its disastrous January performance. This was again attributed by a GM spokesman to stock shortages following the unexpected sales boom at the end of 1985.

## IMPROVEMENT

Market leader in February was again Toyota (up 1,3 percent from January) followed by Samcor (up 0,5 percent).

Third was VW/Audi with a 21,5 percent improvement, then Nissan (up 13,3 percent), Mercedes/Honda, BMW and GM.

Combined January and February sales show that VW is continuing to gain market share. It has registered a 16,4 percent penetration of the car market so far this year, compared with 14,4 percent for the whole of 1985.

Toyota's penetration is also up, from 23,9 to 25,6 percent, Nissan's from 6,8 to 8,0 percent and BMW's from 6,3 to 7,9 percent.

Samcor's share of the market is unchanged at 20,7 percent; while Mercedes (down from 10,7 to 9,9 percent) and GM (9,3 to 6,2 percent) have been the only backsliders.

# Anger at 'banning of Jack, Fazzie'

Argus Bureau democratic voices of our people".

PORT ELIZABETH. — The Port Elizabeth Chamber of Commerce is "shocked and dismayed" by the the banning of Eastern Cape community leaders Mr Mkhuseli Jack and Mr Henry Fazzie.

Director Mr Tony Gilson said: "A carefully cultivated climate of negotiation is now in extreme jeopardy.

"We question the wisdom of the orders."

The chamber would "as a matter of urgency, carefully consider what action it is going to take".

## BOYCOTT

The United Democratic Front in the Eastern Cape said in a statement that the moves had increased the probability of the consumer boycott being resumed.

The president of the Eastern Cape branch of the UDF, Mr Edgar Ngoyi, said he had learnt of the banning orders "with great anger and a sense of dismay".

He said the orders were aimed at "doing away with the

The Progressive Federal Party MP for Walmer, Mr Andrew Savage, said he regarded Mr Jack and Mr Fazzie as legitimate leaders of the black community and believed the banning was short-sighted and seriously damaging to race relations.

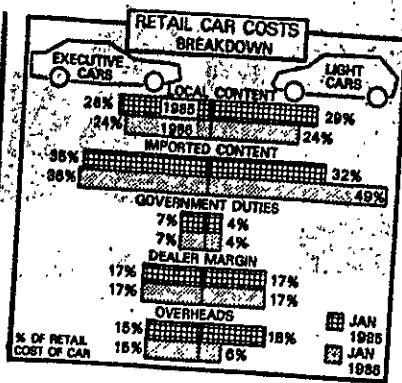
## "APPALLED"

"Both of these people have the status of national figures and represent genuine leadership among the majority of our community."

Mrs Judy Chalmers, chairman of Black Sash in the Eastern Cape, said: "The Black Sash is absolutely appalled.

"It would seem that at attempt has been made to silence the voice of democracy. We regard this as an assault on human liberty."

The president of the Midland Chamber of Industries, Mr Bill Oddy, said: "The banning orders are quite ridiculous. Now is when communication is absolutely essential."



# Firm rand not cutting car prices

B-DAM (2/3/86) 30

Industrial Reporter

**STRENGTHENING** of the rand, particularly against the dollar, will not result in lower car prices nor a reduction in the rate of increase in the foreseeable future, says BMW's Pierre de la Rey.

He adds that car manufacturers are not trying to extort the public.

"Last year it was calculated that only to recoup our exchange rate-related losses, carmakers would have to increase prices by 20%-30% in the last quarter of 1985.

"This did not happen, but in the last quarter we did start increasing prices in the hope that, by the end of 1986, we might be back on a more realistic price level, taking into account our enormously increased import costs."

Other manufacturers say that in the past two years source companies in Japan and West Germany have not increased component prices to their SA plants and, in some cases, have decreased their prices.

But the rand has to strengthen substantially against the mark and yen for car prices to be affected.

"As the rand strengthens, the source company will want to recoup some of those lost earnings so the actual price paid by SA car makers will not change much," says a leading manufacturer.

The illustration shows the breakdown of the retail cost of a light car and a medium/executive car, drawn from a number of different manufacturers.

Manufacturers say there are a number of variables. For example, last year most manufacturers lost 3%-5% on every sale, this year the gross margin is about 2%.

The amount attributed to overheads in a given year depends on the model's age, as amortisation often takes a higher toll in the first two years.

The percentages relate to the final retail cost and not the production cost, so the imported value is therefore over 50% of actual production cost, but becomes a lower percentage of the retail cost when dealer and manufacturer margins — and government duties — are included.

'Deep-seated structural problems'

# FCI head calls for industrial strategy to save jobs in SA

By Michael Chester

Urgent moves to develop new industrial strategies had become vital if South Africa hoped to reverse trends wiping out jobs at the rate of 40 000 a year. Dr Johan van Zyl, chief executive of the Federated Chamber of Industries, said yesterday.

Among the strategies should be action to press ahead with the privatisation of a number of state enterprises and the sweeping away of regulations that hamstringing the private sector.



Dr van Zyl was delivering the keynote opening address at a special three-day national management convention in Sandton called by P-E Consulting Services to try to formulate a new industrial blueprint. It is under the banner: "Manufacturing — the way ahead".

Political issues had made a serious impact on the economic scene, he said, but there were also deep-seated structural problems within the manufacturing sector also to blame as the sector fell far short of targets set out in the current economic development plan.

## DUAL ECONOMIES

South Africa needed the sort of trust and cooperation between the Government and the private sector that had forged the economic success of such countries as Japan and Taiwan.

A priority was a fundamental shift in policies to promote small and informal businesses to create more new jobs and encourage dual economies inside urban areas.

The elimination of influx control was crucial to positive urbanisation strategies aimed at boosting economic growth and resolving socio-political problems.

Privatisation and deregulation in housing, health, transport and education should be going hand in hand — turning tax consumers into tax producers.

## COOPERATION

At the same time, the Government should launch special assistance programmes to encourage structural changes in the manufacturing sector and channel more resources into modernisation, productivity improvements, high technology and better labour utilisation.

"What is perhaps needed above all is a new interface between the private sector and government, effectively harmonising private entrepreneurship with Government persuasion and resources," he said.

## Conference told of 2 000 controls which hamper entrepreneurs

By Michael Chester

Thousands of unemployed black workers anxious to launch their own small business ventures were blocked by a tangle of no fewer than 2 000 controls that needed to be bulldozed out of the way, a business conference heard yesterday.

Urgent pleas to the Government for faster action in removing obstacles still faced by the informal sector were made by Mr Sy Kutumela, chairman of the education and training committee of the National African Federated Chamber of Commerce.

He was addressing a national management convention held in Sandton by P-E Consulting Services to devise radical strategies to improve the current political and economic climate and set the manufacturing sector on a new course.

Mr Kutumela said while the informal sector had the potential to act as a powerful generator of new jobs to curb the unemployment crisis, most operations were harassed by regulations and statutes that officially branded them as illegal.

Victims ranged from pirate taxi and shebeen operators to street hawkers and backyard mechanics.

Though a growing list of overseas economies now recognised the crucial importance of small business initiatives in the informal sector, it was hard to imagine a more hostile environment than the South African discouragement of independent entrepreneurship.

## DICTATED

Even if "by a miracle, young blacks retained a spark of entrepreneurial flair", they confronted hundreds of statutes blocking their path in business.

● Applications for business licences often took up to three years.

● Controls dictated what they sold, prices charged, premises to be used, interest levels on loans, whom they employed, what hours they worked, where profits went, how much they must pay the state.

● Whole areas of business activity were blocked to them completely.

● Competition was not allowed against numerous private and public sector monopolies and cartels.

"Even if, in theory, it is a business sector in which they are permitted to compete, the rules and regulations have often so enormously increased all costs of entry that the opportunity is effectively barred to them anyway," said Mr Kutumela.

Taiwan and Hong Kong were among a long list of countries that had proved big business alone was unable to create all the extra jobs needed in their economies.

South Africa had yet to learn it was the creation of more small businesses and the encouragement of the informal sector that held the ultimate solutions to unemployment, he said.

# Car sales down by 8 1/3%

THE good trend in new cars sales in the last quarter of 1985 had been decisively broken, National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen said in Pretoria yesterday.

Compared with January-February of last year car sales were down by 8 1/3% to 27 772; light commercial vehicles by 2 661 to 11 594; and heavy commercial vehicles by 535 to 1 146. Medium commercial vehicles sales, however, were up by 44 to 925.

3-DAY

GERALD KELLY

New cars sales in January (13 859) and February (13 913) remained substantially below the average monthly sales of 17 000 in the second half of last year.

February's 13 913 car sales was the worst February performance since 1977. February sales of light commercial vehicles improved by 14,6% to 6 191 and medium commercial vehicles by 52 to 492.

Developers eager to buy tracts of unused property B. DAY 13/3/86

# Sats land sales imminent

CHRIS CAIRNCROSS

DRAFT legislation giving SA Transport Services (Sats) the green light to start selling or leasing thousands of hectares of property is nearing completion and should be tabled in Parliament soon.

The legislation is currently with the Standing Committee on Transport Affairs.

Sats is expected to be in a position to start selling off part of its vast property portfolio by mid-year.

As first reported by *Business Day* in January, Sats set up a special division this year to oversee its property interests.

This division became operational last month.

It has already identified about 32 000ha of unused or under-utilised property throughout the country — some of it in prime locations within CBDs — which has been earmarked for sale or lease.

Sats has been inundated with inquiries from developers.

It is expected, therefore, that a number of transactions will be entered into as soon as the necessary amending legislation is passed.

The cash generated by the property sales will be welcome added revenue for Sats, which has been forced to prune substantially its capital expenditure programme this year.

It is also believed much of the property could be used as a platform to hasten the racial integration of business within the CBDs.

Observers say much of the property held by Sats in the various CBDs is ideally-suited for carving up into portions to satisfy the needs of small businesses and those verging on the informal sector that are now going to be permitted to trade in these areas.

...alties and much of his administrative duties



this killing" T-shirts ... these were the  
Picture by Reuter.

...and qualification claims are  
**Pretoria boycott**  
WEEKLY H. (30)

THE Pretoria Consumer Boycott Committee (PCBC) has unexpectedly announced the resumption of a major consumer boycott of white-owned businesses.

14/3/86.  
Announcing the boycott yesterday, a committee representative said: "This time the consumer boycott has been planned to bite the business community for a longer time without any compromise."

He declined to disclose the exact date for the boycott, noting that "we put it to the state and business associates that the boycott will resume not later than next week."

hammer and sickle flag has been of the ANC.

DURBAN

## Mixed feelings

Government agonised long enough before it opened parts of CBDs to mixed trading. But now Durban is complicating life further by suggesting — horror of horrors — that it should open one of its inner city blocks for mixed living.

At first glance, Durban's request that the residential portion of Block AK should be set aside for all races seems purely magnanimous. But, in truth, it is land which nobody seems to want. At least that's what the record shows.

Appropriately, perhaps, Block AK has a "colourful" history. The land was frozen by the Department of Community Development in the early Seventies and the properties expropriated for urban renewal. Something akin to a District Six in Durban, the original owners were, ironically, a mixed lot with whites and Indians predominating.

Since the coming of the new Durban railway station in Umgeni Road, much has changed in Block AK. The bulk of land to the east of First Avenue, zoned general business, has been sold and is today a busy

commercial strip. The larger developments include the new Game City, Furniture Game, Doves, Adlam Reid funeral parlour and Standard Bank.

The west side of First Avenue, an 8 ha white group area zoned residential, has been more problematic.

The State has offered it for sale on several occasions, both by public auction and by tender, but has received no firm response — a sure indication of the surfeit of land in central Durban available for white residential development.

Agents have long argued that if the zoning was changed to permit a mixture of residential, commercial and light industrial usage, there would be takers aplenty. But Durban's planners demurred, claiming there is already sufficient undeveloped land zoned for these activities.

A year ago the Durban City Council appointed an ad hoc committee of city officials, business and public representatives to examine the possibility of a zoning change. Indian interest groups contended Block AK formed a natural extension of the Grey Street residential area only a few blocks away. In addition, they claimed that demand for well-located, high-quality residential land was high.

But the committee was emphatic — and the council supported it all the way — that if the block was to be reclassified, it should be for use and occupation by *all* races.

Durban's decision, chief town planner Garth Williamson points out, creates huge problems for government. There are apparently no designated, truly non-racial residential areas in SA. The question of residential areas for whites, Indians and coloureds is governed by the Group Areas Act. But black affairs are administered by the Department of Constitutional Development and Planning. Ostensibly, the application would have to be referred to both.

One way of getting round the problem could be to avoid a group areas classification by declaring the zone a "controlled" area where all races could reside and cross-racial sales could take place under the permit system. Government has just set such a precedent at Clairwood.

Assuming permission was granted, though, it would raise a host of other issues (like what schools children would attend) which would strike at the very foundation of the apartheid edifice.

Government has, undeniably, made great strides in liberalising trading. The question that remains is whether it is ready to take the next which is towards mixed residential areas.

Durban's application could be a test of government intentions. ■



als is that truck-makers already sourcing from Atlantis Diesel Engines (ADE) could still fall a long way short of the BTI's proposed 40% minimum local content requirement for trucks and buses. This would lead to financial penalties, adding to the already high cost of vehicles.

No one is saying much about last week's discussions (*Business* March 7), but the *FM* understands that the vehicle builders want the programme to be delayed, at least until they are out of the current sales slump.

So far, says National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen, "nothing has been finalised, but we hope the BTI will eventually rewrite some of the proposals."

The manufacturers are critical of the BTI's aim to introduce the local content programme as soon as possible. The industry wants a two-year moratorium, maintaining it cannot afford the high cost of increasing local content when truck and bus sales are at a record low.

On this issue, the industry hopes to meet the BTI halfway with a "no-hurt entry level" to shelter manufacturers from financial hardship as the local content programme is applied. This could probably be done best by initially reducing the local content demand.

Broadly, the BTI wants current protection measures on locally built engines, gearboxes and other components to be replaced by a dual mass/value local content programme. The target is for a 50% local content level by value for heavy trucks over 3 000 kg and slightly less for medium commercial vehicles.

For the best reasons, the BTI wants ADE to feel the breeze of competition by dropping existing ad hoc protection in favour of a uniform system. But government could find

14/3/86 FINHILL  
TRUCK MANUFACTURE

## Asking for time

Predictably, the Board of Trade and Industries' (BTI) proposed local content programme for the truck and bus industry received a somewhat chilly reception from manufacturers when the two sides met to discuss the issue last week.

The main concern about the BTI's propos-

81

itself shooting ADE in the foot if it accepts the BTI's proposals in their present form.

On paper, manufacturers will have little difficulty in meeting the BTI's minimum local content level if ADE and AS Transmission and Steering components are counted as 100% local content. But, as the BTI proposals stand, they do not because the local content of ADE engines varies from 10% to more than 70%.

If ADE engines were deemed 100% local, most truck and bus manufacturers would be more than halfway towards meeting the new requirement. On the BTI points system, however, an ADE engine with only 10% local content would score only 2.5%-3%, leaving the minimum local content level nowhere in sight.

The industry wants a common points rating on engines (preferably 100%) so that manufacturers are not penalised for buying an ADE engine with a high percentage of foreign components.

Engines aside, the truck-makers' other big concern is that the BTI proposals focus on the heavier end of the truck market (more than 3 000 kg) and do not adequately cover vehicles over 1 300 kg — the cut-off point for government's Phase 5 local content programme for car and light commercial vehicles.

It seems the BTI has overlooked the fact that most trucks over 3 000 kg are chassis/cab type vehicles, while the majority of vehicles in the 1 300 kg-3 000 kg bracket are fitted with a body. Under the current proposals, there is no local content credit for truck bodies.

**I**n commerce and industry no store, office, factory or warehouse is safe from disaster.

Industrial and commercial civil defence consists of the planning and preparation carried out by management to achieve a state of preparedness with the emphasis on self-help.

Since most emergencies occur without warning, advance planning, equipping and training is the only effective insurance.

Management failure to prepare can result in death or injury to staff as well as the loss of, or damage to facilities, property, equipment, and production capability.

People and property may be threatened; so may profits.

Specific plans must be prepared for different types of emergencies after assessing the vulnerability of your property to possible disasters. Then practical planning is needed to cope with whatever threat occurs.

Implement the decision, formulate specific procedures for dealing with each

type of emergency. Ensure that all your staff know exactly where they fit into the plan which should be tested and rehearsed regularly.

Recovery after a disaster depends largely on how the organisation has prepared itself for survival and for an early resumption of production or service.

There are basically two types of disasters; natural and man-made.

**FLOODS:** Check permanent protective devices: Storm-water drainage systems which should be kept free of refuse that could block drains. Inspect the area during a heavy rainstorm to see if the drainage system is adequate.

In the event of floods caused by burst mains or pipes, all personnel should know the whereabouts and function of isolating water cocks and how their prompt use will minimise damage.

To minimise flood damage when protective devices fail, store on racks above ground level materials susceptible to water damage. Get rid of the flood water as soon as possible. Ask the local fire brigade to help pump it out.

Priorities in dealing with a flood include switching off the electricity before it becomes a hazard and the removal of vulnerable and vital items, such as company records.

**TORNADOES:** Take preventive action when high velocity windstorm warnings are given. Close and secure all windows and doors. Open windows can result in the whole roof being lifted off.

Draw up contingency plans for dealing with personnel, customers or clients under severe or abnormal conditions.

Remember, hail or strong wind may break windows while customers are shopping. They could be stranded in your store

# Civil defence for commerce and industry

Through liaison with local civil defence a working arrangements should be made with other firms so they can help each other, particularly in times of unrest.

**HAZARDOUS MATERIAL:** Contingency plans, involving police and traffic officials, should be developed in case of leakages or accidents.

**EXPLOSIONS:** Where company operations involve explosives, special procedures for preventing an explosion have to be worked out by an experienced industrial fireman.

**PANIC:** Defined as 'a sudden, excessive, unreasoning, infectious terror', panic is probably the most contagious of all human emotions. Panic caused by even a rumour can in itself create a disaster. Panic is a killer.

Once a state of panic has been reached, the potential for personal injury and damage to property is dramatically increased.

One of the main reasons for management to analyse and plan reactions to all the possible emergencies, particularly in big concerns dealing with the public, is to avoid at all costs a panic situation developing in an emergency.

How vulnerable is your firm to all these threats? Ask yourself what, in each case, would be the risk to people, property and productivity at various times of the day, week or year. Planning must cover 24 hours a day, as well as weekends and holidays.

Practical planning means taking expert advice wherever necessary in conjunction with your local fire brigade, civil defence organisation and your staff, not only to protect the lives and jobs of employees but also for the protection of property.

Make provision for alternative action.

Adequate food and medical supplies for a major disaster should also be arranged through the local Civil Defence unit as well as facilities such as help in evacuations, housing and feeding of evacuees and help in maintaining communication networks.

Following the assessment of potential dangers and courses of action, the next step is to formulate specific procedures.

All but the smallest firms should code their policy and procedure in times of emergency in a manual for all employees.

Large firms should consider the establishment of an emergency control centre headed by a cool, quick-thinking director. He and his deputy should be responsible for the delegation and co-ordination of communications, fire-fighting, rescue, first-aid and medical services. Ask your local Civil Defence office for assistance in planning a control centre.

A warden service should be formed for maintaining employee control. A chain of command should be established in case top officials are incapacitated.

Emergency procedures must be tested so weaknesses will show up in practice. The first one or two practices should be announced — to avoid causing panic — but there should be no warnings for regular subsequent practices.

The cost and effort involved in giving immediate attention to emergency planning must be weighed against the possible loss of human life, destruction of property and cessation of productivity should an emergency situation find you unprepared.

Don't adopt the attitude that because it has not happened yet, it never will. There is always a first time.

for a lengthy period by severe weather conditions at closing time. How, too, would you cope with a complete power failure in your crowded store?

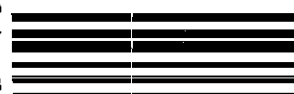
**FIRES:** Since prevention is better than cure, firebreaks should be regularly inspected and maintained. Piles of inflammable refuse should never be allowed to accumulate.

Consult your local fire brigade about the safe storage of petrol, benzine, naphtha or any other inflammable substance inside or outside your building. Ask them, too, about planning fire-fighting equipment and staff training. This will ensure that company equipment is compatible with municipal equipment and firemen responding to a call will be familiar with the layout and your special fire hazards.

All fire-fighting equipment should be readily available and in good working order and staff should know the correct procedures for dealing with special hazards.

Often, prompt action by the man on the spot can control an initial blaze. But, nevertheless, the fire brigade should be called directly any fire is detected so that, if it gets out of hand, professional help will be on the way.

30 Mercury 14/3/88



# Bans wreck PE hopes of staying off boycott

WEEKLY M. 19/3/86

30

By MIKE LOEWE

PORT ELIZABETH is poised for another outbreak of consumer warfare.

This follows the banning on Tuesday of the two most influential black United Democratic Front leaders in the Eastern Cape, Mkhuseleli Jack and Henry Fazzie.

Jack, 27, is the president of the Port Elizabeth Youth Congress, spokesman for the hugely influential Black Consumer Boycott Committee. He serves on the UDF regional executive committee. Fazzie, 61, the regional vice-president of the UDF in the Eastern Cape, spent 21 years on Robben Island.

Sources told Weekly Mail a renewed black consumer boycott of white businesses on April 1 was "an almost dead certainty".

In recent months the two had spent hours seated around the negotiating table with the city's top white businessmen and civic notables, discussing how to resolve the conflict which has regularly turned the black areas of the city into a war zone.

Now they are restrained to their small homes in New Brighton Zwide at night and may not involve themselves in the pioneering negotiation process they started with whites last year.

Some businessmen were appalled at the move. The Midland Chamber of Industries called the banning orders "quite ridiculous", and the director of the Port Elizabeth Chamber of Commerce, Tony Gilson, said he was shocked and dismayed.

Jack's boss, Rory Riordan, called the banning orders a "perfect definition of white South Africans as the last savages in Africa ... If you ever wanted one document to reveal the moral, legal, and intellectual bankruptcy of our country, this one is it. Any white man who could authorise such a document is throwing away his children's future in our country."

However, Koos Alberts, the chairman of the Afrikaanse Sakekamer in Port Elizabeth, said although there was good reason to ban the leaders, he felt the timing might create doubt about the government's intentions.

Black-white negotiations began in November, following a four-month



Banned: UDF officials Henry Fazzie, left, and Mkhuseleli Jack, boycott negotiators in the Eastern Cape.

near-total boycott of white merchants which drove about 40 of them into bankruptcy. It ended after the Chamber of Commerce successfully pressured police to release 19 opposition leaders from Emergency detention.

In a controversial move, the released leaders, in turn, agreed to call off the boycott until April 1, pending the release of Nelson Mandela and other political prisoners, the unbanning of the ANC and Cosas, and the safe return of political exiles.

The banning of Jack and Fazzie, whom businessmen describe as moderate, has effectively forced the two out of the discussions and bolstered the position of those leaders who were unhappy with the decision to call off the boycott.

The Minister of Law and Order, Louis le Grange, imposed the banning orders because, as he wrote on the five-page documents, the two "pose a threat to the maintenance of law and order".

Le Grange banned the men from:

- Entering the premises of any education institution.
- Attending any gathering.
- Preparing, compiling, or disseminating any information in any manner or publication as defined in the Internal Security Act of 1982.
- Leaving the Port Elizabeth magisterial district without his permission.
- Speaking to other banned

persons.

The UDF described the bans as "virtual house arrest" and as "grossly vindictive" measures emanating from an "illegitimate government bent on doing away with the democratic voice of the people".

In a statement, the UDF said the bans were the use of laws for repression; as a result, UDF supporters were fast becoming disillusioned with the legal system.

The move was likely to hasten the decision to resume the consumer boycotts "and we will definitely understand people's reasons for doing so", the UDF said.

The UDF suspects more of its East Cape leadership is in line for a banning.

Edgar Ngoyi, 59, the East Cape UDF's president, was feared to be next on a banning list.

The son of the late Lilian Ngoyi, 1950s leader of the ANC Women's League, Ngoyi served 21 years on Robben Island for being an ANC member. He was shot by police in clashes last year.

Jack had hardly set foot on home soil when the ban was served. He returned on Sunday from a major tour of Europe where he addressed bankers, church leaders, and anti-apartheid audiences on the need for economic sanctions and an intensification of the anti-apartheid struggle worldwide. It was his first overseas trip.

# Treurnicht hits at US policy on SA

By Melody McDougall  
 Vereeniging Bureau

If the United States wants to make itself hated by white South Africa then it must try to force its own abortive recipe for human relations on us, says Conservative Party leader Dr Andries Treurnicht.

Speaking at a meeting in the Vereeniging town hall last night, Dr Treurnicht lashed out at yesterday's reports of President Ronald Reagan's proposal of greater US involvement in bringing about change in South Africa.

Dr Treurnicht said it was time to tell both President Reagan and Dr Chester Crocker their designs for white South Africa simply meant the white man is expendable.

"We will not allow ourselves to be sold out. We have a right to be here, we are here to stay and we will fight to live in freedom," he said.

Dr Treurnicht asked when the Government would stop using harsh words against Britain and America and yet proceed to carry out their instructions step by step. He suggested it was no longer a question of "adapt or die", but rather "adapting and dying".

Dr Treurnicht stressed that in spite of the policies of the National Party there was hope for the future and that his party was on the winning road.

# Bid to ban SA exports

STRASBOURG — The European Parliament yesterday called for an embargo on coal imports to the European Community from South Africa.

By a margin of one vote, members backed a statement saying "the European Parliament insists that all (EC) member states decide to end all imports of coal from South Africa".

Parliament also gave near-unanimous backing to a report calling for stronger support for the EC coal industry.

Aid from EC governments for coal mining was due to end in June this year. — Sapa-Reuter.

# Pretoria boycott renewed

SPAR Pretoria Correspondent

The business community in the capital is in for another tough time after the Pretoria Consumer Boycott Committee's decision this week to call for an indefinite boycott of consumer goods sold by white shops from March 24.

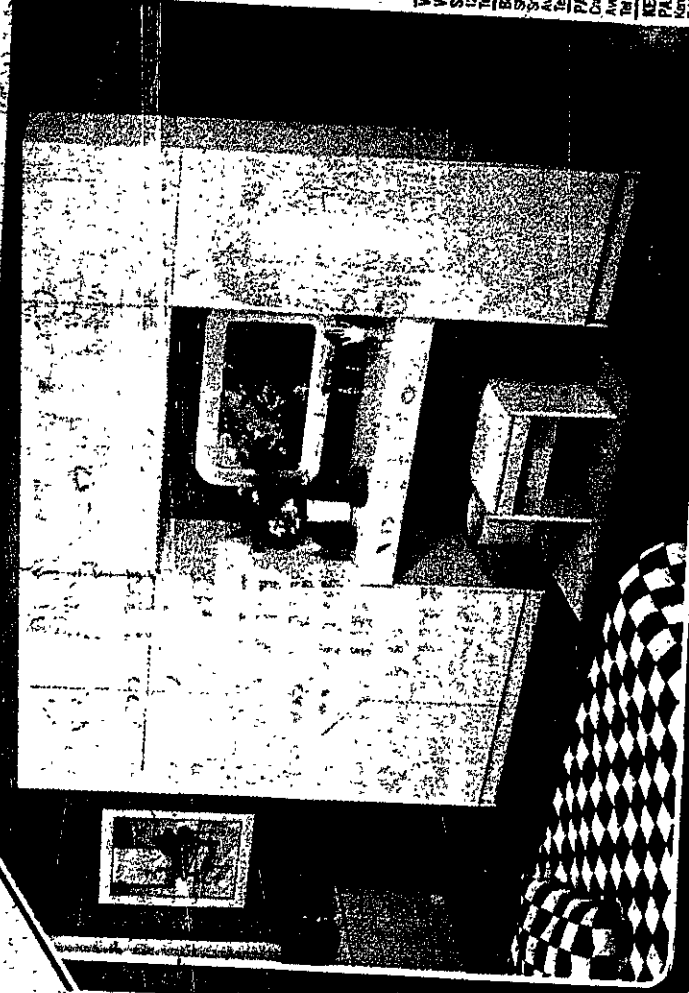
The Pretoria Consumer Boycott Committee said today the boycott would involve residents of Atteridgeville, Mamelodi and Soshanguve, "because their demands had not been met".

Early this year, the committee lifted a month-long boycott of white shops imposed in December, last year.

7-DAY SPECIAL!  
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Picture by Rebecca nearfield.

15/3/86

Stacy (130)

By Hannes de Wet

You can hardly miss the words written on the big blackboard as you enter Warmbaths: "Eendrag maak Mag!" (Unity is Strength).

"You see, that's how we managed to beat the boycott. And I don't want the people to forget that," explains local garage owner Mr Loodt Bothma.

The common "enemy" which prompted the people of this resort town to forget their differences, was the black workers from the tiny township of Bela Bela near Warmbaths who stayed away from work for 10 days.

They returned to work on Thursday and everything ap-

# Warmbaths stay-away: now

appeared to be normal yesterday. Once you start talking to the people, it becomes clearer why Mr Bothma has found it necessary to put up his unity sign.

It's true that the business people stood together and assisted one another in staying in business despite the boycott. But there are definite differences on how the aftermath of the stayaway should have been handled. This is exactly the subject which brings the larger significance of the Warmbaths boycott to the front.

White perceptions of the blacks' motivations vary markedly. Nobody really knows what is going on "on the other side".

"There's only one way, we should have fired all of them. We are only creating problems for ourselves by giving them their jobs back," says Mrs Kobie Nortjé, manager of a furniture store.

"If they know that they will lose their jobs they will not heed the intimidators again."

She was forced by her head

office to reinstate all workers.

When asked why the blacks stayed away, she shrugs: "I really don't know. They tell you they also don't know."

"To get a good story," Mrs Nortjé advises, "you should go the store next to mine. They fired all their workers."

There you find a gathering of blacks talking to the manager. Their spokesman says they stayed away otherwise their houses would have been burned.

A few shops further, the man-

ager of a supermarket, Mr George Vondouris, says:

"It's not really their fault. You can't blame them for being intimidated."

He took his workers back, except for a few who didn't turn up at all.

"They came back, because they were hungry. You should have seen them, pleading for a loaf of bread. They couldn't continue without money," says Mr Vondouris.

He is of the opinion that the

town will not be able to function without blacks.

Back at the garage Mr Bothma has his own theory on the stayaway.

"Yes, it's true that they were threatened by agitators who came from elsewhere. But I think they also thought that we might crumble and offered them better pay or something."

"It was when they saw we were managing to continue without them and that they could all lose their jobs that they decided to come back."

The latest rumour in Warmbaths is that there will be another stayaway during the Easter weekend.

Mr Bothma is not too concerned.

He dismissed 12 of his black workers and employed six whites who were looking for jobs. His current work force consists of the six whites and six blacks — five workers less than before the boycott.

"My workers all said that they would not listen to the inti-

midators again. And if the people in town can only stand together despite their political differences, the boycotters will fail again."

"The whites in town got to know one another better because of the boycott, says Mr Bothma.

But the bridge between black and white in Warmbaths remains.

"I don't know whether there are any attempts to get dialogue going with the people of Bela Bela. But I'm certainly in favour of a concerted effort to improve relations. And the sooner the better. We simply have to learn to live together," says Mr Bothma.

CAP. Trans 15/3/80 (30) 209

# Clicks after-tax profits up 7,7%

By AUDREY D'ANGELO

IN spite of difficult trading conditions, which have squeezed margins, Clicks has lifted operating profit after tax by 7,7 percent in the six months to December, to R3,7m (R3,4m).

Earnings rose to 18,77c (17,70c) a share and the interim dividend to 6,35c (6c).

The directors, who describe these results as "most satisfactory", warn that they expect

trading conditions to become even more difficult in the second half of the year.

But they say they are "reasonably confident that the improved performance achieved in the first six months will be maintained for the remainder of the financial year".

The improved results were achieved on a turnover of R94,6m compared with R84m in the first half of the financial year.

The 12,5 percent rise

in sales was due partly to the fact that five new stores, including those in Tygervalley and Table View, were opened, increasing the number in the chain to 61.

The number of stores in the subsidiary Diskom chain, catering for the lower income market, has also been increased to 16 with the opening of the Mitchells Plain store.

The chairman, Mr Jack Goldin, said in an interview that the chains had improved

their product mix to match the times, had kept "a tight ship", avoiding being overstocked, and had watched trends overseas.

Wherever possible Clicks had obtained sole distribution rights.

Clickin, which holds 50 percent of the issued share capital of Clicks, and derives its income entirely from dividends on this investment, lifted earnings to 3,03c a share and the interim dividend to 3c (2,85c) a share.

Call for  
Pretoria  
boycott

*Call to arms 17/3/86*  
*30/3/86*

PRETORIA. — The Pretoria business community is in for another tough time after the Pretoria Consumer Boycott Committee's decision to call for an indefinite boycott of consumer goods in white shops from March 24.

A spokesman for the Pretoria Consumer Boycott Committee (PCBC) said last week the boycott would be effected by residents of Atteridgeville, Mamelodi and So-shanguve "because their demands have not been met".

Early this year, the PCBC lifted a month-long consumer boycott of white shops imposed in December last year and threatened to re-impose the boycott if certain demands were not met.

Their demands include:

- A call to the City Council to stop the planned removal of the black taxi rank from Bloed Street to Marabastad.
- The withdrawal of security forces in the townships.
- The unbanning of Cosas (Congress of South African Students).
- The release of all the boycott-related detainees. — Sapa

# Consumer boycott in Pretoria, Odi

30  
THE consumer boycott of white-owned businesses in Pretoria and Bophuthatswana's Odi and Moretele districts will start on Monday March 24. 60 18/3/8

The Pretoria Consumer Boycott Committee, in a statement released yesterday, said the boycott would continue for an indefinite period unless the South African and Bophuthatswana governments withdrew security forces in the respective townships.

According to the statement, the consumer boycott would be lifted if the following demands are met:

- An end to restrictions at township funerals;

- Unbanning of the Congress of South African Students;

- Unconditional reinstatement of workers at Metal Box and Kanyyn factories; 18/3/8

- Unbanning of political meetings in Bophuthatswana; and

- Resignation of black councillors and policemen. SOWETAN

A spokesman for the boycott committee said the State was "continuously restricting funerals, people were being intimidated, activists' homes bombed with the culprits not being brought to court, and workers were still being dismissed, despite their call for an end to these unpleasant incidents".



## Car industry disappointed

18/3/82  
30  
BY GLENN RUDDOCK

THE motor industry is disappointed with Finance Minister Barend du Plessis' decision not to extend the phasing in period for fringe benefits taxation.

Manufacturers would also like to have seen the 10% import surcharge abolished or reduced.

Despite the lack of specific concessions for the industry, National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen said the Budget was "pragmatic and positive".

"While we are disappointed the motor industry's representations for further relief regarding the taxation of fringe benefits on motor cars has not been successful, the fact that personal income tax relief has been granted, with immediate effect, is significant and welcome".

Volkswagen spokesman Ronnie Kruger said he was surprised and disappointed that there had been no concession on fringe benefits tax.

"But we welcome the tax concessions for the individual which should mildly stimulate the economy and retail car sales."

Toyota MD Colin Adcock said that, while the Budget offered nothing specific in terms of relief for the motor industry, the emphasis on relief for the individual would undoubtedly play a part in reviving the economy and, therefore, improving the position of the motor industry.

# Kolnicks under liquidation order

18/3/80 (20) (278) E Post

By CHRIS RENNIE

THE boycott of white businesses by black consumers was the final financial blow to one of Port Elizabeth's oldest shops, the Supreme Court heard today.

Kolnicks Stores (1958) (Pty) Ltd was placed under a provisional liquidation order by the court today.

The application for liquidation was brought by BET-A'HIM (Pty) Ltd, owners of the building on the corner of Main and Russell Roads where Kol-

nicks operated.

According to a director, Mr David Hillel Kolnick, the shop owed his company R287 182 on loan account and a further R410 885 for arrear rentals.

Both companies had since inception been run by members of the Kolnick family.

The store now had liabilities totalling R1 679 437 — including R70 000 owed to the Receiver of Revenue for unpaid sales tax.

In addition it had a con-

tingent liability to the Standard Credit Corporation and Nedfin Bank of R105 000.

Its assets were trade debtors of R400 000 and stock with a realisable value of R40 000.

The debtors had been ceded to Nedbank to secure an overdraft and there was a second bond on the building.

Mr Kolnick said the general recession had severely affected the company's business.

Desperate attempts to reduce overheads and ag-

gressive marketing practice helped for about six months and then came the boycott of white businesses by black consumers, who formed 85% of its customers.

In addition the shop supplied uniforms for 11 black schools. This business was severely hit by the schools boycott in 1984.

The order is returnable on April 15.

Mr Justice Zietsman was on the Bench. Mr R van Rooyen, instructed by Markmans, appeared for BET-A'HIM (Pty) Ltd.

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AB1 Harwood 0704

husband is a partner, a major shareholder or a director. (Public with friends who are doing the effects would tax assessme same thing.)

## Budget fails to meet needs of black pupils

CLAIRE PICKARD-CAMBRIDGE

THE Congress of SA Trade Unions (Cosatu) said yesterday Budget proposals on education made "no step towards meeting basic demands made by millions of black students".

Cosatu general secretary Jay Naidoo said only one-sixth of the total education budget would go to black education this year. Cosatu believed nothing short of an alternative education system designed by the majority would be acceptable.

He added that reduction in the bread subsidy came as a shock to poorly paid workers and would cause a dramatic increase in the price of an already expensive staple food.

He said the proposed increase in the defence budget convinced Cosatu that government was not committed to finding a peaceful solution to SA's crisis.

"The diversion of vital resources to bolstering repressive organs of the apartheid regime will not create the peace our country needs," he said.

Instead of stockpiling more arms, government should redirect resources to developing technological and human potential.

Cosatu believed job-creation plans would not solve the unemployment problem. Fundamental change was needed.

## Sapoa see signs of hope

JANE STRACHAN

THE Budget should have an encouraging effect on the property market in the third quarter of the year, say property owners.

However, they fear the benefits of privatisation have not yet been sufficiently recognised.

They say it is significant that no comment has been made on real rates of return — the difference between the inflation rate and interest rates — as this has an enormous impact on the industry.

SA Property Owners' Association (Sapoa) executive director Peter Erasmus says there is no reason why large sums of money should not start flowing into state coffers by selling the majority of government buildings to the private sector, which could be done on a straightforward lease-back arrangement.

A discouraging aspect of the Budget for Sapoa is increased tax — the 0,1% establishment levy is no less than an additional transfer duty for the property industry, he says.

The organisation says while it may be argued that the rate is minimal, the total sum to be paid by the industry will be large.

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75 cents per share

1986, the Committee of The  
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1986

Friday 21 March

MAS HOLDINGS LIMITED

# Montays writes off R1,5m as bad debts

CAT-10/15  
19/3/86  
38

By AUDREY D'ANGELO

**ALTHOUGH** it lifted profits in the six months to December, Montays, the Cape Town-based furniture chain, was hard-hit by bad debts as a result of unemployment and unrest in the black areas.

The results for the first half of its financial year show that the company — which had a turnover of R10,6m — wrote off R1,5m as bad debts.

The chairman, Mr S Kriseman, said in an interview that he believed other companies had suffered even worse losses from bad debts but had not disclosed them.

Montays had now adopted a new strategy and was concentrating on white and coloured customers in preference to black, and on cash rather than hire-purchase sales.

Some of its stores in the Eastern Cape had been closed and although the company was on the look-out for new premises, any further expansion would be in the Cape Peninsula.

Emphasizing that he had no racial prejudice and had always been opposed to apartheid, Mr Kriseman said that on purely economic grounds the company was now reluctant to take on any new black credit customers unless their references were very good.

"We have some blue chip black customers who have proved their

worth by keeping up payments in these difficult times and of course they can obtain further credit.

"But some who live in the ungovernable 'no-go' areas, where we cannot repossess their furniture, have not paid and unlike some other companies I believe in writing off such debts instead of keeping them on the ledgers.

## Requests

"Now all requests for credit from new black customers have to be sent to head office for approval and are vetted very carefully."

Mr Kriseman said Langa and Guguletu, as well as parts of the Eastern Cape, were among 'no-go' areas where customers had not paid.

He believed there was an element of intimidation in the failure of some customers to pay.

The results for the half year show that earnings have risen to 3,8c a share compared with 0,7c for the comparable period last year and with a loss of 10,8c a share for the last financial year ending in June.

The interest bill fell to R854 000 compared with R1m in the comparable period last year.

Pre-tax income was R253 000 (R46 000) but the tax bill rose from R23 000 to R132 000 leaving after-tax income of R121 000 (R23 000). The company ended the last financial year with a loss of R34 000.

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# Court's petrol ruling: now price war looms

STAR

20/3/86 30

By Jackie Urwin

A petrol price war could follow the Cape Town Supreme Court decision allowing Pick 'n Pay to sell discount fuel.

Members of the Motor Industries Federation are upset over the supermarket chain's redeemable petrol coupon system being allowed to continue, says Mr S Druckman, chairman of the Southern Transvaal division.

The 4c-a-litre coupons are redeemable on purchases at Pick 'n Pay stores.

There could be reaction, with petrol stations making special offers to compete with the supermarket chain, says Mr Druckman.

"It's early days. I don't think this will develop at this stage. People will lie low for a while. There may be an appeal. This is why I don't feel there will be a tremendous reaction right at the moment."

But he added a battle "could easily happen in the future".

The MIF is bitterly opposed to the discounting of petrol and self-service garages.

The managing director of the oil division of Shell, Mr John Drake said the court decision could result in "retaliation from other sides".

But it would be up to individual dealers and the big pumpers of petrol to decide if they were going to compete for sales. This would depend on factors such as locations.

It depends on how effective the voucher scheme is. It has had a lot of publicity, but it may not be effective," he said.

He felt dealers would wait for a decision on any appeal by the Government.

The Star's Political Staff report that existing legislation might be changed to prevent petrol coupon schemes.

This was predicted by an opposition spokesman today, but a Department of Mineral and Energy Affairs official said it could be considered "as a last resort".

The department is to study the court decision before deciding what to do.

It objects to the discounting of petrol because of the effect it could have on petrol stations in certain areas and on work opportunities for pump attendants.

Progressive Federal Party MP Mr Brian Godall said today that it was a pity the Government could not accept that the public wanted price competition.

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# Jubilant as Pick 'n Pay beats Govt in petrol battle

By Jackie Unwin

Consumer groups and motorists have welcomed the Supreme Court ruling that Pick 'n Pay can continue with its petrol-coupon scheme.

A jubilant Mr Raymond Ackerman, joint managing director of the supermarket chain, described it as a "victory for the man in the street and a blow against inflation".

Yesterday a Supreme Court order overturned a Government directive to oil companies to cut supplies to the supermarket chain after the introduction of a 4c redeemable coupon scheme by the chain. The coupon can be used to purchase any item, apart from petrol, at Pick 'n Pay stores.

The Supreme Court in Cape Town ruled that the Minister of Mineral and Energy Affairs, Mr Danie Steyn, had acted beyond the scope of his powers in stopping petrol supplies to Pick 'n Pay.

Mr Justice Rose-Innes ordered that the Ministerial directive of February 28 to three major oil companies be set aside immediately and ordered the Minister to pay costs.

Counsel for the Minister gave notice of intention to appeal.

Pick 'n Pay immediately began distributing its coupons at all its petrol stations

throughout the country.

Mr Ackerman said: "It is fantastic. It is victory for the consumer, who feels squeezed between big business and big government. In most Western nations, the consumer feels totally powerless. From this point of view, we are really thrilled."

"The move is also fighting inflation because petrol is one of the big determinants. Although we are not cutting prices at the pump, people will receive a discount on food, which will help people at a time when they desperately need it."

## CONGRATULATIONS

"From a personal point of view, I have been fighting like mad against monopolies, collusion and cartels for 20 years. In fact, it was my reason for going into retailing. I feel it is the vindication of years of fighting."

"The phone just hasn't stopped ringing and people have been pouring in with messages of congratulation."

Yesterday was a double celebration at the Boksburg hypermarket — which had been discounting petrol for 10 years before being stopped — for it also celebrated its 11th birthday. Some motorists received birthday cake as well as their 4c coupons when they pulled up at

the pumps.

"It's the best birthday present we could have had," said general manager Mr Mike van de Merwe.

Motorists at Boksburg yesterday were delighted. Comments were:

"I'm very happy — this place is for the people and not for the Government," said Mr Frik Viers.

"It's beautiful. I'm delighted about it," commented Mr Tony Cloete of Benoni.

"I am very glad. I hope many more petrol stations do the same," said Mr Adam Esterhuizen of Impala Park.

Mr Brian Goodall, PFP spokesman on mineral and energy affairs, said: "It is a pity that Pick 'n Pay has had to resort, because of the law, to a system whereby people are given coupons rather than just being given a cash discount on their petrol."

Mrs Betty Hirzel, chairman of the Consumer Union, said: "Anything towards the free market system and making competition work is for us."

Mrs Joy Hurwitz, president of the Housewives' League, said: "I am pleased that Pick 'n Pay has won its case."

Mr Sarel Steyn, managing director of supplier Trek, said he was unable to comment at this stage as he had received no formal advice.

20/3/76

# Businessmen riled by police warning

STAR

Businessmen in suburbs skirting Alexandra township are angered by police warnings to motorists to stay away from the area because of gangs of youths robbing vehicles.

Police warned people who had no business in Kew, Wynberg, Marlboro and Bramley not to frequent the suburbs unnecessarily.

The managing director of Benny Goldberg's in Wynberg, Mr David Botha, said the warning was "unfair" to shopowners in the area because specific locations were not given.

"We are on Louis Botha Avenue — a safe area — and warning people to stay away is unfair because there have been no hijackings here.

"I cannot say yet whether business has been affected, but

it certainly has not improved," he said.

Another businessman whose shop is opposite the township in Wynberg, Mr Allan Ray, said he had received calls from patrons and representatives asking if it was safe to enter the area.

"I think this matter has been blown out of proportion," he said.

He said his business had not been affected yet by the warning, but he feared it could harm all shops in the area.

A police spokesman today specifically identified the "danger" roads affected by the youths' activities.

They are London Road in Lombardy West, Wynberg Road dividing Kew and Wynberg and the old Pretoria Road, also in Wynberg.

# Business deserves place on new councils <sup>STATE</sup> Yeowart

Municipal Reporter

30

~~28/11/86~~ 20/3/86 restrictive monetary policies.

As the business community was making the major financial contribution to the Regional Services Councils, it could at least expect representation, a leading businessman said yesterday.

Past president of Assocom Mr WS Yeowart told the conference of the Institute of Municipal Treasurers and Accountants the business community accepted there was a price tag to reform but was concerned that State spending continued unabated. This was in spite of the business community having totally absorbed the devastating effect of the Government's harshly

Standing at 35 percent of the gross national product, State spending was undoubtedly one of the causes of the high inflation rate.

There was no doubt business would foot the bill for the RSCs, which had a great potential of contributing to the inflationary spiral unless they were subject to rigorous discipline.

On the two new taxes to be implemented, Mr Yeowart questioned the wisdom of introducing a "payroll tax" at a time of considerable unemployment. He said the "turnover tax" must be questioned as there were businesses existing on high turnover and low margins.

## Local government is key to SA's future' <sup>STATE</sup>

20/3/86

Municipal Reporter

~~28/11/86~~ STATE

Local government holds the key to a peaceful or tearful South Africa, and in the long run what hampers local government can be reduced to a matter of finance.

This was said yesterday by Mr I Richards, MP for Toekomsrus, at the 57th conference of the Institute of Municipal Treasurers and Accountants being held in the Johannesburg City Hall.

He added that if reform did not succeed at local level it would not succeed at any other level.

Housing posed the biggest potential for dissatisfaction and although the provision of housing had accelerated tremendously, a huge backlog still existed.

"Did not the black community councils largely fail because they did not have the finances to provide the needs of the people? Is it not true that in these areas the State owned up to 90 percent of the properties? We must move away from the situation where the State is the landlord, towards home-ownership for all," he said.

## Nixdorf head dies at fair

Mr Heinz Nixdorf, the company founder and chairman of Nixdorf Computer AG, died suddenly at the Hanover fair in Germany last night.

Born in Paderborn in 1925, he started his first company from a basement workshop in Essen and built it up to a multinational conglomerate with 72 companies.

The company still operates according to the basic principles propounded by Mr Nixdorf.

Nixdorf's growth-rate over the last few years has been significantly higher than the industry norm, with an average of 21 percent per annum.



SOWETAN

20/3/86

30

# EAST CAPES IS READY FOR STAYAWAY

**BUSINESSES in Port Elizabeth and Uitenhage are preparing for a widespread stayaway by black workers tomorrow to mark the fatal shooting of 21 people by police at Langa township outside Uitenhage a year ago.**

Organised industry has urged employers to be "understanding" and to give workers time off.

The Congress of South African Trade Unions (Cosatu) has backed a stayaway call, which it says was initiated by workers to mark the anniversary.

Cosatu said March 21 — also the anniversary of the Sharpeville shoot-

ings in 1960 — would be called "Freedom Day" in honour of those killed.

A commemoration service has been planned at KwaNobuhle Stadium, with other services at the site in Maduna Road where the 21 were shot while marching to a funeral. A monument will be unveiled at KwaNobuhle cemetery where the 21 are buried, according to organisers.

## Meetings

Organisers said the proposed work stoppage would affect all black workers except doctors, nurses and hospital kitchen staff who have been asked to avoid using buses and to wear their uniforms and black armbands while travelling to and from work.

At a meeting on Tuesday night the regional vice-chairman of Cosatu, Mr Tembinkosi Mkhahipi, said the stayaway had been a spontaneous decision. As whites had holidays to commemorate special

## Residents mark Langa shooting

Residents there was no reason why blacks should not have them, he said.

The director of the Midland Chamber of Industries, Mr Brian Matthews, said a stayaway had been anticipated, and he called on employers to be understanding and to consider

unpaid leave or overtime as a way of accounting for the time lost.

"Realistically, one cannot expect the workers to go against the wishes of their community," he said. Motorists are being urged to fill their ve-

hicles with fuel on Thursday to avoid delays on Friday, while at supermarkets and other stores white workers will be asked to fill the gaps.

A spokesman for the Uitenhage Youth Congress said a 35-metre long monument of gravestones was being built of concrete and marble, to be topped by an upright marble stone in the shape of Africa and inscribed with the names of the Langa victims.

20/3/86

8

The Star Thursday, March

20

## Court supports race law victim

Own Correspondent

**PORT ELIZABETH** — A white Kirkwood store-owner who had his trading licence revoked by the local municipality because he was married to a coloured woman has won a Supreme Court case to have the licence renewed.

Kirkwood municipality refused to renew the trading licence of British citizen Mr Jack Salter earlier this year. They said because his wife was coloured he was automatically classified coloured and was barred from trading in a white area.

However, in Tuesday's judgment in the Supreme Court here Mr Justice Zietsman ruled it had not been proven Mr Salter was not white and ordered the municipality to grant Mr Salter his licence.

The judge also found Mr Salter could not be reclassified as a member of another race group unless the procedure laid down in the Population Registration Act had been followed.

The municipality was ordered to pay costs.

Mr J C Froneman appeared for Mr Salter and Mr R van Rooyen for the municipality.

# Ackerman to open more fuel pumps

CHRIS CAIRNCROSS

PICK 'n PAY has immediately re-launched its discount petrol coupon scheme after yesterday's landmark Supreme Court victory over government.

Pretoria had attempted to outlaw the practice by executive decree.

The mass retailer now plans to expand its chain of 12 petrol outlets, extending the coupon scheme to new outlets as well, delighted Pick 'n Pay chairman Raymond Ackerman told *Business Day* last night.

He said the group was also looking at the possibility of dealing with or helping other independent garage-owners to set up similar coupon schemes.

"There are quite a few imaginative garage-owners around the country who want to lower their margins and thus increase their volume of petrol sales.

"This judgment, if it is upheld, gives them the green light," Ackerman said.

This means the stage is set for the

**Pick 'n Pay**  
Hypermarkets, supermarkets & spaza stores

They tried to stop us helping you -  
so we took it to court.  
WE WON...

**VICTORY FOR THE CONSUMER**



indirect discounting of petrol to take place on a large scale.

"It is a real victory for the man-in-the-street," Ackerman declared.

Counsel for the Minister of Mineral and Energy Affairs, Danie Steyn, gave notice yesterday that an appeal would be lodged against the judgment handed

● To Page 2 →

## Judge sides with Ackerman

down in the Cape Town Supreme Court by Mr Justice Rose-Innes.

This has to be done within 14 days of receipt of the written judgment.

A spokesman for the Department of Mineral and Energy Affairs said yesterday he could not yet confirm whether an appeal would be lodged.

A decision would be taken only after the judgment had been carefully studied.

Legal opinion canvassed in Cape Town yesterday was that government had little chance of overturning the court's ruling.

Supposing this were the case, it was

suggested there were three possible scenarios government could adopt:

It could quietly accept defeat and let the coupon scheme continue and expand on a free-enterprise basis - as long as discounting did not take place at the pumps;

It could attempt to introduce amendments to the Petroleum Products Act to give the Minister the necessary powers outlaw the coupon scheme; or

It could scrap the Act entirely.

● From Page 1

## Schoolboy is robbed of bike

A Henley-on-Klip schoolboy was tied to a power pylon and robbed of his bicycle yesterday.

Manuel Jose de Jesus (13) was on his way to school when he was approached by a man who said the owner of the land wanted to speak to him about trespassing.

He tried to get away, but was pulled off his bicycle and tied up. He was freed later by a passerby. — Vereeniging Bureau.

black students were being "forced out".

Neither Mr Kruger nor Mr Wilke had managed to gain admission to three so-called "white" universities before being accepted by Medunsa.

Mr Pierre de Wet, for Medunsa, told the court the decision to suspend the white undergraduates had been largely motivated by threats of anarchy and possible violence on the campus.

Mr Bill Prinsloo, for the applicants, said the principle of "fairness for all before the law" was the overriding factor in the matter.

The man designated as regimental

## Namibia plans open education

The Star's Africa News Service

WINDHOEK — The days of apartheid-style education in Namibia may be numbered, following the announcement yesterday that the Multi-Party Conference (MPC) Government has accepted a controversial report on education as the basis of its future schools policy.

The report caused heated debate when it was released late last year. It recommended that all education be centralised under one authority.

Many white politicians and their followers said the acceptance of the education report would be the thin end of the wedge of racial integration.

Announcing the acceptance of the report, Education Minister and Cabinet chairman Mr Andrew Matjila said that in future race and colour would not be grounds for the exclusion of pupils from any school.

## Call for boycott of products

More than 300 employees of Adcock Ingram — who have threatened a boycott of tomorrow's National Panasonic soccer cup final — have now called for a boycott of the company's products.

A spokesman said National Panasonic had links with Adcock.

Both actions are aimed at pressurising Adcock into conceding to the workers' demand for a weekly rise of R38. The company is offering them R17.

The workers, most of them members of the SA Chemical Workers' Union, have been on a legal strike for nearly two weeks.

Adcock's managing director, Mr Don Bodley, said of the boycott: "We do not think it will be helpful because if it is effective it will lead to a loss of jobs."

# Pick 'n Pay's sales of petrol in SA 'treble'

Staff Reporter

PETROL sales at Pick 'n Pay's 12 service stations country-wide were yesterday up to three times higher than normal as the retail chain resumed its food coupon system — with, however, mixed reaction from independent garage owners.

Mr Alan Gardiner, executive director of Pick 'n Pay, said yesterday that when the coupon system was first introduced, sales had trebled compared with petrol sold at the normal price.

Late yesterday after-

noon he said there were queues at every pump at the Brackenfell hypermarket service station.

"We have a long-standing intention to expand service stations to other Pick 'n Pay centres, as well as opening garages on free-standing sites. So there is a possibility there will be more Pick 'n Pay garages, but we are waiting until the coupon scheme is well established," he said.

Mr George Beckman, national chairman of the South African Motor Traders' Association, said most members of

his association felt the situation was an unfair trading practice. He called on garage owners to act responsibly and not to start a price war with Pick 'n Pay by starting similar schemes. "We should wait for the government to make its move," he said.

A survey of independent garage owners showed that most people in the vicinity of the hypermarket were upset at what they called a "gimmick" on the part of Pick 'n Pay, while opinions in other areas varied.

Mr Frank Weetman, owner of a Kuils River garage, said his profit margin was 5,2 cents. "How can I afford to give 4c away?" he asked.

Mr H Osman, manager of a Mitchells Plain garage, said he felt it was unfair, as the small dealer could not join the bandwagon. "I can't offer anything to the community I serve, and they are losing out if they remain loyal to me," he said.

FIN MAIL 2/3/82

SMALL BUSINESS

## Action not words

Signatories to the Sullivan Code have come up with a plan intended to aid the development of small business for blacks in SA.

A recent meeting between members of the black business community and the Signatories Task Group 7 established the major needs of the black businessman, and how the

signatories can help.

A steering committee of 10 has been drawn from both sides to implement a programme of action. The committee will produce a paper outlining areas in which US companies can get more involved by May.

### Big issues

The major issues which will be covered are:

- Finance. A plan will suggest ways to ensure easier loans for black businessmen and how banks can best help;
- Training. Ways of encouraging business education will be suggested; and
- Purchasing. Measures to encourage corporations with entrenched buying departments to buy from small black businessmen will be considered.

The paper will be circulated and the feedback and final findings will lead to another seminar with US companies. Thereafter "ac-

tion will be taken," says Task Group 7 chairman and Chase Manhattan (SA) MD Simon Steward.

Steward reckons the paper will have to touch on influx control and deregulation as these issues are "inextricably bound up with the development or hindrance of small business."

Task Group 7 has been in constant touch with Johannesburg Central Business Association chairman Nigel Mandy (*Business* February 28), "who is particularly useful when it comes to setting businessmen up in the city and trying to get through all the technicalities." However, Steward stresses that the strategy encompasses far more than the CBDs. As he says: "There are many other sectors, including manufacturing, which are ill-suited to a CBD."

Another plan is to rally SA's major local corporations to join the programme.

Steward admits that the blueprint has

been a long time coming, a view obviously shared by many of the black businessmen at the meeting. At one stage, US companies came under heavy attack from many of the black businessmen who questioned the validity of the signatories' intentions and were sceptical about whether any action would be taken at all.

### Disappointment

"Sullivan signatories were expected to take the lead and to do something positive a long time ago," says Steward. "So far, we have been a disappointment."

But he believes the meeting has enabled the signatories to get closer to black businessmen and find out what they really want. "We managed to establish not just a blueprint, but also some trust between us," he says. "This time, we will get the ball rolling and I think the black business community feels that, too." ■

FIN MAIL 21/3/86

PRICES

~~21~~ 30

### Ups and downs

The stronger rand has brought prices of some consumer durables sharply down, but food prices, if anything, are still going up. Suppliers blame their inability to cut prices on unchanged rail rates.

Retailers say they have given up the battle to get lower prices from food suppliers. "I intended to name those who refused to reduce prices," says Checkers MD Clive Weil wearily. "But it's not worth it — not one single manufacturer has agreed to adjust the list price."

He says suppliers justify their stance by pointing fingers at Sats, a big beneficiary of the lower petrol and diesel prices, which has not reduced rates. "The suppliers have taken their lead from government's shoddy example," complains Weil.

The other argument used by food suppliers is that the petrol and diesel costs make up an infinitesimal part of a product's price. "It's about 0,07% on each product," says Anglovaal Industries executive director John Bryant. But Weil says he suggested companies reduce prices "on specific strategic products so that the cut means something."

Bryant says that when product prices come up for periodic review, increases won't be as steep as they would have been if the fuel price had not been cut. But he empha-

sises that most blame should fall squarely on Sats' shoulders because most products travel a greater part of their total delivery journey by rail. "Total distribution costs account for 6% to 7% of the selling price. If Sats had dropped rail rates we could have cut our prices."

Meanwhile, prices on imported consumer durables have come down between 7% and 14% in the last month because of the improvement of the rand, says Domestic Appliance Manufacturers' Association chairman Owen Dinsdale. He adds that the lower prices are likely to hold until mid-year. Phil-

ips has already announced cuts of between 10% and 18% on a range of more than 140 appliances.

Dinsdale says brown goods (hi-fi and TV equipment) have fallen most, while white goods vary. "Washing machines and refrigerators have the highest imported content, and their prices have been adjusted downwards and will remain stable." But, he points out, stoves, which have the lowest import content, will probably have to carry price hikes because of higher steel prices.

More relief can be expected on goods with a high plastic content because of the weak oil price, says Dinsdale. Manufacturers are negotiating with oil companies for reductions.

"However, this has nothing to do with the petrol price," he emphasises.

If fuel was the only factor, manufactures would probably not have been able to cut prices.



**Checkers' Weil ... no response to call**

# New light on lending

Credit facilities, like Biblical talents, are usually given to those who have. Which means that, in the normal course of business, only people with sound collateral can expect a loan. A fund that finances those with nothing more than a sound idea creates a new opportunity.

Its philosophy is not only closer to the principle expounded in the Gospel according to St Matthew (25:29), but seems to be adding up in rands and cents.

While the expected default rate of about 10% would not be acceptable to a financial institution, it is an encouraging ratio for an operation which lies somewhere between a venture capital undertaking and an educational project for those with few business skills.

And, in the light of drought, recession and political and social disruption in the black community from which almost all borrowers come, the results could be looked on as miraculous.

Since its inception in January 1985, the Get-UP Lending Fund has lent a total of R70 500 (about two thirds of it since October), including revolved repayments of R28 350. Of 355 loans made, 164 have been fully repaid and 91 part paid.

For the people running the fund, it has also been a learning experience.

"The only way to find out what happens when you lend money is to lend money," says Lin Menge, secretary, treasurer and initiator of Get-UP. "In the beginning, we made mistakes." As the evaluation process improved, money was used more productively and the repayment ratio grew.

How do you rate risk when you can't use the parameters of the formal sector?

"Well, you don't run a credit check," says Menge. "These are people who have never had credit. Basically, it's the quality of applicants' preparation that counts. If they don't know where they're going to buy their goods or where they are going to sell them, there is no chance we will grant a loan."

Those who have worked out the logistics are more likely to get a loan while those who have already repaid get further loans automatically, provided funds are available. This is an incentive to repay — as is community pressure. Until a borrower has made good a debt, the money can't go to anyone else.

Applications are made through 36 co-ordinators, living in the communities they



Street finance ...  
on a learning curve

serve. They play a pivotal role, distributing loans and collecting instalments and interest. Some work for a bonus based on completion of portions of the loan — others donate their efforts.

The work is considerable — and it is not just a bookkeeping operation. "We have physically moved nearly R70 000 — and physically lost only 80c," says Menge.

Loans are made in units of R25. Get-UP charges a constant 20% interest rate, which works out at 10c a week for R25. This is usually paid two months in advance and willingness to pay is a useful indication of commitment from an applicant. "Those who don't plan to repay won't part with a cent."

Most reliable are middle-aged women operating from home; or people with jobs — miners, bus inspectors, office workers, artisans — who have a business as a side line.

The worst risks are those who are out of a job and desperate — "their needs are already too great" — and those who expand too fast, renting big premises and investing beyond their needs.

People with contracts for their wares are

good propositions, in theory. "But, in practice, there are problems. They have to conform to standardisation and meet deadlines and, if they don't have enough experience, there may be problems."

Menge believes it makes more sense to "do a little business cheaply to begin with. Then, when people's expertise improves, they can move into bigger markets."

Loans made since November have all been from recycled funds and fresh input is needed.

The fund was started with a portion of Menge's Stellenbosch Farmers' Winery Award for Enterprising Journalism which she won, as a *Rand Daily Mail* assistant editor, for her investigation into the changing racial structure of Johannesburg's central business district. Money has since come from US-based companies. South African whites, she finds, find the concept "laudable but laughable" — so have not offered much support.

Because it is not a welfare institution it cannot get a tax exemption and, so far, has not been able to get authority to raise funds.

Get-UP is a registered trust administered by black-owned Get Ahead Ltd MD Don MacRobert, Dr Nthato Motlana, Johannesburg city councillor Rae Graham, Small Business Development Corporation GM (development) Mike Smuts and Lin (Menge) Anderson.

The strength of the fund lies in informal operating procedures and low overheads. Records are kept on a card-index, progress recorded on flow charts and clients interviewed on the side of the road, if necessary. This has kept money flowing back and forth between businesses in Soweto, Ga-Rankuwa, Mabopane, Mdantsane, Mooi River, Pampierstad and Thaba Nchu.

Most borrowers operate on a micro scale, making curtains, duvets or iced lollies from their homes, selling firewood, roasted mealies or beauty products in the street, cooking food in their homes, running hairdressing establishments or panel beating in their backyards.

Ironically, whatever the success of Get-UP, the free enterprise system may get the benefit but it won't get the credit.

"We don't beat any drums," says Menge. "There is tremendous alienation from the whole free enterprise system so we don't try to sell it."

FEATURE

FIN MUMC  
21/3/86



# WORLDWIDE WGRY

**Power Motoring**  
Inside today

## Durban's <sup>30</sup> first 'black' shop

March 1986

A 26-YEAR-OLD Umlazi mother has become the first black businesswoman to start trading in a white business area after the "opening" of CBDs.

Berrit Ntombizante Khowa clinched a deal with Durban supermarket owner IC Mohammed - trading under a nominee - a day after the CBD was declared a free trading area. - Sapa.

educated man has a better future.

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CONSUMER BOYCOTTS

30

**The Jack factor**

The banning orders imposed on Port Elizabeth community activists Mkhusele Jack and Henry Fazzie last week, have led to a storm of protest from anti-apartheid groups and business organisations alike. More importantly, they have made a resumption of the black consumer boycott of the local CBD next month a near certainty.

Jack is co-ordinator of the PE Consumer Boycott Committee and Fazzie is the regional vice-president of the United Democratic Front (UDF).

Law and Order Minister Louis le Grange is receiving a number of high-level appeals to reconsider the bannings. A delegation from Assocom and the PE Chamber of Commerce met him in Cape Town on Monday. However, their lobbying for the withdrawal of the banning orders seem to have had little effect. State President P W Botha has strenuously confirmed the bannings.

Financial Mail March 21 1986

The delegation included Assocom president Rocky Ridgeway and PE Chamber of Commerce director Tony Gilson, who played a key role in negotiations with Jack during the last boycott. After the meeting, the delegates indicated that Le Grange had conceded nothing more than an agreement that the bans would be subject to the established review procedures.

Le Grange has also agreed to meet a Federated Chamber of Industries (FCI) delegation, probably sometime this week.

Angry protests against the bannings have come from the UDF and from Jack's employer, Rory Riordon. The bannings were described as "an act of short-sighted political stupidity" by the Progressive Federal Party's spokesman for black affairs in the eastern Cape, Errol Moorcroft. The SA Institute of Race Relations describes the bannings as a blow to government's own stated aim of encouraging genuine negotiation.

Koos Alberts, the chairman of the Afrikaanse Sakekamer in Port Elizabeth, said he accepted there had been a good reason for the banning orders served on Jack and Fazzie, but questioned the timing of the move.

In East London, meanwhile, the consumer boycott resumed on March 3 and, according to East London Chamber of Commerce director, Jock Alison, it is "100% effective." Demands from boycott leaders largely relate to national political issues such as the release of political prisoners and detainees; and the presence of security forces in the townships.

Talks between boycott leaders and the chamber are continuing. "But there is little we can do about these demands," says Alison.

CAC Tom's  
22/3/86 (30) (205)

# Two stations selling petrol at discount

Staff Reporter

AT LEAST two local service stations have followed the Pick 'n Pay Hypermarket lead in selling petrol at a discount on a coupon system, and many more could follow.

Rocklands Service Station in Mitchells Plain has begun selling petrol at a discount of 4c a litre in co-operation with the Wembley Supermarket nextdoor where coupons may be cashed against goods.

The service station manager, Mr A Isaacs, said they were "the first to follow" the lead given by Pick 'n Pay chief Mr Raymond Ackerman.

## 'Catch fire'

"I think it will catch fire," Mr Isaacs said. "There's been a lot of talk. Three or four service stations have approached us to find out how we have gone about it.

"People will be more aware and will be looking for this type of discount. I think maybe if you don't join in you will soon be out of business."

Mr Pierce Commer-

ford, managing director of Rhoville Motors near the hypermarket in Brackenfell, agreed.

"Raymond Ackerman managed to get this thing through and I figured that what he is doing — getting a square deal for consumers — is good and I agree. But he is going to get all the business and we'll get nothing."

## Attendants

So Rhoville Motors is also offering petrol at a discount on a coupon system. These coupons are redeemable against goods (excluding petrol) or services from Rhoville Motors.

The difference is — these small service stations are keeping on their petrol pump attendants while the hypermarket offer is on a self-service basis.

"We are keeping our people employed," said Mr Isaacs, while Mr Commerford said he was dead against self-service.

"You have to look at the human factor. About 40 000 blokes would be out of work if we all went self-service," he said.



ADCOCK: "Pioneers in many respects."

# Taking pride in the job

CITY P.  
23/3/82  
30

SIGNIFICANT numbers of black workers at SA's largest motor manufacturing plant are advancing into supervisory posts in a program which began long before the Government started dismantling job reservation legislation.

"We have been pioneers in many respects because our overall business philosophy is to create a working environment which promotes the human dignity of all employees, irrespective of their population groups," said Toyota SA managing director Colin Adcock.

"Indeed, we have never had a specific program for black advancement because we do not define our black employees in the traditional way but include in this group all people who are suffering for any social, economic or political reason."

Adcock told *Prospects* Toyota wanted to promote black employees at its Prospecton plant as far back as 1972, when job reservation was hardly being challenged by many South African companies, especially in the automotive industry.

"It was two years before job reservation started to change and we wanted to promote black employees to welding and supervisory positions," said Adcock. "Our chairman, Dr Wessels, had talks with the then Minister of Labour and we were able to go ahead with our employee development plans."

"Today, the welders in our factory are predominantly black and doing such a first-class job that the Japanese engineers who frequently visit us say that the quality of their welding is well up to the highest international standards."

Adcock said that in order to get round the obstacles existing at the time, the first six black people selected for supervisor or foreman training at Toyota were called "indunas".

"Today there are nearly 200 of these positions and the people holding them are described more accurately as group leaders. These leaders are an essential link in our management structure and today there are many black Toyota employees in responsible positions working side-by-side on an equal basis with their colleagues from other sectors of the community," said Adcock. Both Wessels and Adcock emphasise that the Toyota philosophy of "respect for the individual" is sound business practice - whether applied to customers or employees. "By creating an environment in which human dignity is recognised, we help to eliminate many of the prejudices, fears and aggressive attitudes which are such an unfortunate aspect of our society as a whole," said Adcock. "You just cannot produce quality in a factory if the workforce is divided and emotionally stressed. You would not expect to sell a car to a customer who you did not treat with respect, and employees are entitled to expect the same attitude. "One of the things which makes us most proud is that many of our employees refer to their place of work in the Toyota factory as 'kya-lami' - the Zulu word which means home. "Only this kind of attitude makes it possible for us to introduce the many management techniques we are adopting from Japan. "These techniques only work when everybody in a factory takes pride in what they are doing because they are treated properly."

**The NEST approach:**

# 'Club' for small business

23/3/86 CITY P. 30

## Prospects Reporter

A SMALL Business Forum – open to all races – has been established in Johannesburg.

The forum is intended to provide a meeting place for “small business” businessmen who are unable to get out during the day or to leave their businesses for any time.

Because they usually run “one-man shows” these businessmen usually miss the many daytime seminars, conferences or meetings on the circuit.

They also miss out on information on issues such as tax-benefits or shelters, financial assistance, planning and advice, import concessions, accounting schemes, and general advice.

The SBF plans to hold regular bi-monthly meetings at which speakers from all fields of business will participate.

The presentations will be followed by open question session, where businessmen can share ideas.

The forum also intends to start a reference library for members, with subscriptions to financial and specialist publications. It will also buy manuals, handbooks and other reference works – and lend these out to members.

This will give small businesses access to information which they can't usually afford.

The SBF will also represent small businessmen in discussions with the authorities.

Membership is open to all business people running their own small businesses.

The membership fee is expected to be R20 a year and the cost of attending each meeting – which includes dinner – will be R25 per person.

Enquiries should be made to Rob Solomon at ☎786 3120 or his brother Steven at ☎440 5226/7.

CITY P. 23/3/86

# From the cops to hospital

CP Correspondent

STUTTERHEIM Consumer Boycott Committee member Augusten Kele was admitted to Stutterheim Hospital after being held by cops this week.

Six Stutterheim Youth Congress members were detained by security cops.

Tony Mgweje, Nonxolisi Busika, Zukile Peteni, Goodluck Cukelo, Andife Nkohla and Nqabeni Nkohla were detained under Section 50 of the Internal Security Act, a Border police spokesman said.

She said Kele was arrested for having ammunition without a licence but couldn't say why he was taken to hospital.

ALAN RUDDOCK

CAR sales this month are running on a par with the disastrous first two months of the year.

McCarthy's, the country's largest retailer of new passenger cars, says that despite an encouraging first 10 days, sales have since tailed off and, with the Easter holiday eating into trading days, there is little prospect of any improvement on February's 13 913 cars.

The first-quarter collapse of car sales has put dealers under heavy pressure, with vol-

30 B DAY 24/3/86  
**March car sales look 'disastrous'**

umes too low for many to trade profitably. Further bad news is that McCarthy's reports a softening in the used-car market.

Economist Tony Twine, of Econometrix, says poor March sales are a disaster for the industry. "March has a seasonal weight of 114.4 so, to adjust for seasonal factors, one takes away 14.4% of March sales. In December, one would have expected March sales to be about 20 000."

He says it is still too early to make projec-

tions for the year. "One can ascribe part of the blame for March's poor performance to wariness before the Budget. Now that what many people feared did not materialise, and with the improvement in people's pay cheques, one can look to some improvement for the car industry in April and May."

The poor performance in the first quarter of this year, compared to the bullish last quarter of 1985, is expected to put further pressures on manufacturers to control costs.

# Future of SA business is black

THE MD of a major local organisation remarked recently: "No matter how you look at it, the future of South African business is black. That is why our company is placing a major focus on their development and advancement."

The sheer demographics predicting huge short-falls in managerial skills, coupled to the unprecedented injection of well-educated blacks into our business world, have been quoted to a point of excess — yet in a recent study involving more than 100 of SA's major corporations, black advancement was viewed as being addressed, at most, at an immature level of competence.

The major contributing factors to this sad state of affairs have been:

- Lack of direct top management involvement (not merely support);
- Lack of integrated and holistic strategies and over-reliance on "quick-fix" solutions;
- Interpretation of black recruitment as black advancement, thereby creating a sense of complacency if the ratio of black employees was increasing.

## CHRISTO NEL

Management have generally not formulated clear actions and goals, with concomitant short-term and crisis management often characterising black advancement initiatives.

The top echelon of management need to formulate a total long-term black advancement strategy. This should be regularly monitored by a senior review board consisting of senior line and staff managers.

The key to success lies in the identification of "champions" within the organisation that oversee and drive the implementation of it.

This aspect has often been used to retard progress. Yet all of the successful organisations have found that a simple process of "Sell and Tell" has proved highly effective.

This basically entails first informing all of the involved parties regarding the essential nature of black advancement. Any further resistance has normally been overcome by leaving all employees

no alternative other than to adhere to the corporate strategy of black advancement.

The success of this facet is dependent upon the above prerequisites to success. Once achieved, a practical on-the-job related process of training must be followed.

Success models in SA companies such as Mobil and Barclays Bank have depended entirely on the practicality and job-orientated nature of the training programmes, rather than implementing complex and off-the-job training systems.

The most important people in the black advancement process are the line supervisors and managers. For this reason, line managers need specific training as coaches and mentors.

The lack of formalised mentorship programmes is guaranteed to reduce the impact of black advancement substantially. Line management must

also be trained to the total ownership of and responsibility for the black advancement programme.

Moses Maubane, the chief executive of African Bank, recently stated at a public seminar: "You (white managers) think we (blacks) cannot make decisions. You're quite right, we can't — because you don't give us the opportunity to make decisions."

This remark adequately defines the need to give all employees the opportunity to become involved in decision-making activities.

The opportunity of setting targets, identifying opportunities and solving problems on-the-job is essential to black advancement.

There is a need for formalised career-pathing for at least the upwardly-mobile blacks within the organisation. The lack of adequate role models at higher levels, linked to

the frustration of perceiving low-level "dead-ends," prevents the essential development of realistic higher expectations.

Management needs to allocate a great deal more effort to ensure the success of black advancement. This will entail a thorough scanning of the environment to determine what works and what is doomed to failure or mediocrity. But, regardless of the initiative that is launched, the above prerequisites must be fulfilled in order to achieve success.

CHRISTO NEL, BA (Hons) UP and a visiting researcher at New York University, is consultant for a variety of major SA organisations. He specialises in the analysis and implementation of strategy for performance and productivity enhancement, black advancement and executive development.

## Enhance people's commitment

27/04/86



# Business coming out of business

30  
Mercury  
24/3/86

# Good times ahead

**JOHANNESBURG**—The mood of South African business has swung sharply from gloom to buoyant optimism following last week's Budget and the release of Reserve Bank statistics which show evidence of an economic upswing:

Economic output increased in most sectors during the fourth quarter last year, according to the Quarterly Bulletin of the Reserve Bank, and a Markinor research poll showed that in contrast to last year's post-Budget blues, the majority of businessmen last week predicted an increase in sales and profits over the next six months.

The survey included 70 of the country's top chief executives (or another senior director nominated by them). Collectively, their organisations employ 1 500 000 workers — 44 percent of those active in the private sector — and possess assets of more than R111 billion.

The survey found that 68 percent expect sales to increase over the next six months, while 58 percent anticipate higher profits. The corresponding figures after last year's Budget were 30 percent for sales and 22 percent for profits.

Twenty-four percent expect the level of investments to increase, and only 10 percent foresee an increase in the level of unemployment.

To improve South Africa's economic prospects, 43 percent of businessmen surveyed say the priority of the Government should be to resolve the socio-political situation.

Other vital objectives include: cutting Government spending, creating more

## Mercury Correspondent

jobs, eradicating apartheid and accelerating privatisation.

While the latest information confirms that the process of economic adjustment since the middle of 1984 has laid a sound foundation for renewed economic expansion, the review warns that two major constraints still suggest a need for caution in stimulating the economy.

Firstly, the rate of inflation is still high, although this can be attributed to the sharp rand depreciation rather than excessive demand.

### Foreign debt

Secondly, the need to reduce foreign debt requires a level of overall expenditure compatible with a surplus on the current account of the balance of payments.

The net outflow of capital, not related to reserves, totalled more than R10 billion last year. So, in spite of the large current account surplus, the net foreign reserves declined by about R3 billion.

By early 1986, however, the tide appeared to have turned and net foreign reserves began to rise again.

# Discount fuel scheme snowballs

By Maud Motahyane

25/3/86 (30)  
After Pick 'n Pay's court victory last week over its coupon discount scheme on petrol, many independent petrol stations have approached major retailers to help them set up similar schemes.

Checkers, Spar and OK Bazaars, who do not own petrol stations, confirmed they were looking into the possibility of selling petrol. Clicks and Dion are also believed to have expressed interest.

"We have been approached by hundreds of independent petrol stations asking us to set up a scheme," said Mr Clive Weil, Checkers managing director.

"Although it is not something we would like doing, Checkers would have the capacity to

handle such a scheme if we were forced to," he said.

"It is an emotional issue and we will not be making any moves for a couple of weeks.

"We are watching things very carefully and if we do take steps they will be a very level-headed. We would not like to muddy the waters."

At least one Johannesburg petrol station has followed Pick 'n Pay's lead and launched its own discount scheme. A spokesman for Braamfontein Motors, which launched the scheme yesterday, would not elaborate on the details. The company owns a number of stations throughout the country.

"I would not like to talk about the matter at this moment, because petrol companies are very sensitive about it," said a Boksburg retailer who did not want to be named.

## Police (20) blockade 25/3/68 township

Members of the security forces yesterday stopped Atteridgeville traders from collecting food and other supplies from delivery trucks at the township entrance.

Local businessmen and housewives strongly condemned the move.

The blockade has been viewed by the local residents as a countermove to the boycott of white businesses in Pretoria, which started yesterday.

The action was condemned by the local town council which protested to senior police officials.

The Divisional Inspector of the Northern Transvaal Police, Brigadier Hertzog Lerm, confirmed yesterday's action by the security forces and attributed it to the "tense situation which allegedly prevailed in the townships in the early hours of yesterday morning".

He said after a study of the situation the business people were allowed to collect their supplies and everything was back to normal during the day.

# Petrol coupon battle looms

Own Correspondent  
JOHANNESBURG. — South Africa's retailing giants are gearing themselves up for a petrol discount coupon war with Pick 'n Pay.

Retailers Clicks, Checkers and Dions yesterday confirmed that preliminary planning was under way with a view to launching similar coupon schemes to that of Pick 'n Pay at its 12 petrol outlets at the end of February.

OK Bazaars and Spar are also believed to have expressed interest.

Investigations into various petrol coupon schemes started as soon as Pick 'n Pay won its landmark Supreme Court action last week against the government's executive banning of the practice in terms of the Petroleum Products Act.

## Finalized

Independent garages also wanting to offer discount coupons soon contacted chairman Mr Raymond Ackerman.

Mr Ackerman said his company was prepared to assist independent garages wanting to reduce profits and increase turnover. But he said Pick 'n Pay would wait for the matter to be finalized before taking negotiations any further.

Meanwhile, dissatisfied garage owners near Pick 'n Pay's popular Boksburg filling station say the company's move to provide discount vouchers for supermarket products to people buying petrol is unfair to independent operators without a retailing empire to back them up.

A spokesman for the Boksburg Pick 'n Pay said it would welcome competition from supermarket chains or independent operators.

## Enticements

Mr Tony Corrolo of Belaphil Motors said he had noticed a drop-off of about 1 000 litres a day in the past week.

He had introduced a 24-hour service to counter Pick 'n Pay competition, but would consider taking customer enticements further if the competition "prevents me from making a living".

A Motor Industries Federation spokesman, asked if Pick 'n Pay's move could set a precedent for new petrol marketing strategies, said an MIF committee was looking into the issue.

Some garages on the Reef have introduced redeemable vouchers for workshop or garage services and for raffles.

More discount coupons planned

25/3/86

# Retail giants gear up for petrol war

B. DAY

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CHRIS CAIRNCROSS  
and DIANNA GAMES

SOUTH AFRICA's retail giants are gearing up for a petrol discount coupon war.

Retailers Clicks, Checkers and Dion confirmed yesterday that preliminary planning was under way, with a view to launching coupon schemes similar to that spearheaded by Pick 'n Pay at its 12 petrol outlets at the end of February.

The OK Bazaars and Spar are also believed to have expressed interest.

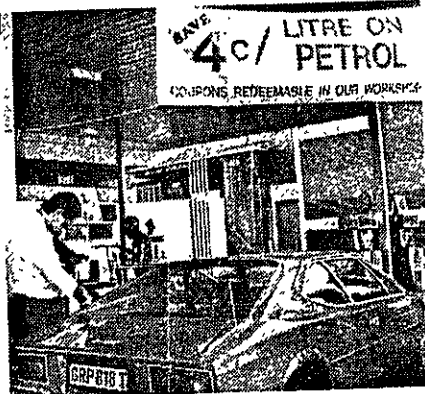
Investigations into various petrol coupon schemes started as soon as Pick 'n Pay won its landmark Supreme Court action in Cape Town last week against government's executive banning of the practice in terms of the Petroleum Products Act.

Soon after the group's court victory, independent garages contacted chairman Raymond Ackerman, saying they too wanted to offer discount coupons.

Ackerman said his company was prepared to assist independent garages that wanted to reduce profits and increase sales.

But, he said, Pick 'n Pay would wait for the matter to be finalised before taking negotiations further.

Meanwhile, garage owners near the



PETROL discounting ... garages make move

company's popular Boksburg filling station are dissatisfied.

The garage is enjoying even greater patronage than before government's move to stop the group from discounting petrol, and nearby garages say they do not have the resources to compete.

Most have been hard hit because of the discounting of petrol by the hypermarket over the years, and this became even more marked in the past week as sales trebled in the wake of the court victory.

A spokesman for the Boksburg hyper-

● To Page 2

## Petrol war hots up

market said the company would welcome competition from both supermarket chains or independent operators.

One garage owner said the company's move to provide discount vouchers for supermarket products to those buying petrol was unfair to independent operators who did not have a retailing empire to back them.

A Motor Industries Federation (MIF)

spokesman, asked if the company's move could set a precedent for new petrol marketing strategies, said an MIF committee was looking into the issue and no comment could be made until it had met.

But the feeling seems to be one of "wait and see" while government considers whether it will appeal

● From Page 1

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25/3/86

B. DAY

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# Consumer boycott starts in Pretoria

PRETORIA. — An indefinite consumer boycott by blacks of white-owned shops started in Pretoria yesterday.

Called by the Pretoria Consumer Boycott Committee (PCBC), it is the second such boycott in recent months. The first was held over the festive season and shook many shops.

But this time emergency plans have been drawn up to man shops and businesses if the planned mass stayaway of workers hits hard.

A spokesman for an ad hoc committee of Pretoria businessmen said that a survey had established that the stayaway — if the city's black workers gave in to demands — would inevitably result in confrontation between the city's work force and employers.

He said the committee had advised employers to make it clear to workers they would face being phased out in favour of unskilled labour if they stayed away.

Mr Adriaan Willemse, chairman of the city's Werk en Leef organization, said the body had a list of nearly 200 people who could step in immediately and take over the work of black stayaway workers.

"It doesn't matter what sort of work, whether it be pick and shovel work, packing tins on shop shelves or whatever," he said.

Meanwhile the mayor of Atteridgeville, Mr S M Mahlangu, yesterday condemned the stopping by security forces of local traders' vehicles from transporting foodstuffs and other supplies into the township, and he questioned the legality of the action.

Police, however, denied his allegation and said no vehicles had been prevented from making deliveries. Drivers had been told that the police would protect them as far as possible, but that they entered the township at their own risk. — Sapa

Confusion over Pretoria boycott and ...

(30)  
~~USA~~  
~~USA~~

B DAY .25/3/76

# UDF-called stayaway gets no mass response

**THERE** was no mass response to a United Democratic Front call for a work stayaway yesterday in the Vereeniging/Vanderbijlpark area.

And in Pretoria an indefinite consumer boycott started amid confusion.

A youth was arrested when he and three others crashed into the glass door of a Soweto filling station in their bid to avoid paying for petrol.

One youth was held and handed over to police, but his companions managed to get away. Damage estimated at R10 000 was caused.

Indications yesterday were

Business Day  
Reporter and Sapa

that there was no mass response to the UDF call for a stayaway in the Vereeniging/Vanderbijlpark area.

Commerce and industry spokesmen said it appeared the labour situation was normal.

In Pretoria, conflicting pamphlets regarding the starting date of a consumer boycott and organisers' demands were circulated in the townships.

The boycott — called by the Pretoria Consumer Boycott Committee (PCBC) — is the second in recent months to hit retailers. The PCBC denounced "bogus" pamphlets which called

for a six-month boycott of work, school and white shops.

The pamphlets said nobody could leave townships without the permission of "comrades".

A PCBC spokesman said the pamphlets were issued by "oppressive forces posing as comrades" to create confusion.

Meanwhile, Atteridgeville mayor S M Mahlangu yesterday condemned the alleged stopping by security forces of local traders' vehicles from transporting foodstuffs and other supplies into the township.

A Police Directorate of Public Relations spokesman denied Mahlangu's allegation and said no vehicles had been prevented from making deliveries.

# Bid for more EL free trade areas

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D. D. 25/3/80

**Dispatch Reporter**  
EAST LONDON - The city council has submitted an urgent plan to the regional representative of the Department of Constitutional Development and Planning proposing that all business areas in the city be zoned as free trade areas.

The chairman of the Action Committee, Mr Donald Card, said last night that there had been a misunderstanding between the government and the city's town planning department over the original application.

"We had originally requested that all business areas be opened to all races. Originally the government had decided that North End area be demolished and rezoned

as a light industrial area.

"Later some of the buildings were demolished, yet businessmen in the area convinced the government that it was viable for North End to remain a business zone," Mr Card said.

He said the government still seemed to be under the impression that North End was a light industrial zone and the council wanted it to be included in the plan to rezone all business areas for all races.

"We have been informed by an official from the Department of Constitutional Development and Planning that once the CBD has been declared a free trading zone the council may apply for other areas to be included," Mr Card said.

The Group Areas Board will sit in East London on April 7 to hear the action committee's proposals on the matter of proclaiming free trading areas and deproclaiming the North End industrial area as a portion of the white group area.



The MINISTER OF MINERAL AND ENERGY AFFAIRS (Reply laid upon the Table with leave of House):

so, (a) why, (b) what steps and (c) when?

(1) Yes, the Department of Mineral and Energy Affairs exercises control over the export of polished diamonds but not over the export of unpolished diamonds. The SA Police are charged with the latter function.

The mechanism for control over exports of polished diamonds was established under the Diamond Cutting Act, 1979 and the function has since 1980 been exercised by the Diamond Cutting Board, which is under the control of the Minister of Mineral and Energy Affairs. Prior to that date the Police were also charged with this function.

The nature of the control exercised by the Diamond Cutting Board is threefold: *Firstly* the Board is in close contact with diamond cutters and other parties in the diamond industry and in view of its intimate knowledge of the industry and available information, for example cutters' purchases of rough diamonds, it checks that all polished diamonds intended for export are presented to the Board for inspection. *Secondly*, diamond parcels are subjected to a physical inspection. The diamonds are counted and weighted and checked to ensure that they are fully polished. *Thirdly*, the value of consignments are checked to ensure that the export value represents the fair market value of the diamonds.

My department unfortunately has no knowledge of the exact nature of the control exercised by the Police over the export of unpolished diamonds but I have been informed that consignments of unpolished diamonds are also inspected and can be referred to the Government Diamond Valuator if the Police are of the opinion that the consignment has been undervalued.

(2)

Yes, it definitely is my intention to take steps in regard to both the control which already falls under my department and the control measures which other Government departments are now charged with. These steps follow on certain recommendations by a Departmental Committee (known as the Van Wyk Committee) accepted by me. Control over the Republic's diamond industry, including control over exports of polished and unpolished diamonds, is currently divided between three Government departments, namely Finance, Police and Mineral and Energy Affairs. There is however, agreement amongst these departments that such divided control is not satisfactory. There are in my opinion also too many Acts in terms of which control is exercised over our diamond industry. The Department of Mineral and Energy Affairs has therefore prepared legislation in terms of which State control over the diamond industry will be rationalised and all the functions in this regard placed under the control of the Department of Mineral and Energy Affairs. All the relevant Government departments have been consulted and they are all in agreement with the steps proposed. The necessary draft legislation will be introduced during this session of Parliament.

#### Export of diamonds

\*3. Mr L F STOFBERG asked the Minister of Finance:†

- (1) Whether an investigation into the (a) quantity of diamonds exported and (b)(i) proceeds thereof and (ii) tax revenue received therefrom was ordered in his Department; if so,
- (2) whether he will lay a report on the inquiry upon the Table; if not, why not;
- (3) whether he will recommend that a select committee be appointed to go into this matter; if not, why not?

The DEPUTY MINISTER OF FINANCE:

- (1) No.
- (2) Falls away.
- (3) No. At this stage there is no justification for the appointment of a select committee. The Diamond Board, to be established in terms of draft legislation, will carry out any investigations that may be deemed to be necessary.

#### Mooi-Mgeni Government Water Scheme

\*4. Mr R W HARDINGHAM asked the Minister of Water Affairs:

- (1) Whether compensation payments for servitude rights have been finalised in regard to the owners of properties through which the Mooi-Mgeni Government Water Scheme passes; if so, when; if not, why not;
- (2) whether he will make a statement on the matter?

†The MINISTER OF AGRICULTURE AND WATER SUPPLY (for the Minister of Water Affairs):

- (1) Yes. The initial offers of compensation for the servitude rights were made during the middle of 1985 and revised offers in certain cases were made during February/March 1986. Certain claims in respect of alleged damage caused by the contractor outside the servitude area have, however, as yet not been finalised. Although the Department of Water Affairs is not directly involved it is endeavouring to act as mediator between the owners and the contractor.

- (2) No.

Fuel distribution companies supply of petrol  
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\*5. Mr D N MAGEOMESS asked the Minister of Mineral and Energy Affairs:

- (1) Whether he or any official of his Department made any requests of or issued any instructions to any fuel distributing companies regarding the supply of petrol to a certain chain-store group, the name of which has been furnished to the Minister's Department for the purpose of his reply; if so, (a) what requests or instructions, (b) to which fuel distributing companies, (c) when, (d) why and (e) what is the name of the chain-store group;

- (2) whether the companies concerned complied with these requests or instructions; if not, what reasons did they give for failing to comply; if so, for what period will this request or instruction be in effect;
- (3) whether he will make a statement on the matter?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) No, a general directive was issued to all oil companies distributing petrol:
  - (a) that no petrol may be supplied to any retailer thereof in the event of such retailer offering petrol at discounts directly or indirectly to consumers,
  - (b) to all fuel companies acting as petrol distributors,
  - (c) on 28 February 1986 and again on 6 March 1986,
  - (d) in order to ensure a stable petrol distribution network country-wide; to protect employment and the interests of the small businessman and to prevent vertical integration,
  - (e) falls away.

**THE MINISTER OF MINERAL AND ENERGY AFFAIRS** (Reply laid upon the Table with leave of House):

so, (a) why, (b) what steps and (c) when?

- (1) Yes, the Department of Mineral and Energy Affairs exercises control over the export of polished diamonds but not over the export of unpolished diamonds. The SA Police are charged with the latter function.

The mechanism for control over exports of polished diamonds was established under the Diamond Cutting Act, 1979 and the function has since 1980 been exercised by the Diamond Cutting Board, which is under the control of the Minister of Mineral and Energy Affairs. Prior to that date the Police were also charged with this function.

The nature of the control exercised by the Diamond Cutting Board is threefold: *Firstly* the Board is in close contact with diamond cutters and other parties in the diamond industry and in view of its intimate knowledge of the industry and available information, for example cutters' purchases of rough diamonds, it checks that all polished diamonds intended for export are presented to the Board for inspection. *Secondly*, diamond parcels are subjected to a physical inspection. The diamonds are counted and weighted and checked to ensure that they are fully polished. *Thirdly*, the value of consignments are checked to ensure that the export value represents the fair market value of the diamonds.

My department unfortunately has no knowledge of the exact nature of the control exercised by the Police over the export of unpolished diamonds but I have been informed that consignments of unpolished diamonds are also inspected and can be referred to the Government Diamond Valuator if the Police are of the opinion that the consignment has been undervalued.

**THE DEPUTY MINISTER OF FINANCE:**

- (1) No.

- (2) Falls away.

- (3) No. At this stage there is no justification for the appointment of a select committee. The Diamond Board, to be established in terms of draft legislation to be tabled during the current session, will carry out any investigations that may be deemed to be necessary.

**Mooi-Mgemt Government Water Scheme**

\*4. Mr R W HARDINGHAM asked the Minister of Water Affairs:

- (1) Whether compensation payments for servitude rights have been finalised in regard to the owners of properties through which the Mooi-Mgemt Government Water Scheme passes; if so, when; if not, why not;

- (2) whether he will make a statement on the matter?

\*The MINISTER OF AGRICULTURE AND WATER SUPPLY (for the Minister of Water Affairs):

- (1) Yes. The initial offers of compensation for the servitude rights were made during the middle of 1985 and revised offers in certain cases were made during February/March 1986. Certain claims in respect of alleged damage caused by the contractor outside the servitude area have, however, as yet not been finalised. Although the Department of Water Affairs is not directly involved it is endeavouring to act as mediator between the owners and the contractor.

- (2) No.

Fuel distribution companies supply of petrol  
\*5. Mr D. N. MABEOMESS asked the Minister of Mineral and Energy Affairs:

- (1) Whether he or any official of his Department made any requests of or issued any instructions to any fuel distributing companies regarding the supply of petrol to a certain chain-store group, the name of which has been furnished to the Minister's Department for the purpose of his reply; if so, (a) what requests or instructions, (b) to which fuel distributing companies, (c) when, (d) why and (e) what is the name of the chain-store group;

- (2) whether the companies concerned complied with these requests or instructions; if not, what reasons did they give for failing to comply; if so, for what period will this request or instruction be in effect;
- (3) whether he will make a statement on the matter?

\*The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) No. a general directive was issued to all oil companies distributing petrol:
- (a) that no petrol may be supplied to any retailer thereof in the event of such retailer offering petrol at discounts directly or indirectly to consumers,
- (b) to all fuel companies acting as petrol distributors,
- (c) on 28 February 1986 and again on 6 March 1986,
- (d) in order to ensure a stable petrol distribution network country-wide; to protect employment and the interests of the small businessman and to prevent vertical integration,
- (e) falls away.

(2) Yes, it should have been effective for an undetermined period.

(3) No. The hon member is, however, referred to my statement of 26 February 1986 when the decrease in fuel prices was announced which included an announcement in this regard.

Mr D J N MALCOMMESS: Mr Speaker, arising out of the answer of the hon the Minister, may I ask him whether, in view of the court ruling on this matter that has now taken place, he is prepared to let the matter rest there or whether he intends to take the matter further and appeal against the ruling; or alternatively, after the legislation in order to bring about a situation where the members of the public have to pay more for their petrol?

†The MINISTER: Mr Speaker, in the first instance, we are not planning to appeal; secondly, we are not planning to alter the Act; and thirdly I want to mention that the judge's ruling is being studied and as soon as we have studied it in full, we shall decide on a plan of action.

Mr H H SCHWARZ: Mr Speaker, further arising out of the hon the Minister's reply, if in fact he is opposed to the concept of using coupons, has he not discussed this matter with the hon the Minister of Trade and Industry in view of the application of the Trade Practices Act?

†The MINISTER: Mr Speaker, to the best of my knowledge the way in which the coupons were offered is not a contravention of the Trade Practices Act.

Mr D J N MALCOMMESS: Mr Speaker, further arising out of the hon the Minister's reply, may I ask the hon the Minister whether in view of the lower crude oil prices which we have all seen publicised in the Press today, he himself has any intention of reducing the petrol price in the near future? [Interjections.]

†The MINISTER: Mr Speaker, I gladly reply to that question. I think our Department and the Government have already proved that we immediately reduce the price

as soon as it is possible. We are busy investigating the whole matter and the moment it is possible to reduce the price, we shall not hesitate to do so.

Defence:

Whether any South African Defence Force personnel have been engaged in any manoeuvres or taken any action in Mabolane in 1986; if so, (a) on what dates, (b) why, (c) what was the nature of the manoeuvres or action and (d) what specified (i) personnel were involved and (ii) equipment was used in each case?

†The DEPUTY MINISTER OF DEFENCE:

No, (a), (b), (c) and (d) fall away.

Mr S S VAN DER MERWE asked the Minister of Law and Order:

(1) Whether a certain person from Malinga Park in Gulethu, whose name and particulars have been furnished to the South African Police for the purpose of the Minister's reply, was arrested or detained by the South African Police on or about 11 February 1986; if so, (a)(i) when, (ii) why, (iii) in terms of what statutory provisions and (iv) where was he held and (b) what (i) is the name and (ii) are the particulars of this person;

(2) whether this person has since been released; if not, why not; if so, when?

The MINISTER OF LAW AND ORDER:

(1) Yes.

(a) (i) 11 February 1986.

(ii) Questioning and investigation.

(iii) He was initially detained in terms of section 50 of the Criminal Procedure Act, 1977 (Act 51 of 1977) and from 12 February 1986 he is being detained in terms of section 29 of the Internal Security Act, 1982 (Act 74 of 1982).

(iv) Pollsmoor Prison.

(b) (i) Mzwandile Mprangazita Mcheka.

(ii) It is not clear which particulars are being required.

(2) No, since the investigation is not completed yet.

Mr S S VAN DER MERWE asked the Minister of Law and Order:

(1) Whether members of the Security Branch of the South African Police in De Aar arrested or detained any persons from Prieska on or about 5 March 1986; if so, (a) how many and (b) why;

(2) whether these persons were travelling by car at the time; if so,

(3) whether any action was taken in respect of the car in which these persons were travelling; if so, (a) what action and (b) why;

(4) whether these persons have subsequently been released; if so, when;

(5) whether he has received any representations regarding these persons; if so, (a) from whom, (b) when and (c) what was the nature of (i) the representations and (ii) his response thereto?

†The MINISTER OF LAW AND ORDER:

(1) Yes.

(a) 2 persons.

(b) One person for driving an motor vehicle without a driver's licence. A second person on an alleged charge of forgery of a driver's licence.

(2) Yes.

(3) Yes.

(a) The car was taken into safe custody by the South African Police.

(b) Because the driver had been arrested.

(4) Yes, on 5 March 1986.

(5) No, (a) to (c) Fall away.

Mr S S VAN DER MERWE: Mr Speaker, arising out of the hon the Minister's reply, is it general practice for the Security Branch of the South African Police to concern themselves with people who drive without a driver's licence; and if not, why were these people stopped in the first place?

†The MINISTER: Mr Speaker, I am not personally aware of all the details of the incident, but any member of the Security Branch is also an ordinary member of the South African Police, with the normal authority that any member of the Police Force has to do his job as he may encounter it.

99-year leasehold scheme  
Mrs H SUZMAN asked the Minister of Constitutional Development and Planning:

(1) Whether the 99-year leasehold scheme is in operation in every Black township in the Republic; if not, (a) why not and (b) in respect of which townships is this scheme not applicable;

(2) in respect of what date is this information furnished?

# Boycott committee to use comet as call sign

05/12/80 DISPATCH

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**Post Correspondent**  
**JOHANNESBURG** — Halley's Comet is to be used by the black Pretoria Consumer Boycott Committee (PCBC) as part of a planned black boycott of white businesses in the city.

It will be held up as a sign from above that "the hour of liberation" has come, a spokesman for the committee said today.

However, Pretoria businessmen have decided to stand firm against the boycott, planned to start on April 1.

A spokesman for an ad hoc committee of Pretoria businessmen said a survey had established that if the stayaway materialised, it would inevitably result in a confrontation between the city's work force and employers.

The spokesman said the committee had advised employers to tell workers they faced being phased out in favour of unskilled labour if they stayed away, and to maintain communications with workers to assess developments.

Mr Johan Muller, chairman of the city's Afrikaanse Sakekamer, said a plan of action had been evolved to deal with the boycott.

"We are ready for anything that could happen,"

he said. "The people who will be hit the hardest by the boycott are the blacks themselves. The doors of white businesses in Pretoria will stay open. There is plenty of temporary labour available at present."

Mr Adriaan Willemse, chairman of the city's Work en Live organisation, said employers would not struggle to find temporary workers. His body already had a list of nearly 200 people who could step in immediately and take over the work of black stayaways.

"It doesn't matter what sort of work, whether it be pick and shovel work, packing tins on shop shelves or whatever," he said.

Meanwhile, Pretoria child welfare sources said they were concerned about the impact a successful stayaway and boycott could have on the health and welfare of black children in the townships.

Called by the PCBC, it is the second such boycott in recent months.

The first, held over the Christmas season, shook many shops as the base of black buying power was withdrawn.

But conflicting pamphlets regarding the starting date of the boycott and demands of the

organisers have been circulated in the townships.

The PCBC has denounced "bogus" pamphlets distributed in the townships which called for a six month boycott of work, school and white shops.

The pamphlets purported to have been written by the PCBC, stated that the boycott of white shops, schools and work would start on April 7 and end on September 30.

The pamphlets said no one could leave townships without the permission from "comrades". The boycott would be strictly applied by the "comrades," the pamphlet said. There would be no compromise, only sacrifice, the pamphlet said.

A spokesman for the PCBC said the pamphlets were issued by "oppressive forces posing as comrades" to create confusion in the townships.

Reasons for the PCBC's call for a boycott include:

- The failure to remove the security forces from the townships.
- The continued service of police and councillors.
- The refusal to reinstate all workers who had been "unfairly dismissed".
- The "reluctance" to lower rents.
- The continued banning of Cosas.

# Traders up in arms

SOWETAN  
2/2/86

**BUSINESSMEN** in Atteridgeville, Pretoria yesterday reacted angrily to the action of the police and the SADF who allegedly refused delivery trucks with food supplies entry into the township.

The incident occurred very early in the morning and on the first day of the indefinite consumer boycott of white businesses in Pretoria and at the Odi and Moretele districts of Bo-

## SOWETAN Reporter

phuthatswana.

Trucks carrying basic foodstuffs such as bread and milk were yesterday refused entry into the township's main entrance at Seeiso Street.

These trucks usually park at the entrance of the townships from where local businessmen collect the goods.

Black businessmen in-

terviewed yesterday said they were surprised why the trucks were parked outside the township in the morning.

### Protest

Another shop owner said a group of businessmen later went to the local police station to protest against the action. "We even thought

of seeking an urgent court interdict," said the businessmen who refused to have their names published for fear of reprisals.

The shop owners were later allowed to collect the food supplies but only after they had given their names and that of their respective shops to the police and the SADF, the *Sowetan* was told.

A spokesman for the Atteridgeville/Sautsville

Chamber of Commerce and Industries (ASCCI) yesterday condemned the actions of the police and the SADF.

A spokesman for the Police Public Relations Division in Pretoria yesterday said he had contacted the Atteridgeville police station and was informed that there was no such a thing. "I don't see why the police and the SADF can do such a thing," he said.

**Alex traders**  
RDAY 25/3/86  
**fight to survive**

DOMINIQUE GILBERT

**ANGRY** businessmen yesterday pledged to save their dying businesses in industrial areas near Alexandra township.

At a meeting yesterday attended by about 150 businessmen, some strongly criticised the police and sharply rebuked the Sandton Town Council for failing to do enough to protect them.

Several businessmen also threatened to stop paying rates and taxes immediately and said insurance companies were refusing to insure them.

Already businessman Helmut Schultz, who has lost more than 50% of his business, is packing up and leaving.

Another businessman said he had received "no reaction" from police when he asked whether he and his wife could be escorted out of their First Street, Marlboro business while it was being attacked. A third said he had had 39 burglaries in the past three months.

Police Colonel IJ Pretorius said businessmen in the area had to take the necessary steps to protect themselves.

CAP: TIVIS 25/3/86 (17) (30)

## Informal-sector hope for jobs

### HOUSE OF ASSEMBLY.

— Future job creation in South Africa to counter unemployment lay chiefly in the small enterprise and informal sector, the Minister of Manpower, Mr Pietie du Plessis, said yesterday.

Responding to points raised during the debate on a private member's motion thanking the government for its efforts to counter unemployment, he said in the United States it had been found that big-business job creation had declined while smaller enterprises had shown an upsurge in creating em-

ployment.

It was in recognition of the vital role small business enterprises would play in job creation that so much emphasis had been given on assistance in this field in the government's R600-million economic relief programme announced last year, the minister said.

● The government should intensify its efforts to create employment by absorbing the unemployed in an "all-out campaign" to solve the housing crisis, particularly in black townships, Mr Pat Rogers (NRP King William's

Town) said in proposing an amendment to the NP private member's motion.

"This motion is somewhat in bad taste while there are still millions of people unemployed," Mr Rogers said.

He expressed doubts as to the usefulness of "just training people and making them more employable and then letting them out into a job market which is already strained".

Instead, the crisis should be turned into an opportunity. — Sapa

# Confusion over boycott call

CONFLICTING pamphlets regarding the starting date of the boycott and demands of the organisers have been circulated in Pretoria townships.

Called by the Pretoria Consumer Boycott Committee (PCBC), it is the second such boycott in recent months to hit retailers.

The first, held over the Festive Season, shook many shops as the base of black buying power was withdrawn.

The Pretoria Consumer Boycott Committee (PCBC) has denounced "bogus" pamphlets distributed in the townships which called for a six month boycott of work, school and white shops.

The pamphlets purported to have been written by the PCBC stated that the boycott of white shops, schools and work, would start on April 7 and end on September 30.

The pamphlets said no one could leave townships without the permission from "comrades", the pam-

phlet said. There would be no compromise, only sacrifice, the pamphlet said.

A spokesman for the PCBC said the pamphlets were issued by oppressive forces, posing as comrades, to create confusion in the townships.

"Our campaigns are planned by the multitudes in the townships and if people are in doubt about any action, they should consult their area committees," he said.

## Pamphlets

The spokesman produced a "genuine" pamphlet which only called for an indefinite boycott of white shops from Monday.

- The failure to remove the security forces from the townships.
- The continued service of police and council.
- The refusal to re-instate all workers who had been "unfairly dismissed".
- The "reluctance" to lower rents and
- The continued banning of Cosas.

*Handwritten notes:*  
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Mercury

# New burden on industry

**JOHANNESBURG—A considerable clerical burden is to be placed on most industry — including the clothing industry, says the National Clothing Federation of S A.**

Quite apart from the financial burden placed on business by the Regional Services levies which come into operation in July, there will be a considerable clerical burden in the form of new records to be kept and returns to be submitted,' states the federation.

'Not content with this, however, the Inland Revenue now proposes to impose yet another, even greater, clerical burden on business by requiring every invoice on sold goods exempt from sales tax to be supported by a declaration from the purchaser that he is entitled to buy the goods without paying sales tax.'

## Impossible

Since the declaration by the purchaser is required to state the supplier's invoice number, says the federation, it will be impossible for the purchaser to complete the declaration until the goods are invoiced to him.

He will be unable to send the declaration to the supplier with his order. Although no procedure has been laid down, it seems that the supplier will have to send the declaration to the purchaser with the invoice and require him to complete and return it.

In order to cover himself the supplier will have to add on sales tax and deduct

it only when the declaration is returned to him, explains the federation.

'In the clothing industry, the manufacturer will have to go through this performance for every invoice for garments sold to retailers. He will also have to give declarations himself to the mills for the fabrics he buys from them or to Customs when he imports.'

'The amount of clerical work involved is mind-boggling and it is doubtful whether much more tax will be collected.'

The only beneficiaries will be the paper and printing industries, says the industry. 'As in the case of the Regional Services levies, the Margo Commission is again being ignored.'

By July the commission may recommend that sales tax be restructured and yet another procedure will have to be prescribed. — (Sapa)

# Alex traders fight to survive

DOMINIQUE GILBERT

**ANGRY** businessmen yesterday pledged to save their dying businesses in industrial areas near Alexandra township.

At a meeting yesterday attended by about 150 businessmen, some strongly criticised the police and sharply rebuked the Sandton Town Council for failing to do enough to protect them.

Several businessmen also threatened to stop paying rates and taxes immediately and said insurance companies were refusing to insure them.

Already businessman Helmut Schultz, who has lost more than 50% of his business, is packing up and leaving.

Another businessman said he had received "no reaction" from police when he asked whether he and his wife could be escorted out of their First Street, Marlboro business while it was being attacked. A third said he had had 39 burglaries in the past three months.

Police Colonel FJ Pretorius said businessmen in the area had to take the necessary steps to protect themselves.

Price-cutting, inflation, lower interest rates

# Pick 'n Pay's profit growth trimmed to 6%

26/3/86 STW (30)

By Peter Farley

The combination of extensive price-cutting, inflation and lower interest rates took the steam out of Pick 'n Pay's profit growth, holding the advance in net earnings last year to a shade under six percent.

Nevertheless, the upmarket retailer still did well to push income up to R35,5 million from R33,5 million in the previous 12 months.

And, in order to push through as much as possible to shareholders, dividend cover has been relaxed to below two with a lift in the final payment to 70,5c a share from 64,5c. This makes a total for the year of 92c against 1985's 83,5c.

Pick'n Pay is, however, recession-proofed to a far greater degree than most other retailers — with its dominance in the white, A/B income groups.

Spending in these areas has not suffered nearly as much as others, particularly purchases of the

higher margin lines.

But the declining interest rate trend in the second half of the group's financial year will have been a bigger blow than black boycotts to many other retailers.

Pick 'n Pay makes a great chunk of its operating income from the interest earned on the money it keeps on call. It has, over the years, established some of the best credit terms from suppliers in the retailing business.

## Cash flood

With cash pouring in over the tills, and a virtual shield from bad debts because of the income groups using the stores, the use of that income for 30-days plus provides a vital component of overall earnings.

Also, with only minimal non-food items carried by group stores, Pick 'n Pay has not been affected by the hire purchase traumas that have dragged down so many other retailers.

Of some concern, however, is the continuing deterioration of operating margins, which have dropped below three percent for the first time. Though still some seven times those recently reported by the Kirsh group, any further weakening in this area will shortly have severe repercussions on the bottom line.

Unusually, management offers no comment with the preliminary results, though no doubt it will be forthcoming with the soon-to-be published annual report.

Nevertheless, the investment community appears happy enough with the performance of Pick 'n Pay to accord it one of the highest ratings on the JSE's stores sector. The share price has more than doubled from a low last year of R24 a share to the current R51.

No doubt, despite the slower growth, investors will be only too happy to push the price even higher in the weeks to come.

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The MINISTER OF TRANSPORT AFFAIRS:

(1)	Cape Town Station	Table Bay Harbour
(a)	3	4
(b)	95	17
(c)	3	4
(d)	34	72
(e)	99	26
(f)	502	284
(g)	50	68
(h)	44	26

Woodstock does not have its own Railways Police post and cases which occur at this Station are reported to the Railways Police post at Cape Town Station.

Family housing units  
603. Mr P. C. SOAL asked the Minister of Education and Development Aid:

- (1) (a) How many family housing units were built in 1985 in each national state by (i) the national state authority, (ii) private owners and (iii) the South African Government and (b) what was the total amount spent by each in respect of each national state;
- (2) whether there is a shortage of housing units in any national state; if so, how many units are required in respect of each national state;
- (3) whether any family housing units are being built in the national states at present by (a) the national state authority, (b) private owners and (c) the South African Government; if not, why not; if so, (i) how many units are being built by each in each national state and (ii) when are they due to be completed in each case?

(2)	(a)	(b)	(c)
Murder.....	—	—	7
Robbery.....	10	2	100
Rape.....	—	—	7
Assault with intent to do grievous bodily harm...	3	14	89
Common assault	2	9	114
Theft.....	35	56	695
Burglary.....	3	9	106
Malicious damage to property...	4	1	65

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

- (iii) (Selfbuild scheme houses erected by Blacks with South African Development Trustfunds).

(1) (a)	(i)	(ii)	(iii)
Lebowa	Unknown	Unknown	65
KaNgwane	Unknown	Unknown	237
KwaZulu	Unknown	Unknown	868
Gazankulu	Unknown	Unknown	130
South African Development Trust	Unknown	Unknown	1 589
Land	Unknown	Unknown	R 262 000
Lebowa	Unknown	Unknown	R 895 351
KaNgwane	Unknown	Unknown	R 2 734 594
KwaZulu	Unknown	Unknown	R 455 000
Gazankulu	Unknown	Unknown	
South African Development Trust	Unknown	Unknown	R 3 242 973
Land	Unknown	Unknown	

- (2) Yes, it is not possible to give a completely accurate figure as the shortage of housing also depends on the actual demand. It is estimated that the shortage in terms of units is as follows:

Lebowa.....	18 180
OvaOva.....	24 240-30 000
KwaZulu.....	100 000
(80 000-100 000)	
KaNgwane.....	6 000
KwaNdebele.....	3 850
Gazankulu.....	2 000
South African Development Trust	
Land.....	14 948
Total.....	169 218

- (3) (a) Yes.  
(b) Yes.  
(c) No.

(i) (a) and (b): The number of houses which are built by the national states and private owners are not known.

(c) The South African Government has implemented selfbuild schemes within all the national states and no longer builds family housing units.

(ii) It is not possible to indicate when the houses will be completed as it is an ongoing process.

610. Mr H H SCHWARZ asked the Minister of Justice:

How many persons were declared bankrupt in each Division of the Supreme Court in 1985?

The MINISTER OF JUSTICE:

Division	Persons
Transvaal Provincial Division.....	2 456
Cape of Good Hope Provincial Division.....	603
Orange Free State Provincial Division.....	563
Natal Provincial Division.....	339
Northern Cape Division.....	109
Eastern Cape Division.....	258

611. Mr H H SCHWARZ asked the Minister of Justice:

How many companies were placed under compulsory liquidation in the area of each Master of the Supreme Court in 1985?

The MINISTER OF JUSTICE:

Division	Companies
Transvaal Provincial Division.....	1 232
Cape of Good Hope Provincial Division.....	429
Orange Free State Provincial Division.....	154
Natal Provincial Division.....	258
Northern Cape Division.....	23
Eastern Cape Division.....	137

616. Mr H H SCHWARZ asked the Minister of Finance:

(1) What amount in bonus bond prize money was unclaimed as at the latest specified date for which figures are available;

(2) whether any action is to be taken in regard to such unclaimed money; if so, (a) what action and (b) when?

The MINISTER OF FINANCE:

(1) R2 025 400—as at 28 February 1986.

(2) Yes.

(a) All redeemed bonds are continuously compared with winning

# Motor dealer turnover zooms by 34%

INCOME of motor vehicle and accessories traders increased by 34,5% in the three months from December to February compared with the same period a year ago.

Turnover increased by R1,095bn to R4,268bn.

During the whole of 1985 it rose by R2,02bn to R14,88bn.

National Association of Automobile Manufacturers of SA president Peter Searle said the steep increase in the costs of imported components, spares and accessories was the reason for the big increase.

26/2/86  
31/03/86  
GERALD REILLY

He added that in December vehicle retailers had a reasonable month but in January and February sales fell again.

In value terms, he said, traders' revenue was boosted by owners spending more on maintenance and repairs rather than on buying new vehicles.

Workshop turnovers were healthy.

The used-car sector was also buoyant and, because of the weak rand, car prices had increased by about

30% compared with a year earlier.

This and the spiralling costs of imported spares and accessories had boosted turnovers.

National Association of Automotive Components and Allied Manufacturers director Denzyl Vermooten agreed.

Higher costs of components and parts, and the fact that when there was a fall in a new-car sales the sales of used vehicles usually increased, were major reason for increased turnover.

# Move to new site economic suicide, say Indian traders

Indian traders in Germiston are refusing to move to the proposed shopping complex in the new area called Palm Ridge, unless rents are lowered.

The traders, at present in the Asiatic Bazaar, have condemned the proposed move as "economic suicide".

Forty-four traders and 20 hawkers are affected.

Proposed rents are R1 500 a month for a 100 sq m shop and R1 800 a month for a food store.

"We refuse to move to the complex unless the Germiston City Council meets our demands," said the vice-chairman of the Germiston Traders' Association (GTA), (Asiatic Bazaar), Mr Sivi Permumal.

Angry traders told *The Star* they could not afford such high rents.

Mr Ebrahim Ismail, a trader in the Asiatic Bazaar for 40 years, said: "The complex is not a viable economic proposition, as there are only 600 homes in Palm Ridge."

Mr Darsamlal Pachai, an executive member of GTA, said: "We should not have to bear the costs of the development of the complex. It is the Government's duty to resettle the community in Palm Ridge."

He said the rents could be lowered if the Government donated the land, or alternatively, the House of Delegates developed the shops and sold them at cost price to the traders.

The Germiston Town Secretary, Mr WA Heyneke, said: "The traders must see the House of Delegates on this issue."

"We have tried to satisfy their demands by opening up the Germiston CBD for trading to all races. But whatever we do, they are not satisfied."

255  
BUS DAY  
2138  
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## Longer shopping hours soon here

GERALD REILLY  
THE amended shop hours ordinance, which extends shopping hours from 5am to 11,30am, is grinding through the bureaucratic machine.

MEC in charge of shop hours, Skippie Botha, expects proclamation of the ordinance before the end of April.

It was passed at last month's session of the provincial council.

The ordinance is now being vetted by the Department of Constitutional Development and Planning, before being passed on to the State President for his signature.

Botha told *Business Day* in terms of the amended ordinance city and town councils would lay down shopping hours within their municipal boundaries.

They could decide, for instance, that extended hours would apply only on Friday nights and Saturday afternoons.

"It's up to the municipalities in consultation with chambers of commerce and local traders' associations to determine the extent to which hours will be extended and on which days."

Whatever was decided would be applied uniformly throughout the particular municipal area.

Shop hours outside the municipalities would be the responsibility of the province.

"But, as far as I'm concerned, the issue is wide open and I will wait for a pattern to develop," Botha said.

Falling oil price could mean cheaper fuel

# Govt backs off on cut-price petrol sales

26/3/86  
STAR  
[scribble]  
[scribble]

Cape Town

The rapid spread of discount coupons with petrol sales can be expected now that the Government has backed away from official intervention.

At the same time, falling oil prices on the world market are pointing towards a further drop in the petrol price within the next three months.

Reports from Bahrain say that, according to industry analysts, oil prices could slide to below \$10 a barrel because of the failure of Opec Ministers to agree on curbing production.

A marathon nine-day meeting in Geneva broke up on Monday without a firm agreement on production quotas for members of the

13-nation organisation.

In the Assembly yesterday, Energy Affairs Minister Mr Danie Steyn made it clear that the Government does not intend appealing against the court decision last week which allowed the Pick 'n Pay supermarket group to discount petrol with a coupon system. The Government also does not intend changing the law.

Reacting to questions from Mr John Malcomess (FFP, Port Elizabeth Central), he said that the Government was studying the court decision. When this was completed, a decision on further action would be taken.

He added that as far as he knew the way in which the coupons were offered was not a transgression of the Trade Practices Act.

He was also asked if, in view of the lower crude oil prices, he had any intention of reducing the petrol price in the near future.

He replied that he felt his department had already proved that it brought down the price as soon as this was possible.

The matter was being investigated. When it was possible to bring down the price again, his department would do so.

Mr Steyn said general directives had been issued to all oil companies that no petrol should be supplied to retailers intending to offer it at a discount. This was done on February 28 and on March 6.

This was to ensure a stable petrol distribution network countrywide; to protect employment and the interests of the small businessman; and to prevent vertical integration.

Welcoming Mr Steyn's answers, Mr Malcomess said today that the Government seemed to be regretting its decision to try to stop the public obtaining cheaper petrol.

See page 13.



Hey! So

## Father and baby are shot

Crime Reporter

A Permanent Force father, Mr Michael Jackson (24), and his 17-month-old baby daughter Chantelle, were taken to the Kempton Park Hospital yesterday morning after shots were fired following a family argument.

An East Rand police spokesman said Mr Jackson was reported to be in a serious condition with a bullet wound in the roof of his mouth.

## New pay TV service could cost R15 a month

By Ian Gray

South Africa's first independent subscription television service could cost you as little as R15 a month — if you live in a block of flats.

The service, due to come on stream in the Johannesburg area in October, will cost householders about R30 a month. But for those living in "multi-unit dwellings" — blocks of flats or hotels — it will cost less.

This was announced in Johannesburg last night by Mr Ton Vosloo, chairman of M.Net, the newspaper-funded consortium that will provide South Africans with their first independent all-entertainment channel.

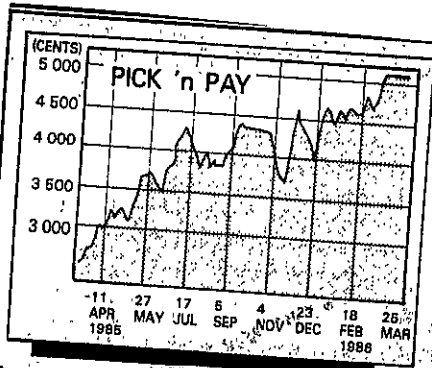
He was unveiling the decoder, which will cost individual subscribers about R200 before they can receive the signal beamed by the service via SABC transmitters.

The decoder is a high-security device, which will block off the new station's signal, not only to non-subscribers, but to individuals who have not paid their monthly subscription, more or less on the same basis of telephone rentals.

Because the production process is not yet far enough advanced, the price of the decoders has not yet been finalised.

The M.Net service will be launched in Johannesburg on October 1 (test transmissions are due to start in three months) and in Pretoria on January 1.





# Pick 'n Pay

## profits slip <sup>30</sup> in 2nd half

*BUY DAY*  
*26/3/86*

**BRIAN ZLOTNICK**  
Investment Editor

PICK 'n PAY's profit growth momentum slowed in the second-half, with earnings a share for the year to February only 5.9% higher at 181.3c after interim earnings advanced 12.5% to 68.5c.

In the face of fierce competition, notably from a revamped Checkers — which is yet to return to profitability — earnings of 112.8c a share in the second-half just managed to nose ahead of the previous year's comparable earnings of 110.3c.

Even so, the final dividend was raised by 9.3% to 70.5c a share, to lift the total for the year by 10.2% to 92c. Dividend

cover dipped to 1.97 times from 2.05 times.

The results are below market expectations.

However, the share, which has risen 79% since the beginning of last year to an all-time high of R51, remains a leader in a bull market and is expected to shrug off any disappointment over the results. Turnover passed the R2bn mark for

● To Page 2 →

# Pick 'n Pay's growth slows

the first time, rising R320m to R2,14bn. Chairman Raymond Ackerman said the company deliberately engaged in heavier discounting of foodstuffs and certain non-food lines to achieve the turnover increase.

Moreover, price wars, competitive pressures, discounting, a shift in the product mixture towards lower-margin foodstuffs and sharply-reduced interest rates on cash balances caused pre-tax margins (including interest income) to fall for the fourth consecutive year. In the 1986 financial year, the margin fell to 2,9% (3,2%).

30 ← BUS DAY 2/13/87  
● From Page 1

Thus pre-tax profits were only 4% up at R81,6m on a 17,5% rise in turnover. Last year the company opened six supermarkets, one superstore in Pretoria and its eleventh hypermarket, also in Pretoria. Ackerman said all these openings were ahead of budget and the stores were progressing well.

Planned openings for this year were supermarkets in Potchefstroom, Lonehill (Sandton), Queenstown and Durban Station and a hypermarket in Ottery in the Western Cape.

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## 63 local authorities have applied to open their CBDs to all, says Heunis

PARLIAMENT — Altogether 63 local authorities had submitted proposals to the Department of Constitutional Development and Planning to open central business districts to all race groups, the Minister, Mr Chris Heunis, said yesterday in written reply to a question from Mr Somaroo Pachai (NPP Natal Midlands).

Of these, 41 had been accepted, 10 were still being considered and 12 proposals could not

be considered and were being held over.

The reasons for holding proposals over, said Mr Heunis, included the non-existence of town-planning schemes, requests by local authorities who wanted to review their proposals, or negotiations which were still being conducted with local authorities for larger free trading areas or relocation of boundaries of adjoining group areas.

— Sapa.

# Good year for Pick 'n Pay

Finance Reporter

GIANT retailers Pick 'n Pay Stores have reported a substantial 17,5 percent increase in turnover for their year end February 28 over 1985 to lift turnover to more than R2 bn for the first time.

Nett before-tax profit increased by about 4 percent to R2 508 000 over 1985, while after-tax profit increased by 5,9 percent to R1 979 000.

Commenting on the results, chairman Mr Raymond Ackerman pointed out yesterday that while the pre-tax increase was low compared with previous years it was still 'very good' when related to other major South African retailing chain stores and when compared with last year.

## Dividend

Dividend per share for the period increased by 10,2 percent from 83,5 cents to 92 cents, and earnings per share are up from 171,2 cents to 181,3 cents.

Group earnings increased by 5,9 percent from R33 502 000 to R35 481 000.

Final dividend is 70,5 cents for 1986, which contrasts with 64,5 cents last year.

Mr Ackerman said the company deliberately engaged in even heavier discounting of foodstuffs and certain non-food lines during the year in order to achieve the turnover increases.

It also subsidised bread and milk on two occasions, through large investment, and margins were deliberately pared to ensure continual consumer support.

Wages, where controllable, were watched extreme-

ly carefully by management, and security/shortage results were good, as was the healthy cash balance at year's end.

Blue Ribbon Meat performed extremely well above its budgeted forecast.

## Policy

Acknowledging that the coming year will be extremely difficult in the supermarket/hypermarket field, Mr Ackerman noted the extent would depend on political developments 'which affect everyday living and everyday spending.'

Pick 'n Pay, he said, were facing the new year with a very aggressive policy on expense control and had tightened up on productivity.

Openings for the year include three supermarkets, a hypermarket in the Western Cape and an exciting new supermarket concept on the old Durban Station site.

Pick 'n Pay's new Australian hypermarket in Brisbane completed its first year with turnover in excess of Australian \$55 m. The company has a one-third investment in the operation, but is in charge of management.

## Petrol

Mr Ackerman said plans for a second store in Melbourne had been left for the moment after local unions had refused to allow the company to develop the store.

Other sites are now being investigated.

Mr Ackerman says the Court decision to allow the company to continue petrol discounting was a major victory for free enterprise in South Africa.

'What South Africa needs

more than ever at the moment is efficient marketing and efficient competition to try and keep inflation at bay, which is one of the most serious aspects facing the consumers,' he said.

He also calls for deregulation in the baking industry — following Government decision to scale down bread subsidies — which he predicts would reduce the price of bread.

Mr Ackerman also emphasised the enormous role business has to play in fighting for the free enter-

prise system, in fighting for efficiency and to ensure all South Africans are fed and clothed at fair prices.

'Inflation must be licked and it cannot be beaten if Government and certain suppliers are going to protect monopolies and allow cartels and collusion,' he said.

'Steady economic growth is the most important aspect facing South Africa and this will not be achieved if monopolies and inefficiencies are allowed to continue.'

Turnover passes R2-bn mark

# Pick 'n Pay lifts dividend and earnings

CAPT TINTS 20/3/86

30

By AUDREY D'ANGELO

IN a year described by joint managing director Mr Hugh Herman as "worse even than the Depression," Pick 'n Pay lifted turnover by 17,5 percent to R2 144,6m (R1 824,8m), passing the R2 billion mark for the first time.

Earnings rose by 5,9 percent to R35,4m (R33,5m).

The final dividend has risen to 70,5c (64,5c) a share, making a total of 92c (83,5c) a share covered 1,97 times compared with 2,05 times last year.

At a press conference last night, the chairman, Mr Raymond Ackerman, and joint managing director Mr Hugh Hermon said the R320m rise in turnover had been achieved through even heavier discounting in a highly competitive market, to ensure continual support from consumers.

## Margins

Mr Ackerman said R7m had been spent on reducing the margins on food items, "through selective price cutting which comes right off corporate profits."

Pick 'n Pay had increased its market share and was the biggest food retailer in South Africa.

But Pick 'n Pay had not cut back on advertising. "We are spending more in spite of these tough times. We believe in advertising."

And it had renovated stores including three in the Cape Town area at Rondebosch, Retreat and Milnerton, to keep them up to standard, writing off the cost from the profits in the year to February. This was normal company policy.

The Brackenfell hypermarket was being renovated now.

Six new supermarkets, a superstore and the company's eleventh hypermarket in South Africa had been opened during the year.



Mr Raymond Ackerman ... R7m spent on reducing the margins on food items.

Four more supermarkets and the Western Cape's second hypermarket, at Ottery, would be opened in the current financial year.

A supermarket planned for downtown Durban would have "an up-market feel" in a development of speciality shops, but the prices would be discounted.

Mr Ackerman said he was "very thrilled" with the results in such a tough year, when turnovers had been "savaged" by the boycott. The second half had

been tougher than the first although profits had been higher.

Although the rise in turnover was partly due to inflation, there had been higher unit sales. The inflation rate for food items alone had been eight percent for the year to February.

Looking ahead, Mr Ackerman said the coming year would be "rough and tough," although the economy was turning.

## Turnover taxes

The new payroll and turnover taxes to pay for the Regional Services Councils would hit labour-intensive companies with a high turnover particularly hard, and would push up the price of food.

The financial director, Mr Chris Hurst, said the new taxes would cost Pick 'n Pay about R3m a year.

"For a firm like ours these taxes are an absolute killer."

Mr Herman said the country was "over-traded" but there were certain areas, including the southern suburbs of Cape Town, where this was not the case.

The Ottery hypermarket would be in an area which was not over-traded and had an expanding population.

## Car prices seen to rise above CPI

By ALAN RUDDOCK  
JOHANNESBURG. — Car price increases will stay slightly ahead of the

1986 period would be 21 to 23 percent. Toyota's prices increased at the end of December and the beginning of March.

CAPT TINTS 20/3/86  
Rand drops to \$0,4650

JOHANNESBURG. — The rand closed sharply lower at at \$0,4645/55, a level last seen early last month when it was on the way up to its recent level of above \$0,50, which it held until just over a week ago, dealers said. It touched a low of about \$0,4630 at noon yesterday, as pressure from corporate dollar demand continued unabated amid insufficient Reserve Bank support, with a sharply higher dollar aiding the trend.

It opened at \$0,4730/40 against a close of \$0,4755/65 here on Monday.

Importers seem unconvinced by last night's assurances from the Finance Minister that the rand will not be pressurized by next month's debt repayment, they said.

The financial rand closed slightly easier at \$0,3125/75 against a finish of \$0,3150/\$0,3200 on Monday.

Against other major currencies the rand closed at:

US: 0,4645/75.  
UK: 3,1495/525.  
Germany: 1,0815/35.  
Switzerland: 0,9050/80.  
Netherlands: 1,2205/35.  
France: 3,3180/230.  
Japan: 83,50/80.

— Reuter

## Closing gold prices

(In \$ an ounce)

LONDON:

348,00-348,50

Fixing am: 352,90

Fixing pm: 351,75

ZURICH:

350,00-353,00

(351,00-354,00)

— Reuter



Mr Mike Dicky, who has been appointed a partner of Faber Holland B & B.

## Oil prices steady off lows

NEW YORK. — Oil prices held fairly steady in light trading yesterday on the New York Mercantile Exchange.

At midday, contracts for May delivery of West Texas Intermediate, the benchmark United States crude oil at \$12,16 a 42-gallon barrel, up slightly from yesterday's price, still down from Friday's price.

Analysts said that if crude prices fell below \$010 to \$12 a barrel, demand would eventually force those prices back up.

But petrol prices still have room to drop, they said.

Crude oil prices may level off in the \$10 to \$12 a barrel range, at least until Opec devises a way of restraining its production and reducing excess supplies, industry analysts said.

Oil ministers of the Organization of Petroleum Exporting Countries suspended a nine-day attempt at that goal yesterday without announcing any agreement, and prices of crude and refined products fell sharply.

## SATS launches mini-container

Own Correspondent

JOHANNESBURG. — South African Transport Services (SATS) has introduced the mini-container to meet the needs



WEDNESDAY 27/3/86

Researcher foresees further rises

# Car prices to beat CPI

ALAN RUDDOCK

CAR-PRICE increases will stay slightly ahead of the consumer price index this year, despite optimistic noises from some car manufacturers.

"We expect car prices to rise slightly higher than a CPI average of 21% for this year and we would not be surprised to see price increases of 25%," says Tony Twine of economic research consultants Econometrix.

Last week market leader Toyota issued a statement saying that "runaway increases in car prices are at an end and increases for the rest of the year could be held at between 8% and 10%".

Toyota's Bert Wessels based his prediction on "an improvement in the value of the rand and production strictures that have been implemented".

However, on his estimate for the rest of the year, Toyota's increases for the December 1985 to December, 1986 period would be 21-23%.

Toyota's prices increased at the

end of December and at the beginning of March.

Twine, however, does not hold out a great deal of hope for the rand and says it will not maintain a level of \$0,50 to the year-end. He says the recent gains of the rand have been largely offset by the strengthening of the yen against the dollar and Japanese-sourced car manufacturers have experienced little relief.

Toyota, as market leader, does have a large influence over other manufacturers' price increases, but Twine says most manufacturers suffer from roughly the same cost pressures and it is unlikely that Toyota could avoid increases required by other manufacturers.

Sluggish sales in the first quarter of the year have also put a strain on manufacturers' cost structures and unless volumes pick up significantly, that strain will increase and could affect car prices.

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BU DAY 27/3/86

Researcher foresees further rises

# Car prices to beat CPI

173  
244  
30  
250

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# 'Cops confusing the masses'

By SOWETAN Reporter

BLACK political organisations in Pretoria yesterday accused the police of "confusing the masses" by distributing the anti-consumer boycott pamphlets in the townships.

At a Press conference held at the Zakhemi NG Kerik in Mamelodi, a Federation of Transvaal Women (Fedtraw). Fedtraw representative told reporters, that the system was using their organisation to divide and confuse our people.

Fedtraw, she said, did not distribute the anti-consumer boycott pamphlets that were found scattered in black townships this week.

According to the pamphlets, the boycott of white shops is supposed to be implemented between April 1 and September 30. "The pamphlets have wrongfully and maliciously stated different facts about the boycott after a committee recognised by the people has already affected the boycott," said a Fedtraw spokesman.

The official said, the police were also joining organisers of the boycott into hiding their identities as activists were constantly harassed or banned.

The conference was told of residents' demands which included:

- The removal of troops from black townships.
- Resignation of black policemen and town councillors.
- The reinstatement of all workers who lost their jobs due to strikes or stayaways.
- That Mrs Winnie Mandela be given the right to occupy her house.
- That Dr Barana Zwane be charged or released and also be allowed communication with his relatives or legal representatives and that he be granted the right to choose where to practice.
- The release of school children and the withdrawal of charges they are facing and;
- That police and soldiers keep away from night vigils and funerals.

The Arteridgeville/Sausville Residents Organisation (ASRO), the Sausville/Atteridgeville Youth Organisation (Sayo), the United Democratic Front

They said the pamphlets were the work of the agents of the South African Government. Anybody found distributing such pamphlets will be taken to task, the organisations said in a statement.

(UDF), the Detainees Support Committee (Descom) and the Sausville/Atteridgeville Women's Organisation (Sawo) also deplored the use of the political organisations' names "to confuse the masses."

UDF, the Detainees Support Committee (Descom) and the Sausville/Atteridgeville Women's Organisation (Sawo) also deplored the use of the political organisations' names "to confuse the masses."



11 die, 200  
injured as  
police fire  
on crowd

WEEKLY MAIL REPORTER  
AT LEAST eleven people were killed and up to 200 injured in Winterveld, north of Pretoria yesterday morning when police fired on a crowd of elderly people in a football stadium.

Eyewitnesses said bodies lay strewn around the stadium yesterday afternoon and scores of others were being driven to the Garankuwa Hospital for treatment.

The incident came at the end of a three-day stayaway, connected to an ongoing consumer boycott in the area. The crowd had gathered in the stadium to confront the police about the recent detention of a number of local youths.

Accounts of yesterday's shooting — from the police and eyewitnesses — differed drastically.

A police statement said a large crowd had held an illegal gathering in an open space in the area.

Col M Molohe, the district commandant of the Bophuthatswana Police, said he had instructed the crowd to disperse. Instead they threw stones and petrol bombs at the police, he said.

Thirty petrol bombs were confiscated, he added.

However, eyewitnesses said the crowd had been unarmed and mostly elderly. They had gathered to demand the release of a number of youths recently detained at their houses in Winterveld.

Police arrived at the meeting and ordered the crowd to disperse. They then opened fire with teargas and later gunshot.

Asked why the police had opened fire, this eyewitness said: "That's how we live in Bophuthatswana. If you argue, then they shoot."

The Mabopane/Winterveld Crisis Committee put the number of dead at about 15.

A spokesman for Garankuwa Hospital confirmed that injured people had been admitted.

**INTO NATAL**

From next Friday, the WEEKLY MAIL will be on sale at outlets throughout Natal.

**● RIPPING OFF THE GA**

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# Boycott starts to bite

PRETORIA's consumer boycott has started to bite.

OK Bazaars manager Alan Fabig said in Johannesburg: "The situation is not happy. A lot of black business is already being lost."

A more accurate assessment, however, could be made only after weekend shopping was taken into account.

Pick 'n Pay district manager Nic Els said the boycott was having a limited impact. It would only be when weekend shopping started that any worthwhile assessment could be made.

A member of Pretoria boycott committee and United Democratic Front claimed many blacks had

stopped buying from whites.

The boycott, he said, was orderly and without intimidation.

No arrangements, he said, had been made to meet the Pretoria Chamber of Commerce.

The boycott would continue indefinitely until certain demands were met. These include:

- An end to disruption of township meetings;
- Removal of security forces from townships;
- Re-opening of schools in Mamelodi and Soshanguve;
- Reinstatement of Metal Box workers at Rosslyn.

GERALD REILLY

F.C.N. M.M.C. 28/3/86 MATCHMAKING

30

One of the biggest stumbling blocks in the promotion of business across the colour line is the difficulty of telling both parties what is required and what can be delivered.

Now, in an effort to introduce black suppliers, contractors and businessmen to white commerce and industry which could use their services, a Matchmaker Fair is planned for Soweto in April.

The fair, co-sponsored by the Greater Soweto Chamber of Commerce and Industry and the American Chamber of Commerce in SA, will be held under the auspices of the US's Foreign Commercial Service. The Sullivan signatories, the African Bank, the Urban Foundation and the Small Business Development Corporation will all participate.

It is intended to provide a meeting place where vendors can demonstrate their capabilities and promote the goods

and services they can provide to prospective buyers, says US commercial attaché Ben Brown.

The focus will be on the industrial sector, with exhibitors ranging from travel agents and building and engineering companies to florists and signwriters. However, says Brown, the number of exhibitors will be limited to ensure that "they have the experience and capacity to meet sizeable orders and carry out reasonably large contracts and are able to provide effective service to industrial clients," says Brown.

Similarly, admission will be by invitation to senior executives and purchasing officers of major industrial enterprises on the Reef.

Part of the finance will come from a subscription dinner to be held on April 22 at which US Ambassador Herman Nickel will be the main speaker.

(30) DISPATCH  
Go-ahead for open  
CBDs welcomed

Dispatch Reporter  
ASST. LONDON. The  
of East London,  
Mr. Joe Yazbek has wel-  
comed a report that the  
city has been given the  
go-ahead to open its cen-  
tral business district to  
all races.

Elizabeth Bay and George  
Mr. Yazbek said he  
hoped the approval  
would be a catalyst for  
further concessions.

It was reported from  
Cape Town that the Min-  
ister of Constitutional  
Development and Plan-  
ning, Mr. Chris Heunis,  
had said in reply to a  
question in the House of  
Delegates that proposals  
by six East Cape towns  
to open their CBDs had  
been accepted. The  
towns were East Lon-  
don, King William's  
Town, Queenstown, Port

"Our council has  
asked for all business  
areas to be opened to all  
races and I certainly  
hope this is going to be  
considered. Neverthe-  
less we certainly wel-  
come the opening of the  
CBD in the interim," he  
said.

The mayor of Queens-  
town, Mr. A. Shadiack,  
and the mayor of King  
William's Town, Mr. K.  
Hartley, could not be  
contacted for comment.



**Baptism by immersion ... the future of the Church in Africa?**

that most of the members of the church could never read.

Clearly, the analytical eye of the outside observer will never see the passionately involved as they see themselves. And while they say they have learnt something about their history from these volumes of academic works, they now want to do their own research.

One thing they are questioning is the terminology used. They prefer to call themselves "Churches of the people" (for people read black) and the mainstream churches "Institutional churches of the whites."

"Our churches are community minded," says Ngada. And part of their popularity is that they reject the doctrine of "pie in the sky," preferring to provide practical relief in this world.

The size of the local church branches turns them into close-knit support groups. Personal problems are discussed as part of the service. Members will try to help when someone is looking for a job. Money is collected for

anyone in need and a birth, marriage or death in the family of a member is the occasion for a collection.

But if you ask members why they joined, the most common answer will be "because I was healed." The concepts of baptism by immersion and faith-healing are central to the theology of the Zionist churches.

The emphasis placed on the Holy Spirit and on faith-healing is closer to traditional African beliefs than traditional Christianity.

Members believe the faith-healers — prophets and prophetesses — receive their power directly from God. They heal through prayer and the laying on of hands. They may also speak in tongues or interpret visions and often deal with problems in a similar way to the Inyangas, the traditional healers, by looking at them in terms of evil spirits and the ancestors.

Another attraction is that the services are not formal, and anyone can stand and preach or prophesy. Singing, dancing and even shouting if you feel the need — these form

part of the service.

For ZCC members, comfort comes as well from tea and coffee (to be drunk without milk or sugar), packaged under the ZCC label, blessed and sold at Moria City, where it is reported members stock up when they visit.

Despite their popularity, the independent churches have still not been fully accepted into the fold by mainstream churches; and often even by blacks who do not belong. Says a member: "It's ironic that even in these days of black consciousness we can be scorned and called heathen even though we are a genuine black movement."

Says Dominee Nico Smith of the Mamelodi Nederduitse Gereformeerde Kerk: "There is a struggle among the mainstream churches as to whether to call them independent churches or sects.

"But they have succeeded in reaching the African people," he adds. "And it's quite possible that this will be the future picture of the Church in Africa." ■

CLICKS

## A mood of buoyancy

FIN MAIL

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28/3/86

Any consumer chain that can open 18 new stores, while trading in the trough of a recession, is making a statement of some kind. Last year Clicks opened eight new branches; and in the current trading year, while many retailers are curtailing expansion, 10 more are being added to lift its trading base to 66 stores, plus 16 in its Diskom chain.

For any potential investor this raises an important question: is this well-established group still in an early phase of its growth? Chairman Jack Goldin certainly believes so. "Clicks should grow to at least 200 stores,"

**With new stores opening in a number of centres, a carefully targeted product niche which excludes food, and a highly motivated management, Clicks looks well set to grow throughout the recession — and really take off when it ends.**

he says, "and even then we won't be touching saturation."

From another chairman, this might have

sounded like just so much business cant. But from Clicks' conservative founder, it is a forecast that carries considerable weight.

The listed sector of the JSE, of course, is not short of high-growth retailers, with companies like Pick 'n Pay, Score, and Jazz shining above all the rest. The difference, though, is that while most retailers face head-on competition in their own markets, Clicks operates in a niche where no one dares challenge it.

In product mix, this unique company resembles a slice of Dion, a bit of OK Bazaars,

and a piece of the corner pharmacy.

In its market for toiletries, cosmetics, appliances and fancy goods, it does indeed face indirect competition from various businesses dealing in the same lines. But because of its buying power in a narrow product range, it can out-price most competitors. And it is this perception of good value for money that brings the shoppers in droves.

No single competitor can match or challenge Clicks' product mix and trading concept. "Anyone who tries to take us on now would find it very hard," says Goldin, without a trace of arrogance. "We have the edge in our good long-term leases, our strong buying power, and our exclusive rights to well-known international products, with the latter serving as a customer draw-card."

So, while potential competitor companies like Checkers and Pick 'n Pay may vie for the anchor spot in a new shopping centre, the unchallenged Clicks can open virtually anywhere. Even in its cost structure, the chain seems eminently suited to rapid growth.

Clicks' stores, because they sell only "dry goods," do not require costly refrigeration, and their overhead and running costs, Goldin claims, "is a fraction of a supermarket chain which carries food products." This means that new branches usually take no time at all to reach break-even point, although, Goldin emphasises, "some ... take longer to get there than others."

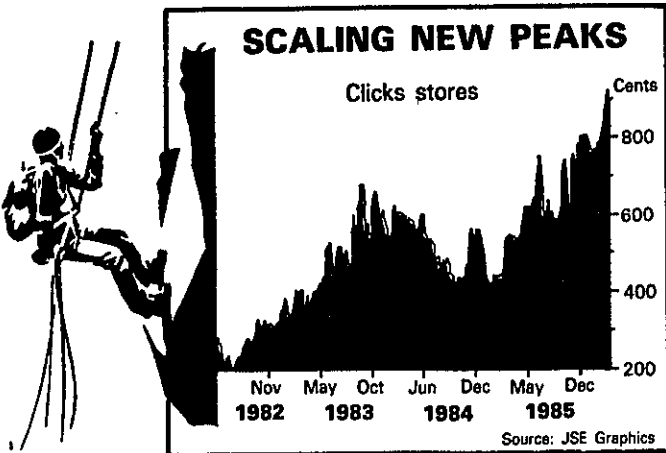
My impression of Clicks, gathered during a one-day visit to their head office in Cape Town, is of a firm formulated on a handful of simple, if potent, business principles. The management team is lean; and in management style it resembles a lively family, where conversation is punctuated by argument and retort.

The path to executive promotion seems to flow easily from the lower ranks, with several high-level managers having started their Clicks' tenure behind the counter of one or another of its stores. MD June Kritzinger, who joined the company some 18 years ago as a buyer in its first store, has the distinction of being the only woman MD of a JSE-quoted company.

The marketing strategy is strongly "retail," and consists of continually bombarding the public with "irresistible" specials. But it is not only in pricing that Clicks attempts to lure the public. The group strongly promotes its various in-



Chairman Goldin ... sticking to basics



ternational brands which, in effect, have become Clicks' own brands. Goldin rejects the concept of "house brands" which carry the stores' own label, claiming that the public prefers products with a strong identity of their own.

Goldin is, for the moment, content to keep Clicks within its limited product range. The group's trading philosophy, he says, is to sell its basic products and cosmetics to a wide sector of the public, while assiduously avoiding all fashion goods. That doesn't mean, he says, that the chain is not suited to any other lines.

"Our product mix combines particularly well with clothing, and some clothing chains like setting up next to us," he says. "The feeling is that shoppers are in a similar frame of mind when shopping for toiletries, cosmetics and clothing." Clicks is, however, unlikely ever to move into food products, "because when you shop for groceries you are in a very different frame of mind, not very amenable towards buying gifts, cosmetics or other fancy goods."

It is no coincidence, says Goldin, that

Clicks has stepped up its expansion in the middle of a recession. With the rental market in the doldrums, he says, "this is the perfect time to secure good long-term leases." Besides, he adds, "when we bring a new store into profits under such poor conditions, we can be sure it will be a money-spinner when the economy eventually recovers."

In the six months to end-December, Clicks' interim profits advanced a creditable 7,7% to R3,74m, on a 12,5% increase in turnover to R94,6m. Goldin describes recent trading conditions as "extremely difficult," although adding that trading in January and February had "improved substantially," and that sales growth at least should be maintained throughout the year.

Future expansion, he says, will be directed largely in the Transvaal, which, although it is an area Clicks was late in coming to, now harbours 23 Clicks stores. That compares with 22 in the western Cape, six in the eastern Cape, eight in Natal, and two in the OFS. Goldin understandably adopts a low profile about Clicks' overseas oper-

ations, and will say only that "our foreign interests are doing pretty well, and over time we hope to steadily expand these."

Clicks was Goldin's second brainchild, the first being Pick 'n Pay, which he developed into a small supermarket chain and later sold to Raymond Ackerman. After serving in the Air Force during the war, Goldin took to the road as a representative selling toiletry and glassware — an experience that was later to assist in the formation of Clicks.

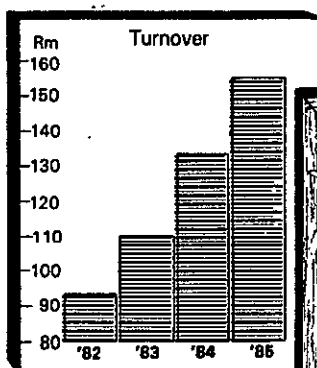
He soon left his selling job to start the supermarket chain — and Goldin may have borrowed the concept from the Americans, who had by then begun stirring to the idea of self-service shopping. At this time another young entrepreneur, Ackerman, was tormented by the same idea, and he subsequently made his offer for Goldin's four Pick 'n Pay outlets.

Goldin was ready to retire at 41, but one year later found himself "bored to tears," and itching to get back into business.

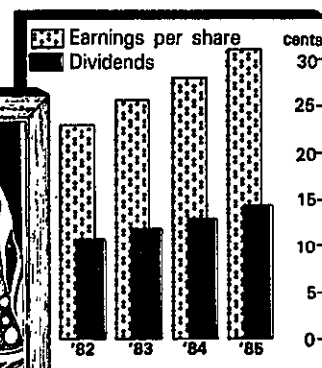
He started Clicks because, "I could no longer get a kick out of selling food, and found I could be far more creative dealing in

goods." With its shares trading at 950c, on a minuscule 1,7% dividend yield, Clicks shares are certainly not cheap. But if you stop to consider the growth potential in this group, the premium on its shares seems more than fully justified.

Neville Glaser



### GROWTH RECORD



## Passport puzzle

CITY P. 30/3/86  
CP Correspondent  
512

SWAZILAND cops are investigating the mysterious disappearance of 300 passports from the Ministry of Interior and Immigration.

Rumour has been rife in Mbabane that the passports were taken by former Swaziland roving ambassador Antonio Fernandes, who has left the country.

Fears have been expressed in parliament that the disappearance of the passports may be linked to a plot to overthrow the Government.

## Braaied at braai

CITY P. 30/3/86  
CP Correspondent  
109

A BOPHUTNATSWANA man was jailed for 18 years this week for setting a construction worker alight.

David Sedingo, 36, set Ishmael Mbatha alight after Mbatha tried to stop Sedingo quarelling with a friend at a braai last year.

The court heard that Sedingo doused Mbatha with petrol while he was asleep - and then set him alight.

Mbatha died of 90 degree burns.

Judge P Waddington said Sedingo was "a danger to society" and should not be shown any mercy.

## Old enough to be their grandfather

OLD-TIMER Herbert Riley likes his women young - too young.

The 74-year-old Bellville man was this week found guilty of committing "indecent acts" with three girls - all under 16.

Riley, who pleaded guilty, was acquitted on three counts of rape. He was sentenced to 18 months' imprisonment, suspended for three years.

Riley admitted committing indecent acts with three girls aged 11, 12 and 14.

● The father of one of the girls - initially Riley's co-accused - is to be tried on three charges of rape. - Sapa.

## Bekkersdal's got boycott-busters!

By HERMAN LETSIE

THE fleet of minibuses recently bought by new Bekkersdal taxi-owners has made the township's youths see red.

They claim the taxis were sponsored by the Greyhound Bus company - which is being boycotted.

Earlier this month, over 21 applications for taxis were approved by the local Transportation Board. The new taxi owners badly needed minibuses - their permits were for eight passengers.

Last week 11 new minibuses entered Bekkersdal - and there were rumours they had been bought by the bus company.

Angry Bekkersdal youths called on commuters not to board the new minibuses - claiming the taxi owners were just a "front".

"Some of the new taxi owners were known to be without money. I smell a rat," a youth told *City Press*.

But a spokesman for the new taxi owners said they bought the taxis with the help of the African Bank.

"We paid a small deposit compared to other financial institutes. We have no business with Greyhound," he said.

He said he had taken a youth leader to the bank "to prove what I'm saying".

DURBAN — The National Forum, a political group comprising black consciousness organisations, has decided on a 10-day consumer and worker's boycott starting on June 16.

The forum said in Durban at the weekend that preparations for the boycott would begin in May.

A spokesman for the forum said they had called on people in State housing to stop paying rent. "Withdrawal of support" would come from labour, rent, education and disinvestment.

The intention of the resolutions passed at the forum's third convention was to "give the

30 STAR 31/3/86  
**National Forum calls for 10-day boycott**

Government the chance to resign and relinquish power while it still had the opportunity," the forum's convenor and the Azanian People's Organisation President, Mr Saths Cooper, said.

He said besides opting for violent opposition this was the last method of struggle left inside the country.

"The depth of anger and outright rejection of the present system has not been felt nationally. A very high degree of suc-

cess is expected," he said.

This call had the blessing of all National Forum affiliates, Mr Cooper said.

"The boycott will be highlighted over four days at the beginning of May and it will escalate from June 16 to June 26," Mr Cooper said.

He said 1 300 representatives of the affiliates had passed a resolution to "consider withdrawal of their support" in several fields. — Sapa



# PE boycott to resume

Own Correspondent

**PORT ELIZABETH.** — The black boycott of white shops here is to be resumed next Monday.

Mr Mkhusele Jack, spokesman for the Port Elizabeth Consumer Boycott Committee, said at the weekend that the boycott would definitely take place.

"The continued killing of our people can't be justified. We solely blame the regime and the system for the loss of the 10 people who were shot on Wednesday at the bottle store in Kwa-Zakele." The people died after a mob had attacked the store, setting part of it alight.

"If the police showed the same spirit as the business community, which has done all that it can to improve matters, things would be different."

The chairman of the Port Elizabeth Afri-

kanse Sakekame, Mr "Koo" Alberts, said last night he was distressed to hear reports of the proposed resumption of the consumer boycott.

"It can only lead to further polarization and create a background for increased violence," he said.

He also feared it could cause a complete breakdown in communications between blacks and white businessmen.

"We have tried hard to resolve the issues at times with some considerable success, and I fear that this time Mr Jack and his friends could be overplaying their hand."

Mr Tony Gilson, director of the Port Elizabeth Chamber of Commerce, last night felt regret at the decision.

"But we must also realize that the boycott is a symptom of the problem rather than the

problem itself." He said the chamber would remain committed to finding a satisfactory solution and continue to talk and negotiate with Mr Jack and other organizations.

The Mayor of Port Elizabeth, Mr Ben Olivier, said: "I am deeply sorry that Mr Jack and his people propose going ahead with their plan.

"It will not only be detrimental to business ... but will also be detrimental to the well-being of our black population."

He said he had hoped that the problem could have been solved without another boycott being introduced.

Mr Shun Pillay, vice-president of the Eastern Cape Traders' Association, said he was disturbed at the intended move and said he could see the country heading towards confrontation.

APC 7.2.5 3/13/80

## Black political group calls for country-wide boycott

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Own Correspondent

DURBAN. — The National Forum, a political group comprising black consciousness organizations, has decided at its third convention on a 10-day country-wide consumer and workers' boycott starting on June 16.

The intention of the resolutions was to "give the government the opportunity to resign and relinquish power while they still have the chance", the forum's convenor and the Azanian People's Organization president, Mr Sibusiso Cooper, said.

The forum said at the convention here at the weekend that preparations for the boycott would begin in May.

He said that besides opting for violent opposition, that was the last method left of struggle inside the country.

COMMERCE GENERAL

1986

APRIL — MAY.

11488 205 DAY  
**10-day boycott in offing**

THE third National Forum convention, a political group comprising black consciousness organisations, has decided on a 10-day consumer and worker boycott starting on June 16.

Organisers said in Durban at the weekend that preparations for the boycott would begin next month.

A forum spokesman said they had called for people in State housing to stop paying rent. — Sapa.

Cambridge Times 2/4/86

# Two garages robbed

Staff Reporter

TWO petrol attendants were robbed of more than R1 000 at the weekend — bringing to 34 the total of armed robberies on Peninsula service stations since January this year.

Hundreds of rands were also taken in several other armed robberies at the Easter weekend.

A police spokesman said yesterday that Mr Jombard Mbebe, 43, of Nissan Centre, Somerset Road, Green Point, was robbed of R540 on Saturday.

The suspected robber was armed, but no shots

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were fired.

On Friday two men, one with a firearm, robbed Mr Monty Dodwaxa, 40, of Rendezvous Motors, Voortrekker Road, Parow, of R600.

No shots were fired and no one was injured.

A City Tramways bus driver, Mr Norman Sampson, 35, was robbed of R40 by an armed man when he stopped at the Hanover Park terminus on Saturday morning.

Two men, one with a firearm, robbed the owner of a mobile shop of R450 on Saturday evening.

Mr Abraham Rosenkrug, 19, was standing

next to his shop in Mitchells Plain, when he was accosted. He was not injured.

On Sunday Mr Melvyn Niclaas, 41, was robbed of R70 and a wristwatch worth R75 by two men, one armed, when he was walking along Bird Road in Athlone.

A Kuils River man, Mr Johannes Charles, 32, was surprised by two men, one armed with a sawn-off shotgun, who called at his home early on Monday morning.

When he opened the door of his Mimosa Street home they threatened him and robbed him of R61.

Govt, business  
leaders talk  
over boycott

Own Correspondent

The consumer boycott, entering its second week, was discussed at a recent meeting between the Deputy Minister of Law and Order, Mr Adrian Vlok, and the Pretoria Business Community (PBC).

It is understood that security measures were discussed at the meeting. Chairman of the PBC Mr Dan Rolt said he had been asked by Mr Vlok not to comment on the proceedings.

The PBC, comprising various business organisations in Pretoria, was formed last year during the first consumer boycott.

## Oil drilling rigs being repaired

The two Soekor drilling rigs extensively damaged by an "exceptionally severe" storm off Mossel Bay on Sunday should be repaired within a week, a spokesman for Soekor said today.

He said poor sea conditions were hampering repairs, but it appeared there had not been any major structural damage to the rigs.

The storm, associated with three low-pressure systems following in quick succession, hit Mossel Bay about noon.

"A wind velocity of 60 knots and wave heights of 18 to 30 metres were experienced," he said.

Extensive damage had been caused to anchor chains, guide cables, underwater blow-out prevention equipment controls and television cameras.

The rig closest to the shore, the Sedko K, sustained the least damage and has been sufficiently repaired to allow drilling to resume.

The rig furthest from the coast, the newly-arrived Nymphaea, and its sister-rig, Actina, "have been hardest hit and are temporarily out of action and undergoing repairs."

The Soekor spokesman said they hoped to have the two rigs operational within a week. — Sapa.

Cape Times 2/4/86

# 'Boycott would harm consumers'

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By AUDREY D'ANGELO

THE possibility of renewed boycotts of white businesses in the Eastern Cape from April 7, was yesterday described as "unfortunate" by the managing directors of two supermarket chains.

Mr Hugh Herman, joint managing director of Pick 'n Pay, and Mr Gordon Hood, managing director of OK Bazaars, both pointed out that the previous boycott had a major impact.

Mr Herman, who remarked a few days ago that the previous boycott had "savaged" turnovers, said yesterday that although business leaders could not meet the demands made by the organizers of the boycotts, such as the release of Nelson Mandela, they could work for change and were in fact doing so.

Mr Herman said he was dismayed that civic leader Mr Mkhusele Jack had announced that the boycott would be resumed in Port Elizabeth next week.

A boycott seldom achieved its aims and he

hoped this one would be called off.

"But it will be interesting to see how successful a call to boycott will be this time," he said.

"Generally speaking people do not want to boycott when they see it is against their own best interests," he maintained.

Mr Hood said that although a boycott harmed retail business it did as much, or more, harm to consumers themselves.

"Shopkeepers in the townships cannot buy their stock at the same prices as the big chains with their enormous buying power.

"In the last boycott we heard of people paying up to twice the price they would have paid in any branch of the big chains for the same item.

"That makes life much harder for people in the townships who are unemployed or struggling to keep pace with inflation.

"And in any case the township traders get their stocks from white wholesalers so the whole exercise is self-defeating."

# Major effort to avert boycott

2/4/86 E. POST

By KIN BENTLEY

THE Port Elizabeth Chamber of Commerce is expected to reveal soon what progress has been made to avert the black consumer boycott scheduled to resume on Monday — but it has warned against over-optimism.

Its director, Mr Tony Gilson, was cagey today, but confirmed that things were happening "behind the scenes".

He said an announcement could be "expected soon".

However, he warned people not get their hopes up.

"I don't want to say we're on the verge of a breakthrough. But I can confirm we are working away at the matter and

there is a sense of urgency in what we are doing."

The PE branch of the Afrikaanse Sakekamer is also working on the issue.

Its chairman, Mr Koos Alberts, said they discussed the boycott at a committee meeting last night, but had not yet taken a final decision.

He warned against hoping for a solution before the boycott resumed, saying the problem would take much time and effort to resolve.

● The former Mayor of Port Elizabeth, Mr Ivan Krige, believes the council should get involved in efforts to forestall the boycott.

Mr Krige, who was a leading campaigner in the City Council's historic

decision to open the beaches to all races, said today: "The boycott committee can't expect us to change the law, because we have no power to do so.

"But what we can do is add our voice to the very powerful lobby of the PE Chamber of Commerce and others."

The council could also agree to meet the boycott leaders to discuss the issue, he said.

He said he would discuss the possibility of some council action with fellow-councillors. An emergency meeting could be called.

Asked what the nature of the lobbying might be, he said the council could ask the Government "per-

haps to meet some of the boycott committee's demands". (The major demands are political, and include the unbanning of organisations like the ANC, the scrapping of all apartheid laws, the release of all political prisoners, including Nelson Mandela, and the return of exiles.)

Yesterday, the MP for Walmer Mr Andrew Savage, urged businessmen to spell out to the boycott organisers how they intended pressuring the Government to do away with apartheid.

He said the boycott was a way of saying to the white community that it should use its influence on Government to do away with apartheid.



# Recession hits P 'n P Mitchells Plain profits

By GORDON KLING  
Financial Editor

CAM 2 14/86

THE PERFORMANCE of Pick 'n Pay Mitchells Plain says it all about the recession in black areas of South Africa.

I understand turnover has actually declined in the face of boycotts and heavy unemployment, although no figures are given in the results released last night, and after tax profit has plummeted 39 percent to R197 904 (R326 035). The pre-tax figure dropped by the same percentage to R395 808.

Significantly, though, the dividend has been maintained at 25c in spite of a 22c decline in earnings a share to 33c.

The pegging of the dividend is an obvious indication that management expects better things to come, and the chairman, Mr Raymond Ackerman, says the board is confident that the store will achieve record levels of profitability.

The plunge of the Mitchells Plain store, however, contrasts markedly with the performance of the national chain, Pick 'n Pay Stores, which of course trades heavily with black consumers but fared better than most in the retail sector last year.

Certainly there will be little enthusiasm for expansion at this time on the black stores front and I understand that tentative plans for a store in Port Elizabeth have been accordingly shelved.

# Last-minute bid to call off PE boycott

SPAR 3/4/86  
30

Own Correspondent

PORT ELIZABETH — The Port Elizabeth business community is urgently trying to avert or soften the threatened black consumer boycott of white-owned stores set to begin on Monday.

Secret negotiations are under way and a special meeting of the city council may be called.

Mr Tony Gilson, director of the Port Elizabeth Chamber of Commerce, who had a leading role in earlier negotiations be-

tween businessmen and black community leaders, said yesterday urgent action was being taken, but he refused to elaborate.

He said only that there were a lot of behind-the-scenes negotiations, and an announcement "can be expected shortly" on their results.

But consumer committee spokesman, Mr Mkhusele Jack, said the boycott was scheduled to begin on Monday.

"It's on for sure," he said, ad-

ding that the duration depended on the Government's reaction to the black community's demands.

The Port Elizabeth branch of the Afrikaanse Sakekamer has indicated it will meet to discuss the proposed boycott. Chairman Mr Koos Alberts has said he is willing to meet black leaders to discuss their grievances.

A move has also been made to involve Port Elizabeth City Council in any discussions with the boycott committee. Former mayor Mr Ivan Krige said he planned to call an emergency meeting of the council.

Localised demands of the boycott committee include ending threats to remove residents of Walmer township, unbanning meetings and that the murderers of Mr Matthew Goniwe and other political activists be brought to justice.

Wider political demands include lifting pass laws, dismantling apartheid and withdrawing troops from the townships.

# Group dividend doubled Score earnings soar by 99%

CMT Traits 3/4/86

30

By AUDREY D'ANGELO

**IN spite of the recession and boycott, Score Food Holdings — the retail and wholesale chain, which extended into the Western Cape last year — has doubled attributable earnings and the dividend for the year to February.**

Pre-tax income rose by 95 percent to R11,03m and net attributable income by 106 percent to R5,8m.

Earnings rose by 99 percent to 43,5c a share. The final dividend is 11c, making a total of 16c for the year.

Turnover rose by 70 percent to R420m. It included the results of A & A Supermarkets — formerly Barberton Wholesalers, which was acquired in the year.

The managing director, Mr Carlos dos Santos, said in an interview that these results were ahead of expectations.

## Marketing

It was mainly aggressive marketing and tight cost control which had enabled Score to achieve them in a period when larger and longer-established chains had suffered losses or a slow-down in growth.

Large cash reserves enabled the group to buy in bulk ahead of price rises.

He thought some of its success had been achieved because most of the staff were shareholders.

"This means that we have a very dedicated staff and it helps control shrinkage."



Mr Carlos dos Santos ... results ahead of expectations.

Mr Dos Santos said the group's supermarkets had been affected "to a small degree" by the boycott of white retailers.

And although township traders bought from the group's wholesale arm, Trador, which now has a store in Epping it had not benefited in any way from the boycott.

"People think the township traders did very well in the boycotts but that was not the case at all," he explained.

"The township traders do not have the resources to buy huge stocks and they are afraid of having too much on their premises in case they are attacked and looted."

"Their sales did not increase largely as a result of the boycott of white stores. Those sales were just lost. People in the townships went without while the boycotts were on."

Mr Dos Santos said the first Western Cape branch of Trador, in Epping, had been successful and it was intended to open a second in Cape Town.

The group was on the look-out for further acquisitions. "We are looking at one or two companies now but nothing has been decided yet."

## Interim results

The year-end results follow equally impressive interim results when the company announced a 117 percent rise in attributable income to R2,10m in the 26 weeks to August.

Score, which became a public listed company in June 1984, was formed in 1979 by a group of former senior executives of Metro Cash and Carry.

The group was led by Mr Dos Santos, former chief executive of Metro, and Mr Joe Sargo, former operations director of Metro, who are both chartered accountants and have been friends for 20 years.

Industry wants part of R3bn project

# East Cape bid for Mossel Bay oil

INDUSTRY in the Eastern Cape is gearing up to head off a challenge from Reef-based companies for a major share of the R3bn Mossel Bay oil development.

The decline of the motor industry in the region, and the steady exodus inland of

Industrial Staff

many other companies, has created huge unemployment and social problems in the Eastern Cape.

The Mossel Bay development and possible construction of SA's second nuclear power station in the region have led to muted optimism that some kind of recovery may be in sight.

But for this to be achieved, local companies must win a large slice of the cake when contracts go out to tender.

As a first step, Eastern Cape companies are to take part in a major industrial exhibition in Port Elizabeth next month to show what they can offer the Mossel Bay oil industry.

Peter Sorrell, a main organiser of the exhibition, said: "The oil-gas strike is the boost local industrialists have been waiting for."

"The local industrial sector is sitting on a potential gold mine in terms of oil industry contracts and sub-contracts. But firms must sell themselves into the picture, otherwise Reef companies will walk in under their noses."

## Pretoria shop boycott having limited effect

GERALD REILLY

THE black-consumer boycott in Pretoria continues to have a limited impact on trade volumes, according to businessmen.

OK Bazaars director Allan Fabig said trade had been affected adversely.

"It is certainly disturbing, especially as far as the OK is concerned, as we have sited our stores geographically to be accessible to all population groups. It is unlikely that suburban stores were affected to the same extent," Fabig added.

Pick 'n Pay regional director Nic Els said: "Since the boycott started last week, there have been noticeably fewer black shoppers."

## Zimbabwe hails SA students

HARARE — Zimbabwe's leading daily newspaper, *The Herald*, yesterday paid tribute to white South African students who held talks with the ANC.

*The Herald*, controlled by the State-owned Mass Media Trust, said in an editorial: "Growing concern for the suffering of blacks is encouraging, but it is particularly significant that at the forefront of enlightened thinking is a growing body of young whites..."

"Such is the hatred generated by the Botha regime's brutal fight to resist the irresistible — the surging tide of revulsion against apartheid — that sight is often lost of the many whites only too eager to embrace meaningful change," the paper said.

Leaders of the National Union of South African Students (Nusas) ended three days of talks with ANC officials in Harare on Tuesday. Both sides expressed opposition to apartheid. — Sapa-AP.

3/4/86 BUD DAY (122) 30

# Children take over as workers stay away

THE complete stayaway by black workers in Nelspruit and White River, which began on Monday, is expected to last for at least a week.

All available white volunteers and schoolchildren were inspanned yesterday by the Chamber of Commerce, in conjunction with the Nelspruit Municipality, to take over duties normally performed by the black labour force.

According to Nelspruit Town Clerk Hans Müller, jobs like manning petrol pumps and shop counters, making milk deliveries and refuse removals, and factory work was being done by the school-

DOMINIQUE GILBERT

children.

He denied reports that all available men in the areas were asked to either become police reservists, join the local commando or become actively involved in civil defence.

White River Town Clerk Amos van Heerden disclosed some of the contents of a letter sent to a worker at a government office.

It said workers could return to work on Monday, he said.

Emergency meetings involving busi-

nessmen, municipalities, the police and residents in the area were held on Tuesday and yesterday.

People approached by *Business Day* said they did not understand what the stayaway was about and that they did not wish to speculate on the reasons for it.

"But our message is clear," said Chamber of Commerce chairman Bill Wiggan. "No work, no pay. That's regardless of whether people have been intimidated or not. It's business as usual."

A fair percentage of workers arrived at work on Tuesday, he said, but were "induced to return home".

## Pretoria shop boycott having limited effect

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OK Bazaars director Allan Fabig said trade had been affected adversely.

"It is certainly disturbing, especially as far as the OK is concerned, as we have sited our stores geographically to be accessible to all population groups. It is unlikely that suburban stores were affected to the same extent," Fabig added.

Pick 'n Pay regional director Nic Els said: "Since the boycott started last week, there have been noticeably fewer black shoppers."

# Prospect of shop failures looms again

By KIN BENTLEY

THE prospect of large-scale closures of shops in Port Elizabeth's northern trading areas because of the likely resumption on Monday of the black consumer boycott, is looming again.

The director of the PE Chamber of Commerce, Mr Tony Gilson, said that while the chamber had not quantified the effects of last year's boycott, it was clear many firms dependent on black trade were badly affected and some went out of business.

Yesterday, the owner of a drycleaning business in North End, Mr John Southwood, decided to sell up and get out because he foresaw boycotts, stayaways and general unrest continuing until black demands were met.

Mr Gilson remained reluctant to disclose what steps the chamber planned to try to get the Government to address black demands.

"We've made it clear we don't support boycotts of any kind. But we also have to recognise we have to come to grips with the root causes."

Asked if the re-imposition of the boycott had not indicated a collapse of the chamber's negotiations with black community leaders, Mr Gilson said: "I certainly hope it won't damage those bridges, but it won't make things easier."

Mr Shun Pillay, vice-chairman of the East Cape Traders' Association (ECTA), said he knew of many shop-owners who were thinking of cutting their losses and quitting trading.

However, he said, others were better prepared for the crisis this time because they had reduced stocks to a

minimum.

Mr Pillay claimed he was aware that in some National Party circles the boycott idea was lauded, because it constituted a form of "economic group areas".

He said the ECTA was arranging to meet the PE Consumer Boycott Committee with a view to negotiating some concessions. He pointed out that he still considered himself part of South Africa's voteless people with "no political clout".

Mr Pillay said he viewed the boycott as "the lesser of two evils", the

alternative being armed conflict.

"This might be a way of defusing the situation, with people being brought to see the reality."

He said that while the ending of the apartheid system was the obvious solution, what was equally important was a total change in the attitude of whites towards blacks.

There was a lack of respect for the human dignity of the individual, caused by a communications breakdown.

Attitudes, he said, were controlled by the conditioning of history.

30 FEB 05 3/4/88

# Complete stayaway hits towns

Own Correspondent  
JOHANNESBURG. —  
The complete stayaway  
by black workers in  
Nelspruit and White  
River which began on  
Monday is expected to  
last for at least a week.

All available white  
volunteers and school-  
children were yesterday  
rounded up by the  
Chamber of Commerce  
in conjunction with the  
Nelspruit municipality  
to take over duties usu-  
ally performed by black  
workers.

## Refuse

According to Nels-  
pruit Town Clerk Mr  
Hans Muller, jobs in-  
cluded the manning of  
petrol pumps, shop  
counters, delivering  
milk, collecting refuse  
and working in factories.

He denied reports that  
all available men in the  
areas were asked either  
to become a police re-  
servist, join the local  
commando or become  
actively involved in civil  
defence.

Mr Muller said: "Be-  
fore the weekend, the  
local commando asked  
men to come forward to  
help patrol the streets.  
But this sort of thing is  
organized throughout  
the country."

White River's Town  
Clerk, Mr Amos van  
Heerden, disclosed  
some of the contents of a  
letter sent to a worker at  
a government office.

It was signed by "a

comrade" and urged the  
worker to stay away from  
work or face "great  
agony together with your  
staff".

The letter said work-  
ers could return to work  
on the 7th of this month.

Emergency meetings  
involving businessmen,  
municipalities, the  
police and residents in  
White River were held  
on Tuesday and again  
yesterday.

People approached  
said they did not under-  
stand what the stayaway  
was about and said they  
did not wish to speculate  
on the reasons.

The Chamber of Com-  
merce chairman, Mr Bill  
Wiggan, said: "But our  
message is clear. No  
work, no pay. That's re-  
gardless of whether  
people have been intimid-  
ated or not. It's busi-  
ness as usual."

A fair percentage of  
workers arrived at work  
on Tuesday, he said, but  
were "induced to return  
home".

Mr Van Heerden said  
up to 25 percent of work-  
ers returned to work yes-  
terday but Mr Wiggan  
said there was a com-  
plete stayaway.

Police said they were  
unaware of any inci-  
dents which may have  
occurred as a result of  
the stayaway.

Mr Hennie Smit, orga-  
nizer of a meeting of  
more than 100 business-  
men on Tuesday, said  
"everything is under  
control".



# Businesses pull out of Alexandra area

30  
WEDNESDAY 4/4/86

DOMINIQUE GILBERT

SUN International Theatres has decided to leave its Marlboro premises adjoining Alexandra township.

It fears unrest in the area, on the eastern edge of Sandton, might hamper performance.

An Alexandra Action Committee spokesman — a group of white businessmen and industrialists — said yesterday 80% of the buildings in Marlboro's First Street were boarded up while half-built buildings had been abandoned.

SUN International's Hazel Feldman said: "We needed a bigger building but our decision to move was accelerated by our proximity to the unrest."

Entertainments manager Mike Hollies said the unrest proved to be a danger to his staff who were twice evacuated from their building during the height of the recent troubles.

An insurance broker who has assisted the company said: "So far there's been no problem to insure them but we've told them to give up their lease and get out for the safety of their staff."

Today members of the AAC will meet

Alexandra residents in an attempt to resolve unrest-related problems in the area.

Several insurance company spokesmen who were interviewed denied that insurance covers were being withdrawn.

C J Oosthuizen, chairman of the SA Insurance Council, said it was possible that underwriting policies were becoming more selective in certain areas but he was unaware of any new trend regarding covers for businesses around the area.

High-risk areas had been identified by insurers for some time and premiums adjusted accordingly, he said.

One underwriter, Johan van der Merwe, said as far as he was aware existing policies for residences near the area were not being cancelled or having premiums increased.

"But we are looking very carefully at new covers and are asking for safety measures to be implemented," he said.

# PE poised on edge of second boycott (30)

THE city is poised for a second black consumer strike against white businesses, starting Monday — with no end in sight.

The decision to resume the boycott was announced last week by the Port Elizabeth Consumer Boycott Committee leader, Mkhusele Jack. Jack's announcement that the duration of the boycott would depend on government response to black demands was accompanied by statements from the PFP MP for Walmer, Andrew Savage.

The economy of PE and the outlying region was in grave danger of suffering permanent damage because, he said, "this Nationalist government has never concerned itself with the problems of Port Elizabeth".

The boycott was a means of communicating to whites the urgency of using their political influence to abolish apartheid.

"The boycott is not about prices, quality or the way shopkeepers do business," he said. "It is about political rights. It is a way of saying to the white community that we are one nation interdependent on one another,

By MIKE LOEWE,  
Port Elizabeth

that our future is inextricably interlocked. We live or die in peace and prosperity or chaos — you choose."

The decision to re-invoke the boycott was hastily ratified at a meeting on March 30, attended by 1 000 delegates from local trade unions, local civic bodies, including street and area committees, and church and student organisations. Jack alleged the meeting was disrupted when members of the SA Police reaction unit ordered delegates to disperse "within three minutes". Teargas was then fired, and the meeting abruptly ended after an hour, he said.

However, Major Jan Dowd, the SA Police duty liaison officer for the Eastern Cape, denied any knowledge of such an incident.

The delegates had demanded the withdrawal of security forces from the townships, an end to the threatened removal of Walmer Township residents to Zwide on the other side of

4/4/86  
the city, plus the release and return from exile of political figures and the unbanning of the African National Congress and the Congress of SA Students.

Meanwhile, the decision to resume the consumer boycott has precipitated a mini-shopping boom.

Black shoppers have been stocking up in preparation for a hazard they encountered during the four and a half month boycott last year — the black trader.

At that time unscrupulous traders were severely criticised for "selling out the boycott" when they ran amok with punitive price hikes. The detention of over 200 PE activists, including boycott leaders, effectively prevented them from exerting price controls on the traders. This time, with the development of powerful street committees in the township, black traders are likely to find price exploitation more difficult.

The boycott, which started on July 15 last year, marked a new phase of passive but potent black resistance in the area and caused a realignment of white political attitudes.

Blacks demonstrated en masse their ability to transform a major white South African city into an economic ghost town and whites, suffering the resultant devastation to their businesses, experienced a new wave of morality. Many said at the time that they had come to realise that black grievances had to be addressed. The manager of a white supermarket said when the boycott was lifted that "the phoenix was rising".

The boycott ended when white traders, represented by the PE Chamber of Commerce, bargained shrewdly, and successfully, for the release of 19 detained black community leaders.

Combined business pressures, together with the desire of black leaders to rebuild township political organisations, led to the abandonment of the boycott.

But on Monday, the boycott resumes — and an estimated 750 000 black customers will withdraw their patronage from white businesses.

PE Chamber of Commerce director Tony Gilson said the chamber was considering "urgent action".

BUDAY 4/2/84 30

# Boycotts also harm public, MDs warn

Own Correspondent

NEWS that the boycott of white businesses in the Eastern Cape may be resumed on April 7 was described as "unfortunate" by the MDs of two supermarket chains yesterday.

Pik 'n Pay joint MD Hugh Herman and OK Bazaars MD Gordon Hood both pointed out that the previous boycott had harmed consumers as well as retail firms.

Herman, who said a few days ago that the previous boycott "savaged" turnovers, said yesterday that although business leaders could not meet the demands made by the organisers of the boycotts — for instance the release of Nelson Mandela — they could work for change and were in fact doing so.

Herman said he was dismayed that civic leader Mkhusele Jack had announced that the boycott would be resumed in Port Elizabeth next week.

A boycott seldom achieved its aims and he hoped this one would be called off, he said. "But it will be interesting to see how successful a call to boycott will be this time."

"Generally speaking, people do not want to boycott when they see it is against their own best interests."

Hood said that although a boycott harmed retail business it did as much, or more, harm to consumers.

"Shopkeepers in the townships cannot buy their stock at the same prices as the big chains with their enormous buying power."

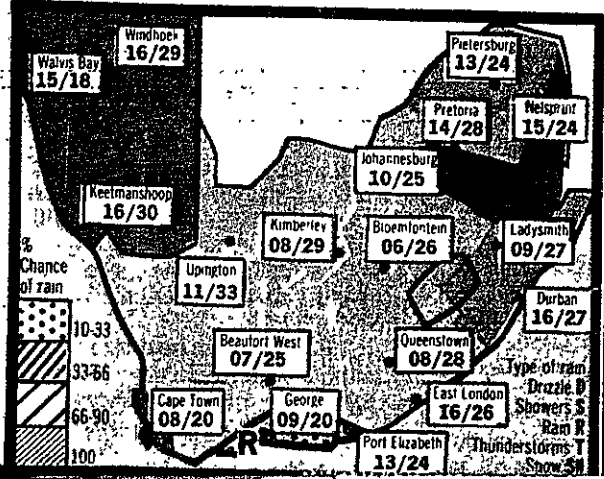
"In the last boycott we heard of people paying up to twice the price they would have paid for the same item in any branch of the big chains."

"That makes life much harder for people in the townships who are unemployed or struggling to keep pace with inflation."

"And in any case the township traders get their stocks from white wholesalers, so the whole exercise is self-defeating."

978  
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Type of rain  
Drizzle D  
Showers S  
Rain R  
Thunderstorms T  
Snow SN

## Business Day weather



Consumer Council was 'naive'

# Supermarket chiefs blast price surveys

By Jackie Unwin

Angry supermarket chiefs have blasted the Consumer Council for its price surveys, claiming they are misleading and distorted. Even the supermarket chain which appears to have come out best says it was "just lucky".

They criticise the council for misreading the results of its latest survey on the supposed effect on supermarket prices of the 10 percent decrease in the petrol price.

## DISTORTED

The council issued a press release this week giving the results of the latest survey on Pretoria stores, but after representation from Checkers, issued an addition to its release agreeing the survey could give a "distorted picture".

The council made two surveys on February 28 and on March 26. A comparison of prices in the two surveys showed the following (where the total of the items surveyed were taken into consideration):

- Pick 'n Pay Vermeulen Street — a decrease of 2,6 percent.
- Pick 'n Pay Verwoerdburg City — a decrease of 0,8 percent.
- OK Bazaars Verwoerdburg City — a decrease of 3,1 percent.
- OK Bazaars Lynnwood Manor — a decrease of 2,6 percent.
- Checkers Sunnypark — an increase of 3,7 percent.
- Checkers Lyttleton — an increase of 4,5 percent.
- Spar Barclay Square — an increase of 0,4 percent.
- Hyperama — a decrease of 0,7 percent.
- Pick 'n Pay Hypermarket — an increase of 0,2 percent.

The council's first press release praised Pick 'n Pay and the OK Bazaars for the price decreases.

The second stated: "I wish to point out that Checkers froze its prices for one month as from January 20, which is seen as praiseworthy," says Consumer Council director Mr Jan Cronje.

"It would appear that the choice of Checkers to freeze prices was taken at a very unfortunate time. The decrease in the petrol price straight thereafter

and Checkers' return to normal prices thus shows a much higher increase — which most probably gives a distorted picture."

Mr Allan Fabig, director of OK Bazaars, which came out best in the survey, said the council was "naive".

"Prices have not come down as a result of the petrol price reductions. The supermarket industry lives on deals. The prices go up and down the whole time.

"We thought the council's price surveys had been debunked — it came threequarters of the way to admitting it. I thought it had abandoned them.

"I don't think the surveys should be given credibility. The council hasn't done its homework.

"The whole thing is a farce. The surveys are badly conducted by amateurs on the wrong lines, some of them luxury items. I don't think it does the supermarket industry any good.

"The fact that we came out top this time was luck — it could so easily have gone the other way."

Mr Clive Weil, managing director of Checkers, said: "I have never heard of a worse example of mixed-up thinking. The council's Press release talks about percentages — percentages on what? Not a single buying price has been decreased as a result of fuel.

"It is absolutely misleading information.

"The council took one reading during our price freeze and one after the freeze when prices were raised, which distorts the results."

## BETTER DEALS

Mr Robin Burnill, marketing director of the Spar Group, said manufacturers did not reduce prices because of the petrol decrease.

"What happened is we have all been leaning heavily on the manufacturers. In some areas they have given us better deals, but whether they are permanent is hard to judge."

He said the council was "assuming" price drops were due to the petrol price decrease. "We all have specials."

Mr Richard Cohen, director of Pick 'n Pay, said: "In one or two cases price drops might be due to the petrol price decrease, but not all."

4/4/86  
OPEN TRADE AREAS

30

**Pioneers go-ahead**

Government has approved the opening of 41 central business districts (CBDs) for trading by all races. This was disclosed in Parliament last week by Constitutional Development and Planning Minister Chris Heunis.

He said 63 proposals had been received for open CBDs. They are: Belville, Brakpan, Cape Town, Carnarvon, Colenso, De Aar, Delmas, Durban, Durbanville, East London, Eshowe, Escourt, Fish Hoek, Fraserburg, George, Glencoe, Goodwood, Gordon's Bay, Grabouw, Hermanus, Howick, Johannesburg, Kimberley, King William's Town, Knysna, Kuils River, Ladysmith, Malmesbury, Maritzburg, Milnerton, Montagu, Mooreesburg, Nancefield (Race Course), Nelspruit, Nigel, Noupoot, Ottery, Paarl, Parow, Pietersburg, Plettenburg Bay, Port Elizabeth, Port Shepstone, Potchefstroom.



**Pick 'n Pay's Ackerman ... only a temporary setback**

and penetration may mean that the group will come out of the present profit trough with some long-term advantages. Apart from Clicks, most other retailers have fared considerably worse than Pick 'n Pay.

Chairman Raymond Ackerman does not see the results as anything more than a temporary setback. He notes that the group undertook a major refurbishment programme (written off this year), which should see it well placed for an economic upturn and/or improvement in consumer confidence. Management claims to be anticipating a recovery and to be anything but dependent after 20 consecutive years of improved results. The total dividend has been lifted 10,2% to 92c after a 70,5c (64,5c) final, on slightly reduced cover of 1,97 (2,05). Cash reserves remain healthy at R46m, although down from R60m.

Shrinkages are in line with budget, slightly below last year, despite the tough times; and Herman reckons that theft accounts for only about 10% of such losses anyway. He describes prospects for the coming year as "rough and tough".

#### Store openings

New store openings for this year include at least four more supermarkets (six last year as well as a superstore and a hyper), with a second hyper in the western Cape at Ottery. The second store in Australia which ran into insurmountable political problems, has been put on ice for the time being while management takes the first hyper there into profit.

Overall, though, prospects for the SA operations will continue to hinge very largely on political developments. The new Regional Service Council levies can't be good for mass retailers, but it seems safe to assume that Pick 'n Pay will again make more than most from the conditions that lie ahead.

*Gordon Kling*

*RAYMOND ACKERMAN 4/19/86*  
**PICK 'N PAY** *30*

### Slower pace

Even Pick 'n Pay could not keep up its spectacular growth in a year that joint MD Hugh Herman considers to be worse than the great depression, but in the circumstances its results for the year to end-February do contribute to the impressive track record.

The slowdown was most visible at the pre-tax level, where profits advanced only 3,9% to R66m, compared with the previous year's growth of 15,8%. However, the higher company tax rate that became effective in the 1985 year meant that the taxed profits increase of 5,9% to R3,5m in 1986 compares with the relatively restrained 6,5% increase of the 1985 year.

Margins were obviously under pressure. The profits were achieved on turnover growth of 17,5% to R2,14 billion, so operating margins were trimmed from 3,5% to 3,1%. However, the improvement in sales

# gitive from race

I can't  
I can't fight apartheid any longer'

30

w/g M/Vans 5/14/86

Weekend Argus  
Foreign Service

LONDON. — With his life threatened and his coloured wife forced from their home, Briton Jack Salter has declared: "I can't fight apartheid any longer."

After 22 years in South Africa he has returned to Britain alone, hoping that his wife and son will join him soon so that they too can escape "this vile system".

But first the 54-year-old disillusioned emigrant has to find work and accommodation.

"Obnoxious laws made it impossible for me to live in peace with my wife and carry on my business," he said.

Mr Salter ran a supermarket in Kirkwood in the Eastern Cape and two years ago married one of the staff, 24-year-old Imelda.

Their troubles began last year when African workers boycotted shops to try to win better facilities in their nearby township.

To the fury of other traders Mr Salter's store was excluded from the embargo because he was British.

Amid a campaign of hate the supermarket was daubed with graffiti and the proprietor subjected to obscene telephone calls.

The municipal authorities ordered the premises to be closed down. Mr Salter, accused of being "in league with the boycotters", says he was thrown in jail for a fortnight and kept in solitary confinement.

On his release he met increasing hostility over his marriage.

Because the couple married in the Transkei, Imelda was allowed to spend only 90 days a year in a white area.

Although the laws banning sex between people of different races had been scrapped Mr Salter said: "That was a cosmetic exercise to try to reassure the world that improvements are being made. But South Africans replace one law with another."

When Mr Salter applied to reopen his supermarket he was told he could not do so in a white area.

Mr Salter won back his trading licence a fortnight ago through a Supreme Court ruling, but the harassment continued.



picture of Mr Jack Salter, his wife Imelda and their son in January this year when their supermarket was closed because he is white and she is coloured.

Row over mixed marriage

Flashback: Weekend Argus carried the story

WEEKEND FOCUS

# Booming business for backyard 'buskers'

**B**ACKYARD businesses are booming as more and more unemployed people desperately try to make a living.

To feed their families retrenched people have resorted to applying their skills, manufacturing articles at home and then selling their products through word-of-mouth advertising.

The potential of these unregistered concerns is enormous and if they were to formally enter the commercial sector, employ additional

staff and expand, they could help alleviate the alarming unemployment figure for the Western Cape.

In January it was reported that there were 127 000 registered unemployed people in South Africa.

It is estimated that by the year 2000 the labour market will have increased by 430 000 people a year, and about 1 600 new jobs will be required each day.

The solution to this frightening problem may lie in legitimising backyard businesses and teaching the owners how to run a successful formal business, according to the head of the University of the Western Cape's Institute

for Small Business, Mr Kobus Visser.

Many backyard entrepreneurs are afraid to try to formally expand their services. The idea is there — but the owners lack business acumen and they lack finance, says Mr Visser.

"Before that date little or no emphasis was placed upon the potential entrepreneur, the small manufacturer, the informal service industry, the informal sector and minority businesses as such," he said.

The Institute for Small Business at the UWC was established in April 1983 to provide services to all types of small business enterprises and to all population groups

"The ISB sees its role as an important catalyst in small business development through presentation of training courses, in-business consultations and management assistance and research to provide industry information inputs through courses and consultations," but importantly also in the stimulation of a community awareness and appreciation of the contribution of small businesses to community welfare.

"It also acts as a catalyst in the engagement of large suppliers, retailers, borrowers and customers, and Government authorities to adjust the laws and regulations to enable entrepreneurs to have

greater entry to business and equal chances for survival and success," he said.

To achieve this the ISB conducts courses, training programmes and services in areas as near as possible to the location of small business enterprises.

"The past year has seen greater emphasis on the promotion of small businesses in the Western Cape," he says.

A quick peep behind the busy doors of some of the small businesses which have already been established in the Peninsula, with the help of the ISB, showed how their expertise helped potential entrepreneurs on the road to success.

## THEY'RE ALL HEADING FOR...

# THE BIG TIME!

small business sector in South Africa, the National Manpower Commission suggested that the relatively poor performance of this sector in the creation of employment opportunities could be explained first by the nature and characteristics of the small business sector and by the effect of "too many legal and other restrictions".

A study undertaken by the Pretoria University's Graduate School of Business emphasised that the establishment, development and operation of small businesses in South Africa was restricted by a variety of legal regulations, ordinances, bye-laws and other factors.

It pointed to the strict housing standards, tax concessions that do not benefit the small business sector, inflexible, fixed business hours, the provisions of the Liquor Act and the Group Areas Act problems in obtaining a business licence, the complicated Companies Act, the "detrimental" influence of increases in minimum wages in terms of the industrial council agreements, the complexity of administration and regulations in respect of business premises in terms of the Factories Act.

The Commission recognised



MARK STANSFIELD  
Weekend Argus Reporter

**"BACKYARD" businesses in Black townships are important to the economy of South Africa — but their contribution is difficult to assess.**

A recent study done by the Urban Research Unit of UCT into informal businesses in Crossroads, showed that about 50 percent of the families living there were engaged in some form of "backyard" business — this included unregistered activities that these informal businesses did not appear to create employment, but indirectly through increased expenditure in the formal sector.

Because of increasing unemployment, the absence of state unemployment relief benefits for Blacks, or an effective system of welfare to care for the aged, sick and disabled, a growing stream of township residents are taking

surrounded by the clothes Francisca had designed, made and sold by word-of-mouth from home for about 18 months.

"My backyard business ricocheted into something bigger than I had expected and Deirdre and I decided to formally enter the commercial sector as partners," she said.

The Institute for Small Business for advice and, *voilà*... today the two lady entrepreneurs are the owners of Ni-non — a thriving manufacturing clothing boutique which carries a lot of potential for growth in Kloof Street.

How did it happen?

Deirdre, (conducting a running interview in the busy little shop while she personally helped customers)

"Both Francisca and I were innocent as far as the commercial world went.

"Kobus Visser, of the institute, did some in-depth marketing research for us — the staff we would require, finance needed to make the concern viable and told me to take a course in bookkeeping, also run by the institute.

"His research was handed to the Small Business Development Corporation in Cape Town for financial assessment and by September 1984 we were in business," she said.

The Institute also drew up a month-to-month business diary showing the partners what was required to keep the wheels of their small business running smoothly.

"Without the institute's guidelines, I think we

would have run into trouble right from the start," said Deirdre.

Their boutique now employs four seamstresses. Francisca controls the design and manufacturing while Deirdre holds the administrative reins.

"I do the marketing, record-keeping, publicity and fashion shows necessary to keep us moving," she said.

The partners are already looking for additional premises.

"But we would not like to be too big."

## SPECIAL OFFER

### How to go about it

**THE University of the Western Cape's Institute for Small Business, in conjunction with Weekend Argus, will be running a three-day "Starting your own business" course for those who feel they have the potential but who do not have sufficient insight into what to do or how to avoid the pitfalls which many small businesses encounter.**

The course will be held at the Woodstock Holiday Inn on April 14, 15 and 16 between 6pm and 9pm. All are welcome.

The cost for the three-day course — this is a special offer made possible through the cooperation of the Institute and Weekend Argus — is R50, and those interested should contact the Institute's Director, Mr Kobus Visser, ☎ 951 8181.

The course includes courses on:

- Assessing ability, potential and motivation.
- Finding a feasible idea and defining the product or service.
- Assessing the idea and its market potential.
- Identifying the resources.
- Estimating profitability.
- Organising and negotiating to get into business.
- Birth and survival of the business.

## PRODUCTION LINE

Francisca Louw and Deirdre Barnard



Francisca Louw and Deirdre Barnard with staff.

## TAKEAWAY SUCCESS

John Levendal



The Commission recognised



townships are important to the economy of South Africa — but their contribution is difficult to assess.

A recent study done by the Urban Research Unit of UCT into informal businesses in Crossroads, showed that about 50 percent of the families living there were engaged in some form of "backyard" business — this included unregistered activities — that these informal businesses did not appear to create employment directly for the unemployed, but indirectly through increased expenditure in the formal sector.

Because of increasing unemployment, the absence of state unemployment relief benefits for Blacks, or an effective system of welfare to care for the aged, sick and disabled, a growing stream of township residents are taking part in the array of income-earning niches collectively styled as the "informal sector".

The Urban Research Unit study concluded that the informal sector in Southern Africa was "large, important and growing".

"Its precise contribution to the economy is difficult, if not impossible, to determine, however," the report states.

In its 1984 report on the

Pretoria University's Graduate School of Business emphasised that the establishment, development and operation of small businesses in South Africa was restricted by a variety of legal regulations, ordinances, bye-laws and other factors.

It pointed to the strict housing standards; tax concessions that do not benefit the small business sector; inflexible, fixed business hours; the provisions of the Liquor Act and the Group Areas Act; problems in obtaining a business licence; the complicated Companies Act; the "detrimental" influence of increases in minimum wages in terms of the industrial council agreements; the complexity of administration and regulations in respect of business premises in terms of the Factories Act.

The Commission recognised the restrictions and put forward seven guidelines for Government consideration.

These related to the general action needed, the recognition of the informal sector, the termination of discrimination on the grounds of population group, the distinction between large and small businesses, the alleviation of restrictions and the coordination of small business initiatives.



### The head of the University of the Western Cape's Institute for Small Business, Mr Ko-bus Visser.

The Commission recognised major problems to the establishment of small businesses as inadequate training, experience and managerial skills and recommended that "the initiatives of the Council for the Promotion of Small Business (CPSB) with regard to training and guidance should receive greater emphasis".

The University of the Western Cape's Institute for Small Business is affiliated to the CPSB.

It was to these initiatives, and those of other agencies responsible for the promotion and development of small business in South Africa, that attention has now been turned.

ners," she said.

They approached the Institute for Small Business for advice and, *voila*... today the two lady entrepreneurs are the owners of Ni-non — a thriving manufacturing clothing boutique which carries a lot of potential for growth in Kloof Street.

How did it happen? Deidre, (conducting a running interview in the busy little shop while she personally helped customers):



### John Levendal and his wife Merlin — a successful business couple even though John had no formal education.

JOHN Levendal had no formal schooling, grew up on a farm near Gordon's Bay and had one burning ambition in life — to own a business.

Today he is the owner of a R100 000 enterprise in Beacon Valley, Mitchell's Plain, which established

also run by the institute. "His research was handed to the Small Business Development Corporation in Cape Town for financial assessment and by September 1984 we were in business," she said.

The Institute also drew up a month-to-month business diary showing the partners what was required to keep the wheels of their small business running smoothly.

"Without the institute's guidelines, I think we

would have run into trouble right from said Deidre.

Their boutique employs four seen in Francisca cont

### TAKEAWAY!

his well-stocked take-away. "Wherever I all asked 'how would your business' said 'I don't know help'.

Help came when I heard of UWC's Institute Business.

"Loan company refused to help me money to get it now that I'm convinced they are very give me money," Mr Levendal said.

Merlin, attendee

## COMPUTERS AT HIS FINGER TIPS

ALEXANDER Anderson operates his computer business from a cramped office on the second floor of a rickety building in Long Street — hardly the premises one would associate with a successful businessman.

But there is sound reasoning behind his location: "It keeps my overheads low and my prices very competitive. I have learned from others' experience and have seen many small company-owners

go bang because they want a nice location, an expensive car and all the nice things that go with being successful when they first start out," he said.

Alexander now owns a computer sales and service centre which he took over when his

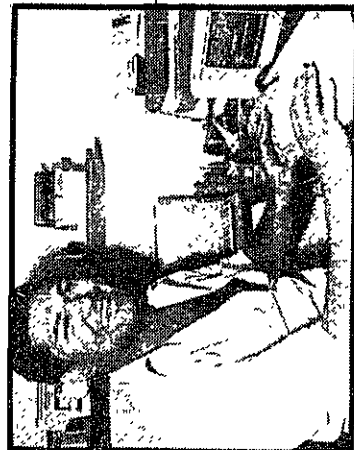
## Alexander Anderson

"boss" left the country last December.

He started cautiously, attended the ISB "How to start your own business" courses and took their advice on how to run a business more efficiently.

"I already had vast experience in the computer world, but am grateful for the basic principles the Institute gave me on how to run a company.

"Many small businessmen do not follow these principles and end up in hot water or insolvent.



Alexander Anderson... "sensible" advice from the Institute has helped him establish his computer business.

By Kerry Clarke

IF Pick 'n Pay's expansion plans in Australia are thwarted by trade unions, it will open a store in the United States in the next few years.

That is the contingency plan at the back of Raymond Ackerman's mind, but at the forefront is the conviction that the group's plans for 10 stores in Australia will materialise.

### Jeopardy

Mr Ackerman said last year that if the Melbourne store were blocked, Pick 'n Pay's Australian operation could be in jeopardy. However, he now believes that although operations in the state of Victoria are in doubt, hypermarkets in other parts of Australia are possible.

The unions which objected to the store said if PW Botha matched his promises by scrapping things such as pass laws and influx control and we could show that dramatic changes have taken place, they might reconsider their position.

He says the unions that blocked the Melbourne store influence other unions in Victoria. But other states are

# Pick 'n Pay looks at US

SUN DINES  
30 6/4/86

keen to have a Pick 'n Pay hypermarket.

"Unions in West and South Australia have not expressed antipathy to our opening there."

Cancellation of the Melbourne plan means there is time to consolidate the Brisbane store, which was opened in November 1984.

This store, achieved turnover of A\$55-million in its first year, and is expected to start contributing to Pick 'n Pay SA profits at the end of 1986.

"We did not intend the store to be profitable yet. Hypers in Europe take three years to swing. We hope to swing this one after only two years."

Pick 'n Pay's partner in its Australian ventures has been the Victoria-based retailer Permewan Wright Consolidated. This company bought the land in both Brisbane and Melbourne.

Pick 'n Pay's expenses in Australia have been a third of the Brisbane stock and the working capital for the store.

### Expenses

"We have had little financial exposure, especially when taken from the point of view of Pick 'n Pay's net worth. However, we have had a strong management involvement," says Mr Ackerman.

If Australia proves a success in the next few years, the United States will still be considered as the next place to spread the Pick 'n Pay empire.

"If we have managed to consolidate with two or three stores in Australia within the next few years, we could well consider moving to the US by 1990."

"If we get blocked in Australia, we could go ahead in the US in two or three years."

SUNDAY 6/4/80

## CONSUMER BOYCOTT — 1

By STEPHAN TERBLANCHE

LINKS between Pretoria businessmen and security forces have dashed chances for negotiations with the organisers of the reinstated consumer boycott in the city.

Angry boycott organisers have accused the Pretoria Chamber of Commerce of being "police informers".

And they claim they can no longer trust the Chamber, regarding any meeting with it as a "police trap".

Chamber president Dan Rolt says, however, that liaison with the security forces was not meant to create mistrust.

The row erupted when boycott organisers obtained a copy of a confidential document compiled by the Chamber listing possible counter-measures to the stay-away.

Boycott committee chairman Jackie Masemola said there had been no contact yet between his committee and representatives of white business in Pretoria.

"We would have welcomed an approach from

them to discuss the boycott," he said.

"But this document has created mistrust between us.

"We now feel that any meeting with the Chamber could be a trap and that anything said will probably be passed on to the police."

Mr Rolt said the document had been compiled to counter possible intimidation of black consumers.

### Confidential

The Pretoria Business Community Committee, of which he was chairman, had asked police to protect black consumers after receiving complaints from them of intimidation during the Christmas consumer boycott.

Mr Rolt added that no evidence of intimidation had come to light during the current boycott.

He said Chamber members had been asked to pass on information so security forces could deal with intimidators.

"After the civil defence organisation asked us to keep our members informed of the situation, we put out a document — as did the Afrikaanse Sakekamer and other organisations."

The document is dated March 18 and is headed: "Confidential — Not for publication."

It urges members of the Chamber to avoid statements to the Press which could lead to "an intensification of the boycott" and to educate black employees on "what

# 'Police trap' row dashes talks

makes business tick".

The item in the document which has angered boycott leaders, reads:

"As the Chamber is constantly in contact with the police and security forces, members are requested to pass any information on to the Chamber for evaluation and further action if necessary."

Mr Rolt said his committee had done all it could to help settle the grievances of the black community.

Meanwhile, Mr Masemola has admitted that there is some organised intimidation of black consumers who are not adhering to the boycott.

The decision to stage a consumer boycott had been taken at mass meetings where the majority of blacks had decided in favour of it, he said.

### Intimidation

But, because of communication problems in remote areas, some people were not aware of the boycott. There were also a few people who did not agree with the boycott and were ignoring it.

"But the decision was a majority one and, for it to be effective, everybody has to take part," he said.

"That is why youths have been enforcing the boycott in some areas."

But Mr Masemola added that his committee was guarding against the random violence that characterised the previous consumer boycott.

## CONSUMER BOYCOTT — 2

# Firms face ruin as blacks dig in over meetings

By JEREMY McCABE

PUNCH-drunk Port Elizabeth is wearily girding itself for the resumption tomorrow of a consumer boycott which could drive more white businesses to the wall.

Black township traders, meanwhile, are moving rapidly to take up buying-power slack caused by a re-introduced political boycott which only recently forced a number of white businesses to close down.

The Port Elizabeth Chamber of Commerce openly admits this might be the last straw for many more small businesses in the already ailing Eastern Cape economy.

Local white business interests and boycott organisers have both declared their willingness to talk, but the biggest stumbling block remains the Government's ban on outdoor meetings.

The boycott organisers insist they must have the right of reporting back to their communities before they can begin any process of negotiation with the businessmen.

Mr Mukhuseli Jack, boycott convener, said he hoped his organisation's stance on the matter would be taken "in good spirit".

### Attempts

"We are not trying to offend anyone," he said.

He confirmed that Mr Tony Gilson, director of the Chamber of Commerce, had made several attempts to contact him by telephone. The Afrikaanse Sakekamer has also indicated a willingness to meet the black leaders in an attempt to find ways of averting the boycott.

Mr Gilson was reluctant to disclose what measures his organisation planned to use in getting the Government to address black demands.

"We've made it clear we don't support boycotts of any kind. But we also have to recognise we have to come to grips with the root causes," he said.

Meanwhile, a meeting of



Mr MUKHUSELI JACK

the East Cape African Chamber of Commerce (ECCOC) this week unveiled a strategy aimed at encouraging black consumers to continue buying at black-owned businesses.

The new black business strategy includes:

- Keeping the markup on the prices of staple foodstuffs at a 15 percent ceiling, even if it means a cutback on profits.
- Liaising with the consumer boycott committee by selecting traders to serve on a price monitoring committee.
- Improving hygiene, staff discipline and upgrading conditions of service for employees.

The present boycott has been called in support of a range of demands which include the ending of apartheid, the release of Nelson Mandela, the unbanning of organisations, the scrapping of existing security laws and the return of political refugees.

# Sellers to meet buyers at the fair

*City Press April 6, 1986*

A "MATCH-MAKER" trade fair - designed to bring foreign corporations operating in SA into contact with black companies which can supply some of their needs - is to be held in Johannesburg on April 23 and 24.

The fair is co-sponsored by the Greater Soweto Chamber of Commerce and Industry and the US Chamber of Commerce.

It will be held at the National Exhibition Centre, Crown Mines, Johannesburg, and will be open between 10am and 5pm both days.

The fair is meant to give black businesses an opportunity to promote their goods or services to prospective buyers.

US, South African and foreign corporations operating in SA will be invited to make contact with potential suppliers from the black private sector.

Admission will be by invitation to senior executives and buying officers of major industrial enterprises.

The US Department of Commerce initiated the project. Under-secretary for International Trade Bruce Smart said the concept flowed from Reagan's Executive Order in September, 1985, which placed restrictions on trade with the SA Government and stressed the need for the US to keep an active and influential presence in SA to promote efforts toward peaceful change.

The department says the black companies involved have been "disadvantaged" in the sale of their goods and services by apartheid.

★ A nine-man committee of business-orientated black people has been given two months in which to formulate an action plan to enable US companies operating in SA to make a meaningful contribution to the development of small black business.

The committee was formed at a recent meeting at Wits Business School.

# PE BRINGS BACK BOYCOTT POWER

CITY PRESS 6/4/86

30

By MONO BADELA

PORT Elizabeth is poised for yet another consumer boycott - one which looks likely to cripple the white business sector.

Tomorrow will be the last day township residents shop in the city centre, in terms of a mass decision taken this week.

Residents have also called for a week-long work stayaway to back up their protests.

Angry residents decided to resume the boycott of white businesses on Monday as a protest against security measures in townships.

More than 20 000 people at a rally for former SA Communist Party general secretary Moses Mabhida were told this week that the boycott - suspended on November 15 last year - will resume on Monday.

Consumer boycott leader Mkhuseh Jack said the "continued killing of our people" in the townships was the main reason for the resumption of the boycott.

Since the overwhelming consumer boycott was suspended last year, white shops have been receiving much-welcomed custom from black residents. But they now face a boycott

which crippled many of their businesses last year.

PE Chamber of Commerce director Tony Gilson - who has had several rounds of talks with black leaders since they were released from detention last year - said that although his organisation did not support boycotts, he nevertheless "understood" the reason for them.

He said his organisation would be monitoring the situation from Monday.

But he expressed fears that the resumption of the boycott would harm talks his association was presently having with community leaders.

● A week-long work stayaway has also been called for in PE's townships.

Manual jobs in towns around PE - such as manning petrol pumps and chop counters, milk deliveries and the removal of refuse - will be done by schoolchildren.

● Meanwhile, black consumers in Pretoria have resumed a boycott of white shops in the city, which is considered one of the country's most conservative white areas.

But businessmen claimed the boycott was having a "limited impact".

Pick 'n Pay regional director Nic Els said "Since the boycott began last week there have noticeably fewer black shoppers."

"We hope this trend won't continue".

● Nelspruit and White River residents are also flexing their economic muscle.

A complete stayaway was reported in the two Eastern Transvaal towns this week.

White "volunteers" - including schoolchildren - were roped in to man petrol pumps and deliver milk

The Mabhida Memorial - See Page 9



Granny's back! Winnie Mandela's grandchildren show their delight at having her home - but for how long?

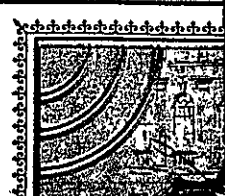
**PE ready for another mass burial**  
CITY PRESS 6/4/86 (275)

By MONO BADELA  
A MASS funeral for the 13

**Back with the people**

Winnie Mandela's life was as turbulent as ever yesterday, with a dramatic State announcement that her ban has not been lifted. A spokesman for Law and Order Minister Louis le Grange issued a statement saying Mrs Mandela is not unbanned. "Her banning order has not been lifted - it is only under review by the Minister."

Earlier, Mrs Mandela's lawyer had called a Press conference to say the State attorney had said she was "unbanned".  
★ See Page 2.



87  
6/1/88  
COTP

## Many call for advice

CITIBANK - the American bank which has started a black business unit - has had more than 1 000 calls since it launched the unit recently.

The bank - which gives advice and offers loans to black businessmen - is committed to change in South Africa. Citibank managing director David Hexter said.

He said the bank is working towards a future which holds greater opportunities and prosperity for all. It supports moves leading to the scrapping of all legislation restricting black businessmen.

For more information, contact Peter Matlare and Cyril Jessiman at (011) 833-5763.

Invest  
in the  
future

6/4/86 30  
THE KwaZulu Finance and Investment Corporation and the Development Bank of Southern Africa have combined to invest more than R2,5-million in the promotion of small businesses in KwaZulu.

The KFC hopes to generate a further R5,6-million to finance small industrial development in 1986-7.

The overall program consists of the construction of 11 industrial and service complexes, two community complexes providing loans to small industrialists, providing money for training and the investment of working capital.

Eight projects have already been started at a cost of R833 000.

# We won't intimidate, says Jack

7/4/86. 30 ~~23~~ E. Post  
Post Reporter

THE use of intimidation to enforce the black boycott of white shops, which started in Port Elizabeth today, has been rejected by the spokesman for the PE Consumer Boycott Committee, Mr Mkhusele Jack.

"We don't want anyone intimidating anyone."

He did not think intimidation would occur, because the boycott had the full support of the community.

It had been explained that the boycott period would be difficult — "but the people are prepared to take it to see the realisation of their demands".

The committee had not distributed pamphlets because the police presence, when the "whole township was teargassed", had been "sufficient announcement".

"An end to the killings of our people" was, he said, the main reason for the boycott.

A Press conference would be called soon when the committee would spell out a full list of demands.

These included the unbanning of organisations including the ANC, the release of political prisoners and detainees, the scrapping of apartheid, the creation of a non-racial, democratic South Africa, the "bringing to book" of the killers of Matthew Goniwe and others, and the disclosure of the whereabouts of three missing PE Black Civic Organisation leaders.

Mr Jack said the boycott would continue until the demands were met.

● The Port Elizabeth Black Civic Organisation (Pebco) disclosed today that it would take action against anyone using intimidation to enforce the boycott.

This was said by Pebco's publicity secretary, Mr Stone Sizani,

during an interview with Evening Post about the role of the "street committees" in the townships. (See Page 10 for a full report).

These committees have been accused of enforcing stayaways and boycotts.

When the boycott was introduced last year, Mr Sizani said, there were instances of youths searching buses and cars.

"That has been stopped and no-one is being allowed to force anyone to come along with us."

A directive to this effect had gone out and "corrective action" to be decided on by the Pebco executive would be taken against anyone found using force.

He said people in the townships had a right to disagree with the street committees, and would be left alone.

"No one must be forced to do things against his will."



# Traders say PE boycott is total

30 ~~27~~ E. Post 7/4/86

## Post Reporter

MANY Port Elizabeth shop-owners reported a 100% effective black consumer boycott today.

And consequent wide-scale staff cuts seemed virtually certain as the city's second major consumer boycott got underway today.

Most shop-owners said they would be forced to retrench staff within days.

Many also criticised the Government, which they accused of ignoring PE's plight.

The traders found it ironic that they were being boycotted while all wholesalers did a roaring trade.

While most did not want to be identified in the Press, they were all eager to discuss the boycott.

A North End outfitter, who relies on blacks for

90% of his trade, said: "We've had our chips. Business slumped with the recession and now this. We'll never survive."

He felt many white-owned stores would close within a month. There had been insufficient time since the last boycott, which ended in November, for firms to recover.

He said he would have to start retrenching staff today.

A Korsten dry-cleaning business is to wait a week before deciding to retrench. One of three employees might have to go, with the other two working part-time.

"I don't know why the politicians can't put their act together and get things done," said the vice-chairman of the East Cape Traders' Association, Mr Shun Pillay, who also has a shop in Korsten.

He said shops in the

Korsten areas were being completely boycotted. "It looks like a Sunday."

He added that he had approached the vice-president of the UDF in the Eastern Cape, Mr Henry Fazzie, to discuss some form of relief for Korsten traders, but said he was not holding out much hope.

A jewellery shop owner said: "The Government should have done something to avoid this — something to help PE."

A Korsten outfitter said he had not made any sales to Africans by midday today. He called on the MP for Malabar, Mr Raman Bhana, to try to do something to end the boycott.

A take-away shop in the same area, which is usually "kept on the go" on a Monday, had no African customers this morning.

Two of this staff of

three face being laid off, with the third due to work part-time.

A school book and clothing shop owner said he would "wait and see", but should the situation deteriorate, two jobs would be on the line.

A North End outfitter also reported a 100% boycott by black shoppers.

He feared that the goodwill which traders developed with the black community would be "dissipated" and that there might soon be no more white businessmen to act as go-betweens in negotiations.

He questioned why the business sector, which was a small minority in PE, should be singled out for this sort of action, saying that they had achieved all they could last time. He added that the major demands were out of their hands.

# Kagiso residents call for boycott after shooting

By Rich Mkhondo

Hours after four youths were shot and seriously injured and others arrested in Kagiso near Krugersdorp at the weekend, about 5 000 residents thronged the local stadium and resolved to resume the boycott on white-owned shops from tomorrow.

The youths were shot during the funeral on Saturday of a 14-year-old unrest victim and are reported to be in a critical condition in hospital.

The spokesman for the Krugersdorp Residents' Organisation (KRO), which convened the meeting, said the youths were shot near the cemetery when police forced people out of cars travelling to the graveyard.

A police spokesman in Pretoria said today it was possible people were injured and others arrested during a funeral in Kagiso at the weekend. "I have not received my police situation report from the area yet," he said.

The meeting was called to discuss "pressing issues affecting the township".

Chanting "asithengi edolobheni (we do not buy in town)", residents resolved to resume the boycott from tomorrow because the authorities "turned a blind eye to our demands".

Speaker after speaker condemned the Government's reform initiatives, saying "apartheid cannot be reformed, it should be dismantled, they have the guns, we have the buying power".

## BUS BOYCOTT

The residents' association was mandated to present "the people's demands" to the management of Greyhound Bus Lines, over the five-month bus boycott.

Residents resolved not "to put foot" on Greyhound's buses until those demands had been met.

The "people's demands" included:

- The company should stop "apartheid in buses" and integrate them.
- It should build shelters in all bus ranks, help improve the streets and buses should travel along all township streets.
- The company should provide transport for pensioners on pay day and help during funerals.
- It should introduce monthly tickets and discuss increases with residents.
- The company's mini buses should be scrapped.

# 100pc stayaway in PE shops boycott

**The Argus Bureau**  
**PORT ELIZABETH.** — Staff cuts seemed virtually certain as the second major black consumer boycott of city businesses got under way today.

Many shop-owners reported a 100 percent effective boycott and most said they would have to retrench staff within days.

Many criticised the Government, which they accused of ignoring Port Elizabeth's plight.

A North End outfitter, who relies on blacks for 90 percent of his trade, said: "We've had our chips. Business slumped with the recession and now this. We'll never survive."

## CLOSE

He felt many white-owned stores would close within a month. There had been insufficient time since the last boycott, which ended in November, for firms to recover.

By late this morning he said he had not had a single black customer.

Asked if the Government shouldn't address some of the boycott demands, he said: "They've forgotten about us in PE."

A Korsten dry-cleaning business is to wait a week before deciding whether to retrench staff. One of three employees might have to go, the manager said.

"I don't know why the politicians can't get their act together and get things done," said the vice-chairman of the East Cape Traders' Association, Mr Shun Pillay, who owns a shop in Korsten.

He said shops in the Korsten area were being boycotted 100 percent.

"It looks like a Sunday."

He added that he had approached the vice-president of the United Democratic Front in the Eastern Cape, Mr Henry Fazzie, to discuss relief for Korsten traders.

A jewellery shop owner said: "The Government should have done something to avoid this — something to help Port Elizabeth."

A Korsten outfitter said he had made no sales to blacks by midday today. He called on the MP for Malabar, Mr Raman Bhana, to try to end the boycott.

A take-away shop in the same area, which is usually "kept on the go" on a Monday, had no black customers this morning.

Two of this staff of three are being laid off, with the third due to work part-time.

## "FAIR"

The owner said the Government should "do something", adding that it was time to "give the blacks fair representation".

A schoolbook and clothing shop owner said he would "wait and see", but should the situation deteriorate two jobs would be on the line.

A North End outfitter also reported a 100 percent boycott by black shoppers.

He feared that goodwill which traders had developed with the black community would dissipate and that there might soon be no more white businessmen to act as go-betweens in negotiations.

The black leaders would then have to "negotiate directly with the Government".

# Higher vehicle sales expected

BEULAH BROWN

THE McCarthy Group, SA's largest motor vehicle distributor, expects industry sales to pick up in the second quarter of 1986, after a disastrous first quarter in which sales plunged dramatically.

The group will also open used car outlets in Bellville, Cape, and Pinetown, Natal, before mid-year to boost sales in this division.

The rise in sales is predicted by Theo Swart, MD of the group's country-wide motor operations. He forecasts second quarter (April to June) passenger car sales of more than 50 000 and commercial vehicle sales in excess of 25 000.

However, industry car sales for 1986 will be slightly down to 200 000 units from 1985's 204 322. Sales of commercial units should remain static, he said. Swart stressed that the McCarthy Group would at least maintain its market share during 1986.

First quarter sales did not pick up as expected after the Budget in March. As a result, sales of commercial and passenger vehicles will be much lower than had been predicted by the group.

Another reason put forward for the "appalling" first quarter sales was the possible pre-buying in October to December 1985, when buyers were facing severe price increases and the long-term effect of perks tax.

"On this score I can only hope that the Margo Commission findings will recommend that a substantial decrease in the scale of deemed values will apply," Swart said.

30 185  
BUS DAY  
7/4/86

7/4/86  
BUS DAY

## Syndicate to salvage Blackchain

LINDA ENSOR

A SYNDICATE of top businessmen is to invest about R1m to salvage the Sowetan supermarket chain, Blackchain, which was provisionally liquidated last week.

Blackchain had liabilities of R2,8m and assets of R1,8m.

Director and company secretary Johannes Vezi said he was "very confident" the company would be salvaged.

"The provisional liquidator is working very fast to value the business so an application can be made to court early this week for the sanctioning of a meeting of creditors to consider an offer of compromise," Vezi told *Business Day*.

The syndicate would have a controlling interest in Blackchain, but the 1 000 existing shareholders would retain their shares.

Vezi believed concurrent creditors — owed about R2m — would not receive any dividend at all if the chain was finally liquidated, but they could expect between 10c and 15c in the rand were the offer to be sanctioned.

The offer would ensure full payment to preferent and secured creditors.

One of the conditions laid down by the syndicate during negotiations on the offer was that Blackchain continue trading. To do so in the face of pressing creditors, it was forced to urgently apply to the Rand Supreme Court for a provisional liquidation order.

Apart from the depressed economic climate and the cost involved in township violence directed at delivery vehicles, Blackchain's main problems arose, said Vezi, from its rapid growth over the past five years.

Turnover trebled from R4,8m in 1980 to R15m last year, but losses were made in all years except for the year-end February 1983.

"Despite this growth, we were still using the same manual systems of management and as we were undercapitalised, we could not achieve greater sophistication," he said.

Its financial position deteriorated so that finally debts could not be serviced and interest on shareholder's loans could not be paid.

Vezi explained that Blackchain had been established in 1980 by members of the National African Federated Chambers of Commerce and Industry (Nafcoc) who wanted some of the 80% of black income going into the white supermarket giants to be retained in black areas.

Warning of  
total boycott  
in PWV area

The Release Mandela Campaign warned last night that any action by the Government against Mrs Winnie Mandela "would precipitate an immediate and total consumer boycott and mass stayaways" in the PWV complex.

The warning comes as the Eastern Cape townships resume their boycott of white businesses following the shooting of at least 10 people alleged to have attacked a liquor outlet.

A spokesman said the PWV boycott would involve all the major unions and could spread to the whole country.

NEWS 2/11/86  
30

## Unrest as boycott starts

The Argus Bureau  
PORT ELIZABETH. — Five vehicles were gutted, a post office was firebombed and a petrol bomb was thrown at an ambulance in an upsurge of unrest on the first day of the boycott of white-owned businesses.

The police liaison officer for the Eastern Cape, Lieutenant Colonel Gerrie van Rooyen, said although he could not link the incidents to the boycott it was "strange" that unrest had flared up on the first day after a period of relative quiet.

He said a petrol bomb was hurled at an ambulance in Kwazekele but there was no serious damage and the bomb did not ignite.

Yesterday afternoon petrol bombs were thrown at the New Brighton post office — the only

post office still in operation in Port Elizabeth's townships. The building was plundered and money taken.

Three private delivery vehicles belonging to blacks were set alight in New Brighton and Kwazekele yesterday.

A minibus and a car were set alight in New Brighton.

Between 6.30 and 7pm yesterday the Centenary Hall in New Brighton was attacked with petrol bombs and stones.

Colonel van Rooyen said two shopkeepers in Port Elizabeth's central business district telephoned the police to say blacks who bought in defiance of the boycott had their purchases taken away by vigilantes.

Colonel van Rooyen said no other reports of intimidation had been received.

Nelspruit stayaway ends but .

# PE hit by second black boycott <sup>30</sup>

WIDESCALE staff cuts seemed virtually certain as Port Elizabeth's second major black consumer boycott was launched yesterday.

Many shop-owners reported a 100% effective boycott and most said they would be forced to retrench within days.

Many also criticised government, accusing it of ignoring PE's plight.

But six days after it began, the stayaway by black workers in the Eastern Transvaal ended yesterday, reports

DIANNA GAMES.

Nelspruit Town Clerk Hans Muller said all was back to normal in the area although schoolchildren, employed during the week-long stayaway to fill the labour gap, were still being used.

He said indications were that some companies might not employ the full complement of workers they had before the stayaway, which forced many to re-examine their labour requirements.

This was one of the fears expressed by blacks, many of whom said they were willing to work but were subject to intimidation and lack of transport.

The decision to pay workers only for the days worked — taken by the Nelspruit Chamber of Commerce at the start of the stayaway — is still in force.

Chamber chairman Bill Wiggan said it was left to the discretion of employers as to whether workers were retrenched, but the general feeling was that it was more detrimental to discharge staff.

No reason was given to either blacks or whites for the stayaway.

While most PE shop-owners did not

want to be identified in the Press, all were eager to discuss the boycott.

An outfitter, who relies on blacks for 90% of his trade, said: "We've had our chips. Business slumped with the recession and now this. We'll never survive."

He felt many white-owned stores would close within a month and said he would have to start retrenching staff immediately.

A Korsten dry-cleaning business will wait a week before deciding to retrench. One of three employees might have to go.

Vice-chairman of the East Cape Traders' Organisation and shop-owner Shun Pillay said shops in the Korsten areas were being boycotted 100%.

He added he had approached United Democratic Front Eastern Cape vice-president Henry Fazzie to discuss some form of relief for Korsten traders, but was not holding out much hope.

Mkhuseli Jack, spokesman for the PE Consumer Boycott Committee, said yesterday by boycotting white business, blacks were minimising the chance of violent encounters.

He was replying to an open letter published in the weekend *Evening Post* from PE's Citizen of the Year, Harold Davidson, calling on Jack to abandon the boycott which started in the city today.

The boycott was a means of trying to bring to the attention of whites the suffering of blacks.

Jack said it was "a joke" to say government would not feel the boycott. — Sapa.



# Resumption of PE boycott

CMC Tint 2/4/86 30

THE consumer boycott was launched in Port Elizabeth for a second time yesterday, while residents of Mlungisi township in Queenstown decided to conditionally suspend their seven-month-old consumer boycott at a mass meeting at the weekend.

Also at the weekend about 5 000 Kagiso residents decided to resume their boycott of white stores in Krugersdorp.

But at Nelspruit the six-day-old stayaway by workers in the Eastern Transvaal town ended

yesterday.

Sapa reports that widescale staff cuts seemed virtually certain as Port Elizabeth's second major black consumer boycott was launched yesterday.

Many shop-owners reported a 100 percent effective boycott and most said they would be forced to retrench staff within days.

Many also criticized the government, accusing it of ignoring Port Elizabeth's plight.

Mr Mkhuseleli Jack, spokesman for the Port

Elizabeth Consumer Boycott Committee, said at the weekend that by boycotting white business blacks were minimising the chance of violent encounters.

Meanwhile the residents of Mlungisi township in Queenstown decided to conditionally suspend their consumer boycott at a meeting at the weekend, according to Mr Wukile Feni, a member of the Residents Committee.

The suspension of the boycott should be seen as an act of good faith and the authorities should act swiftly in fulfilling their promise that the residents' demands for the upgrading of Mlungisi would be met, he said.

They also called for the withdrawal of the security forces from the township and the reinstatement of workers retrenched during the boycott.

UPI reports that 5 000 residents a meeting at Kagiso voted at an open-air rally on Sunday to begin a boycott of white stores in Krugersdorp from yesterday.

UDF executive member Mr Aubrey Mokoena said authorities had failed to meet demands made in December, when a similar boycott was suspended after three months.

## Full complement

Meanwhile Dianna Games reports that the Nelspruit Town Clerk, Mr Hans Muller said all was back to normal in the area although schoolchildren, employed during the week-long stayaway last week to fill the labour gap, were still being used in certain services.

Indications were that some companies may not employ the full complement of workers they had before the stayaway which forced many to re-examine their labour requirements.

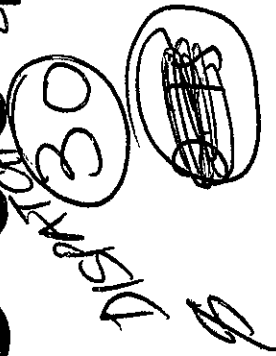
In Pretoria the labour force reported for work in spite of a rumour that there would a stay-away starting yesterday.

The rumour was elicited by a bogus pamphlet purported to have been written by the Pretoria Consumer Boycott Committee which stated there would a stay-away from work, school and consumer boycott until September 30.

The PCBC had denied knowledge of the pamphlet and said it was issued by pro-apartheid forces to confuse and divide the people in their "struggle".

# Q'town boycott to end today

8/4/86



Dispatch Reporter  
QUEENSTOWN — The seven-month-old consumer boycott here will be suspended from today.

This was decided at a mass meeting at the weekend, a spokesman for the Mlungisi Residents' Committee, Mr Vukile Feni, said in a statement yesterday.

He said residents would adopt a wait-and-see attitude on whether the local authorities had met their demands.

The suspension of the boycott should be seen as an act of good faith and the authorities should therefore act swiftly in fulfilling their promises that the residents' demands would be met, he said.

He said the demands were:

- Up grading of Mlungisi including schools.
- Installation of toilets and taps on each erf.
- Upgrading the Mlungisi stadium and the undesirability of its present location near the cemetery.
- Consultation before any rent hikes are effected.
- Abolition of lodgers' permits.
- Reinstatement of people evicted because of rent hikes.

Mr Feni said the intransigent attitude of the local authorities — the East Cape Development Board and the town

council — had resulted in additional demands because, during the boycott, their leaders and others had been arrested and charged with offences the residents believed they had not committed.

Mr Feni said workers had been retrenched and people wearing T-shirts of community organisations were harassed by security forces. Others had their T-shirts confiscated, he said.

"The residents therefore call for the release of all people detained or charged with offences related to the consumer boycott and also believe that their leaders are innocent because they were arrested only because they spoke on behalf of the people," he said.

He said residents also called for the withdrawal of the security forces who had entered the township during the boycott, for the reinstatement of all workers retrenched during the boycott and for the return of the T-shirts confiscated by the security forces.

"Notwithstanding the suspension of the boycott, all liquor outlets in town and shebeens in the township will still be boycotted,"

Mr Feni said.

The consumer boycott would be suspended indefinitely from today but would be resumed if the demands were not met.

Mr Feni said Mlungisi residents were grateful to the people of neighbouring rural areas for their strong support of the boycott.

The chairman of the Queenstown Chamber of Commerce, Mr Peter McEwan, said the chamber had not been officially informed of the boycott being lifted.

"But if it is true, we obviously welcome it as great news," he said.

Mr McEwan said the boycott had brought suffering to both blacks and whites.

"Approximately 35 businesses had to close down. This increased black unemployment as well," he said.

Mr McEwan said, as far as he knew, all the local demands of the boycott committee had been met except the upgrading of Mlungisi.

"The contractors moved on site last Thursday for the first phase of the upgrading so that we can definitely say there is movement on that demand," he said.

PE boycott resumes P9

# Shop boycott resumes in PE

14/86 30 DISPATCH

PORT ELIZABETH — Widescale staff cuts seemed virtually certain as Port Elizabeth's second major black consumer boycott was launched yesterday.

Many shop-owners reported a 100 per cent effective boycott and most said they would be forced to retrench staff within days.

Many also criticised the government, accusing it of ignoring the city's plight.

A North End outfitter, who relies on blacks for 90 per cent of his trade, said: "We've had our chips. Business slumped with the recession and now this. We'll never survive."

A dry-cleaning business is to wait a week before deciding to retrench. One of three employees might have to go, with the other two working part-time.

"I don't know why the politicians can't put their act together and get things done," said the vice-chairman of the East Cape Traders' Association, Mr Shun Pillay.

A take-away shop in the same area, which is

usually "kept on the go" on a Monday, had no black customers yesterday morning.

A North End outfitter also reported a 100 per cent boycott by black shoppers.

"There's absolutely nothing going on," was another outfitter's despondent observation. He said that during the last boycott quite a few stores had closed down. "Then the boycott lasted four months. This time its apparently for six months.

"There's nothing we can do about it. We'll just have to wait and see."

● By boycotting white businesses, blacks were minimising the chance of violent encounters, Mr Mkhusele Jack, spokesman for the Port Elizabeth Consumer Boycott Committee said at the weekend.

He was replying to an open letter published in a weekend newspaper from Port Elizabeth's citizen of the Year, Mr Harold Davidson, calling on Mr Jack to abandon the boycott.

Mr Jack said the boycott had been decided

by the community and he was "just echoing their wishes".

"I am with them in the decision because I believe the boycott shows our sincerity in trying to resolve the South African situation by peaceful means. By boycotting white business we are minimising chances of violent encounters in the struggle against apartheid."

The boycott was a means of trying to bring to the attention of whites the suffering of blacks.

He said it was "a joke" to say the government would not feel the boycott. — Sapa

# Winearls warns EL on boycott

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DISPATCH

9/4/86

Dispatch Reporter  
EAST LONDON — The East London business community has been warned that it will have to live with future boycotts and must bear that in mind when assessing its future.

The warning came from the chairman of the East London Chamber of Commerce retail committee, Mr Harold Winearls, at a meeting to discuss the consumer boycott which was reintroduced on March 3.

Mr Winearls sketched the background to the imposition of the second boycott, following the vote of no confidence in the mayor, Mr Joe Yazbek, and white reaction to the city council's bid to open the beaches.

"The business community has been singled out as the soft underbelly and political de-

mands are being made which are beyond our scope. We must accept that we are going to be squeezed between the two protagonists: the consumer boycott committee and the government.

"We will have to seriously reconsider our position," he said.

Mr Winearls posed several questions to the boycott committee, the authorities and the people of East London.

He asked the boycott committee if they could provide alternate employment for people who lost their jobs because of the boycott, whether they believed in negotiations and whether they believed that the evolving violence was the only answer.

He asked the authorities whether they thought the East Cape business community was expendable, whether they had calculated the loss in GST and whether they had thought of ways



MR WINEARLS . . . business is going to be squeezed.

to save the East Cape economy.

He warned the people of the city that it was time to sit down and negotiate the future of all.

He also warned residents that they would have to face an extra tax burden if retail trade collapsed.

Bus Day 9/4/86

# Pretoria CBD office rentals take a nosedive

OFFICE rentals in Pretoria's CBD have nosedived in the last 12 to 24 months, going from around R16/m<sup>2</sup> to R17/m<sup>2</sup> gross in some cases to R8/m<sup>2</sup> to R12/m<sup>2</sup>. Oversupply is hovering at around 4% to 4.5% — about 20 000m<sup>2</sup> — according to several brokers, although figures vary according to what types of space are included in a count. A percentage of 4% to 4.5% may

sound low in comparison to other big cities, but it must be remembered that Pretoria has traditionally been protected from major oversupply by government's occupancy of as much as 60% of office space. By some estimates the oversupply represents two

years' worth of take-up. The market hit rock-bottom in December, says Ovland's Vernon Beeton, and has not improved since. Although he feels Ovland is better off than many developers, it has one building of about 2 000m<sup>2</sup> in the CBD

which has been completely empty for four to five months since major tenant Sanlam moved out.

Norman Nel, at Realtors, confirms office rentals are coming down. Landlords are prepared to reduce

rentals to "ridiculously" low levels simply to cover holding costs, he says. There are still tenants on existing leases from a year or two ago who are paying a gross R16/m<sup>2</sup> or R17/m<sup>2</sup>, but he knows of new deals coming in at R8/m<sup>2</sup> to R12/m<sup>2</sup>. On the sales side,

Nel says there's not a lot of decent property available to buy, but he's seen a good run on sectional title office projects since the beginning of the year. He's sold about R4.5m worth in the last few months.

Prices range from about R900/m<sup>2</sup> on existing buildings which have been converted to sectional title to around R1 200m<sup>2</sup> to R1 550m<sup>2</sup> on new develop-

ments. There are a number of professional concerns buying their own properties, he adds, either on their own or going into syndicates. The retail sector is undoubtedly overshot. Beeton says there is one major CBD centre which has nine vacancies and, with no improvement in sight for the sector, he predicts more liquidations in the first half of this year than in 1985.

Clothing chains want interest paid

# Charging it may cost more

By DIANNA GAMES

SEVERAL clothing chainstores indicated yesterday that it was likely interest would be introduced on charge accounts to cover the cost of providing credit facilities to customers.

Spokesmen for the stores said yesterday that if such a system, used overseas, were introduced by one chain, the others would be in a position to test the market and were likely to follow suit.

The issue was raised earlier this week by Foschini chairman Stanley Lewis in the chain's annual report.

Kevin Smith, MD of Greatermans, which has 55% of customers holding charge accounts, said Greatermans would support such a move because of the strain charge accounts put on company profits.

He said the chain was likely to follow if others introduced a system of interest rates on the accounts, but would not "lead the pack".

Topics Stores' MD Alan Sutherland said the chain had given the issue much thought, especially because of the significant increase over the past year in the number of people who

defaulted on charge accounts.

But it was likely the interest would be levied only on accounts ceded to the credit recovery corporation, not on current accounts, he said.

About 75% of the chain's accounts are charge accounts.

Edgars MD George Beeton said Edgars catered for a "normal" interest rate in its prices but at current interest rates, charge accounts were subsidised out of profits.

Although interest rates had made it expensive for companies to offer charge accounts, Edgars, which has an estimated 80% of its customers holding charge accounts, was unlikely to make a move in this direction, he said.

"It has taken more than 50 years to build up our position in the marketplace and we would have to think carefully about making such a move," he said.

He said that if Edgars were to charge commercial interest rates on accounts, the system by which prices were worked out would require prices to be lowered.

# Mandy to to head <sup>20</sup> CBD for 9th time

Mr Nigel Mandy was re-elected chairman of the Johannesburg Central Business District Association (CBDA) for the ninth successive time last night. He helped found the CBDA in 1977.

The election of additional councillors reflected the new non-racial character of city-centre business.

## OFFICE BEARERS

Elected were Mr David Appleton, of Welcome company, Johannesburg; Mr Roly Clarke, of IBM (and chairman of the Sullivan Signatories Association); Mr Sy Kutumela, of African Business Publication (and Nafcoc); Mr Eric Mufuna, of Consumer Behaviour; Mr Aubrey Pitt, of BTA (and Johannesburg Chamber of Commerce), and Mr Yussuf Surtee of Surtee's.

# Jack in hiding since Tuesday

By KIN BENTLEY

THE whereabouts of the Port Elizabeth Consumer Boycott Committee (CBC) spokesman, Mr Mkhusehli Jack, is unknown.

A spokesman for the United Democratic Front office said that since the police tried to find him on Tuesday night he had been "on the run".

Attempts to contact Mr Jack over the past two days to see whether the CBC would accept an invitation to discuss the boycott with PE City Councillor Mr Harold Davidson and others have proved unsuccessful.

Mr Jack did not sleep at home on Tuesday night when, according to a relative, police visited the house three times.

Police yesterday held the acting president of the PE Black Civic Organisation and East Cape UDF vice-president, Mr Henry Fazzie, for questioning before releasing him.

The SA Police liaison officer for the Eastern Cape, Lt-Col Gerrie van Rooyen, declined to comment.

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E-POST

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19/4/86



Car sales at lowest for nine years

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# Motormakers below point of survival

10/4/86 • BUNDAY

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**NEW** CAR sales are at their lowest point for nine years. Motor industry officials say they are running 40% below levels needed to safeguard manufacturers' survival.

Manufacturers are already revising their 1986 sales projections downwards. The more pessimistic are predicting figures well below those of 1985, which saw three manufacturers quit the market and two more merge because of declining sales.

Latest official industry figures show car sales last month, at 14 017, were 28% down on March 1985. Light commercial sales were down 25%, medium commercials 22%, heavy vehicles 44% and total vehicle sales 28%.

Car sales so far this year are at their lowest level since 1977, say industry officials.

**DAVID FURLONGER**  
Industrial Editor

Nico Vermeulen, director of the National Association of Automobile Manufacturers of SA (Naamsa), which supplied the figures, said last night: "A sustained, monthly, new-car market of 25 000 units, and a monthly, combined commercial-vehicle market of 11 000 units, represents the minimum industry requirement to safeguard the economic viability and future of vehicle manufacturers."

"Current sales represent only about 60% of these levels."

Manufacturers had hoped March would show the first signs of a recovery in the depressed market. But while car

● To Page 2



## Little joy for carmakers

BUNDAY 10/4/86

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sales improved marginally over February, from 13 913 to 14 017, declining commercial-vehicle-market sales brought total unit sales down from 21 230 to 20 945.

Naamsa president and Volkswagen MD Peter Searle said the figures "bring little joy to the beleaguered motor industry".

According to Toyota marketing director Brand Pretorius, manufacturers will have to revise sales projections for this year.

"The latest returns demonstrate the worrying fact that the continuing decrease in vehicle sales is accelerating, whereas the industry has previously forecast that, by now, the market would have shown signs of improving."

● From Page 1

"Original forecasts put car sales for 1986 at 215 000. On the basis of the March sales, the estimate is now about 185 000, a figure almost as low as the disastrous 167 000 sales of the 1977 slump year."

This compares with a 1985 market of 204 322 sales, and 268 751 in 1984.

"Such a low market could have a serious effect in terms of employment and profitability on the motor industry," said Pretorius.

He added: "The March results are both disappointing and disconcerting. Vehicle sales figures are generally regarded as a barometer of the state of our economy, and the signs are not good."

CNT Times 12/1/86

# Council probe into plight of City hawkers

Municipal Reporter

HAWKERS and other "free spirits" earning money by informal and often illegal trading may find life a little easier as a result of an investigation into their plight by the City Council.

According to the City Engineer's Department, the aims of the exercise are, among other things:

- To increase employment opportunities.
- To improve public access to cheap goods and services — especially in areas which have few retail and service outlets.
- To allow "free spirits" to earn their livings "without the ties, restrictions and responsibilities associated with formal enterprise".

The deputy City Engineer, Mr David Jack, says the council will not have enough money to continue the project during the current financial year.

He has recommended that the council ask the Small Business Development Corporation for a grant-in-aid of R50 500, or suspend the study until the new financial year begins in July.

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# CBD probe urged

*BUSINESS DAY 21/85*  
City Correspondent *(30)*

CAPE TOWN City Council is considering engaging a private company to study commercial development in the central business district.

Deputy city engineer David Jack said in a report to the town planning committee that the investigation was necessary to determine the possible impact of large retail and other developments.

Major retailers would be asked how they viewed the future of the metropolitan region and their own prospects for development.

The study could also determine the present and probable role of the CBD, attitudes towards redevelopment of the power station site and station and the impact of development on parking, traffic and existing retail floor space.

"It is critical in terms of the potential effects of very large-scale retail development," Jack said.

0700	0800	SA500	2125	1005
0850	0950	SA504	Johannesburg to London	
1000	1100	SA512	1845	0700
1155	1255	SA536	2000	1820
1600	1700	SA522	London to Johannesburg	
1735	1835	SA524	1800	0950
2040	2140	SA528	1945	1000
2255	2355	SA594	Johannesburg to Port Elizabeth	

0500	0705	SA481	Johannesburg to Gaborone	
0700	0840	SA401	0730	0640
0905	1130	SA403	Gaborone to Johannesburg	
1215	1520	SA499	1635	1740
1540	1805	SA415		
1735	1915	SA417		

Now you can travel to Gaborone  
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**DAILY RETURN FLIGHTS**

(See timetable for details.)

**Air Botswana**

MUNDELS 12340

Vehicle sales took yet another steep dive across the board in March, with industry sources forecasting year-end figures well below their earlier more optimistic 1986 estimates.

Total unit sales were 28 percent down on March 1985, while sales for the first quarter of 1986 were 24 percent below those for the same period last year, according to figures released by

# March car sales 28% below 1985

Naansa. It was the same depressing story across the entire vehicle market spectrum — passenger

car sales down 28 percent, light commercials down 23 percent, medium commercials down 22 percent and heavy vehicles 44 percent down on the March 1985 figures. Commenting on the fig-

ures, Toyota marketing director Brand Pretorius said: "The March results are both disappointing and disconcerting."

"It is clear that neither the recent budget nor the recent political developments have boosted confidence in South Africa's economic and political prospects in the short to

medium term. "The latest returns demonstrate the worrying fact that the continuing decrease in vehicle sales is accelerating, whereas the industry has previously forecast that by now the market would have showed signs of improving.

Unfortunately there are no signs of this."

Original forecasts put car sales for 1986 at 215 000.

On the basis of the March sales the estimate is now around 185 000, a figure almost as low as the disastrous 167 000 sales of the 1977 slump year.

"Such a low market could have a serious effect in terms of employ-

ment and profitability on the motor industry — South Africa's second largest employer in the industrial sector."

Passenger vehicle sales last month totalled 14 017 compared with 19 464 in March 1985.

Total combined sales of passenger and commercial vehicles last month were 20 945 units — a steep drop from the 29 001 units of March last year. — Sapa.

GU> DAY 10/4/86

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THIS month's wholesale liquor price rise smacks of opportunism, says the Federated Hotel, Liquor and Catering Association (Fedhasa).

It may further entrench liquor profits in the producer and wholesale sectors, it says.

Fedhasa says it is unwarranted after a Budget in which liquor was spared an excise increase and after a petrol price drop that should have resulted in considerable distribution savings.

Liquor committee chairman Mike Kovensky said in Johannesburg yesterday: "This is once again a case of the little guy being hammered by the big guy."

The increase comes only eight weeks after an earlier one. The latest adjustment is 8% for wines and

## Retailers slam liquor price rise

5% for spirits. The whisky price, however, has been lowered by 10%.

"Retailers are the middlemen who have no say over these price rises, but are at the coalface of consumer antagonism."

"I find it impossible to believe that the Cape Wine & Spirit Institute got its figures so wrong only eight weeks ago that unforeseen circumstances made it necessary to raise prices again." — Sapa.

## Free parking for boycott victims

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WEEKLY MAIL 11/4/86

WHILE the consumer boycott was reimposed this week in Port Elizabeth, it has been lifted in Queenstown after seven months — and the East London City Council has announced a free parking plan to aid city businessmen reeling under a boycott resumed a month ago.

Black shoppers flooded back into Queenstown this week after what is believed to be the Eastern Cape's longest lasting consumer boycott. The suspension, said Vukile Feni, a representative of the Mlungisi Residents' Association, should be seen as an act of good faith and the authorities should therefore act swiftly to fulfil their promises that the residents' demands would be met.

Demands include the upgrading of Mlungisi township, the abolition of lodgers' permits, the reinstatement of people who have been evicted, consultation before any future rent hikes and the installation of taps and toilets on each erf.

Meanwhile, the East London City Council will try to attract shoppers to town by providing free parking. From next week, parking meters in the central business district will not operate after 3pm daily.

# PFP urges brake on motor industry decline

THE motor industry was too important to SA to be allowed to continue its decline, John Malcomess (PFP Port Elizabeth Central) said yesterday.

It was time the industry was granted tax relief and government should consider the representations of the Motor Industries Federation to the Margo Commission on SA's tax structure, he said.

Speaking during the Second Reading debate on the Budget, Malcomess said car sales this year were 25% down on last year and, if the trend continued, total sales for the year would be 160 000 compared with 301 000 in 1981.

The price of cars had climbed "astronomically" and more-and-more people, especially blacks, were unable to afford new cars.

The drop in sales had also increased unemployment. The number of employees in car plants had dropped from 47 570 in December 1983 to 33 346 in December

1985. A loss of 25 000 jobs had been estimated in the components industry.

Malcomess said the biggest reason for the plight of the industry was the extent to which it was taxed.

In 1985, government had collected R3 644m in tax on sales of cars, parts, petrol and in other levies related to the industry.

● COMMENT: Page 6

Malcomess said government charged GST on a vehicle an average of four times in its lifetime, collecting tax each time it was resold.

"There is even tax on tax. GST is levied on retail prices, which includes customs and excise taxes."

There were also additional taxes like provincial licence levies and registration fees.

**The giant sleeps on**

Increasing real wages don't necessarily improve quality of life for blacks. A series of micro-studies in Soweto by Wits social anthropologist Jeremy Keenan has revealed a "catastrophic increase" in unemployment and a drop in informal sector activities which more than offset the benefits of rising wages.

While some households have better living standards, the increase in the numbers which have fallen below the poverty line is far greater, says Keenan. "And, since the first survey in 1978, 80% of households have fallen below the poverty line at some time."

On these grounds, he cautions against the belief that the black consumer market is about to take off. "This has been the central concern of Johannesburg retailers for 100 years; we are still being told stories of how the sleeping giant is going to awake."

He believes the groups studied, though small, are "typical of what is happening in almost every corner of the country".

"Data from the initial study was drawn from 50 randomly selected households in Rockville in Moroka West, which could be

regarded as being in Soweto's top 25%. The study collected data on income from both formal and informal activities, employment and unemployment, household structures, poverty levels, the adaptive strategies of households and so on. In 1981, the study was expanded to include 50 households from Phiri and a further 50 from White City."

In Moroka, where household sizes have fallen by 15% since 1978, real per capita income (PCI) at the end of 1985 was less than 1% more than it was in 1978. In Phiri, where household sizes have decreased by about 8% since 1981, PCI has declined by 14%. And in White City, with a decline in household size of 3%, PCI has declined by 17%.

A major cause is the increase in unemployment between 1981 and 1985: from 37% to 46% in Moroka; from 32% to 52% in Phiri; and from 32% to 60% in White City. In real terms, average informal income per household dropped significantly between mid-1984 and the end of 1985: by 54%, 61% and 50% in Moroka, Phiri and White City.

To survive, families have reduced the number of dependents, sending children and the elderly "to live with kinsmen elsewhere, usually in the homelands." Keenan points out the severe limitation of this strategy. "It is an act of desperation, a step towards the disintegration of the family unit and an abdication of parental and familial responsibility." ■



# PE retrenchments wave likely

A WAVE of retrenchments was expected as the black consumer boycott of white stores was resumed on Monday.

But under a deal struck between traders in the townships and organisations supporting the boycott, employees retrenched by white shopowners will be hired by township traders.

The traders, who have been gearing up for a boom, have also pledged to keep mark-ups below 15 percent. Compliance will be monitored by a committee which includes the East Cape African Chamber of Commerce and the United Democratic Front.

White shopowners have warned of a

By MIKE LOEWE,  
Port Elizabeth

mass closure of stores by the end of the month. Said an outfitter in the black trading sector on Main Street: "We've had our chips. Business slumped with the recession, and now this. We'll never survive."

The decision to resume the consumer boycott — which closed a number of white businesses before it was called off at the end of November last year — was taken at a mass meeting last month.

The boycott, said Walmer PFP MP Andrew Savage last week, is not about prices but about political rights — a

means of communicating to whites the urgency of using their influence to abolish apartheid.

In that aim it may be finding its mark, as traders interviewed are beginning to criticise the government for "deliberately neglecting the city".

Meanwhile, violence in the townships has reached new heights. At the weekend, police fired on a crowd of mourners attending a funeral for eight residents killed in raids on state and community council-owned bottle stores. The eight died at the height of a self-imposed prohibition drive which includes the restriction of alcohol trading hours.

# 1986 car sales figures lowest in nine years

DAVID FURLONGER

CAR sales for the first quarter are at the lowest in nine years.

Figures released this week by the National Association of Automobile Manufacturers of SA (Naamsa) show that the long-awaited revival in sales failed to materialise last month.

While car sales rose marginally on February, they were down 28% on March 1985. Light commercial sales were down 25%, medium commercials 22% and heavy vehicles 28%. The official March sales figures are:

## CARS

BMW — 3 Series 845, 5 Series 149, 7 Series 63, Other 4, Total 1 061.  
 General Motors — Opel Rekord/Commodore/Senator 324, Opel Ascona 35, Opel Kadett 621, Total 980.  
 Mercedes-Benz — Honda Ballade 775, M/Benz New W123 Series 579, New W126 Series 88, Total 1 442.  
 Nissan — Langley/Pulsar 777, Skyline 400, Laurel 91, 280ZX 3, Other 1, Total 1 272.  
 Renault — Renault 9 196, Renault 11 134, Other 1, Total 331.  
 Samcor — Ford Escort 683, Sierra 535, Granada 20 (Ford total 1 238), Mazda 323 633, Mazda 626 422, Tredia 201, Peugeot 505 58 (MMI total 1 314), Total 2 552.  
 Toyota — Corolla 2 190, Cressida 1 769, Other 7, Total 3 966.  
 Volkswagen — Golf/Jetta 2 102, Passat 181, Audi 500 126, Total 2 409.  
 Other — Jaguar 4.  
 Total March 1986 — 14 017.  
 Total March 1985 — 19 464.  
 Total February 1986 — 13 913.  
 Total February 1985 — 17 381.  
 January-March 1986 — 41 769.  
 January-March 1985 — 55 396.

## LIGHT COMMERCIAL VEHICLES

GM 699, Leyland 13, M/Benz 1, Nissan 1 427, Samcor (Ford 586, MMI 605) 1 191, Toyota 2 178, VW 423.  
 Total March 1986 — 5 932.  
 Total March 1985 — 7 935.  
 Total February 1986 — 6 192.  
 Total February 1985 — 7 159.  
 January-March 1986 — 17 527.  
 January-March 1985 — 22 190.

## MEDIUM COMMERCIALS

GM 82, M/Benz 29, Nissan 40, Samcor (Ford 22, MMI 85) 107, Toyota 112.

Total March 1986 — 370.  
 Total March 1985 — 476.  
 Total February 1986 — 492.  
 Total February 1985 — 440.  
 January-March 1986 — 1 295.  
 January-March 1985 — 1 357.

## HEAVY COMMERCIALS

Erf 14, Fodens 1, GM 77, Hestair 1, Leyland 69, Magnis 69, Malcomess 16, Man Truck 38, M/Benz 207, Samcor (Ford 16, MMI 38) 54, Toyota 80.  
 Total March 1986 — 626.  
 Total March 1985 — 1 126.  
 Total February 1986 — 633.  
 Total February 1985 — 940.  
 January-March 1986 — 1 772.  
 January-March 1985 — 2 807.

## TOTAL VEHICLE SALES

March 1986 — 20 945.  
 March 1985 — 29 001.  
 February 1986 — 21 230.  
 February 1985 — 25 920.  
 January-March 1986 — 62 333.  
 January-March 1985 — 81 750.

## GERALD REILLY

THE provincial council system will come to an end at the final (budget) session of the Transvaal Council which opens at the old Raadsaal in Pretoria on May 6.

Progressive Federal Party Transvaal chairman Douglas Gibson said the session would be "highly political and contentious".

"This is the last opportunity we will have to highlight the total failure of Nat Party policies," he said.

The 1985-86 budget totalled

## Final

R2,8bn of which R of a governme About half the to in wages, salaries penditure.

An additional ex will be the golden the 76 Members Councils.

These could cost although provincia

## AIRLINE MOVEMENTS

Friday Air Schedule		1830	1930	SAS21
Johannesburg to Cape Town		2100	2200	SAS27
Dep	Arr	Flight	Durban to Johannesburg	
0100	0305	SA397	0700	SAS00
0710	0940	SA301	0850	SAS06
0730	0935	SA303	1000	SAS12
0930	1135	SA307	1145	SAS16
1145	1350	SA311	1300	SAS18
1250	1455	SA343	1600	SAS22
1430	1635	SA325	1735	SAS24
1600	1805	SA329	2040	SAS28
1630	1830	SA337	2255	SAS94
1750	2140	SA349	Johannesburg to Port Elizabeth	
1800	2005	SA333		
1805	2135	SA351		

cont. 11/4/86

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# Farmers deny they caused price hike

By **RONNIE MORRIS**  
SHEEP farmers have denied they caused last week's meat price hike by withholding stock as alleged by the Meat Board.

The Meat Board claimed last week that farmers were responsible for the hike, which nearly doubled the meat price, by withholding stock because they were "spoilt" and were waiting for higher prices.

The auction price of lamb was R3,70 a kilo compared to R5,70 last week. Earlier, it was increased from R3,20 to R6,20 a kilo.

Farmers yesterday strongly denied this, saying they were issued with Meat Board permits controlling when they could market their animals.

Namaqualand farmer Mr Thys Beukes, of the Bovlei farm in Kamieskroon, said every farmer naturally tried to get the best price for his stock.

Meat prices were affected by the supply-and-demand principle, and there was no way they could keep prices artificially high, he said.

Because all farmers could not market their stock during this period, they were issued with Meat Board permits, which determined when, and how many, animals could be sent to market.

Farmers had no control over the issuing of permits, said Mr Beukes.

Mr R Archer, a Kamieskroon farmer and member of the meat committee of the Western Cape Agricultural Union, said the price of first-grade lamb was R2 more than the floor price for meat.

The floor price did not affect meat prices, he said. When issued with a permit, farmers could not withhold stock.

"Somewhere in the meat trade, the amount of meat for sale is being manipulated and an artificial shortage created," he said.

Dr Pieter Coetzee, general manager of the Meat Board, said from Pretoria yesterday that permits were issued only between September and January — the peak production period — after which a quota system was in operation.

"If the meat trade could buy meat at a lower price and pay about 20 cents a kilo for transport, it would do so.

"The Meat Board does not interfere with the price of meat unless it drops to the floor price," he said.

The chairman of the Chamber of Muslim Meat Traders (Commtra), Mr Adam Jaffer, said they repeated their call for an inquiry into the affairs of the meat industry.

11/4/86 BUS DAY 30

# Jack evades police

THE whereabouts of Port Elizabeth Consumer Boycott Committee spokesman Mkhusele Jack is unknown.

A spokesman for the United Democratic Front said that since police tried to find him on Tuesday night he had been "on the run".

Attempts to contact Jack over the past two days, to see whether the CBC would discuss the boycott with PE city councillor Harold Davidson and others, have proved unsuccessful.

A relative of Jack said he had not slept at home on Tuesday night when, he added, police visited the house three times.

On Wednesday, police briefly held

PE Black Civic Organisation acting president and UDF vice-president Henry Fazzie for questioning.

In an earlier interview this week, Jack indicated that the CBC was prepared to give "seminars" explaining why it believed boycotts were an effective strategy.

He said he would explain to them why the CBC was "not worried about loss of profits" when lives were being lost and how the boycott would apply pressure on government, by demonstrating that "politics and the economy are inter-related".

Jack added that he believed the boycott strategy would "snowball" around the country. — Sapa.

# NF hits 'faceless boycotts'

WEEKLY MAIL 11/12/86 30

THE National Forum has hit out at the imposition of consumer boycotts by "faceless committees" without prior consultation.

This has resulted in hardships "on our people by these elements who enforce the boycott in an undemocratic manner", the NF said in a resolution adopted at its recent annual conference in Durban.

"The NF has subsequently decided to embark on a consumer boycott campaign only after proper consultation and full and free discussion with members of the community has taken place, thereby eliminating the emergence of faceless committees who have no mandate

from the community," said NF convenor and Azanian People's Organisation president Saths Cooper.

"The consumer boycott, if effectively and selectively used, is a vital weapon in the hands of the oppressed and exploited to mobilise resistance against a vicious and exploitative regime."

Cooper said the NF's call for appropriate action taken to mark May Day and the 10th anniversary of the 1976 uprisings should not be equated with a call for a boycott or stayaways.

"What we have called for is the withdrawal of support for the system in the education, labour and sports spheres through consumer action."

TOYOTA

# Discounting recovery

30  
 FCN MIA  
 11/4/86

**Activities:** Assembles and distributes Toyota and Hino motor vehicles.

**Control:** Wesco owns 50% of the equity.

**Chairman:** Dr A J J Wessels; managing director: C S Adcock.

**Capital structure:** 4,1m ords of 16,67c. Market capitalisation: R184,5m.

**Share market:** Price: 4 500c. Yields: 0,56% on dividend; — % on earnings; PE ratio, 180; cover, —. 12 month high, 6 000c; low, 3 500c. Trading volume last quarter, 300 000 shares.

**Financial:** Year to December 31.

	'82	'83	'84	'85
<b>Debt:</b>				
Short-term (Rm) ..	19,6	2,7	160,7	136,7
Long-term (Rm) ...	1,7	—	46,9	136,6
Debt:equity ratio .....	0,13	0,01	0,70	0,99
Shareholders' interest	0,64	0,65	0,48	0,41
Int & leasing cover .	3,6	8,4	1,9	0,58
Debt cover .....	1,3	28,4	0,41	0,07

	'82	'83	'84	'85
<b>Performance:</b>				
Return on cap (%) ..	12,5	24,6	15,8	9,1
Turnover (Rm) .....	792	864	1 094	1 064
Pre-int profit (Rm)* .	32,0	78,4	98,3	60,9
Pre-int margin (%) ..	4,0	9,1	9,0	5,7
Taxed profit (Rm) ....	16,2	40,7	25,8	(56,2)
Earnings (c) .....	712	1 117	735	(1 338)
Dividends (c) .....	130	150	160	25
Net worth (c) .....	3 992	5 097	7 318	6 832

\* Stated before losses on foreign exchange transactions

Rarely has the JSE accorded a company a more positive recovery rating than it is now giving Toyota. I am not arguing that the Toyota share will not advance further, it could well do so. But Toyota's present R45 share price is a lesson in how a good image, born of sales success and solid marketing, can result in the market treating a company leniently.

Admittedly, last year was tough. Total South African motor industry retail sales slid 25%, and Toyota did well in earning an operating profit when other South African car manufacturers failed to do so. Operating margins were also held to a respectable 5,7% (1984: 8,9%). But the size of debt is cause for concern when it comes to assessing Toyota's recovery prospects. And management has a lot to explain when it comes to foreign exchange transactions.

The debt figures make grim reading. A R58m loss last year on foreign exchange brings the total loss in the last two years to R90,9m, placing Toyota in the league of top foreign exchange losers. And interest-bearing debt climbed by 30% to R273m. This figure compares with R2,7m in 1983. The debt:equity ratio, from being 0,01 in 1983, now stands at 0,99. Interest paid soared 175% to R50,7m (net interest paid was R27,6m), and debt cover has collapsed.

Much of the debt results from expansion



Toyota's Adcock ... sales skill, forex debacle

projects which came on stream as the car market plunged into recession. Chairman Albert Wessels writes that last year's net R66m rise in debt reflected "the loss for the year as well as the increased borrowings required to finance tooling for replacement models." To be fair, Toyota could not have foreseen the vicious combination for business of SA's economic and political mismanagement, and it will save on the cost of installing future capacity at vastly increased costs.

But the forex losses show management to have been too clever by half. Three days before the introduction of the State of Emergency, it uncovered half of its \$113m of foreign borrowings, believing the rand would rise. Last year's losses were taken on the rand's ensuing 30% collapse. These borrowings were covered in November, Wessels writes, so fixing the loss. But this panicky decision (surely management could have seen that the rand was at bottom) means that the chance has been blown in 1986 to write back nearly all of the R58m loss of 1985. Such incompetent forex management at,

say, Gencor would have set the market buying for blood.

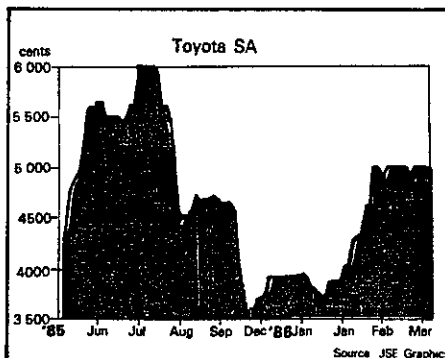
The board split on the question of the dividend, but the majority decision to pass the final was mean. Even after the forex losses, Toyota's year-end distributable reserve was R145,9m, greater than 1983's R145,3m. In the circumstances, I believe the board could easily have spared the R6,5m needed to maintain the dividend.

Its action in passing the final makes a mockery of Wessels' comment on dividend policy in the heady days of early-1984. Then he defended Toyota's high cover both to finance expansion and allow dividends to rise in line with or greater than inflation. However, MD Colin Adcock points out that inflation in the same period has risen by some 35%, so cutting the real value of reserves.

So where does Toyota head now? In the first two months of this year, the passenger car market is down 23% on last year's depressed levels, but Toyota's market share keeps rising — from 22,5% to 25,9%. A gradual economic recovery in the second half would boost sales and the group looks set to raise overall market share for the sixth successive year.

Adcock says that a rand above US45c enables the group to recoup costs (after hefty car price rises) and he anticipates no major tooling expenditure until late-1987. Capacity utilisation is at 50% and this, Wessels says, "will see the group through the rest of this decade with little in the way of new manufacturing investment to meet market growth." Stocks are under tight control.

But the debt load and tighter margins will place a drag on profit growth. As Wessels



BENONI

# Beating off the hypers

FIN MAIL 14/4/86 (30)

Benoni has joined its East Rand neighbours by coming up with an ambitious plan to revitalise its CBD. The R70m scheme (likely to hit R100m before it is completed) provides for a new hard core based around 30 000 m<sup>2</sup> of new shopping space, a new office component, an exhibition hall and a top-flight hotel on the banks of Civic lake.

Benoni's rationale is the same as that of Springs, Alberton, Boksburg, Kempton Park and Brakpan — it wants to stem the retail spending drain to the suburban regionals and hypers in other towns.

The master plan, drawn up by Reg Pheiffer, Dave Marais and Partners, calls for the lake area to be linked by a 500 m shop-lined pedestrian mall to the existing CBD, which will also be encouraged to upgrade to remain competitive.

When first costings were done in 1984, a figure of R70m was placed on the package — R22m coming from the town council in the way of infrastructure and the rest from developers. Clearly, the final bill will be far greater by the time the ambitious scheme is completed in the late Eighties.

The council assembled the land two years ago when it bought 22 stands for R4m. But the challenge now will be to convince the private sector that it will all make good commercial sense. For some it does not.

Gencor Properties' Mike Dietrichs, for example, is concerned about the effects the swing in emphasis will have on existing development. Gencor, he points out, runs the Benoni Plaza, on ground leased from the council for 40 years, as one of the few income-producing investments in its portfolio. What effect, he asks, will the new core have on existing property owners?

But Town Treasurer Deneys Conradie is reassuring. He says he doubts whether the new shops will draw much, if any, custom away from existing retailers.

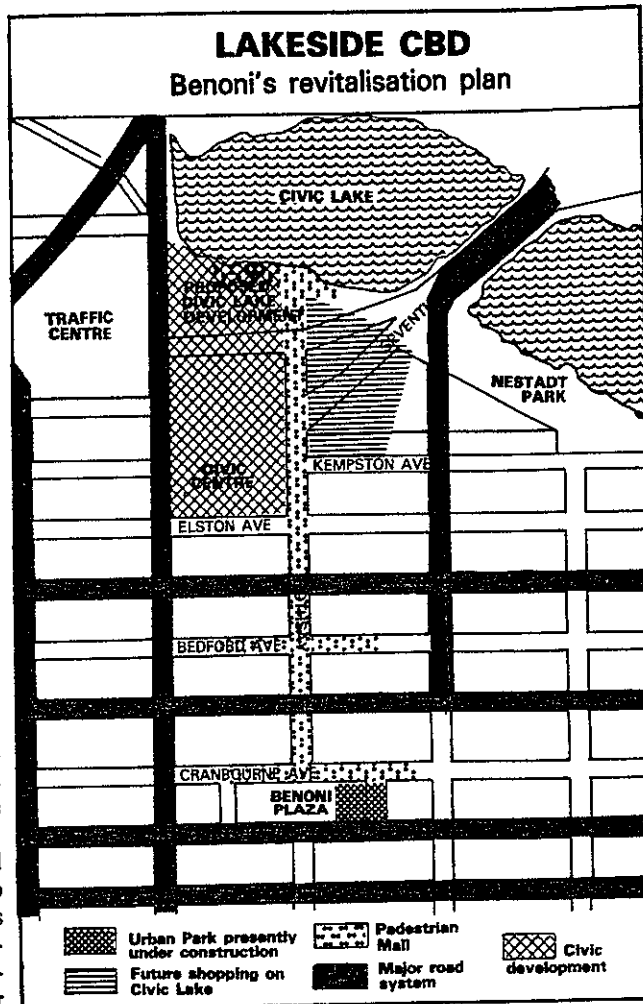
"We are trying to make it more pleasant

for our residents to spend their money in Benoni," he explains. "We want to break them of the habit of trekking to Eastgate to do their shopping. If we manage that, there will be enough additional business to keep all the shops happy. But we can't do it unless we attract big developers. And they won't come unless we make it attractive."

Management committee chairman Alan

of the mall. It will run along a portion of Cranbourne Avenue, which will be closed in this sector, down Rothsay Street to the lake. A fountain, to be built on the park, will become the source of an artificial river system flowing alongside the mall to the lake, where council will provide the infrastructure.

The way Pheiffer sees it, the lake area, with its pedestrian walkways and water sport facilities, will provide the growth node for the northern area and the Plaza will act as the catalyst to revitalise the old CBD to the south.



## CAPE OFFICES

### Full of holes

If there's such a thing as controlled panic, Cape Town's office market is experiencing it. The space glut appears immune to the most attractive financial inducements landlords can devise, and not a few are running out of ideas.

"Decent quality space is just being given away," says Richard Ewens, regional director of Richard Ellis. The tenant is king, and particularly those needing more than 1 000 m<sup>2</sup> have huge clout. On the other hand, Ewens notes, the Cape Town market experienced an even worse glut in 1977-1978 (about 130 000 m<sup>2</sup>) which was taken up in 2½-3 years.

Brokers still estimate the oversupply at some 90 000 m<sup>2</sup>, about 8% of total stock, but say the position is set to worsen by between 7% and 10% during the year.

Government remains the most promising tenant. It has saved Woolworths' bacon on its old Corporation Street HQ, by taking a five-year lease on the 7 900 m<sup>2</sup> at R7/m<sup>2</sup>, escalating at 8,5% a year.

Other advantages in this good deal are that there are almost no installation costs; negligible changes to the building are required; and government is moving in as soon as Woolworths completes its move, already in progress, to the new 16 000 m<sup>2</sup> HQ behind the old City Hall. This is literally across the street.

But this one is an exception to the rule. Compounding the surplus problem, as always, is a spate of new CBD space due to come onto the market in coming months.

Sanlam's 20 000 m<sup>2</sup> Project 166 already has two headleases over the office floors and one over the parking and shops. Interest in the highly attractive show offices is evidently pretty good, but it is still early days to talk meaningful lettings.

Next year Mobil will move into its new

Barrable says entrepreneurs are already showing interest. "Many of them," he tells the FM, "have said they want to get involved in the redevelopment."

Whether they will put their money where their mouths are will become clearer in about three months' time, when the council calls for tenders for the development of the retail component at the lake.

First, however, it will convert a site at the eastern end of the Plaza property (not leased to Gencor) from a bus terminus into an urban square, at a cost of about R1,3m.

The second phase, which will cost the council about R4m, will be the development

# Boycott 'nearly total'



By KIN BENTLEY

TRADERS interviewed in Port Elizabeth today said the black boycott, which started on Monday, had been nearly total.

While few had witnessed intimidation, all said the threat of violence arising from "necklace" murders was the main intimidator.

A North End outfitter feared the "wealth of goodwill which the traders have for the blacks is fast disappearing".

He said many traders felt there was no hope and no future and were planning to sell.

"People who have been in business for years are trying to salvage what they can," he said.

Another North End trader could not see many businesses lasting six months.

A shoe shop owner, whose trade has been cut by 40%, said fear of "the violence that has occurred before" was intimidating many blacks who wanted to buy, but feared for their lives.

11/14/88

E. Post



## CONSUMER BOYCOTTS

### The return

The black consumer boycott of white shops in Port Elizabeth resumed this Monday; and initial reports suggest it is, like the four-month boycott which ended late last year, extremely effective. Already, shopkeepers who depend on black custom have begun talking about the need for staff cuts; others fear their businesses will not survive at all for more than a few weeks.

PE Chamber of Commerce director Tony Gilson believes that while it is too early to gauge the boycott's precise effect, it is already being felt. Gilson says business has been talking to community leaders all along — however, there is no imminent prospect of the boycott being lifted. "The central issue — that of political participation for blacks — has not changed," he says.

Gilson believes that the boycotters' demands reflect the legitimate aspirations of the black community. But while black leaders have expressed appreciation for the chamber's mediatory role between the com-

munity and government, there has been little concrete progress.

An extended boycott, he predicts, will probably have similar results to last year, when many small, locally-owned businesses retrenched workers or closed down completely. Major chainstore groups were largely able to carry their PE losses.

PE Consumer Boycott Committee (PECBC) leader Mkhuseleli Jack estimates that the boycott is already almost 100% effective. He rejects allegations that the boycott is partly enforced through intimidation. "We see the deaths of our people at the hands of the SA Police as a form of intimidation. But the PECBC has made it clear we will not allow anyone to be forced to participate."

Jack, who was recently unbanned, says he cannot guarantee that intimidation does not exist at all. But where it does it is not in line with PECBC policy. The PECBC, he says, has set up an office where people can lodge complaints "which will be sorted out." He adds that people will be allowed to shop for their employers "to prevent certain employers from using the boycott as a way of victimising and dismissing workers" by placing them on the spot.

#### Price monitor

The PECBC, he says, has also established a "price control committee" to monitor prices charged by black traders. "The committee conducted a survey and then drew up a list of prices to be adhered to. It includes lower rates on certain staple foods. We have called on everyone to make a sacrifice, and shopkeepers are co-operating in this spirit," he says.

What does the boycott hope to achieve? Jack describes it as a form of pressure designed to avoid bloodshed. He hopes that "all South Africans who want peace and economic prosperity will see it as a signal for the start of serious negotiations aimed at a system where government will be elected by the majority." Failing that, he predicts that the boycott will snowball to other parts of SA and the demands will ultimately be met anyway. "We do not like the probable end result of a mass boycott, but we have no choice," he says.

A proposed boycott of Pretoria stores, called in March, appears to have received only patchy support. Conflicting pamphlets have caused uncertainty. It is unclear whether the confusion is the result of a lack of co-ordination between various community groups, or a deliberate counter-campaign.

Local Chamber of Commerce president Dan Rolt tells the *FM* he managed to contact the chairman of the consumer boycott committee last week and is attempting to set up a meeting between the two organisations.

Meanwhile, the eastern Transvaal towns of Nelspruit and White River are recovering from the effects of last week's blanket worker stayaway. Nelspruit and District Chamber of Commerce president Bill Wiggan says that, contrary to press reports, employers do

not plan to dismiss any participants. Wiggan claims that 90% stayed away against their will. He adds that, because the stayaway was relatively short-lived, business has not suffered any lasting damage. And he describes the events as a "good experience." White residents, he says, showed they were able to muster sufficient manpower to counter the stayaway.

Wiggan says that, as far as he knows, no specific demands were made by strikers. He adds that because "no one can put their finger on the instigators" there were no talks with community representatives. "We are happy that things have returned to normal, not through our doing, and we hope they will stay that way," he concludes. ■

# Soweto groups called on to protect residents

By Rich Mkhondo

Soweto's Consumer Boycott Committee and the United Democratic Front have called on all student, political and civic organisations to help protect residents against people who "rob other black people in the name of the struggle".

The organisations have called an "all-important mass meeting" at the Regina Mundi Church tomorrow at noon.

UDF acting publicity secretary Mr Murphy Morobe said: "The meeting will address the problems and conflict in our townships caused by people taking advantage of the volatile situation.

"It will ensure that the oppressive machinery does not di-

vide the people of Soweto but that some type of co-ordination in the activities of the people is ensured."

A spokesman of the Consumer Boycott Committee, Mr Jabu Ngwenya, said "notorious elements" were taking advantage of the escalation of violence in the townships and robbing people of goods, saying they would be "used for the struggle of a black man".

"The black community is facing problems. Cars and buses are stoned, stolen and burnt. Sheebeners and business people are harassed. Taxis are hijacked and stoned.

"These things and many more are done in the name of the struggle by our enemies and people taking advantage of the

situation.  
"They want to break our unity and put a bad name on the struggle. Our unity is still our powerful weapon and the enemy is afraid of it."

"Our demands will only be met when we are united. Now let us unite against those who divide us."

According to the organisers, tomorrow's open meeting will have no political or ideological affiliations.

Among the speakers, will be business people, sheebeners, taximen, representatives of the UDF, the Soweto Students' Congress, the Congress of South African Trade Unions and "someone representing ordinary Soweto residents".

SPAN 12/4/86  
30  
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# Lower food prices pledged

30

April 12, 1980

The Namib Mercury

ORMANDE POLLOK  
Political Correspondent

CAPE TOWN—Supermarket chains have responded to a Government challenge to pass on the benefits of the lower fuel prices to consumers by pledging cuts in food prices.

Mr Danie Steyn, Minister of Mineral and Energy Affairs, yesterday announced fuel price cuts of up to 11 c/l from Monday, but said the last time there was a price cut, little had been done to bring down prices.

Mr Steyn said he expected a more favourable response this time.

Reacting yesterday to the minister's challenge, Pick 'n Pay pledged to reduce prices on most commodities.

Pick 'n Pay director Alan Gardiner said: 'We're certainly going to reduce prices. I've spoken to all my buyers around the country and we're working actively to reduce the prices across the board on products.'

Last time the petrol price came down a lot of suppliers said they would just not ask for price increases they'd been about to. They won't be able to do that this time.

## Pressure

OK Bezaars announced that the price of frozen chickens would be reduced immediately. Managing director Gordon Hood said the price of frozen chickens, currently selling at an average of R2.69/kg, would drop to R1.99/kg for at least the next week.

'At the same time we will engage in negotiation with the suppliers of fruit and vegetables, meat and fish and call on them to reduce the prices of these products,' he said.

Clive Well, managing director of Checkers, said his company would pass its petrol savings on to the consumer as soon as possible and would put considerable pressure on suppliers to do the same.

Mr Well also called for Government tariff and fare reductions.

'Unless the Government and Government institutions such as SATS, Escom, the Post Office and SAA take the lead, and more or less force commerce and industry to follow suit, we are really most concerned that these savings will be pocketed, as was the case the last time,' he said.

## Pegged

Minister Steyn said the latest fuel reductions were in line with Government promises to bring them down whenever possible.

The price of crude oil had come down since last month's cut but as a result of the unstable exchange rate it was being calculated at R1 to 47 US cents. The cut could have been 14 c/l, he said, but added that because of the instability of the crude oil price it was being pegged.

Mr Brian Goodall, Opposition spokesman on energy, welcomed the cut, saying it could help to reduce inflation adding that little in this connection had been done in the Budget.

The PFP's transport spokesman, Mr John Malcomess, said the cost of fuel had been cut by 'no less than 20 percent and it would be a miscarriage of justice if South African Transport Services did not pass this on to the hard-hit consumer.'

## Revert

In his announcement, Mr Steyn said the temporary half-litre price system could be discontinued.

He said it would be possible to revert to a full litre price system on Monday, which would simplify sales transactions.

Prices would however still be rounded off to the nearest cent.

Mr Steyn said the pump price of 88 octane would be reduced by between 6 c/l and 7 c/l and the price of 83 and 87 octane by between 8 c/l and 11 c/l.

The variation is due to rounding off.

The wholesale price of 88 octane would be cut by 6 c/l and the other two octanes by 9 c/l.

The pump price of diesel would be cut by 8.3 c/l and for marine, Government, trade and industrial uses it will be cut by 8 c/l.

The price of agricultural diesel would be cut by 8.1 c/l, diesel for public goods transport by 9.3 c/l and bus diesel by 8.3 c/l.

Household paraffin would cost 4 c/l less and industrial paraffin 8 c/l less.

## Processed

Mr Steyn said the Third Party levy on petrol had been increased from 2 c/l to 2.8 c/l.

The increase was the result of statistical information about the risk factors of various consumer groups.

The information had been processed on a statistical and actuarial basis to ensure that everyone made a fair contribution to Third Party insurance.

As a result, all octanes of petrol would carry a 2.8 c/l levy instead of the initial 2 c/l.

Diesel used for public goods transport would carry a 1.7 c/l levy, bus transport diesel 2.7 c/l and agriculture 0.2 c/l.

The 4 c/l price cut being withheld from the public to replenish the country's strategic fuel stockpiles with the cheap crude oil available now would be passed on to the consumer once this had been achieved.

The stockpiles were 'not for strategic, but for economic purposes', he said.

'In other words, to stockpile enough cheap crude to use again if necessary at a later stage to cushion the blow to the consumer of another increase in the price of oil.'

The petrol 'reserve fund', which belonged to the fuel consumer and was administered by the Central Energy Fund to cover fluctuations in the landed price of oil, had been built up once again to R200 million and there was no reason to keep back some of the price cuts for this purpose, Mr Steyn said.

# Govt must cut tariffs ~~on~~ retailers

By Jackie Unwin

Consumer bodies and retailers are furious that State-controlled bodies do not intend to lower their tariffs after the drop in the fuel price.

"We are very angry and bitter about the whole situation," said Mrs Joy Hurwitz, president of the Housewives' League. "We demand price decreases."

"The league expects the Government sector, the private sector and every producer in this country to drop prices. These measures are anti-inflationary. It is not just the petrol decrease, it is the decrease in the bank rate and the costs of importation.

"All these items were used to push our cost of living up and now we expect the equivalent reduction."

A spokesman for the Consumer Council said: "The challenge to the Government bodies to lower their rates is absolutely valid and we would back it all the way."

"They have given the petrol price increase as an excuse for pushing up the rates in the past. If you take, for example, South African Airways and the South African Transport Services, fuel must be one of their prime expenses. So why can't they lower their prices?"

Mr Alan Gardiner, director of Pick 'n Pay, said: "I think it an absolute disgrace that Government bodies do not drop their prices. They have got to cut prices. One would have thought the President would have issued a directive to all departments to make price cuts."

"For the Government not to make the example shows a lack of leadership.

"We are asking all our suppliers to drop prices. There has been more than a 20 percent petrol price cut in the past two months."

Mr Clive Weil, managing director of Checkers, said: "As a consumer I want to know what the Government bodies are doing with this windfall profit.

"They cannot have budgetted for this order of decrease and one wonders where the surplus earnings are going."

Mr Gordon Hood, managing director of OK Bazaars, said: "As a result of the reduction of the price of petrol the OK will immediately pass on its anticipated savings to consumers and reduce the price of frozen chicken by 70c. At the same time it will engage in negotiations with the suppliers of fruit and vegetables, meat and fish and call on them to reduce the price of these products."

The Government was also criticised for not giving any relief to the Reef motorist in the cost of transporting fuel.

Mr Brian Goodall, the Progressive Federal Party spokesman on mineral and energy affairs, said: "I believe it is unfair that the Reef motorist is charged 7,4c a litre for transportation costs. The actual cost of transporting petrol by pipeline is about 1c a litre so the pipeline is making considerable profits," he said.

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AT a weekend mass meeting, Queenstown's Mlungisi Township residents unanimously decided to conditionally suspend the seven-month-old consumer boycott on April 8.

Mlungisi Residents Committee member Vukile Feni said residents would "wait and see" whether local authorities meet their demands.

The boycott's suspension should be seen as an act of good faith - so the authorities should swiftly fulfill their promise that residents' demands would be met in March, he said.

Residents demanded:

- The upgrading of Mlungisi, including schools, and the installation of toilets and taps in each erf.

# **Mlungisi gives authorities - and shops - a breather**

<sup>CITY P.</sup>  
<sup>(30)</sup>  
13/4/86  
● The upgrading of Mlungisi Stadium and a possible new site.

- Consultation before any rent hikes are effected

- The abolition of permits for lodgers.

- The reinstatement of people evicted because of rent hikes.

Feni said the intransigent attitude of the local authorities, the East Cape Development Board and the town council had brought extra demands.

Because of the authorities' actions during the consumer boycott, residents

demand:

- The release of all people detained or charged with offences related to the consumer boycott. Residents believe they are innocent and were only arrested because they spoke on behalf of the people.

- The withdrawal of security forces who entered Mlungisi during the boycott.

- The reinstatement of all workers retrenched during the boycott.

- The return of T-shirts confiscated by security

forces.

Though the boycott is suspended, all liquor outlets in town and shebeens in the township will still be boycotted, Feni said.

Mlungisi residents thanked the people of neighbouring rural areas

for their strong support of the boycott and hoped they would support it again when it resumes, Feni said. The consumer boycott will be resumed if the demands are not met within a specified period. - Veritas News Agency

# PE's Jack in hiding as boycott bites



JACK  
in hiding

CP Reporter

PORT ELIZABETH consumer boycott leader Mkhoseli Jack went into hiding on Tuesday - as white businessmen in the "Friendly City" were beginning to feel the bite of the week-old boycott.

Colleagues of Jack's told City Press the community leader has not been to work since Tuesday, when police called there for him.

"He has gone into hiding, apparently fearing action against him," one said. Attempts to locate Jack were unsuccessful.

City Press was also told UDF regional vice-president Henry Fazzie - who leads the boycott campaign alongside Jack - was quizzed by security police for a few hours on Wednesday and released.

Both were briefly banned and house arrested last month - but successful court action by Jack just 12 days later effectively invalidated banning orders throughout the country.

The consumer boycott of white businesses was relaunched in PE on Monday - and, says Fazzie, was vir-

tually total within 48 hours, in line with last year's successful four-month boycott.

While most businessmen were not eager to comment to City Press, an outfitter who relies on black customers for his business, said: "We've had it. Business slumped with the recession and now this. We'll never survive the boycott."

Black traders are reported to be doing roaring business, but in Korsten coloured township, traders say they have been hit by a complete boycott.

13/4/86. 5TH/87

# Stricken car-makers seek perks tax relief

(20)

By: Ciaran Ryan

THE embattled motor industry will appeal to the Government to relax perks tax on company cars after one of the most disastrous months for new-car sales in nine years.

The National Association of Automobile Manufacturers of South Africa (Naamsa) says it will petition the Government for relief to stimulate sales. About 70% of new cars sold are sold to fleets and many are subject to perks tax.

But the impending drop in the prime lending rate and a fall in the petrol price will give a fillip to the economy lift the flagging spirits of car-makers.

Nico Vermeulen, director of Naamsa, says: "The economy appears to be on a turnaround as a result of the drop in the petrol price and I would be surprised if there is not a small increase in car sales this month."

Mr Vermeulen says the industry needs a minimum of 25 000 new-car and 11 000 truck

and commercial-vehicle sales a month to stabilise investment and employment levels. It is operating at 60% of the required level.

If car, truck and commercial sales are added, the first quarter of 1986 was the worst year for the motor industry since 1969, says Hal Carpenter, marketing director of General Motors.

"This market is a disaster for us, but we are committed to staying in South Africa. We will not move from Port Elizabeth."

GM's market share slipped from 8,4% in the first three months of 1985 to 6,4% in the same time this year.

A total of 41 789 cars were sold between January and March this year compared with 55 398 in the same time last year.

If vehicle sales continue to decline, more rationalisation in the industry is likely, although all manufacturers say they will stay. The number of car-makers has fallen from 11 to seven and commercial-vehicle manufacturers from 17 to 12 since 1984.

# General raises tyre prices from today

BUS DAY

14/4/88

244

33

30

1278



● STEYN

MOTORISTS celebrating the reduction in fuel prices were brought back to earth yesterday with the news that tyre prices are to be increased.

The shock announcement by General Tyres CE Tony Versfeld comes in the wake of petrol price reductions announced last week by Mineral and Energy Affairs Minister Danie Steyn.

Versfeld confirmed at the weekend that his company would raise tyre prices by 9,75% from today.

"Costs have increased by about 40% in the past year, but price hikes — including the present one — add up to only 30%," Versfeld said.

## MICK COLLINS

"Our suppliers are required to have strategic raw material stocks.

"All stocks now being held by these suppliers were bought at a rand price of \$0,40 and exchange rate benefits since then have not had a chance to work through our system."

He said a price reduction would be considered once this had happened.

Firestone MD Peter Morum said his company would also have to raise prices by a similar amount soon.

"A price increase is very much on the cards. I can't say that it is going to be next week or next month but in-

creases are definitely in the pipeline.

"We have not got back anywhere near our investments in raw materials. And if we don't get that back, we may as well shut up shop.

"For the past few months, we have taken cognizance of the depressed state of the market and we did not feel it right to increase prices in one major move.

"We felt that the consumer was already reeling from a soaring inflation rate and a sluggish economy. But now we will have to increase prices. I can't say when, but it is coming."

Morum said that the major reason for the price increase was the rocketing cost of imported raw material.



EVENING POST, MONDAY, APRIL 14, 1986

# Mixed views on boycott

E-Post 14/4/86 30

## Post Reporters

THE call for coloureds and Indians to join the consumer boycott of white Port Elizabeth businesses drew mixed reactions from community leaders today.

The call was made at a meeting of the East Cape Traders Association in the K G M Hall, Malabar, yesterday after Indian businessmen complained about the effect on their trading since the boycott by Africans last Monday.

The association has invited Mr Mkhuseli Jack, spokesman for the Consumer Boycott Committee, to address the public at another meeting on Sunday.

A date for the implementation of the boycott by coloureds and Indians will be announced at the meeting.

Mr Jay Kathan, vice-chairman of the PE Indian Management Committee, said boycotts were ineffective and there should be other means of solving businessmen's problems.

Mr Edward Anthony, chairman of the Hillside Civic Association, said it was "very difficult" for him to comment on behalf of residents in his area.

Speaking at the meeting, the association's vice-chairman, Mr Shun Pillay, said: "Indian traders thought that the white man was going to protect them during the boycott."

"Let us tell our people not to shop in the white areas. Then we can become part of the struggle and gain the respect of the black community."

The association's chairman, Mr Ebrahim Soomar, said: "We cannot go on fooling the people. We are not only fighting for our tills. But also for our freedom."

Meanwhile the Consumer Boycott Committee is "waiting for a direction from United Democratic Front representatives" in Port Elizabeth's northern areas on whether the coloured and Indian communities will join the boycott which started in the city last week.

Mr Jack, spokesman for the committee, said today the CBC would meet representatives from these areas who had been working on the issue, during the week.

He said: "Our aim is to try to bring the people into the broader progressive struggle for a just,

peaceful and united South Africa."

The Post's Political Correspondent in Cape Town reports that the MP for Bethelsdorp, Mr Willie Dietrich, said today he could not agree with the call by the Eastern Cape Traders' Association on coloureds and Indians to support the consumer boycott of white businesses.

## Uganda hit by strike

KAMPALA, Uganda — About 3 000 Kampala workers have gone on strike demanding that President Yoweri Museveni's government fire managers they allege were appointed on political grounds by the previous governments of Mr Milton Obote and Gen Tito Okello.

## NZ won't free agents

LONDON — New Zealand Prime Minister Mr David Lange yesterday ruled out the early release of two French agents jailed for bombing the Greenpeace flagship Rainbow Warrior.

# Scrap apartheid now

30

BUS DAY  
Ackerman

PICK 'n PAY chairman Raymond Ackerman has appealed to government to abolish immediately every aspect of apartheid and the Group Areas Act.

He was speaking at the weekend at the second of Rhodes University's annual graduation ceremonies. He dedicated his address to the youth of SA.

Own Correspondent

He was awarded a Doctor of Laws (honoris causa) degree by the university.

Ackerman also called for the release of all detainees, eradication of detention without trial and for the rule of law to be re-introduced.

"Then, and only, then, can government meet with all real leaders to sort out a future political constitution which will meet the needs of a fair society... with protection for minority groups," he added.

Ackerman also appealed to black leaders to meet white leaders to save the future of SA and its youth.



# Retailers say they will slash prices

● WEIL

MICK COLLINS and Business Day reporters

MAJOR retailers say they will slash prices as a result of today's petrol price cut.

But they claim they are being hampered by government's refusal to force parastatal bodies, such as SA Transport Services (Sats), to follow suit.

Executive director of Pick 'n Pay Alan Gardiner says his company is certain to reduce prices.

"We are working actively to reduce prices across-the-board. Last time the petrol price came down a lot of suppliers said they just would not ask for price increases they had been about to.

"They won't be able to do that this time.

"What concerns us now is what government is going to do. I think it is a disgrace that South African Airways will not be cutting prices. We will do our best to set an example, but we would appreciate it if government could set a full-scale example."

Checkers MD Clive Weil says his company will pass its petrol savings on to the consumer as soon as possible and will put considerable pressure on suppliers to do the same.

"But unless government and government institutions take the lead and also force commerce and industry to fall in line, we are concerned that these savings will be pocketed as was the case last time."

Progressive Federal Party transport spokesman John Malcomess says air and rail fares should be cut.

"The cost of fuel has now been cut by no less than 20% and it would be a miscarriage of justice if Sats did not

● To Page 2



# Retailers to slash prices

BUS DAY

● From Page 1

pass this on to the hard-hit consumer."

He says Transport Minister Hendrik Schoeman should reduce air fares, passenger rail fares and rail transport tariffs.

"Here we have a wonderful opportunity to make a major dent in the inflation rate," says Malcomess.

A Sats spokesman says there will be no reduction in fares or road transport tariffs as Sats already has a budgeted deficit of R98m for the current financial year and an accumulated one of R630m.

"However, these fuel price reduc-

tions might have an effect on future fare determinations," he adds.

Putco is still investigating the situation, says PRO Pat Rogers.

"We will be meeting today to see what can be done. When the petrol price increases came last year, we did not pass them on to our passengers in the Transvaal. So this should be borne in mind.

"After our meeting, we will be in a much better position to assess the situation."

Assocom chief executive Raymond Parsons says the price drops are an important anti-inflationary move and should reduce transport costs.

Indians (20)

blacks quit  
S.M.C.  
over stayaway  
S.M.C.

Lowveld Bureau

All the Indian and black members of the Nelspruit and District Chamber of Commerce have resigned as a result of decisions taken at an emergency meeting concerning the black workers' stayaway.

The meeting, attended by members of the Afrikaanse Sakekamer, the Chamber of Commerce and large organisations, was held during the week of the stayaway.

Indian and black members of the Chamber were not represented.

Among the decisions taken were:

- No employee, absent as a result of intimidation would be paid for the time he was away.
- In cases where temporary staff had been engaged, all people who reported for work on Friday April 4 were to be asked to return on Monday April 7.
- In the event of another stayaway, employees not reporting for duty would be fired.

# Du Plessis hints at car trade relief

BUD DAY 15/4/86

CHRIS CAIRNCROSS

MUCH-NEEDED relief, possibly in the form of reductions in customs duty or some other tax concession, might be on the cards for the beleaguered Eastern Cape motor industry.

This was hinted at yesterday by Finance Minister Barend du Plessis, replying to the Budget debate in Parliament.

He said government was fully aware of the problems being experienced in Port Elizabeth.

"If the motor industry is to be singled out, customs duties is one of the important areas in which the fiscus can help," he said.

Du Plessis stressed that while he did not want to raise hopes unnecessarily, consideration was being given to ways in which the area could be assisted by means of tax concessions.

He said that any decision on this score would have to wait on the report and recommendations of the Margo Commission — which is expected to submit its preliminary findings within the next few months.

He added the commission was also to give consideration to a changed structure for general sales tax.

Until this has been done, he believed no attempt should be made to either reduce GST or temper with it structurally.

Du Plessis contested claims that a reduction in GST now would substantially reduce the plight of the poor.

He noted that most basic foodstuffs

● To Page 2 →

## Hints of car trade concessions

BUD DAY 15/4/86

were exempt from the tax and estimated that these exemptions would lead to revenue reductions of at least R1,5bn to the fiscus.

Du Plessis rejected out-of-hand assertions that the Budget failed to give any attention to the country's inflationary problems.

Several elements addressed this problem, he claimed. These included:

- Setting money supply targets;
- Keeping increases in government expenditure below the inflation rate;
- The deficit before borrowing was rea-

sonable by most limits — and the intention was to finance it in a non-inflationary manner.

"We will not be using bank credit to finance our borrowing requirements," Du Plessis said.

He denied charges that the 2% across-the-board cut in expenditure by state departments was unrealistic.

"It is totally feasible — particularly in those departments which are people-intensive," he said.

← ● From Page 1

15/4/86  
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1986

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## Traders discuss PE boycott

PORT ELIZABETH — A public meeting on Sunday called for coloureds and Indians to join the consumer boycott of white Port Elizabeth businesses was made at a meeting of the East Cape Traders Association at the weekend after Indian businessmen complained about the effect on their trading since the consumer boycott began last Monday.

The association has invited Mr Mkhusele Jack, spokesman for the Consumer Boycott Committee, to address the public at another meeting on Sunday.

The vice-chairman of the Hillside Civic Association, Mr Shun Pillay, said: "Let us tell our people not to shop in the white areas. Then we can become part of the struggle and gain the respect of the black community."

Mr Ebrahim Soomar said: "We cannot go on fooling the people. We are not only fighting for our tills but also for our freedom." — Sapa-AP

# Youths support ECTA boycott call, says Tiry

COLOURED and Indian traders in Port Elizabeth are going ahead with their appeal for a boycott of white shops.

A Korsten butcher, Mr Moosa Tiry, said today youths supported the call.

Mr Tiry called an East Cape Traders Association meeting in Malabar at the weekend, when it was decided to involve coloureds and Indians in the boycott of white shops by African

consumers, which started last week.

Mr Shun Pillay, the association's vice-chairman, said it was the democratic right of each individual to decide whether to support or ignore the boycott.

"The primary reason for asking coloureds and Indians to join the boycotting of white businesses is to identify themselves with the Africans."

Coloureds and Indians, he said, had been drawn into the tricameral system and had identified themselves with whites — to their detriment.

Another member of the association, Mr Vijay Bhana, said it was important for coloureds and Indians to take part in the boycott.

He said he was confident the boycott would be "successful".

30 E POST 15/3/86



# Talk to PE boycott leaders, says letter

Post Reporter

A LETTER to be tabled at today's meeting of the Policy and Resources Committee of the Port Elizabeth City Council urges the council to talk to the leaders of the consumer boycott.

A letter was received from a city councillor, Mr Harold Davidson, urging the council to set up the machinery immediately to negotiate directly with the recognised leaders of the consumer boycott.

Other points for today's

meeting are:

● A 14% discount to all electricity consumers for the months of May and June.

● A recommendation that subsistence allowances for councilors, officials and members of management committees who need to travel out of town on municipal business be fixed at R100 per 24 hours and R40 for every succeeding period of 12 hours or less.

● The Port Elizabeth Oratorio Choir has asked

for a grant of R2 000 to help finance a joint production with the East London Choir of *Israel in Egypt* at the Grahams-town Festival in June.

● A recommendation that R2 500 be made available for the city to take part in an industrial exhibition at the show-grounds from May 20 to 24, aimed at industrialists who could be involved in the establishment of an oil from gas industry in the Southern Cape.

## Boycott seeks allies

A CALL for coloureds and Indians to join the black consumer boycott of Port Elizabeth white businesses drew mixed reactions from community leaders yesterday.

The suggestion was made at a meeting of the East Cape Traders' Association on Sunday after Indian businessmen complained about the effect on their trading since the boycott by blacks began last Monday.

It was proposed that Indian and coloured traders should attract black customers by identifying with their boycott of white businesses.

The association has invited Mkhusele Jack, spokesman for the Consumer Boycott Committee, to address the public at another meeting this Sunday, when a date for the implementation of a boycott will also be announced.

In reaction, vice-chairman of the PE Indian Management Committee, Jay Kathan, said boycotts were ineffective, and there should be other means of solving businessmen's problems.

Vice-chairman of the Hillside Civic Association, Shun Pillay, said: "Let us tell our people not to shop in the white areas. Then we can become part of the struggle and gain the respect of the black community." — Sapa

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Vice-chairman of the Hillside Civic Association, Shun Pillay, said: "Let us tell our people not to shop in the white areas. Then we can become part of the struggle and gain the respect of the black community." — Sapa.

# Commerce urges a new deal for black commuters

16/4/86 STAR (30) (31)

By Michael Chester

Johannesburg Chamber of Commerce has urged radical moves to sweep away racial red tape that ensnares commuter services in and out of the city centre and to create a new deal for tens of thousands of black workers and shoppers.

Talks have started with the city council to iron out new plans to guarantee black commuters equal treatment with whites in the provision of taxi ranks and bus routes.

The chamber has delivered forceful arguments that the current bundle of restrictions and prohibitions on black bus and taxi services within the Central Business District "are now outdated and must be removed immediately".

Mr Pat Corbin, president of the chamber and at the spearhead of the transport reform demands, said today: "With the opening up of the CBD as a free trading area, all races should be treated equally and it follows

"While, at present, white commuters are served with bus terminuses in the heart of the CBD, buses running to and from the black townships are barred from the city centre proper, leaving travellers to make long and arduous treks on foot, and black taxi ranks are confined to the most inconvenient points.

## UNTENABLE POSITION

"The position is totally untenable," he said. "The interests of the commuter must be paramount. Black consumers account for the bulk of the retail business in the CBD and are the most dependent on public transport, yet they have the poorest transport facilities.

"We have established that the major obstacle in alleviating this unsatisfactory situation is neither the Government nor the municipality — it is resistance from property owners in the CBD who that all commuters are entitled to the same facilities in, and easy access to, the city centre.

want to keep black taxi ranks and bus stops away from their buildings.

"We are determined to see the issue addressed without delay and we welcome comment from all chamber members on rapid solutions."

The reform moves add fuel to a growing controversy over the state of the whole transport system on the Witwatersrand.

Mr Nigel Mandy, chairman of the Johannesburg CBD Association, lays the blame on the Government for reneging on promises to provide the necessary funds to finance improvements — and the lack of flexibility to adjust to the needs of a growing metropolis.

He agrees that there is an urgent growing need to improve rail and bus stations, rest rooms, cross-city routes and taxi ranks for black commuters.

Chamber and city council representatives held more than three hours of talks yesterday.

"We are making progress," Mr Corbin said today.

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## Concern over impact of unrest

ORGANISED industry will not sit back and let its destiny be decided by political issues, says the Transvaal Chamber of Industries (TCI).

In its quarterly *Bulletin*, the chamber says that business is concerned with the impact that social and political unrest is having on its operations and employees.

"As business and politics are less inseparable now than a few years ago, industry realises how crucial the cur-

NICK COLLINS

rent session of Parliament is. Dramatic action is needed so that the words of government reform can be transformed into deeds."

The TCI is not pressing for change just for the sake of change. It says it would rather see a pattern of regular and planned change as set out in the Federated Chamber of Industries' Reform Agenda and Business Charter.

Makers wary of stocks building up

BUSON  
17/4/86  
30

# Big discounting on cars looms

CAR manufacturers could be forced into heavy discounting if sales do not rise significantly this quarter.

Unless volumes improve they will be stuck with stock ordered in the more optimistic times of the last quarter of 1985.

While discounting is rife in the depressed heavy-commercial market, as manufacturers struggle to stimulate volumes, in the past nine months car-makers have decided to risk stock shortages and the possibility of losing market share rather than have unsaleable vehicles.

The unpredictability of the car sector has, however, made it a minefield for market planners. Manufacturers have to order completely-knocked-down component packs from source plants overseas about six months in advance, so

ALAN RUDDOCK

unexpected dives or surges disrupt planning.

When the car market slumped to 12 000 units last April, some manufacturers embarked on a discounting free-for-all. Buyers could shop around for discounts of between 15% and 30%, cash gifts and rock-bottom interest rates.

The unexpected slump in the first quarter of this year could produce similar results.

Samcor MD Spencer Sterling says discounting could be a problem if manufacturers are faced with large inventories.

Toyota MD Colin Adcock says: "We all tended to overreact last year to cut stocks, and then tended to go the other way and order more stock. Unit sales for the first quarter were well down on what we had planned."

# More professionals come than go

A TOTAL of 614 more professionals immigrated to SA than left the country last year, according to Administration and Economic Advisory Services Minister Eli Louw.

A total of 2 273 professionals arrived in SA compared with the 1 659 who left in 1985, Louw said in reply to a written question from Peter Soal (PFP Johannesburg North).

The breakdown for the different professions included (the number leaving

listed first):

Doctors (58, 129); engineers and related technicians (658, 925); dentists (12, 14); lawyers (17, 1); architects and town planners (30, 59); scientists (69, 103); medical, dental and veterinary workers (172, 297); statisticians and mathematicians (81, 102); economists (147, 136); teachers (145, 188); authors and journalists (46, 36) and artists (31, 30).

BUSON  
17/4/86  
Own Correspondent

Later they were taken back

# People going broke almost doubled in 1985

PARLIAMENT — Interdicts, attachments and liquidations rose 78.83 percent to 79 118 in 1985 and there was a decrease in deed and mortgage bond registrations.

This was revealed in the annual report of the Department of Public Works and Land Affairs, tabled in Parliament yesterday.

Interdicts, caveats and master's notices, including sequestrations, liquidations and attachments, were up by 78.83 percent from 44 242.

Deeds of transfer dropped by 18.31 percent to 175 861, while bond registrations dropped by 5.83 percent.

## NO BACKLOG

Since March 1985 there has been no backlog in the registration of deeds, though deeds controllers had to work 31 216 hours overtime to ensure the work did not fall behind again.

During the year there was also a marked increase in the number of sectional plans, certificates of registered sectional titles, and sectional title bonds registered, the report said.

Sectional plan registrations were up by 19.45 percent to 1 474, and certificates of registered sectional titles issued up by 63.87 percent to 33 809. — Sapa.

# Boycott defier dragged behind car in Uitenhage

Crime Reporter

A visitor from Addo, who defied the boycott of shops in Uitenhage, was tied to the back of a car and dragged along the roads in Kwanobuhle yesterday.

Luckily for the visitor, the rope snapped and he was able to run away and hide in some nearby bushes before his assailants in the car realised he was no longer behind them.

The police liaison officer for the Eastern Cape, Lieutenant-Colonel Gerrie van Rooyen, said a 20-year-old yesterday morning he went shopping for shoes in Uitenhage. He bought a pair and on his return to Kwanobuhle, he was stopped by a group of people who confiscated his shoes and told him that "in this town one does not buy from the shops in town".

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E Post

1974/80

They tied a length of rope around him which they then fixed to the back of a car. His assailants jumped into the car and roared off — dragging the visitor behind them.

● An employee of Ibayi Town Council was wounded in the arm yesterday afternoon in Walmer Location after an unknown gunman fired at a group of workers who were busy filling in trenches in the township. The workers were filling in trenches which had been dug in the streets by some residents to ambush police vehicles — specially casspirs — according to the police liaison officer for the Eastern Cape, Lieutenant-Colonel Gerrie van Rooyen.

Two shots were fired at the workers.

● A Grahamstown man, Mr Moya Gounza, was shot and seriously wounded on Tuesday night after a crowd of youths threw petrol bombs at the home of a police-

man employed by the Rini town council.

The injured man was rushed to the Livingstone Hospital in Port Elizabeth where he is still in a serious condition.

● Four houses were also petrol bombed in different townships near Grahamstown, including the luxury home of Bishop F Dwane of the Church of Ethiopia. Petrol bombs were also thrown at the home of a prominent black lawyer, Mr Bonisile Sandi. At the home of black activist, Mr Phila Nkayi, a petrol bomb was thrown through the window. An attack was also made on the home of Mr Elyis Moko, a prominent anti-apartheid activist.

● Security forces engaged in a massive crime-prevention sweep in Durban's Lamontville township early today and arrested 22 people.



NEWS FOCUS

# Only birds sing in the village of burnt bodies

SOPHIE TEMA

ONLY the calls of turtle doves and the songs of bright multi-coloured birds were echoing from the mountains surrounding the Ga-Nkoana and Nchabeleng villages, where the charred bodies of at least 32 people who were burnt alive — all necklace killings — were discovered this week.

The hundreds of youths who had turned the mountains into their habitation were now all in the hands of the Lebowa police, held as suspects in the most vicious and gruesome killings recorded in the history of the homeland.

A village resident described the agonising screams of men and women pleading for mercy as they lay dying under the burning tyres.

Residents said most of those killed were accused by the youths of practising witchcraft. Other killings are believed to have been politically-related.

On Tuesday, 67 of the youths appeared in the Sekhukhune Magistrate's Court in connection with the killings while about 150 others — aged between 15 and 21 — had gathered at the royal kraal of Chief M Phasha, waiting to be picked up by the police for questioning.

Relatives of the burnt victims have gone into hiding, fearing for their own lives after youths had threatened to come back and "get even" with them as well.

At Apel — the home of Peter

Nchabeleng, president of the Northern Transvaal region of the United Democratic Front, who died in detention at the weekend, parents have been instructed to take their children to the Schoonoord police for questioning today.

Meanwhile, police are continuing their investigations and conducting extensive raids in the villages where many of the charred bodies were found in the dongas along the mountains, shallow graves and in bushes.

Some of the bodies were burned beyond recognition.

Lebowa Police spokesman Colonel P Moloto confirmed that police investigations suggested the deaths were related to witchcraft.

He said: "Youths are being used in these witchcraft killings. It used to be the old people, but now youths are being used. Politics is involved, though."

On the other hand, many other residents said: "It is time these people who ride on brooms and fly over other people's roofs at night are eradicated."

But for those who lost their dear ones, it remains a painful and dreadful experience.

Gertrude Nchabeleng, shares the

grief of those who lost their friends and relatives when youths went on the rampage setting men and women — young and old — alight using car tyres doused with petrol.

Nchabeleng, who this week told how her husband was picked up by police at midnight from their home in Apel, said: "My husband saved a family from being burnt by the youths before his detention."

"I am now living in fear of my life and that of my children because some people in the area believe my husband had links and influence over the youths — some of them now in detention. Meanwhile he had tried his best to show them the right way."

"He was a man of peace and would never have encouraged the type of killings that took place in the villages in the past two weeks."

"He did not believe in the power of witchcraft and always said nobody can cast a bad spell over another and get it to work."

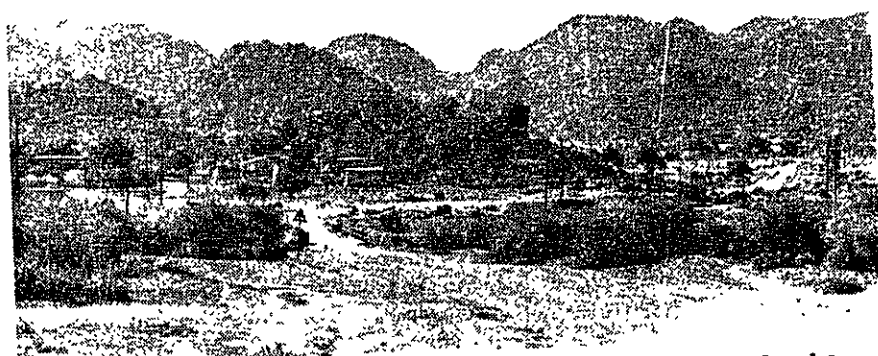
"Before his detention my husband was making arrangements with the chief of our village to call a residents' meeting to protest against the killings."

A spokesman at the kraal of Chief Phasha, said: "We came to this area in 1902 and have never had an experience as tragic as this in our village."

"The killings took place in broad-daylight covering the mountains with thick and heavy black smoke and the air was filled with petrol fumes."



● NCHABELENG



The mountains in the background of Ga-Nkoana village where bodies were found. Picture: Walter Dhadha

# Small business creates

more  
18 jobs

30

**STEPHEN GRANSTON**

THE small-business sector is the only one that materially creates employment in large numbers, says Sydney Catton, chief executive of the Professional Assignments Group.

Writing in the latest issue of *Businessman's Law*, Catton said that in the past four years in the US, 6-million jobs had been created in the small business sector while the *Fortune* 500 top US companies employed 1-million fewer people.

In the US the average business unit employed nine people, but in SA the average business unit employed 300.

The larger a corporation grew, the less its propensity to create new employment, and SA had so many huge corporations in every field that employment had only grown in the bureaucracies, Catton said.

APR 15 1948

# Dairy strike — guards for drivers

The Argus  
Correspondent

PRETORIA. — Dairy-belle has hired security guards to protect temporary replacement drivers during the strike.

General manager Mr D Waldeck said today delivery truck drivers had been intimidated.

Hundreds of Dairy-belle workers are on sympathy strikes at three Pretoria depots and the Turffontein West depot in Johannesburg following the dismissal of strikers at the Clayville factory on April 3.

# Taxis told to quit JSE area

BLACK taxi ranks are a security threat, says the Johannesburg Stock Exchange.

And the Johannesburg City Council has banned taxis from Diagonal Street, saying it wants to turn it into a pedestrian Mall.

A JSE spokesman said this week it considered black taxi ranks a security threat.

"There is a high security risk involved here. The east side of the trading floor consists of a glass wall 3mm thin and any explosive device planted in a vehicle outside could prove disastrous.

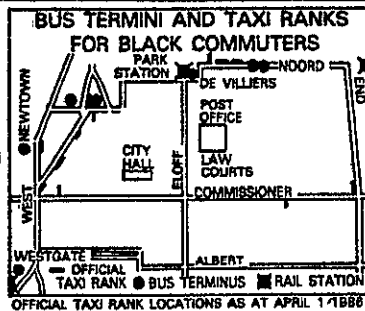
"Added to this, we had a situation where untidiness and hygiene posed a problem, he said."

The spokesman claimed there was no political or moral overtone in objections to the taxi ranks.

The JSE stance has angered black transport operators. One said yesterday: "Certain businesses are branding all blacks as potential saboteurs. How can we ever hope to solve our problems if they continue to say blacks are untidy and unhygienic?"

A spokesman for the Southern African Bus & Taxi Association, Pat Mbatha, said the move to bar black taxis from Diagonal Street came as a shock.

"We have been moved nearly two kilometres out of town to the old power station site. The only rank remaining there now is the



MICK COLLINS

one in West Street.

"We feel bad about it, but as a second best we had to accept the situation. It means that people will now have to walk that bit further."

Nigel Mandy, chairman of the Central Business District Association, admitted there was an urgent need to improve facilities. "One difficult spot is the Diagonal Street area where the interests of financial offices conflict with those of black commuters," he said.

Johannesburg Chamber of Commerce (JCC) said there was evidence of opposition by certain property owners to black taxi ranks and bus stops.

JCC president Pat Corbin said: "With the opening of the Central Business District (CBD) as a free trading area, all commuters are entitled to easy access to the city centre."

The JCC is involved in talks with the council to resolve the transport issue in the city centre.

A Putco spokesman said his organisation had made repeated representation to the city council. "We can drive through the streets but can only collect passengers at official bus stops, none of which exist in the CBD area," he said.

# SA aircraft bombed us, says Maputo

MAPUTO — A South African plane bombed southern Mozambique a week ago, but did not cause any damage or casualties, senior Mozambican defence officials said yesterday.

They said the attack — during which the plane dropped two bombs — took place near Massingir Dam, 30km east of the Mozambique-South African border, on April 10.

The officials, who asked not to be named, gave no other details.

Massingir Dam, originally built to provide irrigation water to nearby areas, is now being turned into a hydro-power station to supply electricity to the country's capital Maputo, which is heavily dependent on power from SA.

This is the first reported attack on Massingir since Mozambique and SA signed the 1984 Nkomati non-aggression accord barring each from supporting forces opposed to the other.

The area used to be frequently attacked by right-wing Mozambican National Resistance (MNR) rebels, who have been fighting against President Samora Machel's government since Mozambique's independence in 1975.

A spokesman for the SA Defence Force denied that any aircraft from the SADF were involved in the incident.

"The Defence Force is also not aware of this incident," the spokesman said. — Sapa.

# SBDC plans boost <sup>30</sup> for black businesses

By Michael Chester

STAR  
19/1/86

Initiatives have been launched to raise R5 000 million over the next five years to finance a nation-wide network of new small businesses to bring black entrepreneurs into the economic mainstream and crack critical unemployment problems.

Spearheading the drive is the Small Business Development Corporation (SBDC), which has opened talks with the Department of Finance on radical proposals to induce the private sector to invest in issues of special new bonds with Government guarantees of sound investment returns.

SBDC managing director Dr Ben Vosloo said he expected Government approval of the scheme to launch Small Business Bonds to be announced in the next few months.

Recent estimates showed that the value of new projects planned inside the so-called white areas over the next five years amounted to R5 700 million while the total earmarked for black areas was little more than R500 million, he said. Radically new thinking was needed to correct this "nonsensical imbalance", he said.

Most of the cash will go to black townships for shopping centres, on a par with white suburban facilities, industrial complexes and informal sector businesses.

The bonds will be available to investors in general, but the SBDC intends tapping the multi-billion-rand cash flows of the giant insurance companies and pension funds.

Dr Vosloo said a significant breakthrough had been achieved with an agreement unveiled yesterday in which the corporation signed a joint venture with the Federated Insurance group to put up R2 million for a sophisticated shopping complex in Eldorado Park next to Soweto.

# Firms blind to concessions

(20) 19/4/86 B. Post

CASES of Port Elizabeth companies losing hundreds of thousands of rands in Government concessions because of their ignorance of regional incentives are still being unearthed.

This was disclosed this week in a series of interviews with specialists in the field, a representative of organised industry and a municipal official.

All agreed that the city required an improved incentive package to make it more competitive with other regions, but urged that in the meantime all local companies ensure they are fully familiar with the existing incentives, introduced 18 months ago.

Mr André Crouse, the city's development officer, told of one case where until recently one company had not applied for the 40% transport rebate.

"The company's rail bill was R125 000 a month and no claim was being made," he said.

"The situation has now been rectified, but this is an example of how some local industries are still not taking advantage of the incentives. There are others."

Mr Brian Wilson, group secretary of the Midland Chamber of Industries, said

he knew of similar cases, although these were becoming fewer as the result of awareness programmes.

Mr Allan Latham, director of a local industrial and decentralisation consulting company, said that while it was difficult to say how many companies were not taking full advantage of the concessions, he frequently came across such cases.

Mr Colin Vianello, managing director of another consultancy, said: "There are still cases of applications not being made."

"Until the existing benefits are being taken full advantage of, it could be difficult to present a case for increased benefits."

Mr Brian Rayner, a director of a third consultancy, said that there was still confusion amongst some companies as to whether they qualified at all and which incentives were applicable.



By Bob Kernohan  
Business Editor

"It is becoming less of an issue now, but there are still cases," he added.

One reason for the ignorance among some companies was identified as being that management was concentrating on keeping businesses viable in difficult economic times and did not

have time to study the incentive package.

"Because of this, the incentives are receiving only secondary attention, yet they should play a key role in local operations," said Mr Vianello.

"Even large organisations often think after reading the development manual that they do not qualify, yet closer scrutiny and investigation would in many cases reveal that they do qualify."

Mr Latham said that if incentives were planned into contracts, they provided for more competitive pricing and could lead to substantial increases in local production.

"Interest/rental incentives can provide a benefit of about 2% on pricing. When this is used together with the 4% preference on Government tenders and the 40% transport concession, it provides a signifi-

cant advantage, although not as great as in other regional development areas.

"But Port Elizabeth does have advantages over many of these areas, like its harbour facilities and availability of skilled labour. If all are harnessed together — as a number of companies are doing — the city has great potential for solving its economic problems," said Mr Latham.

He added that failure to gain advantage from the incentive package fell into three categories:

- Claims not being made at all.
- Not all concessions being claimed.
- Approved concessions being claimed for only partially.

"Many of the benefits are paid out in cash, which is a great advantage," said Mr Latham.

**Demand for May 1, June 16 recognition**

# FCI calls for public holiday probe

STAR  
19/4/86

By Sheryl Raine and Anna Louw

The Federated Chamber of Industries (FCI) has called for an official body representative of all interested parties to investigate the possible rescheduling of the country's statutory public holidays.

The call comes in response to growing pressure on employers from black trade unions for paid holidays on May 1 and June 16 — days which are significant to the black community.

One union grouping, the Congress of SA Trade

Unions has even suggested sacrificing holidays like Kruger Day, Founders Day, Republic Day and the Day of the Covenant in exchange for May 1 and June 16.

May 1 (May Day) is celebrated as an international workers' day in more than 100 Western and Eastern countries. June 16 is the anniversary of the 1976 Soweto riots.

"In principle the FCI is not opposed to a public holiday which recognises the role of labour, as long as it fits into the framework of public holidays that the South African economy can afford," an FCI statement said.

The FCI said it was concerned that existing statutory public holidays did not reflect community sentiment, but it was aware of the effect

public holidays had on productivity, particularly where holidays fell in the middle of the week.

Meanwhile, the president of the Council of Unions of SA (Cusa) and six other unionists were freed on bail of R200 late yesterday afternoon after spending 24 hours in the Boksburg police cells. They handed in their passports.

The seven were arrested during a peaceful May Day demonstration outside the Boksburg premises of the British multinational, Unilever, about 1 pm on Thursday. The demonstration followed the company's refusal to grant May 1 as a paid holiday.

About 1 000 Unilever workers staged a sleep-in and sit-in throughout Thursday night and Friday in solidarity with those arrested.

## Pressure

Cusa president, Mr James Mndaweni and six others appeared in the Boksburg Regional court yesterday afternoon, following pressure from Cusa, the Food Beverage Workers Union (FBWU), Unilever and the Federated Chamber of Industries to secure their early release.

The seven were not asked to plead to charges of contravening the Internal Security Act and resisting arrest. The case was postponed to May 7.

Unilever had been negotiating with the FBWU for six weeks over union demands for a paid May Day holiday. The company offered several alternative arrangements

## Doctors anger pharmacists with dispensing claim

By Joe Openshaw, Medical Reporter

Retail pharmacists are incensed by attacks made on them this week by dispensing doctors at the Fifth General Practitioners' Congress in Johannesburg and are angry at a suggestion that the South African consumer would be saved R600 million a year if all dispensing were done by general practitioners.

Mr Don Sutherland, president of the Pharmaceutical Society of South Africa, told *The Star* yesterday dispensing doctors had resumed the "war of attrition" they have been waging against pharmacists.

"Figures quoted at the congress by Dr R J Kobrin, a dispensing doctor, are at least R115 million out," Mr Sutherland said.

Dr Kobrin said there was a staggering mark-up of R575 million between production and consumption of ethical drugs put on the market by manufacturers.

Mr Sutherland said there were important factors the public should know:

- Pharmacists undergo five years of intensive training to specialise in medicines while doctors only undergo a six-month course.
- Dispensing doctors have to be well versed in and carry only about 40 scheduled drugs while pharmacists have to be well versed in and stock 2 000 scheduled drugs.
- Many dispensing doctors only have contact with patients on the telephone, or operate outside the law because they are too busy seeing patients to dispense themselves so leave the job to receptionists or nurses — 90 percent of whom are unqualified.

## Creams still cause blotches

Medical Reporter

Skin lightening creams still cause permanent disfiguration in an alarming number of users — even in new preparations containing the legal limit of two percent hydroquinone, an ingredient linked with permanent blemishing.

This was found in a study by the departments of dermatology, family medicine and biostatistics at Pretoria University, the Fifth General Practitioners' Congress held in Johannesburg was told this week.

Skin lighteners were introduced into South Africa in the mid 1960s and by the '70s an increasing number of patients attended dermatology clinics suffering from disfiguring dark blotches on the skin.

# 'It pays to be fair'

CITY

20/1/86

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66

192

THOUGH SA companies don't have to conform to the Sullivan and EEC employment codes, the country's leading motormaker, Toyota, believes they contain useful guidelines.

Toyota claims it already exceeds the requirements of these codes.

The company says it pays wages far above the minimum laid down by the European Community Code of Conduct.

"We are also making further improvements to our medical and pension benefit schemes," said Toyota personnel director Theo van den Bergh.

"We want these schemes to be non-discriminatory and attractive to black employees," he said.

"We actively support the elimination of racially discriminatory laws through our involvement in the Automobile Manufacturers Employers' Organisation and in the Federated Chamber of Industries.

"We are now making final adjustments to our pension and medical aid plans to fully comply with these codes," he said.

"Though we have no obligation to observe the Sullivan and EEC codes, we regularly measure ourselves against them."

Toyota's management has not developed a specific philosophy of black advancement - because they feel that all employees should have equal work opportunities.

"Toyota has special advancement programs for employees who joined the company without having had good educational opportunities," said Van den Bergh.

"You can't expect a person to develop self-esteem when he or she must compete on an unequal basis.

"We have over 200 black employees in supervisory positions in our manufacturing and marketing companies. We're training black artisans and preparing black trainees for supervisory and managerial positions."

"All employees are placed on our Manpower Planning systems so that there will be equal opportunities for everyone to advance."



BUS DAY 30 127  
21/3/86  
**Consumer, rent  
boycott starts  
in Alexandra**

RESIDENTS of Alexandra township, near Sandton, decided on Saturday to launch a consumer-and-rent boycott in the area from today.

According to a statement released by the Alexandra Consumer Boycott Committee, the residents decided to call for a boycott because "our township is still under forced police and army occupation and residents are experiencing continued detentions".

The demands of the combined rent-and-consumer boycott include:

- Withdrawal of troops and police from the township;
- Recognition of students' demands;
- Recovery of missing corpses and people;
- Affordable rents;
- Improvement in the provision of electricity;
- The release of all political prisoners and the unbanning of all banned organisations.

The statement also called for a boycott of all white businesses and certain black-owned stores which the boycott committee accused of collaborating with the police.

The committee urged that "reactionary newspapers" should be boycotted and announced that it would support the current boycott of Metal Box products in solidarity with workers dismissed from the company.

It also announced a campaign to socially isolate all policemen and councillors in the township. — Sapa.

BUD DAY  
2/14/86  
30  
20 000 jobs in SA in jeopardy

# Panel system a threat — Femra

THE recently-formed Free Enterprise in Motor Repair Association (Femra) — which staged a protest last week at the Cape Town offices of five major insurance companies — has claimed that about 20 000 jobs country-wide in the industry are being threatened by the "panel system".

The companies — Santam, A A Mutual, IGI, Mutual and Federal and Aegis — each have a list, or "panel", of panel-beating and repair concerns where all insured vehicles must, as a rule, be taken for repairs.

While the insurance companies claimed that the system allowed them to deal with the best panel shops to ensure high-quality repair work, Femra said that, as only 70 of the 400-odd concerns in the Western Cape were on the "panel", about 80% of Peninsula panel beaters faced redundancy.

Femra chairman Moshe Soffer said his organisation was chiefly concerned that car owners would now be forced to deal with a small number of panel shops whose workmanship was unknown — creating a backlog of work at a few selected shops while others would be

Own Correspondent

forced to lay off workers.

The fear of unemployment was not only prevalent in the Western Cape — where Femra was formed about 10 weeks ago — but all over the country. Femra had recently received support from Johannesburg panel-beaters who were keen to join the organisation, he said.

Soffer warned that the organisation would be taking further public action as "all representations" for negotiations to insurance companies — and even Parliament — had proved fruitless.

A Cape Town panel-beating firm, which faces bankruptcy as a result of the "panel system", has alleged that it is virtually "impossible" to be elected by an insurance company to a "panel".

"On inquiring why your application (to become a 'panel' member) was unsuccessful, you are informed by the particular insurance company that they are not obliged to divulge that information," the letter stated.

Soffer claimed that, following Femra surveys, it was apparent that the system of appointing particular businesses to the "panels" was wide open to "abuses".

2/14/86 (50)  
BUS DAY  
**FCI concerned**

THE Federated Chamber of Industries is concerned that existing public holidays do not reflect community sentiment, but it is aware of the effect public holidays have on productivity.

It believes an organisation representative of all interested parties should be appointed to investigate the possible rescheduling of public holidays.  
Sapa.

MKW 22/4/86

## Wooltru moves into R35 million head office in city

### Financial Staff

WOOLTRU officially opened its new R35 million head office in Cape Town last night.

The building, which has what is regarded as one of the finest atriums in the country, rising more than six floors, will now house all the head office staff of Woolworths, Truworths and Topic Stores.

Mr David Susman, executive chairman of Wooltru, said the commissioning of the building coincided with the most difficult trading conditions any of the group's companies had ever experienced.

But the rationale of the enterprise was as valid as in a major boom.

"This building, Wooltru House, will provide us with ever-increasing pleasure and, more importantly, ever increasing profits because of what will become increasingly comparatively low rentals in the years ahead."

Mr Susman said that the need for a new head office became apparent even before the merger with Truworths.

Before moving into the new head office, the group's staff were spread in 14 different locations. Now all three of the retail companies as well as the computer division were accommodated in one centralised "high-tech" building.

The new building houses the group's textile, microbiological and chemical laboratories, its foods development kitchen as well as offices, training rooms and syndicate rooms.

Facilities include a coffee lounge, dining room and servery, a medical suite, travel agency, hairdresser, banking services and staff parcel lockers.

March 22/1986  
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# Businessmen blame youth for shop boycott

The Argus Correspondent

JOHANNESBURG. — As the consumer boycott gained hold in Alexandra township, white businessmen blamed the youths who monitored the boycott by chanting and advising residents not to buy at selected shops.

Businessmen said yesterday, "boycott enforcers stood outside our shops and advised people not to enter certain shops".

Said a businessman who did not want to be named: "Those who defied the enforcers were merely advised not to do it again and given pamphlets listing the names of shops which should be boycotted".

"There has been no physical

violence against those defying the boycott."

The Alexandra Boycott Committee (ABC) distributed pamphlets in the township listing about 25 shops.

Among the businesses are some of the shebeens, dry-cleaners, hair salons and shops belonging to councillors.

One businessman said: "You can see for yourselves. It is bad."

Alexandra residents are demanding that troops be withdrawn from the township, that missing corpses and people be recovered and all political prisoners be released and political organisations be unbanned.

22/4/86 Bus Day

COMPANIES 30

# Pick 'n Pay share price falls 23,5%

DISAPPOINTED investors have continued to offload Pick 'n Pay shares after the release of its results a month ago, which showed that its profit-growth momentum had slowed in the second half of its financial year.

The share price, which rose 79% from the beginning of last year to a record high of R51 ahead of its results last month, has since fallen 23,5% — or R12 to R39.

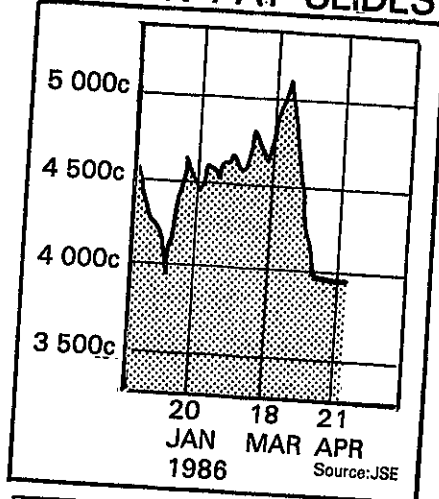
The fall is in contrast to forecasts of most analysts who said investors would shrug off disappointment over the results and push the price even higher.

But selling volumes have been low, suggesting action by small investors.

Earnings a share for the year to February were only 5,9% higher at 181,3c after interim earnings advanced 12,5% to 68,5c. The slowdown in profit growth came in the face of fierce competition, price-cutting and sharply reduced interest rates on cash balances.

Turnover passed the R2bn mark for the first time, with the company deliberately engaged in heavier discounting to achieve the turnover increase. Deteriorating operating margins, which dropped below 3% for the first time, could be of some concern.

## PICK 'N PAY SLIDES



MERVYN HARRIS

However, Pick 'n Pay was one of the few companies to increase its dividend — the total payout was up 10,2% to 92c — when most other retailers could only maintain or reduce dividends.

Some analysts said the share could go as low as R34 on technical factors, but most believed the decline in the share price had been overdone and a rebound could be expected.

They said that although the company suffered a setback in Australia, its Brisbane store was going according to plan and, locally, its dominance in the white, higher-income groups tended to make it more able to withstand the recession than other retailers.

"Pick 'n Pay is still a blue-chip share and remains a market leader", said an analyst.

# Kanhym is put on the road to recovery

PRISCILLA WHYTE

REMEDIAL action taken by Kanhym management will allow the Gencor meat, farming and coal-mining conglomerate to return to profitability during 1986, says chairman Basil Landau in the annual report.

The short-term economic outlook does not give cause for too much optimism, but Kanhym has certain factors in its favour.

Meat prices increased and are expected to remain at the current improved level, which will benefit feedlot activities.

The potential yield and quality of crops on the farm look promising with sufficient rainfall.

However, sales and profit margins in the fresh and processed meat sectors are still depressed because of the low levels of consumer spending — they will remain that way until conditions improve.

During the 1985 financial year a more customer-oriented marketing approach for fresh and processed meat products gained momentum. A greater emphasis was placed on added product value. This sector is expected to become a major contributor to future profits.

Bad debts had a major impact on the results of livestock agencies and auctioneering.

The maize crop was adversely affected by the extremely dry conditions in the first quarter of the year, which resulted in a below average crop.

The piggery's results improved but a satisfactory return has not yet been achieved. The pig stud, which was established in association with Northern Pig Development, is now running at full production and sales commenced early in 1986.

The balance sheet has improved with the ratio of borrowings to shareholders' funds 0,6 (1,4) and a current ratio of 1,3 (1,2). Total loans at the end of December 1985 amounted to R94,1m (R177,6m). All foreign loans were repaid in early January 1986.

22/4/86  
STON

## Alex boycott is enforced by youths

By Rich Mkhondo

As the consumer boycott gained hold in Alexandra yesterday, white businessmen said youths monitoring the boycott were advising residents not to buy at selected shops.

Businessmen said "boycott enforcers" stood outside shops and advised people not to enter certain shops.

A businessman said: "Those who defied the enforcers were advised not to do it again and given pamphlets listing the names of the shops which should be boycotted. There has been no physical violence against those defying the boycott."

### NEWSPAPERS

The Alexandra Boycott Committee distributed pamphlets throughout the township listing about 25 shops to be boycotted. Among the businesses are councillors' shops, a major liquor outlet and filling stations.

The committee also announced a boycott of morning "reactionary newspapers" and said pupils at multiracial, boarding, and homeland schools must return to local schools.

Alexandra residents are demanding troops be withdrawn from the township, missing corpses and people be recovered, political prisoners be released and political organisations be unbanned.

● Six Kroonstad townships have called a two-week boycott of white-owned businesses in an attempt to force the Government to respond to their plea for three more high schools.

CAE tips 22/1/88

## Shops watched as Alexandra boycott starts

JOHANNESBURG. — The consumer boycott around Alexandra township near Sandton took off in earnest yesterday as youths watched to ensure that no resident patronized white-owned stores.

One shopkeeper said that yesterday he made only 20 percent of his normal daily takings — "even then from people who sneaked into my shop before they could be found out".

And one resident said: "Today nobody is carrying a paper bag with a name of a white-owned shop on it."

Residents returning from work were closely watched by youths and goods were confiscated from those found to have bought from white-owned shops.

The police continued to patrol the township. Residents reported no confrontations with them.

### Shebeens hardest hit

Hardest-hit are shebeen owners who have been barred from buying their liquor from the Benny Goldberg liquor supermarket in Kew.

"But they are selling. We do not know where they got their liquor from," one resident said.

The boycott has been launched by the Alexandra Consumer Boycott Committee in protest at the failure of the government to meet demands.

Residents have also been told not to pay their rents, particularly to the Alexandra Town Council.

Members of the council were not available for comment yesterday.

It is believed residents support the boycott because of the failure of the authorities to account for some people whom residents say "disappeared" during last month's riots.

Another apparent cause is the failure of the authorities to withdraw security forces from the township.

### Release of detainees

The boycott committee is also demanding the release of all political prisoners and the unbanning of black political organizations.

● The Consumer Boycott Committee in King William's Town yesterday reiterated its appeal to black consumers not to patronize white-owned shops in the town and district.

A committee spokesman, Mr Themba Mntwapi, told Sapa the call was to put pressure on whites, who had the vote, to in turn pressurize the government "to heed the demands of the people".

Demands made by the local boycott committee — which had not been met — included the upgrading of living conditions, a stop to the detention of activists and political leaders, the lifting of the "unnecessary ban" on meetings and for attention to be paid to "fundamental student demands".

Mr Mntwapi said businessmen in black townships had been advised to lower prices "so as to ensure the doubling of turnover". — Sapa



# King consumer boycott begins

Dispatch Reporter

KING WILLIAM'S TOWN — A consumer boycott of King William's Town shops started yesterday, a statement issued by a spokesman of the King consumer boycott committee, Mr Themba Mntwapi, said yesterday.

The statement said the boycott was intended to put pressure on voters to pressurise the government to heed the demands of the people.

It warned businessmen in the townships not to raise prices during the boycott.

The statement demanded upgrading of living conditions; stopping of exploitation and harassment of workers, especially at Dimbaza; stopping the detention of "our activists and leaders" without trial; lifting of the ban on meetings; release of all political leaders and taking heed of fundamental students' demands.

30  
DISPATCH  
22/1/88

# Call not to victimise workers in stayaway

22/4/86 DISPATCH 30 278  
Dispatch Correspondent  
JOHANNESBURG —  
The chamber of commerce here has appealed to employers not to victimise workers forced to stay away from work on May 1 (Labour Day) or June 16 (Soweto Day).

"Where all other avenues of negotiation have failed and the position looks bleak, we appeal to commerce not to be party to any form of victimisation of individuals," a spokesman said.

He said some companies had already had talks with union officials and managed to swap another holiday for May 1, obviating the necessity of applying the "no work, no pay" rule.

"But employers must be careful about allowing employees to work

time in. They could well set a precedent for some future date. This chamber has every sympathy with the plight of most employees but by making concessions, the employer is making it easier for intimidators.

"The company labour officials should sit down and explain to employees that if they don't come to work on these days, and no other arrangements have been made, the company cannot be expected to pay for the stayaway."

An Assocom spokesman said it advised employers that if negotiation with the workforce had not been successful they should stick to the no work, no pay dictum.

"Most employers appear to have already resigned themselves to the stayaway but are not

prepared to condone it.

"Many even have sympathy with the workers and accept that the current schedule of public holidays is somewhat unbalanced and needs revision. But they can't condone the workforce just taking its own public holidays."

The Transvaal Chamber of Industries said "no work, no pay" was the general attitude of organised industry, "but this attitude is not binding and employers are free to negotiate".

The TCI advised employers to ensure they are clear on how they will deal with these matters, know what their labour force intends doing, and ensure workers know well in advance what the company attitude is.

# Latest shopping survey indicates move towards convenience stores

23/4/86

30 STAR

By Alan Robertson

Shoppers may be moving away from hyperstores and supermarkets and doing more buying at convenience stores, and this trend may be aggravated by black and coloured boycotts of white-owned stores, says Terry Weldon of Market Research Africa.

Citing a nationwide survey of the buying pattern for toiletries at the major retail chains, which revealed a drop in purchases of these items from 49,5 percent in 1984 to 47,8 percent in 1985, he adds that despite regional and other variations this may indicate a trend which covers the whole spectrum of consumer shopping.

Toiletry buying patterns are particularly sensitive to consumer shifts in buying patterns because of the recent remark-

able increase in the usage of these items by black consumers.

He feels this shift may be particularly strong in the Western Cape, where a number of recently launched coloured-owned stores like Shoprite, Elite Supermarket, Matco, Welcome and Wembley may have benefited at the expense of white-owned stores.

June Kritzinger, MD of Click stores which are strongly represented in the Western Cape, wasn't prepared to comment on the boycott situation, saying that it was impossible to quantify its effect, but she feels that in view of the general condition of the economy and the high level of consumer price consciousness the trend is exactly in the opposite direction, that is, towards getting the best buy at all costs.

Les Weil of Checkers supports

this view, saying that turnover-wise the large stores appear to be holding their own, though adding that Checkers is still staying with the convenience store concept that the group has favoured in the past.

Fraser's Donald Campbell also doesn't support the MRA view, pointing out that now the boycott has been lifted in Queenstown black shoppers appear to have reverted to pre-boycott buying patterns.

It's possible that the trend which MRA picked up may have been accentuated by the rapid rise in transport costs in past months which, when coupled with the comparatively great distances black and coloured shoppers have to travel, may have led to a short-term distortion of buying patterns which was accentuated by the boycott situation.

# Restrictions on shopping hours lifted

By Kym Hamilton,  
Pretoria Bureau

Shopping hours have been dramatically extended from today with the proclamation in the Provincial Gazette of the Shop Hours Ordinance.

The new legislation removes shopping hour restrictions, which have been in force in the Transvaal since 1910, and traders will now be able to

stay open between 5 am and 11,30 pm on weekdays and Saturdays, except for religious and public holidays.

The "status quo" on Sunday shopping will remain in force.

However, local authorities will be empowered to restrict trading by shops within their jurisdiction.

The new legislation cancelled several anomalies in the old ordinance.

Apart from food, drink and tobac-

co, which have always been available after hours, cigarette lighters and dog foods have been added to the list of goods which may be sold between 5 am and 11,30 pm.

Emergency chemists who are licensed to sell a variety of vital items, including baby foods, bandages, disinfectants and contraceptives, may do so 24 hours a day every day, including public holidays.

# Firms wait for ADE's decision

ALAN RUDDOCK

HEAVY truck manufacturers are waiting anxiously to hear whether engine manufacturer Atlantis Diesel Engines (ADE) is to push ahead with a series of price increases proposed last month.

In the face of angry reaction from manufacturers ADE this week reviewed its decision and a final announcement is expected soon.

At a meeting with manufacturers in March, ADE announced its 6% price increase for April and proposed a further 6% increase for the third quarter of the year — on top of a 9.75% increase in January.

The April increase has been implemented, but manufacturers hope this increase is also being reconsidered by ADE's board.

ADE confirmed yesterday that its pricing policy is under review, but was reluctant to comment further until a final decision had been made.

"We want to try and finalise it as quickly as possible," a spokesman said.

Manufacturers were reluctant to comment until they have been informed officially by ADE of its decision.

ADE's price move has come at a bad time for the heavy vehicle industry. January sales were the worst for 24 years and there has been no sign of revival. Manufacturers are predicting total industry sales of only 7 500 — 25% down on last year.

# 6% wholesale decline expected <sup>(30)</sup> ~~(4)~~

WHOLESALE trade sales in March are expected to show a 10,5% increase in rand terms on those of March 1985.

At constant 1980 figures, however, the figure, which includes diamond sales, is expected to show a 6% decline.

Latest figures from Central Statistical Services (CSS) predict wholesale sales of R5,33bn in March this year, compared with R4,83bn in March 1985. At constant 1980 prices, these figures translate to R2,68bn (1986) and R2,85bn (1985).

Total sales in the first three months of this year are expected to hit R14,64bn, a 9,9% rise on the corresponding 1985 period. But once again, a comparison of constant 1980 prices tells a different

story, with 1986 first quarter sales an estimated 10,9% down — from R8,06bn to R7,18bn.

Excluding diamonds, retail sales in March this year are expected to reach R5,16bn, compared with R4,73bn in March 1985.

CSS seasonally adjusted indices for the total volume of manufacturing production show a continuing dip in February, with total volume 3,9% lower than in January.

This reflects a shortfall in the placement of forward orders and production cuts implemented by the manufacturing sector.

The main decreases (January figures in brackets) were recorded in food 136,0 (142,7), beverages

156,4 (173,4), paper and paper products 154,5 (165,9), industrial chemicals 129,7 (139,1), other non-metallic mineral products 98,4 (107,9) and basic iron and steel industries 152,3 (179,5).

The motor vehicle figures continued to slide 72,5 (77,1), as did those for transport equipment, excluding motor vehicles, parts and accessories 59,1 (62,0).

Commodities to show an increase in production were wearing apparel 103,9 (93,7), wood and wood products 129,5 (118,8), furniture 115,9 (95,5), plastic products 134,1 (121,8) and electrical machinery 100,4 (89,7).

The largest increases were recorded in rubber products 89,3 (70,4) and basic non-ferrous metal industries 184,5 (166,7).

STAR  
23/4/86  
30 200

# Call to open business areas to all race groups

By David Braun,

Political Correspondent

CAPE TOWN — The opening of commercial and industrial areas for ownership and occupation by all population groups should be pursued, says the White Paper on urbanisation published today.

When drawing up development plans and programmes, the accent should be on relating the availability of land and services to the needs of the lower

income groups in particular.

Sound planning practices, as well as research which has already been undertaken by the Government, research institutions, universities and the private sector, should be employed to improve continuously the quality of life and of the environment, especially in the lower-income residential areas.

In addition, urban decline has to be checked, says the White Paper.

OMC Times

23/4/86

30

# Alex council 'collapse'

Own Correspondent

JOHANNESBURG. — Elections for a new council will have to be held in Alexandra, near Sandton, following the collapse of the old council under the leadership of the Rev Sam Pabalo Buti.

Mr Buti and three remaining members of his council officially announced their resignation yesterday.

The councillors who resigned are Mr L C Koza, Mr H M Makubire and Mr P Peters.

Five others, who resigned since unrest broke out in the township are Mr L M Taunyane, Mr T K Molepo, Mr R Mashile, Mr P Maphala and Mr P Williams.

The town clerk, Mr Arthur Magerman, resigned last week, as did the Alexandra Junior Town Council.

Addressing a press conference yesterday Mr Buti said: "It leaves us with deep remorse to be compelled to resign when the total redevelopment project of Alexandra is not fully real-

ized. Alex remains a squalid and dilapidated township."

Mr Buti said emphatically that he had not been intimidated into taking the decision, not even at the height of the unrest in the township.

The acting publicity secretary for the United Democratic Front, Mr Murphy Morobe, said yesterday: "The UDF welcomes the fall of the Alexandra Town Council. This spells victory for the people of Alexandra."

"Though some councillors may claim intimidation, the truth is that the councils were extremely unpopular ..."

Mr Morobe said: "If they chose to join the ranks of the democratic movements the doors are wide open for them."

● Sapa reports that the rent and consumer boycott in Alexandra entered its second day with signs that it is having a heavy impact on commerce in the area.

A spokesman for the Alexandra Boycott Committee said the boycott was "one hundred per cent effective".



# Black orientated stores post better-than-average results

STAR 24/4/86. 30

By Sven Liinsche

The last six months have seen a massive turnabout in the retail industry. The established companies have largely seen their profits cut back substantially, while mainly black-orientated stores have posted successful interim results.

Frasers, who topped the upper range of analysts' forecasts, increased its earnings by 61 percent, as did Jazz and other major stores which are largely targeted at the black market.

Analysts however feel that large scale black consumer spending will still take a while to come through and Frasers good returns have been described by one stockbroker as the result of its extensive rural store operations.

"In rural areas the pressure of boycotts has been less severe, but more importantly, mine workers have been sending home more of their wages than before," he said.

There is also agreement on the fact that the black boycott of retail stores, apart from being difficult to verify, has not contributed substantially to the dismal performance of the retail sector.

On the other side of the scale, retail giants Pick'n Pay suffered an almost 25 percent drop in its share price after disappointed investors offloaded the shares following the drop in profits in the annual results.

Says Frankel Kruger retail

analyst Mr Jeremy O'Regan: "With the noticeable exception of Clicks and Waltons, the Pick'n Pay results are indicative of the general feeling in the retail industry."

He believes that the steady decline of real income among whites, estimated to be at an annual four percent, and a fiercely competitive market are the main reasons for the setback.

This view is supported by a Pick'n Pay spokesman Mike Marsden: "The general economic climate and the resulting unemployment and depression, have made people more price conscious, if they have any money left. The economy is very soft, while at the same time the market is very competitive."

The downward trend, many analysts claim, started just a few months before Christmas and the poor sales were characteristic of the consumer's price consciousness.

According to the Managing Director of Clicks, Mrs June Kritzinger the consumer trends have been reversed that is, "towards getting the best buy at the lowest costs."

For the first two months Clicks sales were 18 percent up on the previous year and Mrs Kritzinger believes that the trend should continue. Apart from the fact that basic toiletries, the company's major trading item, have registered a tremendous growth as a result of rising black consumer spending,

she says the State President's opening of Parliament speech had created some initial confidence.

Analysts however feel that this has been the exception to the rule. "February has been a terrible month for most of the companies and only slight increases in respect to previous months sales will be recorded in March. Sales are expected to pick up only at the end of April, as the Budget has created a certain amount of optimism and the public service increases will come through at that stage," one broker said.

The Deputy MD of Dion's, Mr Steve Kurland supports this view: "The trend has bottomed out in February and March and while we have not seen any major increases yet, consumer spending should pick up again in the near future."

An analysis of the various sectors of the retail industry shows that only furniture recorded some positive results at the beginning of the year.

Most analysts have laid the blame for the slump at the general economic recession.

Clive Weil, the Checkers MD however feels that the authorities have misunderstood how tightly pressured the consumers are.

"While Checkers sales have been satisfactory the market overall is still very soft. The massive price increases are making themselves felt."

BU > DAY  
25/4/86

(198) (30)

A NEW and unusual manufacturing franchise to be offered in SA is a wholly local idea.

Multibrick is looking for franchisees throughout the country and in neighbouring and national states to make its interlocking building brick, which was developed in SA by a SA company.

Franchisees buy the know-how and equipment to convert traditional brickmaking machines to turn out Multibricks.

They pay a royalty on each brick produced and get marketing help, leads and advertising and public relations back-up as part of the franchise package.

The cost to the franchisee depends on the number of machines to be converted, his area of operation and his output.

The brick cuts building costs by up to 25%, the company claims, and can be laid by unskilled workers.

It says savings of up to 35% have been recorded and the brick has been laid at the rate of 1 050 an hour.

# New brick builds a better SA

**BARRY BAXTER**

Multibrick interlocks and is initially drystacked.

No mortar is required. A cement slurry mix is poured down vertical holes which run the full depth of the structure and are created by the

perfect alignment of holes in the bricks.

This alignment is easy to achieve because of locking nipples on the bricks and the exact engineering of Multibrick.

The brick has been subjected to rigorous tests by the SA Bureau of Standards and has performed at least as well as conventional bricks.

Introduction of the brick has given a tremendous boost to the development of low-cost dwelling units for self-help housing schemes.

Sample homes have been built in several municipal areas.

All building societies approached have bonded homes that were to be built with Multibrick: no municipality has refused permission to erect any Multibrick structure, the company says.

Multibrick, a new company, is based in Johannesburg. For further information, telephone 011 836 6737.

Plans are finally passed for Mitchell's Plain complex

RUSDAM 25/1/88  
30

PLANS for the R75m Westgate retail and residential complex at Mitchell's Plain in the Cape have been passed, nearly two years after the first application was lodged.

Developers K Property Projects (formerly Kirsh Property Projects) will probably start construction of a shopping/community centre of more than 30 000m<sup>2</sup> next January and finish the complex within 14 months.

KPP executive director Eddy Magid says the administrator of the Cape has approved the centre plans in full and has also recommended in principle the development of 600 economic houses in Mitchell's Plain.

Final approval for the homes, for

JANE STRACHAN

which there is already a waiting list of about 800 families, must be given in terms of a House of Representatives structure plan currently being drawn up. But, says Magid, to all intents and purposes preparation and planning can go ahead for both components.

The long delay in overcoming objections has added approximately R2,5m in price escalations, holding costs and professional fees. The project failed to get past the Cape Town City Council, which, among other objections, felt the CBD would suffer. KPP then approached the Cape Divisional Council, Divco, which gave the nod.

FIN MAIL 25/4/86

from R32m in 1984. A similar 20% increase in turnover is slated for this year.

The spadework for a self-medication division in SA started four years ago and CG has now drawn up a list of some 12 established over-the-counter drugs on the market that it hopes to add to the division's product portfolio.

Head of CG's pharmaceutical division Johann Niehaus stresses that the company intends to stay clear of high-abuse areas, such as central nervous stimulants.

Late last year, CG bought Salusa 45, a multi-vitamin tonic, from Noristan for an undisclosed sum, and the next product launch is expected in 1987.

~~320~~  
TRACTOR SALES

30 (92)

### A rocky road

While SA's beleaguered motor industry gathers breath for a new call for help in the wake of record low first-quarter sales, another sector of the trade is also seeking urgent relief.

The R300m a year tractor manufacturing sector has reported an "absolutely disastrous" 59% drop in tractor sales for March. Last month, only 320 units were sold against 779 in March last year.

First quarter sales of 1 131 were 42% below last year's 1 984 units. "And last year

we were already in a very depressed market," says Rob Phillips, president of the SA Tractor Manufacturing Association (Satma) and group director of industry market leader Fedmech.

Phillips says the new farm machinery market was worth some R600m last year, of which the tractor industry made up about 50%. Farm machinery parts sales are valued at around R300m a year.

To cap it all, March tractor sales were 22% below February's 410 units. February sales, in turn, were 41% down on the same month last year when 700 units were sold. "The decline is accelerating," Phillips tells the FM.

Satma vice-president and John Deere MD Bill Hubbard, agrees that the 1986 market outlook is "terrible," adding that the industry has scaled down sales expectations for the year from 6 000 to some 5 500.

#### Scaling down

He says tractor sales fell from the 1981 high of 24 862 units to 7 061 last year. "We have always maintained that an average year would yield about 12 000 units, but after the latest figures expectations for 1986 are now being scaled down even further," says Hubbard.

Phillips tells the FM that the March sales' plunge represents the industry's deepest trough and both the industry and government will have to take urgent action to stop the rot.

"As a first step, government should abolish the 10% import surcharge levy on imported farm machinery parts. This would boost the industry and help farmers who are increasingly relying on repairs to existing machinery to survive savage input cost increases," he says.

Another fiscal step suggested by Phillips is the abolition of 12% GST on farm machinery and tractors.

"Farmers, struggling with debts of R11,5 billion, have to fight sharply rising input costs, while the tractor and farm machinery industries face a disastrously shrinking market. Total industry employment has already fallen by two-thirds — from 1980's 100 000 employees to the current 33 000 workers," adds Phillips.

With 12 manufacturers in a shrinking

market there should also be scope for rationalisation because plant utilisation is inevitably running at low levels.

But most local manufacturers are either backed by multi-nationals or are subsidiaries of powerful local groups.

Fedmech, part of the Federale group, has already rationalised operations by replacing its dealer network with inhouse dealers. Most others are sitting out the recession and relying on their backers to see them through while cutting costs. But, faced with the heavy sales fall and grim future prospects, some of the weaker manufacturers might decide to pack up.

"A lot will depend on government's response to industry's request for tax relief," says Phillips, but "meanwhile, it is a matter of grim survival for many."

F IN MAIL 25/4/86

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"A lot will depend on government's response to industry's request for tax relief," says Phillips, but "meanwhile, it is a matter of grim survival for many." ■

## Business plans

Port Elizabeth businessmen have formed a "Committee of 20" — and adopted a charter calling for fundamental political change as a means of addressing the causes underlying the black boycott of white business in the city (*Current Affairs* April 18).

Having met behind closed doors for the past four weeks, a steering committee of traders went public with their charter before an audience of some 200 on Monday night. The committee included MP Andrew Savage, city councillors, members of the Chamber of Commerce, Afrikaanse Sakekamer, local ecumenical leaders, and prominent business and community leaders.

The charter reaffirms the participants' "implacable belief" in: "The immediate abolition of all discriminatory legislation, especially the Population Registration Act, the Group Areas Act, and the Influx Control Act (*sic*); the participation in all levels of government of elected or recognised leaders of all races; the right of employees to associate in a free, non-racial trade union movement; the reintroduction of the rule of law, with the administration of justice being safeguarded by the courts, and a single education system acceptable to all South Africans."

The call for a fundamental transformation of South African society is underscored when read together with the basic objective of the group: "To mobilise white public opinion to understand and accept the current

### LOCAL CONSUMER BOYCOTT

#### Asithengi Ha re reke.

FROM THE 21st of APRIL indefinitely we will be boycotting the following

- 1. JAZZ STORES IN ALEX AND TOWN
- 2. PORTUGUESE FISH AND CHIPS RESTAURANT AT WYBERG, (PAN AFRIKA), (KEM, HAN, BORN, BRIMLEY AND JARBY)
- 3. MABEL'S OR (M)'S FISH AND CHIPS RESTAURANT (KHEMENE JHOP NEPHUSSET PERI URBAN)
- 4. MARGARITA'S RESTAURANT 107-2nd Avenue
- 5. BUTI'S and NOT TO BE FORGOTTEN
- 6. FREDDY'S SHOP 102-7th Avenue (KHEMENE SHEEP, GOATS AND COAL AT 105-112th Ave)
- 7. JOLI'S TOTAL CARWASH AND CHEMISTRY 1713th Avenue ALEXANDRIA
- 8. MASHOOD'S CARWASH 167th and 17th Avenue
- 9. HENRY GOLDENBERG
- 10. JOHNNY'S, SHEBLEN 101-2nd Ave
- 11. MIELLIET'S, SHEBLEN 74-10th Ave
- 12. DINDO'S CLEANERS 9th Ave & VAN DER GURK
- 13. LINDIE'S HAIR SALON 09-12th Ave
- 14. CHAMP'S BUTLIBERY 23 10th Ave
- 15. AND TO BOYCOTT ALL THE COUNSELLORS AND POLICE (BUT) (MEXXEN)

- A. BOYCOTT OF REACTIONARY PAPERS LIKE
  - a. Sowetan
  - b. Citizen and all government papers

- BOYCOTT OF METAL BOX PRODUCTS LIQUOR AND COLD-DRINK CANS
- A CAMPAIGN AGAINST NON-PARTICIPATION to isolate all collaborators socially
  - a. Business people not to serve the police. Councillors and other collaborators in their shops, taxis and shebeens.
  - b. Not to board the same bus with police and other collaborators.
  - c. Everyone must terminate personal relationships with police and other collaborators
  - d. All the students who attend at the multi-racial, boarding and homeland schools must come back to their local schools immediately
  - e. All police and Councillors families must stop rendering public services, like teaching, social work and others
  - f. Collaborators especially mr buti and mr makhubiri must stop addressing church gatherings.

ON WITH THE BOYCOTT!  
OUR UNITY IS OUR STRENGTH!

Starting from 21 April

THE PEOPLE SHALL GOVERN

Alex boycott leaflet . . .  
targeting certain stores

TROOPS OUT!!!

ISSUED BY ALEX CONSUMER BOYCOTT

dynamics in South African politics and the realities of our society, and thereafter work towards a non-racial nation in which all will be free to exercise their democratic rights and enjoy the benefits and protection of full citizenship."

This is a call which the group says should be echoed by commerce throughout the city and ultimately acted upon by government, if the economy upon which businessmen rely for their livelihoods is to survive.

Addressing Monday's meeting, black community workers Amon Nyondo and Max Mamase welcomed the business initiative and stressed the need for "white involvement in the struggle against apartheid." Both indicated that unrest, boycotts, and incidents of violence were likely to escalate until apartheid is abolished.

The first meeting of the "Committee of 20" will take place on Friday this week, and, said one of the members, Geoff Bird, "it would have to formulate a strategy to reflect the clearly militant mood among the city's businessmen."

□ Meanwhile, a consumer boycott of selected outlets (see picture) began in Alexandra township this week. It was announced hours before Alex's Mayor Sam Buti and his remaining councillors resigned.

30 BUS DAY 25/4/86

# BMW chief blames govt for lack of confidence

down just 4,7%, with a market share in SA of 7,8%.

He said: "The fact that BMW is doing relatively well, and that strictly speaking we have nothing to complain about, does not take away the basically unhealthy state of the economy."

"When there's news of an enorm-

JIM MACKENZIE

ous current account surplus and record exports, when government introduces a national Budget designed to stimulate economic growth, when Dr Leutwiler and the foreign banks give us another year of breathing space, when petrol prices are down

by a large margin, when interest rates decrease dramatically, when all these things happen, and still that very sensitive barometer - the car market - does not improve, then you have to conclude that the general level of business confidence in SA is at a dangerously low level."

Hasselkus added: "One cannot help

but conclude that the political climate is responsible for this amazing lack of business confidence. While a year or two ago it would have been unthinkable for me to talk politics ... now not even a new model range can be unaffected by the political situation and tensions in SA."

## Boycott goes on

IN the midst of widespread violence in Alexandra, the local consumer boycott continues unabated. **N. Madi**

Shopkeepers in the township and on its outskirts said they "were starting to feel the pinch" of the campaign.

Tens of thousands of residents who met at the local stadium to discuss the violence said they were to intensify the boycott "because the very same people who were aiding the state in its repression were responsible for the attacks".

Residents alleged some shopkeepers took part in this week's attacks on activists' homes. Shopkeepers refused to comment on the allegations.

At the stadium, Alex residents chanted "Asithengi edolobheni" (We don't buy in town.) No time limit has been set for the boycott. Several shops in the township itself have been targeted because the owners are said to be "councillors and other collaborators with the system".



Consumer confidence at a low level

30

# Real retail sales may drop again

**INFLATION-ADJUSTED** retail sales are expected to decline for the fourth consecutive month in April, highlighting the disappointing performance of the economy.

The optimism of the first two months of the year that rode on the back of the strengthening rand, apparently successful foreign debt talks and moderately promising political developments, appears to be dwindling rapidly. While it appears common cause that the economy bottomed in the final quarter of last year, it seems the economy is now moving sideways.

The expected real (ie inflation-adjusted) retail sales for April show a seasonally-adjusted decline of 2.6% compared

**JOHN TILSTON**  
Economics Editor

with March and a 7.5% decline from the depressed sales of last April. Consumer spending must ultimately play its part in any meaningful upswing in the economy.

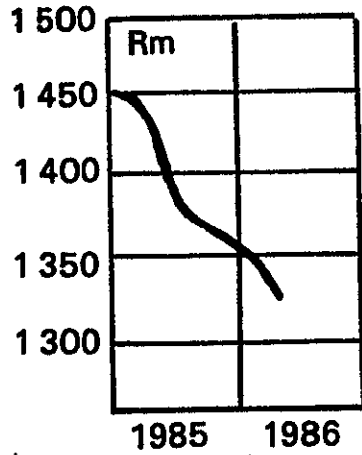
Southern Life economist Mike Daly says consumer confidence is still at a low level — lower than at the start of the economic recovery in 1978.

Factors making consumers loath to spend money include inflation at record levels, a collapsed exchange rate (compared to 1978) which has raised import prices to prohibitive levels (see car prices as an example) and political uncertainty.

In his latest *Economic Comment*

## RETAIL TRADE AT 1980 PRICES

TREND  
SEASONALLY ADJUSTED



Source: CSS

Daly says that unless there is a significant increase in the gold price, an anaemic economic recovery lies ahead.



□ The speed of deliveries to Family Circle pharmacies has been enhanced with the aid of this computerised vertical carousel picking machine.

25/4/75 BUS DAY. (30)

## Pharmacy franchising is powerful medicine

**THERE ARE** three major pharmacy franchises: Family Circle, Link and Plus, as well as a regional chain, Bonus, in the Eastern Cape.

They franchise with a difference. The pharmacies use their own names but make it clear to which franchise they belong by their signage.

There is no franchise fee as such, just a monthly payment based on turnover.

"Think Link," says SA Druggists' GM of Link, Benzie Joffe. "We claim this franchise has proved, by consistent sales growth, that our strategies create high consumer response and that it is the most innovative chain in the retail pharmacy sector."

As a result, recent research has shown 95% consumer awareness of the name, he says.

Link claims to have franchised 23% of all pharmacies in SA. In the

main, established pharmacies convert to Link, but management can arrange to set up for a franchisee if it is required, using the company's expertise in research, siting, signage and everything that is required down to merchandising.

Lex Tannenbaum, executive chairman of E J Adcock, which franchises the 12-year-old Family Circle chain, says his company offers all the usual support with siting, research, design, documentation, merchandising.

"The franchisee simply brings us a signed proposition and could well go away on vacation and just come back for the opening — we do it all."

There are now 30 outlets in all provinces apart from the Cape.

"It costs R160 a month to belong, and R100 000 to set up. There is no starting fee, but the obligation is to buy wholesale from the parent company," says Tannenbaum.

CAPE TOWN TIMES 25/4/86 (70)

## Consumer boycott continues

JOHANNESBURG. — Residents of Alexandra returned to work yesterday but continued to boycott stores and businesses owned by whites.

Police reported no serious overnight incidents in the township where nine people reportedly died in 24 hours of violence on Tuesday and Wednesday and a policeman was seriously wounded by gunfire from an angry crowd.

A senior police official in Cape Town said an investigation had been opened into allegations that black policemen were involved in several of the attacks on homes in the township.

"The police would never sanction anything like this, no matter which quarter it comes from," he said.

Colonel Vic Haynes, a police spokesman in Pretoria, said results of the investigation would be made public in a court hearing if developments warranted a trial.

Meanwhile, the United Democratic Front yesterday called for the formation of "street defence committees" following the allegations of police violence against activists in Alexandra.

"The time has come to defend ourselves," UDF spokesman Mr Samson Ndou said at a press conference here. — Sapa and UPI

25/4/86 BUDAY (30)  
**Edgars seeks to raise R50m**

EDGARS STORES intends to raise R50m with a debenture issue to strengthen the balance sheet and take advantage of future economic growth.

"Apart from generally strengthening the balance sheet, the proceeds of the offer will enable the group to enjoy lower interest charges and be less vulnerable to the variability of interest rates," says group financial director Kevin Brewer.

Moreover, by raising permanent capital the gearing ratio will be reduced still further. Edgars' gearing ratio was 0,58 in the year to March 1985.

The group has twice raised funds through debentures. Its long-term loans

LIZ ROUSE

include 10,9% unsecured debentures and 9,5% debentures. By issuing debentures, Edgars avoids diluting its equity at a time when earnings are in a downtrend.

The issue will be unsecured and automatically convertible. The interest rate will be decided after release of the preliminary year-end results on May 6. Details will be announced on May 16.

Each debenture will be converted automatically into an ordinary share in the year following the financial year for which the total dividend declared, in cents, on each ordinary share is equal to, or exceeds, the annual interest payable in cents on each debenture.

# 30 Sunrise finance

## Black entrepreneurs come on stream

By Michael Chester

Talks are under way to reshape South African economic strategies and provide the small business sector with its most dramatic boost on record inside the next few months.

Dr Ben Vosloo, managing director of the Small Business Development Corporation, has taken a series of initiatives that promise to create hundreds of new business embryos — and groom them to maturity.

"While it is usually the corporate giants that fill the economic headlines, studies around the world show that all of the overseas industrial leaders owe much of their success to the vast number of small business ventures they have launched", he told me.

"All of the Western economists have been stripping away the red tape and bureaucracy that hinder the informal sector — the myriad backyard ventures that if combined can carry tremendous economic clout.

"The brakes have been held on

South Africa by the clutter of nonsensical and out-dated rules and regulations that have made the launch of a new business look like an obstacle course.

"But there are now encouraging sounds from the government that its reform programme will see the scrapping of many of the regulations that have frustrated initiative. The priority on the agenda now is finance".

Here a new wave of optimism has swept through the SBDC as a result of the progress it is making in tapping the phenomenal multi-billion rand cash flows of the giant insurance companies and pension funds.

The first success has been scored in reaching agreement with the Federated Insurance group to come in on a joint venture to finance a R2-million shopping centre at Eldorado Park south-west of Johannesburg.

The SBDC hopes it will prove the forerunner of lots more joint schemes with the financial institutions. And Dr

Vosloo was pushing the merits of such exercises in talks with leaders of the Life Offices Association in Cape Town yesterday.

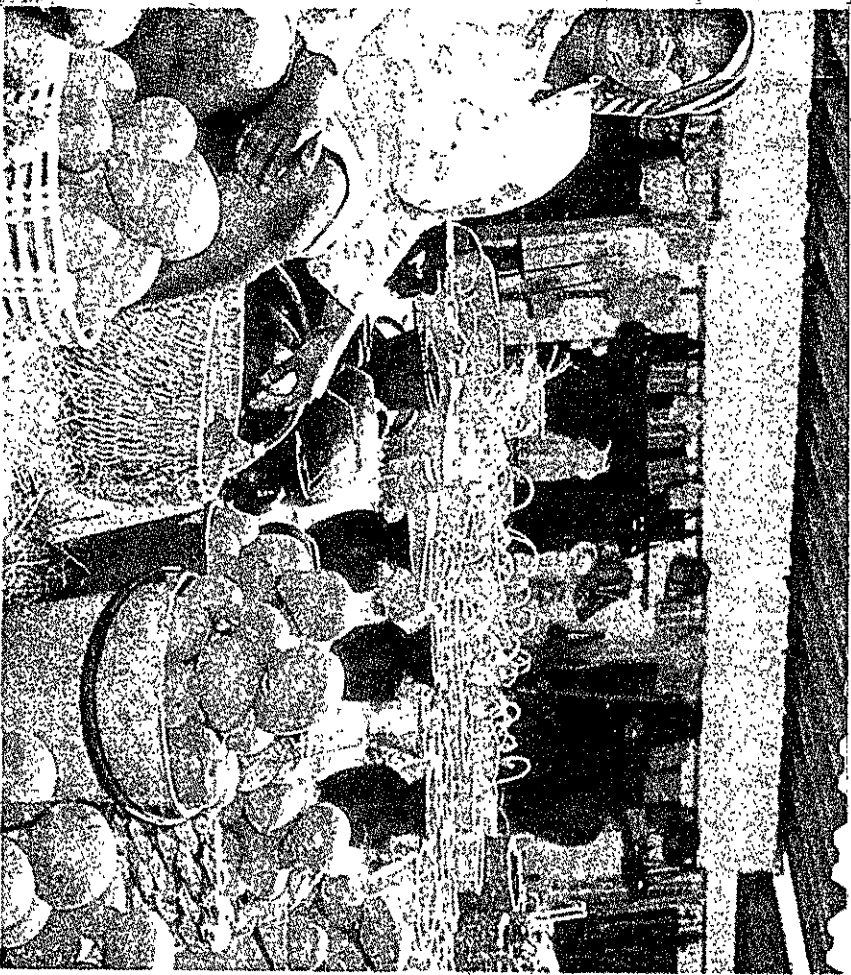
Progress is also running smoothly in talks between the SBDC and the Department of Finance to devise special Small Business Bonds, with government subsidies if necessary to guarantee investors the sort of returns they can expect from the rest of the gilt and semi-gilt market.

Dr Vosloo is convinced the first bond issue will be made inside the next few months — well ahead of the year end.

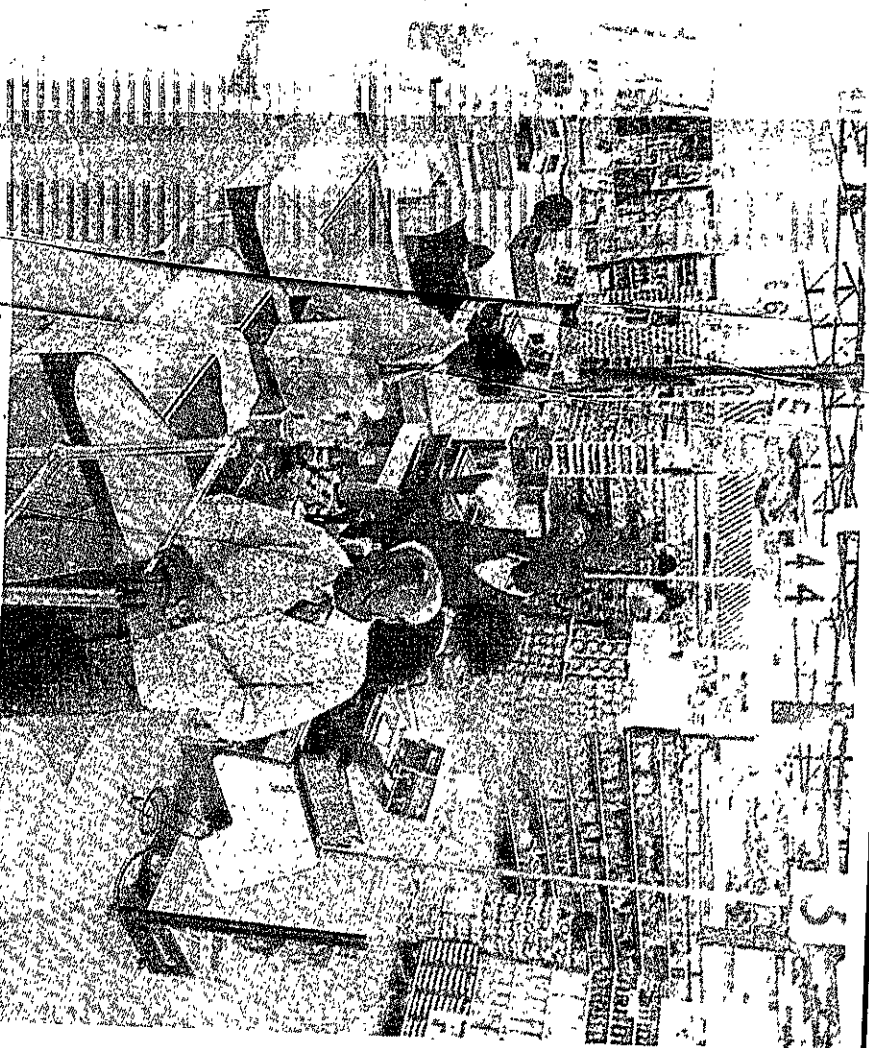
"The sooner the better," he says. "More emphasis on the small business sector is without doubt the likeliest solution of all to our chronic problems with unemployment and economic stagnation.

"And no one will ever find a better key to the crucial problem of bringing more black entrepreneurs into the economic mainstream."

# The BIG chance to turn small business into BIG business



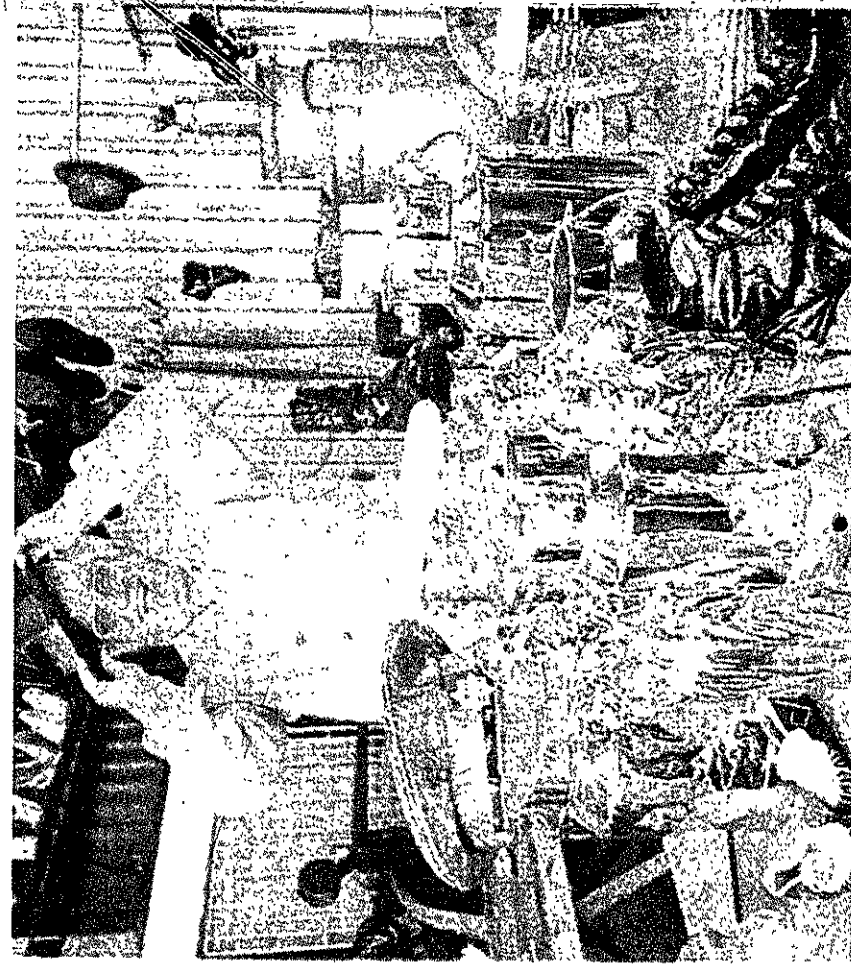
The SBDC can tailor finance for the smallest businesses. Here cash has been ploughed into a row of roadside stalls. At least, a beginning . . .



Mr. Dh Mahleka reflects on the chances provided him to turn a corner shop into a sprawling supermarket.



Workers financed by the corporation build a new SBDC block of work-shops to give other black entrepreneurs a chance.



He's made it! Mr "Sparks" Mattig tilts his hat in salute to the loan programme that helped him to create his own electro-plating company.

# Monroe look-alike competition cancelled

cmf 1/10/83 26/4/86  
Political Staff

30  
15/86

CHECKERS has cancelled its Marilyn-Monroe look-alike competition following criticism by Labour Party leader the Rev Allan Hendrickse, that the competition was "discriminatory".

In a statement Mr Hendrickse said the competition discriminated in favour of whites. The supermarket chain relied more on black than white patronage and at a time like this companies should not be alienating people, he said.

The managing director of Checkers, Mr Clive Weil, said yesterday that the competition was cancelled because it had become a "political issue".

His company regretted that a "fun competition" which followed other successful other look-alike competitions had become "politicized".

This had happened, he added, despite the fact that there was no stipulation as to age, colour or sex. Mr Weil said he wished to apologize to those who had already entered and said they would be compensated for their time, money and energy spent.

Commenting on Mr Weil's statement, Mr Hendrickse said that he wished to congratulate Checkers on their decision which showed that they were sensitive to what was happening around them and took cognizance of it.

STARTS SUNDAY 27 APRIL





# Deadlock in negotiations sparks sit-in at Foschini

DISPATCH

Dispatch Correspondent

JOHANNESBURG — A national sit-in strike of Foschini workers began yesterday after a deadlock in negotiations between management and the Commercial, Catering and Allied Workers' Union of SA (CCAWUSA) over the retrenchment of 235 employees.

A spokesman for the 55 000-strong CCAWUSA, Mr Kaizer Thibedi, said the union's members in other stores have pledged to support the Foschini workers if the retrenched workers are not reinstated and managers do not return to the negotiating table.

"If we are pushed further we will call for a full boycott against Foschini in line with COSATU's resolution which calls on all workers to fight for jobs threatened by retrenchment," said Mr Thibedi.

Foschini's executive assistant to the managing director, Mr John Corlett, said his company is presently not taking any action.

"They have been advised there will be no pay for no work. We are carrying on as best we can," he said.

The strike, the first experienced by Foschini, follows negotiations

which began earlier this year after the group announced its decision to reduce its staff.

CCAWUSA wanted work to be shared by all employees on shorter hours at reduced wages to prevent retrenchment of staff.

The Foschini group turned down the union's alternative to retrenchment and said they were "obliged" to take this action because annual profits for last year were reduced by 13,9 per cent.

Mr Corlett said 235 workers from around the country were retrenched "on generous terms."

All alternatives were

investigated and have been discussed with CCAWUSA over the past two years, he said.

According to Mr Thibedi the strikes took place in most centres around the Transvaal and included the group's warehouse staff at their Isando, Johannesburg, head office.

Foschini staff picketed in Witbank and a demonstration involving more than 50 workers was held on the first floor of Khotso House in Johannesburg yesterday, he said.

Strike ballots are being organised in the Cape and Natal, Mr Thibedi added.

30

26/4/80

# Go-ahead for R75m project after storm

STIKES 27/11/86

By Ciaran Ryan

**K PROPERTY Projects (KPP)** has been given the green light to go ahead with a controversial R75-million commercial and residential development in Mitchells Plain near Cape Town.

An executive director of KPP and former mayor of Johannesburg, Eddie Magid, told *Business Times*: "We are delighted that Cape Divisional Council has approved the scheme and I think it is time we buried our differences."

## Pension funds

The original plan allowed for a commercial development of 23 000m<sup>2</sup> and 450 houses — KPP agreed to provide trunk services at a cost of R1,5-million. KPP agreed to increase the number of houses to 600 on the understanding that sw ft approval for the scheme was granted.

It is almost two years since KPP submitted its project application. Costs have risen at an estimated 1,5% a month. Approval was given this week.

KPP says the project will get off the ground in October after the development plan has been prepared. Building will be complete by Easter of 1988, but some sections of the shopping development will open before Christmas 1987.

Negotiations are taking place with a consortium of pension funds to arrange finance.

## Alternative

Part of the development includes the 600 housing units in Mitchells Plain and the provision of trunk services.

The development caused controversy when the Cape Town Divisional Council withheld approval in an apparent effort to get KPP to choose an alternative site in the Mitchells Plain town centre.

NCR Corporation's income for the first quarter of 1986 was \$50,2-billion (R100,4-million).

This is an increase of 15% on the same quarter last year. Worldwide revenue from the group's associated companies totalled \$960,8-

## NCR heads for record

million in the quarter, a 14% increase on the same time in 1985.

The computer giant, based in the United States, appears set for a record year. The SA subsidiary does not disclose earnings, but the stronger rand has helped it achieve a healthy growth rate, says managing director Jim Houston.

Pouting blonde — how Checkers promoted the Marilyn contest

# Look-like-Marilyn contest halted by racism complaint

By CHARMAIN NAIDOO and SYLVIA VOLLENHOVEN

THE Checkers supermarket chain has hastily withdrawn a Marilyn Monroe lookalike competition after a coloured political leader complained that it was discriminatory.

A Cabinet Minister, the Rev Allan Hendricks, who is also leader of the Labour Party, said yesterday that the contest did not give black women a fair chance.

Other critics asked how people of colour could come even close to looking like the peaches-and-cream complexioned blonde bombshell sex symbol of the '50s.

Mr Hendricks, who is also chairman of the Ministers' Council of the House of Representatives, said: "In terms of physical appearance, whether it was really open to all races or not, entrants would have had to be white."

"Blacks stood no chance. I am pleased the company heeded my objection."

The promotion — part of the Checkers 30th birthday celebrations — involved thousands of rands worth of advertising.

This week the managing director of Checkers, Mr Clive Weil, explained: "The competition was organised and ran in all innocence."

"We didn't mean to offend anyone and had not even considered the possibility of such a strong reaction."

## Expensive

Mr Weil, whose personalised advertising campaign has made him a household name in this country, said: "Of course, withdrawing the competition meant that we lost money."

"People found the competition discriminatory, claiming that blacks, coloureds and Indians had no hope of winning it."

"We didn't see it that way. We encouraged the use of make-up, wigs, false eyelashes... anything that could help the entrant look like Marilyn Monroe."

"In fact we've already had entries from blacks — we've even heard that some men were going to have a go."

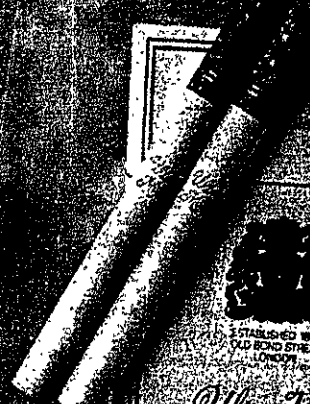
"Checkers recently ran a Mr T lookalike competition (based on the character from the "A-Team") and we had entries from all races. There seemed to be no problem with that competition."

Mr Weil said that when the competition became a political issue, the company decided to withdraw it immediately.

He said Checkers would "find a way" to compensate people who had already entered the competition. The company also planned to substitute another competition for the one abandoned.

"I think that it is sad that politics has crept into this."

IF YOUR  
HIGH PRICE  
SYSTEM  
MOVE  
SOMET  
FAIR AND



SHARE THE  
WITH SOUTH AFRICAN  
GROWING MILD  
Move to ultra mildness

Anti-apartheid moves may affect BMW

STW  
28/4/86

# Politics threaten more motor firms

30 286

By Jeremy Sinek

South Africa's embattled car makers could increasingly face direct political threats to their survival.

Until now it has mainly been United States companies — notably General Motors — which have had to stave off disinvestment pressures back home.

But a clear warning has been sounded that German firms like BMW, Mercedes-Benz and Volkswagen could also become involved in political action against apartheid.

The danger was highlighted last week by Dr Walter Hasselkus, managing director of BMW South Africa.

Speaking at a model launch in Natal, he appealed to the Government not to waver from its chosen course of reform, but to speed it up significantly.

"So far South Africa has been a non-issue in Germany. But unless the situation in South Africa improves, and unless tensions are drastically reduced, South Africa will become an issue in Germany.

"And once that happens, one would have to be very naïve to believe that either the federal government or any major faction would be in a position to defend South Africa.

"Let us create a political climate in South Africa that takes the heat and the pressure off foreign companies that have investments here," he said.

Dr Hasselkus also blamed political issues for the financial plight of the motor industry.

Referring to all the positive economic indicators — an enormous current account surplus, record exports, a stimulatory budget, rescheduling of the foreign debt, reduced petrol prices and lower interest rates — he said: "When all these things happen, and still that very sensitive economic barometer, the car market, does not improve, then you have to conclude that the general level of business confidence in South Africa is at a dangerously low level.

"One cannot help but conclude that the political climate is responsible for this amazing lack of business confidence."

## 'Mercedes to stay'

On a more positive note, Dr Hasselkus said he believed, on the strength of "very good and very promising" economic fundamentals, there will be improvements in both business confidence and the political outlook.

"In spite of its poor start in the first quarter, we see the car market picking up well, espe-

cially in the second half of the year, and we may even end up with a market of about 200 000 this year."

But at a Mercedes launch two weeks ago, Dr Hasselkus's opposite number at Mercedes-Benz, Mr Jurgen Schrempp, said: "The introduction of this model comes as visible proof of the Daimler-Benz decision to stay in the South African market.

"Towards the end of last year, Daimler-Benz substantially increased its investment in South Africa. The decision is significant at a moment when there is talk of some more manufacturers pulling out of South Africa."

## SA can expect 30 n AIDS cases this year

Medical Reporter

At least 30 new cases of AIDS are expected in South Africa this year, Professor Jack Metz, chairman of Advisory Group on AIDS.

In a statement issued at the weekend, Professor Metz said although one new case of AIDS has been recorded this year, there was no reason for complacency.

Since 1982, 20 people have died of a total of 27 cases of AIDS set in South Africa.

Only one case here has been through blood transfusion. More can be expected in patients who received transfusions until all donor blood was tes-

# 'Traders can't call boycott'

Post Reporter

TRADERS could not call for a consumer boycott because it could only be done by representatives of the people, the spokesman for the Consumer Boycott Committee, Mr Mkhusele Jack, said today.

Mr Jack spoke at a meeting yesterday of the East Cape Traders' Association, attended by about 50 Indian and coloured businessmen.

The meeting, in the Gemsa Hall, Korsten, was closed to the local Press. But members of an overseas television company were allowed to film the proceedings.

The association convened the meeting to discuss the involvement of coloureds and Indians in the boycotting of white PE businesses.

Mr Jack said a boycott could only be called by representatives of the "man in the street", not by the traders.

"The boycott is aimed at achieving political objectives rather than profiteering," he said.

# Strike threat 'serious' for Pick 'n Pay

SMK  
29/4/86  
By Sheryl Raine (30)  
Thousands of Pick 'n Pay workers in key jobs at 76 supermarkets, hypermarkets and warehouses are poised to launch a wage strike on Friday, according to the Commercial Catering and Allied Workers Union (Ccawusa).

Pick 'n Pay group chairman Mr Raymond Ackerman said this was one of the most serious situations the supermarket chain had ever experienced.

He said he had no emergency plans yet to counter the possible effects of the strike, as he was meeting union leaders today "hopefully to correct" the situation.

Ccawusa is demanding a R90-a-month increase.

In a statement the supermarket chain said the strike would affect only 38 of its units and

5 204 of its 13 100 employees.

The number of stores affected by the work stoppage could grow however, if workers who belong to the Retail and Allied Workers' Union at stores in the Pretoria and Northern Transvaal join the strike in sympathy with Ccawusa.

The company said it also believed that if the strike began on May 2, it would be illegal because conciliation procedures would not have been exhausted.

## THREATENED

Pick 'n Pay is also being threatened with a consumer boycott in support of black workers who go on strike.

Ccawusa said it had a mandate from its members to strike.

Wage negotiations began in January. Workers demanded an increase of R216 a month. Pick n Pay offered R43 a month.

After six meetings, deadlock was reached. A conciliation board was established and met unsuccessfully on April 15-16.

During the conciliation board hearing the union made its final demand for a R90 across-the-board increase.

Workers would stay away on May Day to attend union rallies and would not return to work on May 2, said Ccawusa.

Mr Ackerman said: "We have really bust a gut to meet their demands. It's been a tough year and the R90 increase signified an average of 17 percent increase — far more than most companies are paying. It's also three times higher than what we originally budgeted for."

He said the union was being unrealistic as it refused to understand that there was "only so much money available".

# GM reports income a bit down on '85

GENERAL MOTORS (GM) earned net income of \$1,0646m on record sales and revenues totalling \$26,8bn during the first quarter of 1986, according to a report by chairman Roger Smith and president F James McDonald received in Johannesburg.

The results compare with the \$1,0726m GM earned on sales and revenues of \$24,2bn during the first quarter of 1985.

Earnings attributable to the \$1,66 common stock during the first quarter amounted to \$986m, or \$3,11 a share compared with \$3,32 a share reported in the year-ago period.

First-quarter earnings attributable to Class E common stock, which are based on the earnings of Electronic Data Systems Corporation (EDS), amounted to 46c a share compared with 32c a share in the year-ago period.

Earnings attributable to GM's new class in common stock, which are based on the earnings of GM Hughes Electronics Corporation (GMHE), amounted to 66c a share during the first quarter compared with *pro forma* earnings of 63c a share in the first quarter of 1985.

While worldwide factory sales of vehicles during the quarter approached 1985 levels, earnings on the \$1,66 common stock declined, reflecting the costs related to marketing campaigns and the continuing impact of major capital investments to assure GM's long-term competitiveness. — Sapa.

AKGUS 29/4/86 (198) 30

# Cement companies attacked over giant new projects

From PETER FARLEY, JOHANNESBURG. — The cement industry has been severely criticised for embarking on capital-intensive projects while the building and construction sectors are going through one of their worst slumps.

The industry has also been panned for keeping the price artificially high through price collusion and market sharing tactics.

Mrs Giselle Roux of brokers Frankel, Kruger says: "The extraordinarily high profit margins in the cement industry have come down a bit over the last year. Nevertheless they are still one of the highest in the South African building industry."

Another stockbroker argued that the cartel of the three major companies, Anglo-Alpha, Pretoria Portland Cement (PPC) and Blue Circle, will have to be broken if some measure of competition is to be restored and cement prices brought down.

The industry has increased prices in response to under-utilisation of plant. So the public has to pay for massive over-capacity at various new factories at a time when total cement consumption has dropped, by over one million tons from 1984 to 1985.

Anglo-Alpha faces problems with its recent R300 million plant expansion at Ulco, which is running only at 70 percent of total capacity. PPC and Blue Circle have similar difficulties.

PPC cut its capital expenditure on the recently commissioned Dwaalboom factory from R300 million to R220 million. Nevertheless, as a result of the declining productivity most of the staff either had to be replaced or retrenched.

At Blue Circle's R200 million Lichtenburg factory only two out of six kilns are productive and a large part of the work force had to be retrenched.

The Competition Board has recently published a notice highlighting practices of price collusion and market sharing as being in conflict with the provisions of the Maintenance and Promotion of Competitions Act, which will be introduced on May 2.

Competition Board's chairman Dr Stef Naude said: "This is applicable

to arrangements in the cement industry, yet we have to be careful that we do not destroy the industry by breaking up a cartel which has run the industry for a long time and fairly successfully."

Dr Naude indicated that some kind of extension will be granted to allow the industry to either adjust to the new regulations or make new representations to the board.

But brokers suggest that even if the regulations are enforced "the industry would keep some kind of gentleman's agreement going, to maintain their control over prices".

Industry sources have presented submissions to the board, detailing the need of continuing with the present structure and organisation.

Says PPC MD Guy Luyt: "I am sure there will be no summary withdrawal of the present arrangements, as the Board recognises the problems that will be created."

Ronnie Searle, deputy MD of Anglo-Alpha, believes arrangements between the major companies are still in the best interest of the cement industry and in the long run the consumer. "If we look at other countries, namely the US, where free competition exists, we don't see that they are much better off," he said.

Spokesmen for all three companies dismissed suggestions that their extensive capital expenditure projects in the last couple of years were unjustified.

"We are talking of a full three-year period between the decision to go ahead and the commission of a cement industry, and there is no way in which the present recession could have been predicted in 1981/82," said Mr Searle.

He also indicated that two years ago building industry sources suggested that South Africa would experience a building boom as never before.

"We were then criticised for not making sufficient provisions for expansions and were faced with cement imports which badly affected the local industry."

All three companies also point out that their ventures are long-term investments and that they obviously will pay off once the economy picks up.

US cent per rand
80
70
60
50
40
30
20
10
0
1 00
2 00
3 00
4 00
5 00

Graph consists of a vertical axis labeled 'US cent per rand' with numerical markings from 0 to 80 in increments of 10. The axis is oriented vertically on the right side of the page.

SOUTH AFRICAN PRESS



...at the Good Hope Centre last night. Kader won by two falls to one. Picture: Richard Bell

Eye 29/4/46  
Food chain  
strike plan

# Laurent Fabius stoned in Old Crossroads

CAH-Tin 29/4/46

Own Correspondent

Staff Reporter

DURBAN. — Pick 'n Pay workers around the country plan to strike on Friday in support of their demand for a R90-a-month pay increase.

A spokesman for the Commercial Catering and Allied Workers' Union, said shop stewards voted at the weekend in favour of a national, legal strike affecting about 76 stores and warehouses.

Pick 'n Pay management retorted that only 38 stores' staff were represented by CCAWUSA and said a strike ballot had not yet been held.

Mr Raymond Ackerman, chairman of Pick 'n Pay, could not be reached for comment, but the company's personnel director, Mr Rene de Wet, said an offer to meet the union to resolve the dispute had been refused.

THE former French Prime Minister, Mr Laurent Fabius, was showered with glass when rocks smashed the windscreen of the kombi in which he was travelling through Old Crossroads yesterday, an hour after he arrived in Capé Town.

"I'm pleased that I've had this experience, because I can understand the level of frustration and anger in this country — violence, breeds violence", Mr Fabius said immediately afterwards to his driver, Ms Lesley Lidell, a Western Province Council of Churches ecumenical worker.

Mr Fabius described apartheid as "a scandal" at a press conference last night and added that he was in South Africa to support the "fight against apartheid".

Explaining the incident in Crossroads Mr Fabius said he imagined the youths reacted strongly when they saw white people in a bus even though they were Frenchmen and supported human rights. It was obvious that the situation was "very tense".

Mr Fabius and former French Min-

ister of Culture, Mr Jack Lang, were invited to South Africa by Bishop Desmond Tutu. Mr Fabius said he and Bishop Tutu had become friends in France while he was Prime Minister and had reached decisions "related to the fight against apartheid".

Mr Fabius met Dr Allan Boesak in Bellville South soon after he arrived yesterday afternoon and from there he went to Old Crossroads where he visited the Sacla clinic.

"What strikes the visitor even in a short time is the extraordinary gap and confrontation between this area and other areas I've been through", Mr Fabius said.

Asked whether he would meet any members of the government Mr Fabius replied there would be "no point. If Mr Lang and myself should ask to see Nelson Mandela, and to say that he should be freed, we know the government would say, No."

Mr Fabius met Dr Van Zyl Slabbert yesterday afternoon and said that he also expected to meet Mrs Helen Suzman, Mr Jan van Eck and Mr Gavin Relly, of Anglo American.

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# No sudden lift-off for after-hours shopping

By Jackie Unwin

There was no great rush of buyers because of the longer shopping hours, say retailers who took advantage of the relaxed laws at the weekend.

Mr Gordon Hoult, general manager of Southern Transvaal supermarkets of Pick 'n Pay, which opened its stores until 7 pm on Friday, said:

"It was nothing to write home about but we have not advertised our extended hours yet. We opened late on Friday to prepare ourselves. We shall be advertising in future."

Mr Ken Coote, operations general manager of the OK Bazaars, said: "It is too soon to really work out how successful extended hours are."

"We opened our Verwoerdburg store and it did very well on Friday and Saturday, but we are not too sure whether this was because it coincided with the Buy Aid accounts trading. We are monitoring the situation."

## INFLATIONARY

He said OK had decided to extend hours at a further two stores, Yeoville and Eastgate, in addition to Hillbrow and Horizon View, as previously announced, and would be phasing these in during the next couple of weeks.

But he added: "My salary hasn't increased and neither has yours — the pot remains the same size. We still believe extended shopping hours to be inflationary."

Mr Steve Kurland, deputy managing director of Dion, which extended hours at its Wynberg, Randburg, Boksburg and Westgate stores, said:

"Friday nights appear to have been quiet. But Saturday was successful. We will reappraise how long our stores will stay open on a Friday night, but Saturday appears to be a good trading afternoon."

Business <sup>STAK</sup>  
as usual as  
comrades <sup>29/4/86</sup>  
call fails (30)

Lowveld Bureau

A consumer boycott, called for in Nelspruit and White River by people calling themselves the "comrades", has failed.

The boycott, which was supposed to have started yesterday, called on blacks not to buy from white-owned shops, garages and restaurants.

But all day yesterday it was business as usual as shoppers went about their normal month-end buying.

Thousands of pamphlets — calling on "our fellow oppressed" to boycott white-owned businesses — were distributed in Kabokweni and Kanyamazane.

They demanded:

- The immediate removal of SADF troops from the townships.
- The release of detained students.
- The re-employment of all persons who lost their jobs during this month's four-day stayaway.

It also warned all persons contravening the boycott that "comrades" would be at street corners "taking note".

One black woman, who asked not to be named said: "During the last stayaway, a loaf of brown bread sold for R5 by youths capitalising on the situation. This time I will not be caught, so I'm stocking up."

# BOYCOTT IS ON - PCBC

30/4/82  
The Pretoria Consumer Boycott Committee has denied a rumour that the indefinite consumer boycott of white shops in Pretoria has been called off.

A PCBC spokesman reacted in a Press statement to a rumour which circulated in Mamelodi at the weekend that the boycott had been disconti-

inued. (60) ~~222~~ SOWE/17m

The spokesman said the PCBC was still assessing the situation to gauge whether it was necessary to continue the boycott.

The PCBC met at the weekend to discuss the boycott and will meet again on May 5 to discuss the issue. — Sapa.

CAL. TIMES 30/4/86

# McCarthy in R3m Alfa parts deal

By AUDREY D'ANGELO

THE McCarthy group seems to be cornering the market in spare parts for vehicles whose manufacturers have withdrawn from SA.

It has negotiated a R3m motor parts deal with Alfa Romeo SA, buying the entire SA parts and accessories inventory of the Italian motor company with effect from June 1.

This follows the group's purchase at the beginning of April of the parts inventories of two other manufacturers who have stopped assembling vehicles in SA — Peugeot and Renault.

Joint managing director Theo Swart said in an interview yesterday that although the recession had hit sales of new vehicles, the market in spare parts and second-hand cars was booming.

"This is where we see the major opportunity for growth at the present time," he said.

The other joint managing director, Dudley Saville, said: "The replacement value of the Alfa, Peugeot and Renault parts now held by McCarthy stands at almost R14m."

He estimated that there were 58 000 Alfa Romeo cars in this country and 83 000 Peugeot and Renault cars and commercial vehicles.

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**CBD to  
open to  
all races**

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39/4/86

The Verwoerdburg Town Council last night voted unanimously to declare the central business district a free trading area.

At the same time, the cinemas in the town have been opened to all races.

Verwoerdburg has been more willing to fall in line with Government policy on open CBD's than has its bigger neighbour, Pretoria, where the opening of the city centre is the subject of heated argument.

Verwoerdburg Management Committee chairman, Dr JP Naudé, said there had been little debate on the opening of the town's CBD as all councillors agreed this was the right move.

This will come into effect as soon as the proclamation has been signed by the Minister of Constitutional Development and Planning, Mr Chris Heunis. — Pretoria Bureau.

30/11/86  
345 JAZZ  
30  
**374% Jazz leap likely**

LIZ ROUSE

JAZZ'S acquisition of Checkers stores will increase the black store chain's turnover by 374% to R82m and lift pre-tax profits to an estimated R4,2m from R1m.

The acquisition will transform Jazz into a major stock in the stores sector, increasing market capitalisation from the current R39,7m to R86m, based on yesterday's price of 320c.

The deal, which involves the issue of 14,5-million shares to Kirsh Trading Group for 10 stores (not 11, as it is not possible to transfer one of the store leases) will leave Jazz highly liquid.

In fact, the market was buzzing with speculation yesterday of another acquisition by Jazz. There was a special deal of 200 000 shares at 320c.

The year-end of Jazz has been changed from December 31 to June 31, to coincide with the financial year of KTC, which will own 54% of Jazz after the deal.

Jazz will report results for the 18 months to June 1986. The directors estimate that earnings-a-share in 1985 would have amounted to 8c if the Checkers stores had been part of Jazz.

## PROPERTY

SOME TRANSVAAL traders and landlords have already started to battle over last week's extension of shopping hours.

Apart from the fact that most shopping centre tenants could be forced to open longer or face legal action, they may also be in for some increased operating costs.

The Amended Shop Hours Ordinance provides for trading times from 5am to 11.30pm, excluding Sundays, religious holidays and the Day of the Vow.

What a lot of traders are asking, though, is if they can be made to toe the line when landlords instruct them to change their hours — and it seems the answer is yes.

Then operating costs — such as electricity and air-conditioning for the extended time — are extras which must be added on to the basic rental. Managers stress, however, that these additional expenses are likely to be minimal.

Standard leases oblige tenants to

# Battle stations over extended shopping

open during "normal trading hours," as determined by the particular centre managers.

Changes in trading hours will be made, in many cases, according to the wishes of the customers first and then the majors — so the smaller retailers will have to follow the choice of the larger chain stores.

One of the biggest landlord/tenant clashes yet has been at Sandton City, where some of the smaller retailers are disputing claims by centre managers Rapp & Maister (R&M) that a majority of tenants support longer

trading hours on Saturdays.

From May 10, retail shops will be open until 5pm on Saturdays.

A trader representing a small family business told *Business Day* that big retailers at Sandton City supported the move and would be employing more staff.

But he added that the small businessman would have his costs pushed up further than he could afford, expressing concern voiced in similar debates elsewhere.

Gavin Main, senior executive in charge of shopping centres for the R&M group, confirms that, in common with most centres, leases contain a clause which in theory obliges tenants to conform to stipulated trading hours.

"But we don't want to wield the big stick," said Main, "and would obviously prefer to win people over by showing them that they stand to lose out if we don't open and other centres do."

At Anglo American Property Services (Ampros), special projects manager Sam Leon said it was unlikely at this stage that the Carlton Centre shopping component would take advantage of the new dispensation, bearing in mind the thoughts of the majors, Garlicks and the OK.

Feedback at the moment from other centres was that the regional complexes will probably have Saturday or late-night trading, rather than the smaller centres.

Leon pointed out that it would be disadvantageous to a centre to have some shops open and others not, so once hours had been changed, in consultation with clients, managers would probably enforce those hours.

At the battling Verwoerdburgstad and at Sunnypark in Pretoria, Leon said shops would be open until 8pm on Fridays and all day on Saturdays.

The Hillbrow Traders' Association is celebrating victory in its 16-month battle with provincial authorities over lengthened hours, but joint chairman Peter Rose has expressed concern that landlords may now increase shop rentals.

There have already been indications that this might happen, he said, and if this did come about there would more empty shops to add to existing vacancies.

In spite of this threat, Rose predicted a 12% to 15% improvement in business in Hillbrow.

He also believes consumers are going to see a "terrific trade war" as other centres compete for Hillbrow's customers.



# Coloureds, Indians to join boycott <sup>(30)</sup> <sup>(7/5)</sup> Jack

PORT ELIZABETH — Coloureds and Indians in Port Elizabeth are to join blacks in their boycott of white businesses in the city, Mr Mkhusele Jack, the leader of the consumer boycott movement, said yesterday.

Mr Jack said coloureds and Indians had pledged their support for the boycott and expressed satisfaction with the results so far, saying white businesses were beginning to feel the pinch.

There were also clear signs that the boycott was increasingly putting pressure on the government to listen to the demands of the people in Port Elizabeth, he said.

The general stayaway by workers on May Day today would show the country just how united black people were in their determination and struggle for freedom, he said.

DISPATCH 1586  
Meanwhile, Colonel Gerrit van Rooyen, the police liaison officer for the Eastern Cape, said the police would protect workers from intimidation if they wanted to go to work.

● A public meeting will be held under the chairmanship of the mayor, Mr Ben Olivier, on May 20 to discuss the opening of Port Elizabeth's beaches to all races.

The meeting is being held after a petition by the Herstigte Nasionale Party and a city councillor, Mr Chris Meyer, asking that a referendum be taken on the issue.

PE's town clerk, Mr P. K. Botha, said a motion for a referendum would be put to the vote after which a poll could be held.

Mr Botha said the Administrator of the Cape would not be bound by the vote of the meeting. — Sapa

# Aid for King CBD opening is planned

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~~30~~

DISPATCH

**KING WILLIAM'S TOWN** — The introduction of a financial aid and business advice package for businessmen wishing to establish themselves in the central business district (CBD) here is being investigated by the borough council.

The motivation is that small businesses should be "assisted and encouraged" to open here once the racial legislation governing trading in the CBD has been abolished.

The town clerk, Mr. Henry Hutten, said yesterday he had been informed by a government official in Pretoria that the opening of the King William's Town CBD to businessmen of all races would be gazetted this month.

The borough council decided at its meeting

on Tuesday night that a "mini committee" should be formed to administer the granting of up to R2 000 in aid to each businessman who wanted to open a small business here.

"Before anything is done in this regard, however, the council and the Chamber of Commerce will meet with the regional representative of the Small Business Development Corporation to discuss the services and facilities offered by them" Mr. Hutten said.

Interest in the opening of business in the CBD had been "positive", according to the borough's health and social services chief, Mr. Peter de Goede.

During the past two weeks, Mr. De Goede's office has had "at least" a dozen positive enquiries.

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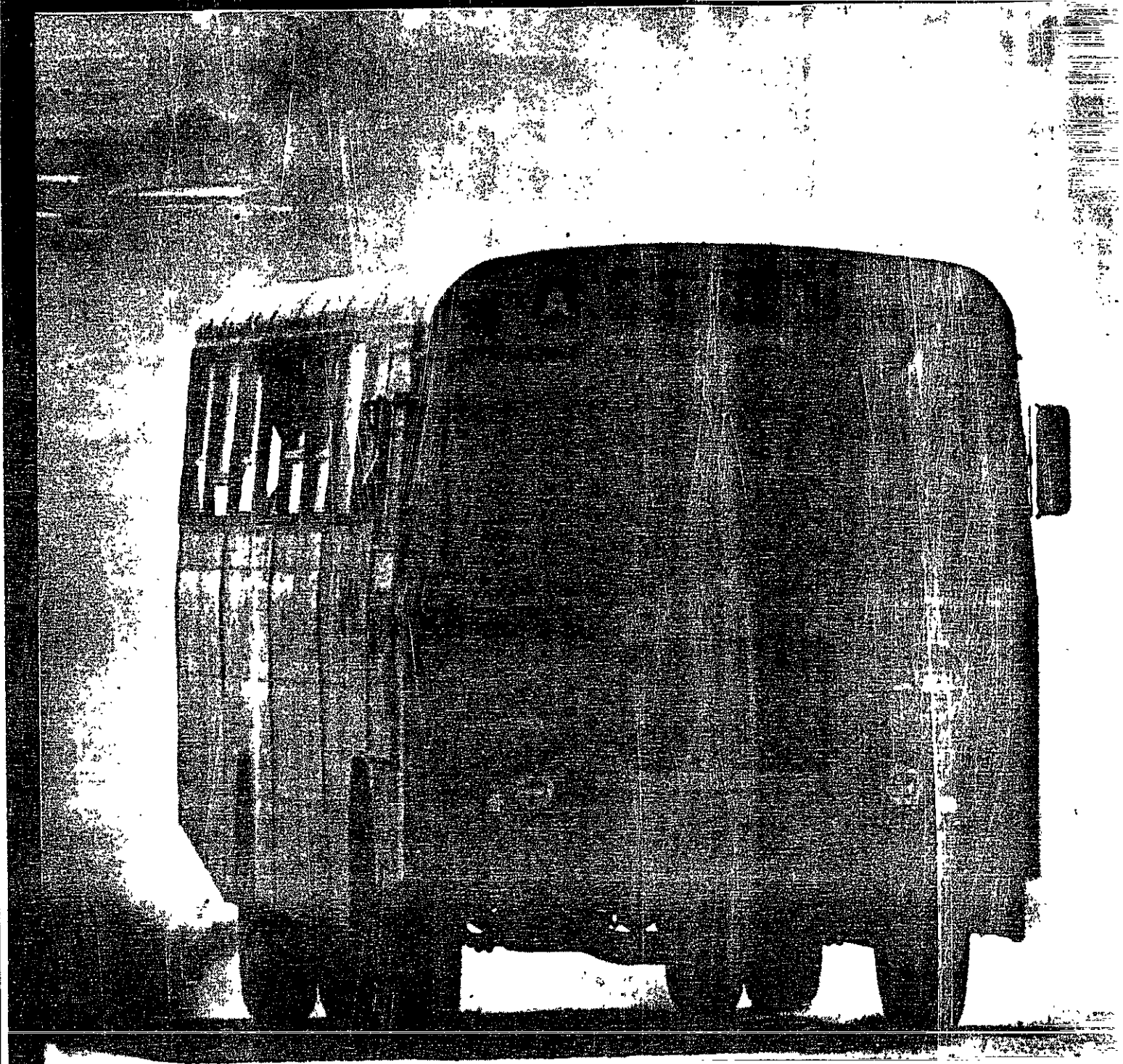
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THE PEOPLE'S PAPER

Fr



A young woman tumbles from a bus at the height of this week's "war of independence" in KwaNdebele. She is teargassed by security forces, according to residents. They could not say if the woman was hurt.

RURAL resistance, with people  
growth this week, with people  
throughout the Northern Transvaal  
stepping up their protests against  
apartheid institutions.

At least 50 towns and villages  
some just dots on the landscape  
launched a two-month consumer  
boycott to popularise widespread  
objections to security force activi-

And in KwaNdebele, angry resi-  
dents took to the homeland's dusty  
roads in a "war of independence" -  
a massive bid to stop the homeland  
government from declaring itself  
"independent" on December 11.  
At least five people have died in  
the KwaNdebele war, seen as part  
of the growing politicisation of peo-

ple in the area.  
Further north, massive consumer  
and worker stayaways were report-  
ed in towns like Pietersburg, Tzan-  
een, Potgietersrus and Phalaborwa,  
where residents are protesting  
against recent detentions and secu-  
rity force raids on local people.  
People are boycotting all shops  
owned by whites and by homeland

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May 18, 1986 ★ ★ ★



# THE BATTLE FOR THE GREAT NORTH

## KwaNdebele joins the rural resistance

KwaNdebele. The bus went out of control when it was  
over-

politicians.  
Boycott organisers say the protest - scheduled to last two months - has been highly successful, and is likely to continue.  
They say the boycott is a response to "months of repression and attacks on our people by the Botha and Phatudi forces, with the help of white business".

An indication of just how tense the situation is in the Northern Transvaal came with the announcement this week that farmers in the area want to erect an electrified fence along the border with Lebowa because of raids by "highly-politised local people".  
According to reports, some farmers are being forced into buying

what are called "ANC permits" so they can enter certain areas.  
The angry farmers want to put an end to this, according to reports - and feel an electrified fence between themselves and people living in Lebowa may be the answer.  
● Workers are staying away on several local farms - demanding a 100% increase, to R5 a day.

# We'll meet you, business tells boycotters

THE Pretoria Chamber of Commerce is seeking an urgent meeting with consumer activists as a boycott of white businesses enters its second month, with no end in sight.

Chamber chairman Dan Rolt said this week he was not concerned with the damage the boycott was doing to white business, but to the unemployment it was causing in the black community.

A representative of the Pretoria Consumer Boycott Committee dismissed the argument. "Our people suffer more severely under apartheid than under the boycott," he said, but added the committee was "seeking a

mandate from the community" to meet the Chamber.

He has charged "pro-apartheid forces" with "persistent efforts to break the boycott, confusing people through faked pamphlets."

"Our leaders have been detained by police and others have had their houses attacked with petrol bombs and hand grenades." Boycott meetings had been "disrupted by police" who also, he charged, had "tried to block supplies into the township."

Asked to comment yesterday, Col J Heyns of the SA Police Directorate of Public Relations said: "We do not try to prevent normal trade.

"If anyone should have any evidence (to the contrary), they must make affidavits available to us and we will investigate them."

A confidential letter signed by the secretary of the Chamber, CAP Viljoen, has asked Pretoria businessmen to pass any information on the boycott to the chamber, which is constantly in contact with the police and Security Forces.

Chamber officials have declined comment on the letter, which was sent more than a month ago but was made public only yesterday.

Too many people, said Rolt, with differing opinions about the boycott's

effectiveness were talking to the press and this was causing "conflict".

The Pretoria boycott, the second in months, was extended to Bophuthatswana this time but has lost momentum there since a youth was allegedly shot dead by police while enforcing it.

According to the boycott committee representative, efforts were being made to restore the boycott in the homeland, but "homeland people are being harassed by police and businessmen are being intimidated by (President Lucas) Mangope, who threatened to shut down the black businessmen's shops."

2/5/86

FIN MAIL

## LINKING UP

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The Urban Foundation has embarked on a drive aimed at linking black suppliers in the PWV area with white businesses needing their services. So far, the campaign has netted orders worth more than R500 000 for black business.

In the past six months, the foundation has been looking for white business operations keen to buy supplies or services from the black sector. The response has been good, resulting in requests for a range of services, says home industries and marketing co-ordinator Derek Drake.

They include the supply of goods, services, the opening of agencies and franchise operations.

He says a list has been drawn up of services, skills and products which are known to be currently available from black business, but the list needs to be expanded to include all the trade, commercial and other skills now offered by black business in the PWV area.

Notes Drake: "The problem now is not to find willing white businesses, but to find black businessmen able to fill their needs."

2/5/86. BUS DAY

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# Soweto businesses snared by red tape

**GREATER SOWETO**, with an estimated population of up to 2-million, contains only about 2 500 licensed businesses and one self-contained shopping centre.

Ratios like these are unheard of in any densely-populated white area. Why does Soweto lag so badly?

The Small Business Development Corporation (SBDC), which compiled these figures, says bureaucracy is largely to blame. Regulations obstructing free enterprise in Soweto number between 500 and 1 000.

Any gradual loosening of restrictions is countered by the political situation, which makes Soweto a high-risk investment area.

The SBDC has now renewed its call for the dropping of legal restrictions on black businessmen, a move which demands a greater urgency with government's abolition of influx control.

Major sections of the Blacks (Urban Areas) Consolidation Act are to

be repealed as announced in the White Paper on urbanisation last week.

In Soweto, regulations in terms of the Act, which cover the availability of sites, trading hours, licensing, matching wide powers over township managers, are the greatest thorn in the side of traders.

Other stumbling blocks are the Group Areas Act, which government seems intent on retaining, and unrealistically high standards for the workplace designed for First World traders, not the relative slums of Soweto.

SBDC spokesman Mike Smuts says severe influx control restrictions before 1978 have left an enormous development backlog.

Before 1979 blacks were not allowed to develop manufacturing nor trade in "white" areas and thus moved enterprises to townships.

More than one business at a time was not allowed and only 25 different trades were allowed to be practised

With an estimated population of 2-million Soweto, reports DIANA GAMES, lags far behind Johannesburg in the establishment of licensed businesses and shopping centres.

outside the homelands. This number was increased in 1976 to 82 trades and finally removed.

But even now development is still tied up with red tape and is hampered by licensing procedures, tenure of land, and zoning — the latter usually paying no heed to positioning for retail markets.

Examples of traders waiting up to six years for a licence to operate are not that uncommon.

And, says the SBDC, the fact that the local authorities are not recognised as legitimate by the people is problematic for business confidence.

Businessman Eric Matuna says Soweto was never planned for serious growth and does not have suitable



locations or space available for large business development and high-rise buildings.

He says there are also cultural drawbacks because, for many Sowetans, their previous lack of exposure to large amounts of money hampers their capacity for large-scale planning.

To counteract worsening unemployment in Soweto — now about 40% of work-seekers — at least 1 000 jobs will have to be created every working day. The informal sector, which has the potential to be a powerful generator of new jobs, is harassed by countless regulations and statutes.

This amounts to a discouragement of individual entrepreneurship despite an estimated 14 000 inquiries a month made to the SBDC by potential black entrepreneurs.

The SBDC has spent well over R2m in nearly five years on development in Soweto, setting up 118 manufacturing units — mostly community-oriented services — and provided loans

totalling R100m last year alone. It has also provided more than 60 000 jobs while still recognising that the rapid growth of black labour means that 45% of blacks will have to provide their own jobs by the year 2000 at the present growth rate.

Recently published figures show that by 2000 the labour force will have increased by 8-million, competing for an increase of about 2-million jobs.

The grocery trade is the largest single employer in Soweto. But the percentage of business accounted for by these small traders — there are fewer than 300 — has declined by nearly 5% in four years.

Other types of business rating high on the list are wood and coal merchants, greengrocers and butchers. Some other problems inherent in the relative newness of black manufacturing are lack of marketing expertise, management and technical staff, inadequate equipment, bad debtors, lack of trained staff and poor communication.

# The standards differ from the conditions

**STANDARDS** applied to Soweto traders have been described as unrealistic, writes DIANNA GAMES.

The SBDC has examples of a self-employed driving instructor prevented from working because he did not provide toilet facilities, a Curacao abattoir that had to spend R378 000 bringing itself up to standard, and a Soweto dry cleaner that could open only from 6am to 6pm when its potential clients were at work in the city.

A lawyer selling fresh produce would have to:

- Apply for a licence from the local authority provided he were a lawful resident;
- Pay R80 to advertise in the Press in English and Afrikaans;
- Pay a R10 application fee and a R10 inspection fee;
- Pay a licensing fee ranging from R20 to R60;
- Send applications to the police, health authorities, city engineer, traffic authorities and fire department.

Caesar Nkosi, a backyard operator for seven years, owns a panel-beating

business in an SBDC industrial park in Orlando West, Soweto.

A year after moving to official premises he still does not have a permanent licence because authorities require him to build a special room, likely to cost R38 000, for spray-painting cars.

He cannot extend his premises to suit his business because he does not own the property and is reluctant to apply for another trading site in case zoning moves him from his market.

He also may not work on insured cars because insurance companies do not recognise his business and insurance inspectors will not come to the townships because of the risk.

He is subject to motor industry regulations which include the control of working hours.

This presents a problem because he is forced to close at the same time as city shops (1pm) while Soweto shops remain open until the evening — a time when he could do his best trade.

He says he would move his business, Zimbozde Panel Beaters, to town if he had the money.

# Unisa poll finds long-term optimism

Pretoria Bureau

Most businessmen polled by Unisa's School of Business Leadership recently view the country's present turmoil as being of short duration and believe that things on the economic and political fronts will improve within five years.

However businessmen were not as optimistic at the end of last year as they were when questioned by the SBL in mid-1985, and they now see the immediate future in generally bleak terms, researchers said.

In the short term, businessmen worried most about increases in the cost of living as well as an increase in the politicisation of workers (union activity and strikes) and a rise in the number of social problems such as unemployment.

In the longer term, the biggest group — about 79 percent — were again pessimistic about the cost of living rocketing while 77 percent said they worried about union activity during the next five years.

## COMPANY TAX

Sixty-five percent said they were pessimistic about a growth in company tax over the same period.

However 58 percent were optimistic about the economy in general in the long term.

Sixty-nine percent said they believed the gold price would increase over the next five years and said unemployment would not be a major problem in the long-term.

Inflation, they felt, would not increase as rapidly during the next five years as it has recently.

On non-business issues, 61 percent said they felt optimistic about life in general in the long term, while 60 percent felt the country's borders would be secure in the years to come.

Fifty-eight percent were confident of good race relations being built up in the next five years while 53 percent felt assured of their personal security in the long-term.

# Strong business support for Buthelezi

Pretoria Bureau

Many Pretoria businessmen — and notably the majority of Afrikaans speakers — favoured Chief Mangosuthu Buthelezi of kwaZulu above the State President Mr P W Botha as a leader, a Unisa study has shown.

About two-thirds of English businessmen said they liked the leadership qualities of Dr Frederick van Zyl Slabbert. However the study was undertaken before his resignation from Parliament.

Researchers said 83 percent of Afrikaans-speaking businessmen rated Chief Buthelezi as a good leader while 67 percent said they felt Mr Botha had the leadership abilities they liked. Fifty-five percent also gave the thumbs up to Mr Amichand Rajbansi of the House of Delegates.

Among English-speakers, 63 percent approved of Chief Buthelezi while an equal number said they liked Mr Botha's qualities.

However Dr Slabbert enjoyed the support of 66 percent of English speakers.



FIN MAIL  
SHOPPING HOURS

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2/5/86  
**Treading with care**

The retail trade bonanza, long-expected to accompany more liberal trading hours in the Transvaal, still appears to be some way ahead.

At best, the outlook remains problematic. Retail sales, adjusted for inflation, are expected to decline in April for the fourth consecutive month. Consumer confidence remains low and inflation expectations continue to run high. Retailers are thus approaching their new-found freedom with caution.

Despite the furore traders kicked up to get shopping hours extended, it seems few stores are willing to take full advantage of the concessions which permit opening from 5 am to 11.30 pm on weekdays and Saturdays.

Most are adopting a "wait and see" policy in the hope that the larger chains will lead the way and take the risks.

But the country's three major chains, Pick 'n Pay, OK Bazaars and Checkers, are equally cautious. Two say they will "experiment" with the longer hours.

Only Pick 'n Pay's hypermarkets will remain open — until 8 pm one day a week — while the rest of its stores will open until 7 pm on Fridays. Saturday shopping hours could be extended to 2 pm at some outlets.

Three of OK Bazaars' stores will respond to the new ordinance: Verwoerdburg, Hillbrow, and Horizon View will open until 5 pm on Saturdays and later on Fridays.

But, for the moment, Checkers does not plan to extend its service at all. "Any decision we make will be based on how the competition fares," says MD Clive Weil.

He is particularly worried about staff transport. Black workers, in particular, would be forced to travel long distances late at night.

**Image damage**

In addition, Weil reasons, if Checkers offered across-the-board late shopping hours and then reverted to normal hours because the new service did not pay, "it would not do much for our image."

Dion has also decided to experiment with later opening on Fridays and Saturdays at four stores — Wynberg, Randburg, Boksburg and Westgate.

The reasons for caution stem largely from staff protests at the late hours. The main unions covering the retail trade, the National Union of Distributive and Allied Workers (Nudaw) and the Catering and Allied Workers Union, remain bitterly opposed to the new hours.

"We have no recourse in law," says Nudaw general secretary Dulcie Hartwell. "We'll just have to start again where we

began 50 years ago, campaigning for shorter hours and better pay."

She says if shops are going to stay open on Saturday afternoons the workers will demand a five-day week. She says many shops get around the staff problem by employing school children at the weekends — "but this is cheap labour because they do not get any of the rights of regular employment, such as sick leave, holidays and pensions."

But many stores are uncertain of the public's reaction to the longer hours. Many traders contend that the shopper has a limited amount to spend and later hours will not increase buying power (see *Property*).

Even the Hillbrow Traders Association, which was in the forefront of the fight for greater freedom, says its members are not going to go full-steam ahead.

"We have chosen to undertake tests," says co-chairman Peter Rose. From this Friday most shops will remain open until 10 pm, while on Saturdays they will be open for business until 5 pm. Wednesday is likely to be another popular late night when shops will try to clear stock at discount prices to tempt the late shopper. ■

COMMUNICATIONS

**All at sea**

SA will need to lay a second sub-marine cable to Europe by the early Nineties, at a cost of up to R900m, after the existing link comes to the end of its planned life in four years' time.

Deputy postmaster general, telecommunications, Jimmy Taylor tells the *FM SA* will need a new sub-marine cable (Sat-2) — likely to be the longest sub-marine fibre-optics cable in the world — to replace the existing Sat-1 copper cable, which was laid in 1969.

"Sat-1 is approaching the end of its 20-year theoretical life. Thereafter we will need a replacement and we'll go for a fibre-optics link," says Taylor. Sat-1 is operated by the South Atlantic Cable Company, formed in 1965, in which the SA Post Office is the major shareholder. International Telephone & Telegraph is the other shareholder.

Planning for the new project is still in the early stages, but initial estimates are that it will cost R800m-R900m. Taylor says the new link will be a four-fibre line with 8 000 circuits.

He says Sat-1 will continue to be used until breakdowns increase to the point where it is no longer economic to operate.

The primary advantage of a fibre-optics

cable is its vastly superior carrying capacity and the reduced number of repeater stations needed to amplify and relay the signal. Sat-1 uses 620 repeaters while Sat-2 will need 250 at most.

"Assuming a normal progression of negotiations, we are looking at a minimum period of four years before a new cable is laid," says Taylor.

The manufacture and installation of the cable itself will take two years from the time the contracts are signed.

**Offshore finance**

The Post Office will need to seek offshore finance for the project, and it is looking at the possibility of sharing the communication resource with a number of other countries.

Neither the cable nor the repeater stations will be manufactured in SA because of the high technology and capital required. But, like Sat-1, the terminal equipment will be locally made.

The use of international communications links has grown apace in the last four years. Some 16.5m international calls were made from SA last year, against 12m calls in 1981.

However, the growth in international telecommunications is beginning to tail off. "It is difficult to estimate," says Taylor, "but we are looking at a growth of 3%-4% a year." ■

2/5/86  
TRADER BEER FIN MAIL

**Down the drain**

Trader Brewery's bold attempt to establish a niche in the R2-billion-a-year South African beer market (*Business* August 30) from its Kraaifontein base in the Cape has ended up in the insolvency court.

The firm, Trader Brewing Company WP (Pty) Ltd, was placed in provisional liquidation in the Supreme Court, Cape Town, earlier this week after it said in papers before the court that it was under-capitalised and unable to trade profitably. It blamed its troubles (debts of R2.6m exceeding assets by R1m) on the dismal economic climate, and the beer itself.

The fact of the matter is that the nation's up-market beer drinkers (Trader was launched at a slight premium to Amstel) did not follow trends in Germany — where similar products have seized 17% of the market — as expected by brewmaster Helmut Klos. Instead, drinkers here were evidently turned off by the murky appearance and sediment of the specialist wheat beer.

Klos and co-founder Peter Smuts had



**OK Bazaars' Hood . . . a boost from furniture**

whose profits are influenced by a wide range of factors, Hood has maintained a tradition of offering a forecast. For the current year, he expects "earnings to show an improvement over last year," provided, "the socio-political situation does not deteriorate further."

With its unique product mix, which ranges across food, clothing, houseware, and furniture and appliances, OK Bazaars is affected not only by consumer spending power, but also spending patterns. Although it has maintained gross sales, says Hood, the group has seen a further shift in its sales mix towards low-margin food products at the expense of better-margin clothing and appliance sales.

If the sales mix had to revert to its 1981 ratio, and nothing else changed, he says, "our profit margin could improve considerably, and in the OK, every 1% increase in the operating margin means nearly R20m to the bottom line."

At 1150c, which yields 5,2% on dividend, the share may be somewhat underpriced, given that an out-of-favour Pick 'n Pay still yields only 2,4%.

*Neville Glaser*

*FINMAN*

OK BAZAARS 2/5/87 (30)

### Beating forecasts

OK Bazaars' share began weakening some weeks ago, ahead of preliminary results for the year to end-March, which were expected to be sharply down. Most analysts were forecasting earnings at best around 75c, compared with the previous 100c. For once, the collective intelligence that moves shares in

#### LOOKING OK

Year to end-March	1985	1986
Sales (Rm) .....	1 963	2 042
Pre-tax profit (Rm) .....	25,3	24,1
After-tax profit (Rm) .....	12,7	13,0
Earnings (c) .....	100	100,8
Dividend (c) .....	60	60

Diagonal Street was wrong.

The consumer chain has surprised everyone by reporting earnings of 100,8c, and a maintained dividend over the year of 60c. After a very poor first half-year, there was a sharp second-half recovery, with sales in the durable goods division accelerating after August, when the government eased HP restrictions.

Lower interest rates and tighter cost control, says MD Gordon Hood, also allowed a stronger flow of profits to the bottom line.

Although group sales increased only marginally to R2,04 billion (R1,96 billion), Hood regards this as a reasonable performance, "bearing in mind that political unrest affected our performance, and only three new stores were opened, compared with the average of 10 new stores that we opened every year in the past." This year, he says, nine stores are coming on stream, including the five acquired from the Knowles chain.

Although OK Bazaars is a complex group,

## Tenants in a tizz

So all Transvaal retailers may now choose to extend their shopping hours. The hell they may. In many cases they are going to have to stay open longer whether they like it or not.

The reason is tucked away in many leases which give landlords the right to insist that their tenants make use of the new dispensation. For property owners it makes sense — longer hours will (hopefully) increase turnovers on which most modern retail rentals are based.

But some tenants are understandably annoyed at the thought that they may be forced to remain open as late as 11.30 pm on weekdays and Saturdays which the law now allows.

It might not be as bad as that, however, because the relevant clauses in most cases give landlords the right to decide *normal* hours which would almost certainly be less than the legal limit.

Liberty's Rapp and Maister (R & M) will make a start at its decentralised flagships of Sandton City and Eastgate, where shops will have to stay open until 5 pm on Saturdays from May 10.

But whether it will follow its rights in the Johannesburg CBD is less certain. Senior executive shopping centres Gavin Main says extended hours will be introduced on a trial basis in the Tony Factor In-Town Centre, for example, and future policy will depend on customer reaction.

Some retailers would have preferred to have stayed open later on *selected* Saturdays, such as month-ends, but Main says surveys have shown strong customer demand for more frequent late facilities.

More than 60%, he says, wanted Sandton City to stay open on Saturday afternoons. Overall, 48% of residents in Johannesburg's northern suburbs preferred Saturday afternoon shopping while 25% thought Friday night the better bet.

Tenants have been told of the survey results but, nevertheless, says Main, some tenants of small satellite shops "felt we were interfering in their lives." But the company, he adds, would like tenants to see the need to take advantage of the longer trading hours.

He concedes that small traders will experience some difficulty, but feels the important problem of staffing can be overcome by operating a shift system. Staff transport is another headache but efforts will be made to "get transport operators to co-operate with us."

Sanlam is in a somewhat different position. Its leases generally provide the right to force a centre to use longer hours only if two-thirds of the tenants wish it.

Says Transvaal property chief Frikkie Botha: "We will try to use persuasion rather than force and to limit late trading to the bigger centres. We are canvassing opinion in Randburg where we would like our tenants to trade until 7 pm on Fridays and Saturdays."

Anglo American Property Services (Ampros), which also has the right to enforce extended hours, has already implemented Saturday afternoon trading. Hours at its Verwoerdburgstad centre were extended from April 26 and Pretoria's Sunnypark centre will open later on Saturdays, starting this weekend.

Special projects manager Sam Leon says tenants in both centres were consulted "and the vast majority of majors and small traders see the advantage."

He stresses, however, that Ampros will not insist on traders staying open if it goes against their religious convictions.

But shopping centre owners accept that, in the end, the majors will have the final say. Quite simply, Leon admits, developers just

don't have the muscle to force a course of action on the majors.

Pick 'n Pay (P'nP) chairman Raymond Ackerman, for example, will experiment and decide for himself if, and where, he wants to extend hours. "We will do what we did in the Cape, where we tried out all our stores and let the consumers tell us what they wanted. The choice was inevitably Friday evenings or Saturday afternoons.

"The concept of late trading is lovely, but we decide which stores we keep open and what hours we trade.

Typical of the contrary views on the issue come from two smaller traders in Eastgate. Says Klaus Reith, owner of The Silver Shop: "People have only a certain amount to spend on jewellery, and staying open longer isn't going to increase that. ■

Brakpan, Durban,  
Kempton Park,  
municipal area of  
Bethel, Pretoria,  
Somerset West,  
Uitenhage,  
Johannesburg and Wynberg;

Wynberg, Klerksdorp,  
Odendaalsrus,  
Pretoria (Virginia),

(except for the  
areas of Bethel,  
Devon, Ermelo,  
Heidelberg (Tvl),  
Malmesbury,  
Nylstroom,  
Port Shepstone,  
Wellington, and

conditions of "AREA

Link-up eases  
staff problems

3/5/86  
Own Correspondent

POTGIETERSRUS — Intimidation, strikes and boycotts are now a daily reality in the Northern Transvaal and, in view of the uneasy situation in Lebowa townships, white businessmen here have started to co-operate closely in solving staff problems.

A central information centre has been established to list people and organisations able to provide personnel for business concerns hit by strikes.

Sales staff and cash register operators are particularly in demand because large stores find their black staff often simply do not arrive at work for several days at a time.

# Car sales could skid to 10-year low

By Michael Chester

SML 5/5/86

30

Sales of passenger cars and commercial vehicles in 1986 will skid to their lowest level in 10 years if trends are not reversed, a survey of motor manufacturers' forecasts has revealed.

The prediction adds to growing pressures on the Minister of Finance, Mr Barend du Plessis, to provide business and consumers with a fresh package of tonics to halt a renewed slide into economic stagnation.

Cuts in the general sales tax, aimed at more consumer spending to trigger a faster business tempo, take a high ranking in all the lists of demands.

Mr Nico Vermeulen, executive director of the National Association of Automobile Manufacturers, said today that projections of annual sales that were prepared at the start of the year had now all been revised downwards.

Car sales, which were running at more than 300 000 a year in 1981 and tumbled to 204 000 last year, now looked likely to plunge to 195 000. Commercial vehicle sales were threatened

with a decline to below 98 000.

Sales of new trucks and buses — one of the most sensitive of all economic barometers — had sunk to the worst levels since the mid-1950s.

Even though the number of passenger car manufacturers had shrunk from nine to six in the past three years, almost 50 percent of production capacity was now standing idle.

With more jobs axed in the past three months, the combined labour force of the motor industry was now down from a 1982 peak above 50 000 to under 33 000.

The Bureau for Economic Research at Stellenbosch University forecasts still more downward slides in consumer spending, with sales of durables sinking to their lowest level since the 1970s, and an even sharper decline in fixed investment.

Dr Gerhard de Kock, Governor of the Reserve Bank, has confirmed that new statistics show the moderate upward trend in gross domestic product in the second half of 1985 began to falter in the first quarter of 1986.

# Restrictions on City trade areas lifted

By BARRY STREEK

FOUR business districts in Cape Town — Central, Sea Point, Wynberg and Claremont — were opened to all races last night.

The Minister of Constitutional Development and Planning, Mr Chris Heunis, said in a statement that the establishment of the free trading areas meant that members of any race could occupy or own property there for business purposes.

He also said "consideration is being given to the proclamation of further proposed areas in Cape Town".

Proclamation of the free trading areas is to be published in the Government Gazette tomorrow.

And the proclamation of free trading areas in eight other areas, including Ottery, will be announced "shortly".

Free trading areas have already been proclaimed in Johannesburg, Durban, Nelspruit, Estcourt and Howick.

## 'A pleasure to announce areas'

Mr Heunis said it gave him great pleasure to announce the establishment of the four free trading areas in Cape Town.

Proclamation of free trading centres in Delmas, Colenso, Potchefstroom, Witbank, Ottery, Volksrust, Port Shepstone and King William's Town would be announced shortly.

Mr Heunis said 22 applications had already been investigated by the Group Areas Board and were "in the stage of preparation with a view to proclamation".

A further 31 applications were in various stages of investigation, advertising and so on.

"The proposed free trading areas in Pietermaritzburg, Kimberley, East London and Port Elizabeth have all been investigated by the Group Areas Board and proclamation of these areas is expected in the foreseeable future.

"All possible steps are being taken to ensure that the proclamation of free trading areas can be completed as soon as possible," Mr Heunis said.

● Chamber welcomes CBD opening, page 10

3 WDAY

6/5/86

1/2

25

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# Plea for quick action to save motor industry

THE motor industry is described as heading for disaster unless government comes to its rescue with significant concessions on perks tax and GST.

"If government is serious about stimulating the motor industry, it should immediately ease up on the perks tax and at least halve GST on new and used vehicle sales for the next two years," Theo Swart, MD of McCarthy Group's motor trading, said yesterday.

"It should also heed the call of manufacturers for the scrapping of the 10% surcharge on all imported items affecting the motor industry."

"The situation is so desperate that we simply do not have time to wait for the Margo Report. The motor market is in such a sad state that widespread unemployment is threatened at the retail end of the business. There is already 36% unemployment at the manufacturing end."

Swart said motor traders had maintained infrastructures pending an improvement in the market, but could not hold on indefinitely.

"This means that the jobs of people of all races at all levels are at risk."

He said car sales in April remained low for the fourth successive month. He predicted sales of between 14 000

Industrial Staff

and 15 000 units — "well down on the 17 000 that some people, including McCarthy, were expecting".

While conceding the need for perks tax, he said it was firmly to blame for the plight of the motor industry.

"While we do not take issue with the need for perks tax, or its phasing-in, we believe that the deemed values — the amounts the taxpayers must fork out — are too punitive and must be significantly lowered."

He said the average price of a small car had risen 35% from R9 500 when perks tax was introduced in February 1985, to just under R13 000 now. The prices of medium cars had risen from R14 000 to R18 500 in the same period.

"The vehicle is taxed on its imported content and it is subject to surcharges and excise and ad valorem taxes. In addition, there is continuous revenue to the government from licence fees and perks tax throughout the life of a vehicle, and it generates GST every time it changes hands."

"Add to this the tax on parts and on the fuel and oil it consumes, and it becomes clear that the motor vehicle represents a veritable cash cow for government," Swart said.

01 08 03 17 11

FOUR commercial districts in Cape Town are declared free-trading areas in terms of a notice to be published in today's *Government Gazette*.

These are Cape Town's central business district, and the main thoroughfares in Sea Point, Claremont and Wynberg.

Consideration is also being given to proclaiming further free-trading areas in and around

## New free-trade areas

**CHRIS CAIRNCROSS**

metropolitan Cape Town, Constitutional Development and Planning Minister Chris Heunis said.

Proclamation of free trading areas in eight other centres are

to be announced soon.

These include Delmas, Colenso, Potchefstroom, Witbank, Ottery, Volksrust, Port Shepstone and King William's Town.

Since the first two free-trading areas were proclaimed in Johannesburg and Durban on Feb-

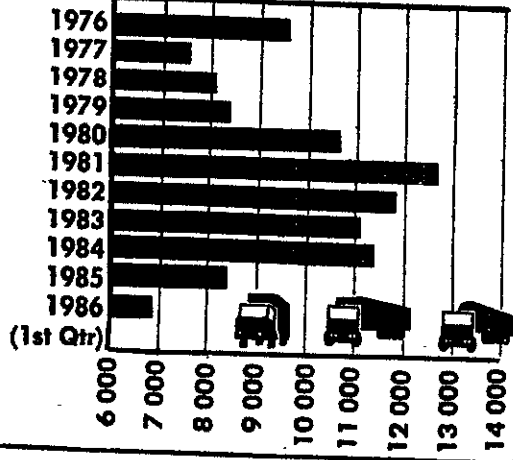
ruary 21, three other areas have been opened — in Nelspruit, Estcourt and Howick.

It is expected that the other 53 centres which have applied for open trading areas will get the official go-ahead in quick succession as investigations into their proposals are completed.

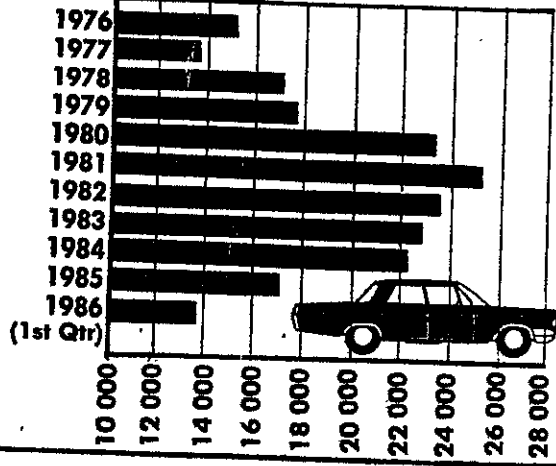
Centres on the short list are in Pietermaritzburg, Kimberley, East London and Port Elizabeth.



**COMMERCIAL VEHICLE SALES MONTHLY AVERAGE**



**PASSENGER CAR SALES MONTHLY AVERAGE**



# Beleaguered motor industry seeks relief

By Michael Chester

Relaxation of hire purchase controls and revision of perks tax rules will be among the issues to be pressed by leaders of the motor industry in urgent talks they are seeking with Finance Minister Barend du Plessis.

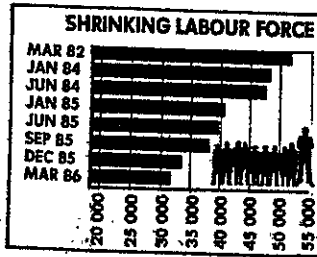
The National Association of Automobile Manufacturers (Naamsa) agreed at its annual general meeting in Sandton yesterday on a whole package of proposals it intends to urge the government to pursue in a dramatic bid to inject more vitality into the economy.

Naamsa is expected to invite the National Association of Automotive Component and Allied Manufacturers (Naacam) to join the discussions when it meets the minister to spell out the urgency of relief measures.

Mr Peter Searle, president of Naamsa, declined to list the precise agenda it planned to propose but confirmed that one objective would be an extension of the time limit set on repayments in HP deals — now fixed at 42 months on commercial vehicles and 48 months on passenger cars.

“With the way wages and salaries are being out-paced by the rate of inflation, it is crucial to find ways to ease the burden on consumer”, he said.

Here, Naamsa also intended pledging support to growing de-



mands — backed by both the Federated Chamber of Industries and the Association of Chambers of Commerce — for a reduction in general sales tax.

Similarly, the motor producers would add pressure to demands for the removal of the 10 percent import surcharge that had worsened the problems caused by the weakness of the rand exchange rate in the impact on costs of essential vehicle components needed from overseas.

Also of critical importance to the motor industry in particular was the impact of the taxation on fringe benefits since its introduction in the 1985 budget.

A special report compiled by the Naamsa executive committee said the repercussions on the pattern of car sales had been alarming.

- An unprecedented increase in the demand for used cars at the expense of sales of new vehicles.

- A dramatic shift in company purchasing patterns in favour of smaller models.

- Indications that employers were beginning to replace the traditional company car with financial packages to allow employees to buy their own vehicles — often used cars rather than new cars.

- Disruption of the normal replacement cycle of sales as companies opted to keep their existing fleets of vehicles on the road longer, with a view to ultimately selling them off to employees.

Naamsa will also deliver to the minister the results of recent research that shows that the average monthly sales of passenger cars and commercial vehicles alike had sunk in the first quarter of 1986 to their lowest levels in 10 years.

Earlier forecasts of 1986 total sales had all had to be revised downwards. It was now agreed that on current trends, car sales over the full year would sink to no higher than 195 000, the worst since 1977, and commercial vehicle sales would drop to below 98 000.

Overall, the industry now had nearly 50 percent of its production capacity standing idle and the combined labour force had shrunk from nearly 50 300 in 1982 to under 32 800.

Sales of new trucks and buses — one of the most sensitive of all economic barometers — had plunged to their lowest levels since the mid-1950s.

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Employment of capital  
Fixed assets

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# KTG details restructure

Financial Reporter

DETAILS of a plan for the massive restructuring of the Kirsh Trading Group, which will include the re-listing of its star performer, Metro Cash & Carry, on the Johannesburg Stock Exchange, were announced last night.

Cashbuild, formerly the building materials division of Metro, will also be listed and it is intended shortly to list the furniture division under the name of Rus-furn.

Subject to the approval of shareholders and the JSE, Metro is to be reversed into the Coki Corporation cash shell, which will change its name to Metro Group and be transferred to the stores sector of the JSE lists from mid-June.

For the financial year about to end next month, Metro's attributable income is forecast to rise by 26% to R11.2m, equivalent to 24.9c a share.

But yesterday's announcement notes that because Coki will acquire the Metro division on 24 May, its actual results for the year ending June 1986 will be made up of 11 months' earnings from the cash resources held by Coki and one month trading as Metro.

After costs, the directors expect Coki's reported earnings for the 12 months to the end of June 1986 to be minimal, and accordingly the first dividend to be received by shareholders of the reconstituted Coki will be for the year ending June 1987.

The announcement shows that the purchase price to be paid by Coki for the acquisition of Metro was framed with reference to the relative net asset values, which at June 30, 1985 amounted to R750 000 for Coki and R98.7m for Metro.

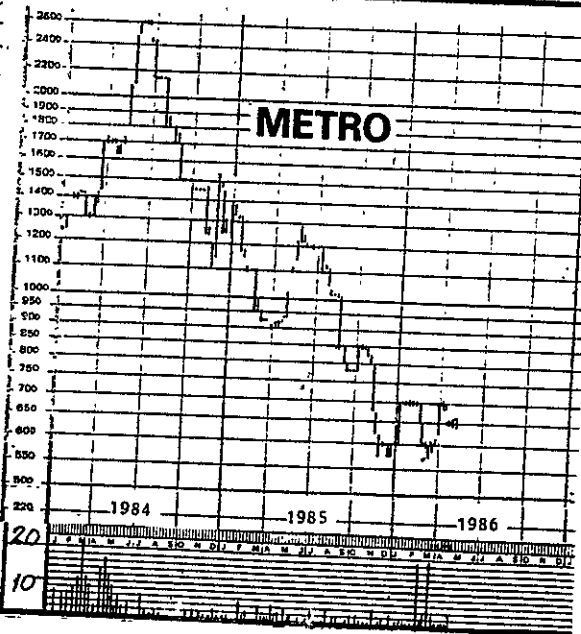
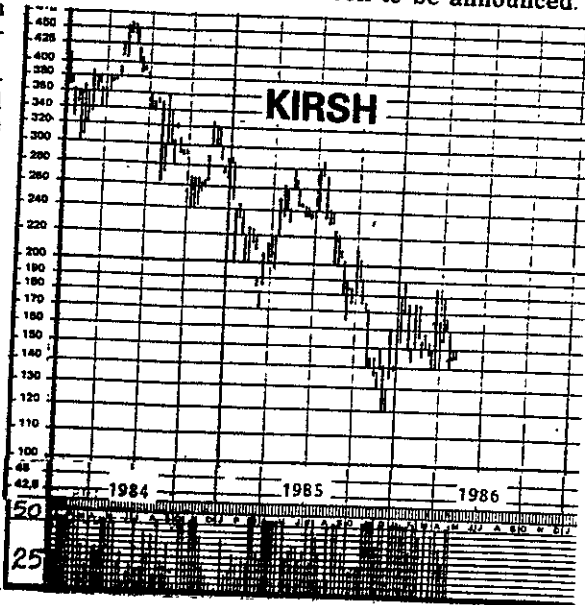
KTG chief executive Mervyn King said: "Basically, all we are doing is to turn to account some of our assets."

"We will retain control of all our divisions, but they will be independent and fully motivated."

"We will achieve a very considerable reduction of debt in KTG — of the order of R100m — which will enhance KTG's prospects."

He pointed out that the only company being sold was the clothing retailer Boymans, where KTG's 36.7% interest had been bought by a management consortium.

Shares in Metro Group and Cashbuild will be offered on a preferential basis to all equity holders of Kimet, Interhold (the old Metro Corporation) and KTG on terms soon to be announced.



# Edgars improves profits

JOHANNESBURG. — After a lacklustre first half year when sales advanced only 4%, Edgars improved sales by 11% in the second half in spite of persistently sluggish consumer demand in the semi-durable sector — showing an annual turnover of R735,137m or an 8% increase on the previous year.

Announcing its annual results, Edgars said operating profits for the period increased 18% and, with lower interest rates contributing to a 25% decline in interest costs, attributable earnings for the six months increased 56%.

This substantial second half improvement resulted in earnings per share, which were 39% down at the half year stage, ending the full year only 9% below those of the previous period.

Capital employed increased by 1% for the year compared with an overall 8% sales growth reflecting the strong emphasis placed on asset management, particularly stocks.

## Collections

Trade debtors increased in line with credit sales and collections continued to improve.

Borrowings at R77m were below last year and represented 51% of shareholders' funds.

Shareholders were reminded of the recent announcement of the board's intention to proceed with a rights offer of unsecured automatically convertible debentures to raise approximately R50m.

This will strengthen the capital base of the company and position is more favourable to take advantage of future economic growth.

Ordinary members will be asked to approve the increase in authorized ordinary share capital and the issue of convertible debentures at a general meeting on May 19, 1986.

Edgars declared a final dividend of 325c a share payable on July 4 1986. Total dividends for the year of 450c are covered 1.9 times. — Sapa

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Cape Times  
7/15/86  
50  
87

# No scramble for 'open' trade

By NEILL HURFORD  
Property Editor

THERE will be no frantic rush by black businesspeople to buy buildings in the Peninsula's four business districts proclaimed "open" by the Minister of Constitutional Development and Planning, Mr Chris Huenis, on Monday.

This is the view of major commercial property brokers and letting agents who reported yesterday that there were no deals pending on building sales to black people in the City centre, nor in Sea Point, Wynberg and Claremont.

Most brokers disclosed that there was already investment in

property in these areas by black people who had made their investments through nominee companies. Most said too that there were few imperative properties for sale and certainly no bargains.

Mr John McCarty, a regional director of the firm Richard Ellis, said his company had no deals pending with black investors for CBD property.

However, there were a lot of people looking for buildings in the City ranging in price from R500 000 to R3-million. The problem was that there were few buildings which met with investors' requirement of a profitable return.

What they were looking for were buildings with stable tenancies. This interest in the property market had emerged since the slide in interest rates, which started some six months ago.

Mr Kai Jaeger, manager of leasing for the firm, said that many black traders had been placed in rented premises in the Bellville area, following applications for permits to the Department of Community Development, and it was likely that there would be some interest in the CBD of Cape Town, following the proclamation.

Mr Michael Divaris, of Divaris Real Estate, said he was aware of black investors who had made CBD purchases through nominee companies, but there were no direct inquiries from black businesspeople for buildings in the City centre.

He did not expect a spate of inquiries. When they did come, it would be for prime, well-located premises.

## 'Market'

"This will no doubt have a stimulating effect of the market, but there will be no scramble. A lot of the interest will be from professional people looking for office accommodation in the City," he said.

Mr Colin Bird, a director of DCF, said there would be no immediate effect.

There would certainly be an upsurge of interest from traders looking for rented commercial space, particularly in what was termed the informal sector.

Development of a "market" situation with small areas for rent would be profitable, Mr Bird said.

## 'Delight' over open trade areas in City

Staff Reporter

BLACK businessmen yesterday welcomed the opening of four business districts in the Peninsula and said they were "delighted" that the areas had been opened to all races.

"This move has come with a deep sigh of relief to the strained and restricted business activity especially in the black sector everywhere," members of the Black Business Sector of Guguletu and Nyanga said in a statement yesterday.

"The announcement by the Minister of Constitutional Development and Planning, Mr Chris Huenis, has enthused every entrepreneur; indeed this is proof of the departure from a strict business policy based on colour," they said.

The businessmen said the move would give a boost to the ailing economy of the country and would further promote trust, faith and closer understanding between races of South Africa as they trade together.

Mr Thomas Mandla, chairman of the organization, said "in future blacks will also help to alleviate the scarcity of jobs and the recession in this country by being job creators instead of jobseekers".

Many people would be absorbed by black businessmen in these areas, he added.

"If only the iniquitous Group Areas Act can now be scrapped, as I consider the time ripe for such an undertaking, we shall all be moving towards a healthy and harmonious South Africa, which I hope is the aspiration of all constructive and peace-loving South Africans," Mr Mandla said.

New listings plan to raise R100m

7/5/86 BUS DAY

# Kirsh Trading Group

## details restructuring

30

KIRSH Trading Group (KTG) hopes to raise about R100m in the next two months through the listing of Metro Cash & Carry, Cashbuild and its furniture division, which will be known as the Rusfurn group.

The money raised from the proposed listings — announced yesterday as part of a reorganisation of KTG — will reduce considerably the group's debt and enhance its prospects.

CE Mervyn King said: "Now that the decisions have been taken and rumours laid to rest, each division can get on with its main job of satisfying customers."

The Metro Cash & Carry wholesale division, KTG's star profit earner, is to

MERVYN HARRIS

be reversed into the Coki Corporation cash shell. It will change its name to Metro Group and be transferred to the stores sector of the JSE from mid-June.

The return of Metro to the JSE — it was de-listed in 1984 when it became a division within KTG — and the granting of statutory independence to Cashbuild, is to enhance motivation in these two highly profitable operations.

Since pioneering cash-and-carry wholesaling in South Africa in 1968, Metro has developed into a chain of 131 stores with sales of R1,25bn a year. The company aims to achieve an average compound growth rate in pre-tax profits

of at least 25% a year over the five years to 1990.

The price to be paid by Coki for the acquisition of Metro was made with reference to the relative net asset values, which at June 30, 1985 were R750 000 for Coki and R98,7m for Metro.

KTG will reduce its holding by offering shares in the reconstituted Coki to holders of ordinary and preference shares and debentures in KTG, Interhold (formerly Metro Corporation) and Kismet.

Shares in Cashbuild — previously Metro's cash-and-carry wholesale building

● To Page 2



BUS DAY 7/5/86

## KTG details changes

30

materials division — will also be offered on a preferential basis to the same equity holders.

Terms of the offers, and the listing of the furniture division, will be published soon.

Store-shares analyst Eric Levine described the reorganisation as a rational business decision which "makes a good deal of sense, especially in the retailing field where identity is so important.

"KTG's current share price has not discounted this development and the shares could, therefore, be substantially re-rated upwards.

"This could mark the beginning of the end of the group's troubles," Levine said.

King said in a statement yesterday: "Basically, all we are doing is to turn to

account some of our assets. We will retain control of all our divisions but they will be independent and fully motivated."

He emphasised that the group was not selling companies. "Our job is selling goods."

In fact, the only company being disposed of is clothing retailer Boymans, where KTG's 36,7% stake has been sold to a management consortium.

KTG has recently expanded further with the effective acquisition of control of Jazz — through the injection of 10 Checkers stores — and of Price 'n Pride through its merger with Joshua Doore.

● From Page 1



# Move to ease pressure on car industry

7/5/86 SPOR

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By Michael Chester

**Easier hire-purchase terms for car buyers and a new perks tax deal on company cars will be among proposals that the Minister of Finance will be asked to approve to pull the economy out of the doldrums.**

Mr Peter Searle, president of the National Association of Automobile Manufacturers (Naamsa), today confirmed that a relaxation of the HP rules would be one of the targets at urgent talks he is seeking with Mr Barend du Plessis.

"With the cash squeeze caused by inflation, consumers need far easier HP terms to cope with monthly budgets," said Mr Searle.

"At the moment, HP deals on passenger cars have to be paid off inside 48 months, and HP agreements on bakkies and mini-buses have to be settled within 42 months.

## More time needed

"They need more time to stretch out the repayments, especially with the current high price tags on new vehicles. Five years? Why not?"

Naamsa will also be pressing the Minister to relax the timetable on the new taxation on fringe benefits as it affects motorists running company cars.

It will propose that the tax levels should be lowered and the phasing-in period stretched out to seven years to match the timetable allowed on housing loans regarded as perks.

"The impact of the fringe benefit tax on cars since the first bite was taken in the 1985 Budget has been alarming," said Mr Searle.

"The whole pattern of car sales has gone topsy-turvy."

● See Page 15.

# MIF head urges tax relief

**Business Day**  
**30**  
**1992**

GOVERNMENT action to rescue the motor industry from threatening disaster is imperative, Motor Industries Federation director Jannie van Huyssteen said yesterday.

Organised industry, including the MIF, the National Association of Automobile Manufacturers of SA (Naamsa) and the National Association of Automobile Components Manufacturers have made repeated appeals in the past few months, at various levels of government, for relief — so far, without success.

The basic solution is to pump up consumer buying power, Van Huyssteen believes.

**Business Day Reporter**

Among proposals made to government are immediate repayment of the 1980 loan levy; significant tax relief, including a cut in GST; abolition of the 10% import surcharge on motor-vehicle components; easing of perks tax; and further relaxation of hire purchase conditions.

Government appreciates the crisis in the industry but swift relief measures are vital, Van Huyssteen added.

Naamsa president Peter Searle has the MIF's full support in seeking an interview with Finance Minister Bar-end du Plessis to stress the need for stimulating vehicle sales.

Union's aim is to bring down retail industry, says Ackerman

# Strike forces 4 stores to close

8/5/86  
STAR  
30

By Mike Siluma and Sapa

Four Pick 'n Pay stores were forced to close yesterday as a sit-in wage strike by about 6 000 employees continued.

The action came as the group's chairman, Mr Raymond Ackerman, claimed in a speech to the Cape Town Clothing Institute last night that the aim of the striking union at the chain's outlets was to bring the "whole retail industry down" and make South Africa ungovernable.

The group's personnel director, Mr Rene de Wet, said today workers at some of the strike-hit stores slept at their work places last night. The company would issue a statement on the total situation later in the day.

The Commercial Catering and Allied Workers' Union (Ccawusa) could not be reached for comment early today.

Mr de Wet said the four stores — two in Natal and one each in Vanderbijlpark and Vereeniging — had to be closed because striking staff were interfering with customers.

Yesterday Ccawusa said it was investigating the allegations. A spokesman charged in turn that a "petrol-bomb type explosive" was thrown into a canteen in which strikers had gathered at the company's Norwood hypermarket. Mr de Wet dismissed this as untrue.

Ccawusa said nearly 8 000 workers at 55 outlets had downed tools while the company put the number of outlets at 40, with 6 000 workers taking part.

## Ackerman tells of threat

In his address last night Mr Ackerman quoted an unnamed negotiator as saying: "We want to make South Africa ungovernable, we don't care if your workers are dismissed, we don't care if your whole image that you've built up is smashed".

The union leader told him that if Pick 'n Pay was "brought down" the whole retail industry would collapse, he said.

"Our offer was so eminently fair and the methods used by the union were so disgraceful and so distasteful that we felt we just had to make a stand," Mr Ackerman said.

"But I'm afraid we'll be forced to fire next week if this doesn't settle."

Ccawusa said strike-hit outlets were kept in operation by a "skeleton" staff of Pick 'n Pay head office employees, casual workers and a small number of coloured and Indian workers who had not joined the strike. The workers would continue with industrial action until their demand was met, a union spokesman said.

Mr de Wet said the strike action was largely peaceful. The company did not anticipate a problem with the sleep-ins, saying services and food would be made available to the strikers where they were needed.

The strikers are demanding an across-the-board monthly rise of R90 and have rejected a company offer of R80, backdated to March, or a two-phase increase of R60 in March with a further R30 in July.



## Open trade areas 'suspect'

*CRC Tants*  
Staff Reporter

THE Western Cape Traders Association (WCTA) and the Chamber of Muslim Meat Traders (Commtra) have voiced their "suspicion" over the opening of free trading areas.

A joint statement said it was a "known fact" that as a result of "shifts of population under the apartheid dream", the country's CBDs were "bankrupt".

"Effectively the opening of these areas to the disenfranchised is tantamount to an admission that whites have failed to make these areas viable places of business," the statement said.

An implication of the move was that whites, and "especially the monopolies", were now able to "feed off the green pastures of black areas where the real spending power lies — effectively wresting material power from black hands".

"Opening of the CBDs for free trading is not the priority of South Africa. We demand the scrapping of the Group Areas Act in toto," the statement said.

Sum of the parts 30

Behind last week's *Did You Hear* about a popular car selling in SA for around R25 000 — which would cost R270 000 if assembled entirely from spare parts — lies a serious problem. The concern among buyers is that car-makers are trying to make up for plummeting car sales with huge hikes in the price of spares.

Avis Rent-A-Car, for example, found after analysing its 1985 new vehicle fleet that the cost of parts had surged nearly 70%, while across-the-board car prices had increased by only 37%. BMW and Volkswagen franchise parts were below average, with increases over a year of 58% and 61%.

"The excess we paid on accident damage last year forced our insurance payments up by 40% this year," says Avis GM Tony Langley.

Avis is fighting back and has warned manufacturers that unless prices of certain body parts stop rising at the present clip, "future orders are likely to go to more competitively-priced car makers."

The results of a recent Automobile Association (AA) check has added to the brouhaha.

The study showed up erratic pricing policies and mark-ups of nearly 800% on the landed cost of many common spares at the retail level.

In a separate survey completed last week, the AA compared prices for a basket of mechanical and body-part spares for the Ford Escort, Mazda 323, VW Citi Golf and Toyota Corolla Conquest — all cars in a similar price range.

Expressing the results as a percentage of the car's purchase price, the AA found a 27,5% price gulf in the parts costs of the Corolla Conquest, which came in cheapest at 43,6%, and the Ford Escort at 55,6%.

In effect, says AA GM (Technical Services) Fred Bothma, "the buyer gets

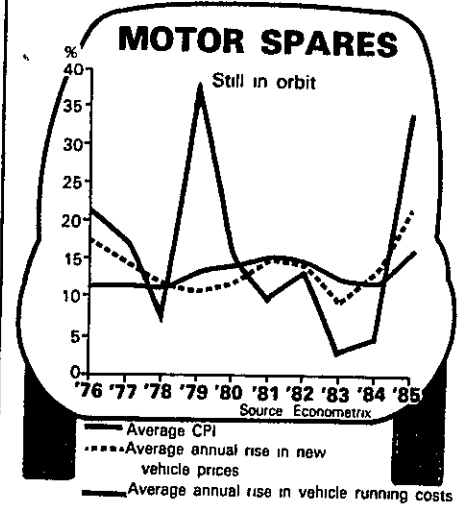
smacked somewhere down the line on certain models for high repair costs."

It is accepted that volatile exchange rates and imported inflation has left car manufacturers with little option but to increase the price of imported components.

"Against a background of sharply lower new vehicle sales and owners holding on to their cars for longer, one would have expected the increased traffic in spares to be a stabilising factor on price," says one industry source.

The reverse appears to have happened. Many in the motor game feel the momentum of hikes in component prices is being fuelled by manufacturers' efforts to contain new vehicle prices while sales are sluggish.

VW marketing director Clive Warrilow



describes the allegations as nonsense. "With the fierce struggle for sales and the rand's sharp fall, manufacturers have staggered new car price increases and brought less visible component prices quickly into line with changes in the economy," he asserts.

AA statistics show, however, that a section of a Japanese radiator grill could be landed and sold, after the importer's mark-up, for R21,15. "We found the franchiser selling the same part at R95,30 — a 343% increase on the price he paid the importer and 786% more than the landed cost," says Bothma.

"These figures give an insight into the sort of mark-ups that are widely applied in the after-market. There's no way they can be justified."

On the flip side, car manufacturers point out that the industry is compelled to stock a full range of components for at least 10 years after a model's launch.

"This weighs heavily on the price of spares," says Toyota's Brand Pretorius.

Car makers frequently quote the cost of holding the whole range of components as 4% a month on total stock value.

While VW's Warrilow admits there are "too many links in the industry's supply chain," he stresses that the wholesaler, concentrating on high-volume product lines, feels no responsibility for product continuity or quality.

"If you buy cheap, you get cheap," he says.

ALAN RUDDOCK

VEHICLE sales this month are expected to receive a modest boost in the last 10 trading days as motorists buy before June's price increases, says the McCarthy group.

However, it says sales so far this month have not been encouraging, with daily car sales down 10% on April and light commercial vehicle sales down 22%.

"Although daily sales last month

McCarthy hopes for lift

were fairly steady, they can vary significantly and it would be wrong to read too much into the first 10 days' results," said a group spokesman.

The third round of car price increases this year will take effect at the beginning of June. Prices went up 8% at new year and 5% at the begin-

ning of March. The June increase will be 4%-6% — making total increases for the past 12 months to June 30%.

Car sales react quickly to announced increases, with consumers rushing to buy before increases strike. A major buy-ahead in November and December last year before the 8% increase caused a sharp drop

BUSINESS  
in January and February sales and also misled some manufacturers into over-optimistic predictions — and stock orders — for this year.

Manufacturers say the low volume of car sales could lead to drastic short-term measures by manufacturers.

"We will be forced to move towards increased short-time and, if conditions do not improve, we will have to look at retrenchments," one leading manufacturer said.

10/30 BUDDY 10/5/88

Forex and perks tax are hammering SA motor industry

# Tough on the highway

By Trevor Walker

The South African government's attitude towards the motor industry is in need of urgent reassessment in the light of latest trends which appear to have been misread by the authorities.

Talking to *The Star* BMW South Africa MD Walter Hasselkus said the industry was being hammered by foreign exchange-enforced price increases and the onerous and accumulative effect this was having on perks tax payments.

Hasselkus maintains that the present 40 percent perks tax level is much on a par with Europe and is too high for a developing country that needs to keep and attract entrepreneurs.

He said under present circumstances it was inconceivable that the authorities could be contemplating increasing this to 60 percent next year.

Because of the sharp fall in the rand, many senior executives have either held onto their existing motor cars for longer or have bought one-year-old cars to help reduce their tax bill.

Taxing the motor cars on price and not, for example, overall running costs as in Europe, was proving a self-defeating policy.

Not only would GST income be lower, but the R50 million



**BMW SA MD Walter Hasselkus ... hammered by a weak rand and the perks tax**

that the Exchequer had budgeted for from perks tax payments would also be lower.

Hasselkus said the simultaneous introduction of the tax and the sharp fall in the rand had had in retrospect a much greater impact on the industry than the authorities could possibly have foreseen.

The industry had no quibble over the principle of the need for such a tax, but its introduction had proved to be far too se-

	1985 VS 1981			1985			% VAR.
	UNITS	%	%	UNITS	%	%	
TOYOTA	38 767	12,9	25,9	48 852	25,9	26,0	(3,8)
BMW	13 442	4,5	6,3	12 925	6,3	11,9	(34,3)
MERCEDES-BENZ	11 743	3,9	5,1	10 347	5,1	11,9	(41,7)
VOLKSWAGEN	41 344	13,7	13,3	27 164	13,3	13,3	(42,9)
MAZDA	28 415	9,4	8,1	18 198	8,1	16,7	(63,7)
GM-OPEL	33 204	11,0	9,3	19 973	9,3	10,0	(69,5)
NISSAN	29 951	9,9	8,8	13 870	8,8	10,0	(64,5)
FORD	50 480	16,7	10,0	20 482	10,0	1,1	(78,4)
MTSUBISHI	8 900	3,0	1,5	3 157	1,5	0,0	(86,2)
AUDI	10 082	3,3	0,0	2 177	0,0	5,6	+
OTHER	312	0,1	43	43	0,0	11 485	
HONDA (NOT IN RAND)	-	-	-	-	-	-	
TOTAL	301 528	100,0	100,0	204 322	100,0	100,0	(32,2)

**The table vividly reflects the parlous state of the motor industry. If the perks tax is extended, the effect on BMW and Mercedes could be to force them into a negative growth phase.**

vere under present circumstances.

He said if government did not soften its attitude towards the industry it was a certainty that more manufacturers would be forced to close down and leave the country.

This would unfortunately be viewed from abroad as further disinvestment moves and in turn would lead to a further decline in the morale in what was still a strategic industry for the country.

He said the industry had tightened up on running costs and overall management structures substantially in the last two years.

BMW Munich had begun accepting component imports from the South African plant last November and these exports were now set to rise to R50 million this year.

He was particularly pleased that this policy hurdle had finally been overcome and was look-

ing to increase export turnovers to similar CKD import levels, currently running at around R120 million.

Supplying Germany with components had demanded quality of the highest order from the local factory.

He said the multi-nationals had a vital role to play in the growth of this country's secondary industrial development and technological advance.

Besides the need to increase industrial growth and exports it had to be realised that through trade ties South Africa could bond itself more closely to its traditional friends in the industrialised West than ever before.

BMW, with an investment of some R300 million in South Africa, was still running at a loss but it expected to return to profitability by around August, September this year.

If the rand were to hold around 50 US cents it would help the industry to catch up with its high pricing structure which had been heavily skewed by the rand's plunge below 40 cents.

He was hopeful that turnover this year including exports would rise to more than R300 million.

The factory was running at about 65 percent capacity and according to industry sources there is little doubt that BMW's fortunes this year will depend heavily on the continued success of its three series cars.

11/11/86 6/5/86 30 (30) (30) (30)

# Butchers angry as meat prices soar by up to 100 pc

By HENRI du PLESSIS  
Staff Reporter

MEAT prices have soared by up to 100 percent since October — one store charged R12,60 a kilogram for lamb chops this week — and the Meat Board dealt consumers another blow today with a warning that a 10 percent increase is on the way.

The rise in the maize price and higher input costs would push up the price of meat, a spokesman for the board said in Pretoria.

Butchers blame the already high Cape Town prices on suppliers who, they say, are manipulating the market to increase profits.

Mr Chris Joubert, a city councillor and the owner of a Sea Point butchery, said the main cause was the shortage of wholesale meat.

## ABATTOIR

He said the abattoir had been enlarged to handle up to 8 000 sheep a day, but supply was between 2 000 to 3 000 carcasses.

"It's ridiculous. Farmers should be made to provide a more even supply to the market in Cape Town when they apply for licences.

"Where is the Meat Board? They call themselves a control board, so it is time they started controlling something."

Mr Peter Billings, owner of a butchery in Hout Bay, agreed.

"Meat should be a lot cheaper. What is the Meat Board doing about it?"

Mr W Gautche, chairman of the Cape Retail Meat Traders' Association, said there were shortcomings in the supply system, but people were quick to blame the Meat Board.

"Farmers always send their meat to the markets where the prices are right.

Mr P Fahrenfort, manager of the Cape Town branch of the Meat Board, confirmed the shortage but said there was nothing the board could do.

"We cannot do anything if producers do not deliver to markets."

Prices of lamb at the Sea Point branch of a national supermarket chain were described by butchers as "ridiculous" and a "disgrace".

The supermarket was charging R12,60 a kilogram this week for B1-grade lamb loin chops compared to an average of R9 at two city-centre stores and two butcheries.

Beef fillet was cheaper at R12,56 a kilogram.

The Sea Point store's price for super-grade braai chops (shoulder) was R11,40 and stewing chops were R8,49 a kilogram.

A spokesman said: "Our store bought a large quantity of stock last week when the prices were high. A lot of this meat was left over and had to be sold at the high retail price.

"Our stores have now marked down prices to R9,98 a kilogram for lamb loin chops."

# PRETORIA BOYCOTT OFF

THE consumer boycott of white-owned shops in the Pretoria and Bophuthatwana areas, imposed seven weeks ago, has been indefinitely called off and residents can start buying in town as from today.

A spokesman for the Pretoria Consumer Boycott Committee said the decision to call off the boycott followed a meeting they held last Thursday.

The boycott in Atteridgeville, Mamelodi, Garankuwa, Mabopane, Hammankraal and Soshanguve was enforced on March 24.

The boycott committee demanded, among other issues, the immediate withdrawal of security forces from the townships, the unconditional reinstatement of dismissed workers at Metal Box in Rosslyn and the unbanning of Cosas as a condition of calling the boycott off.

A spokesman for the Boycott Committee at the weekend said the boycott had been indefinitely suspended to en-

able people to buy winter clothes.

"We don't know when or if another consumer boycott will be imposed again this year," he said.

He added that they were planning alternative strategies of pressuring the Government to accede to the demands of the black community.

A number of residents yesterday said suspension of the boycott came as a relief because certain shops in the townships had taken advantage by charging people exorbitant prices.

Groups of youths in Pretoria's townships have in the past enforced the boycott, stopping vehicles and destroying goods bought in town.

A well-known Pretoria socialist was recently caught redhanded with groceries from town by the youths, who forced him to drink two tins of condensed milk mixed with raw eggs. He was also ordered to stay away from work for two weeks.

By Michael Chester  
GPA 121518

# Car sales hit hard by perks tax

The impact of the perks tax on the pattern of car buying has been "alarming" since its introduction a little over a year ago, according to studies carried out by motor firms.

And they believe worse is to come unless they can persuade the Government to alter the rules on tax and fringe benefits.

The perks tax will be high on the agenda when Mr Peter Searle, president of the National Association of Automobile Man-

ufacturers (Naamsa), meets Finance Minister Mr Barend du Plessis to discuss new economic stimulants to pull the motor industry out of its worst sales decline in more than a decade.

The executive committee of Naamsa, which conducted the probe, is alarmed by the impact of taxed fringe benefits, even though the first phase covered only 25 percent of the ultimate

full tax rate on company cars. Now the Minister is being asked not only to revise the tax level but also to extend the phasing-in period to seven years — in line with the timetable laid out for perks tax on housing loans.

The first cause of alarm inside Naamsa was an unprecedented increase in the demand for used cars at the expense of

new models.

In 1984 the ratio of used to new cars in total sales was a modest 1.5 to one. Within months of the launch of the perks tax, the gap had yawned to 2.5 used cars for every new car finding a buyer.

Worst of all, even fleet owners — on whom the motor industry normally relies for at least 80 percent of all new cars

joined the shift to second hand cars. Since the beginning of 1984 the market penetration of smaller cars has zoomed from 48 percent of all sales to around 64 percent — while the share taken by medium models has fallen from 34 percent to 26 percent.

Naamsa's executive committee is also worried by signs that

business fleet owners are showing a tendency to shift policy from handing out company cars to key employees and instead offering travelling allowances and loans to buy their own cars.

The trend is expected to gain tempo as the perks tax is pushed to progressively higher levels — with sales of new cars suffering as motorists running business cars on their own account are likely to hold on to their vehicles longer before changing models.

## Boycott call in N Tvl <sup>STM</sup> 30 13/5/86

PIETERSBURG — A consumer boycott of all businesses belonging to whites and homeland politicians was due to start yesterday in several Northern Transvaal towns.

A member of the Northern Transvaal Consumer Boycott Committee — launched last week by various organisations in the region — said towns to be affected by the boycott would include Duiwelskloof, Burgersfort, Phalaborwa, Potgietersrus, Tzaneen, Pietersburg, Groblersdal, Marble Hall and Roedtan.

He said the "indefinite" boycott would only be called off if a list of demands were met.

These included an end to detentions and attacks on the homes of activists in the area, the reduction of bus fares and rents, the withdrawal of troops from townships and villages and the resignation of councillors and "Bantustan" MPs. — Sapa.



**UNIVERSITY OF CAPE TOWN  
CASUAL POINTMENTS/AD HOC PAYMENTS**

FOR DEPARTMENTAL USE ONLY

Department SADKO  
 Employee name Benoni  
 Position CIS Assistant Full time/ Part time/ Full  
 Start date 20 Jan 1985  
 Termination date 21 Feb 1985  
 General ledger code (where applicable) 3783  
 Amount R 500.00  
 Address \_\_\_\_\_

Title MR  
 Initials MB  
 Sex M  
 Race White  
 Remarks Widow - Do tax please  
 [Required for Dept of Statistics]

DATE \_\_\_\_\_ AUTHORTIES \_\_\_\_\_ DATE \_\_\_\_\_  
 Head of Department \_\_\_\_\_  
 Dean of faculty \_\_\_\_\_  
 Approved by \_\_\_\_\_

FOR OFFICE USE ONLY

DOC NO \_\_\_\_\_ CENTRE \_\_\_\_\_ DEPT \_\_\_\_\_ EMP NO \_\_\_\_\_  
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POSTAL ADDRESS 1

POST CODE

Telephone no

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PAY MODE

BANK CODE

ACCOUNT NUMBER

THIS RECOMMENDATION CONFORMS WITH PERSONNEL REGULATIONS

1 2 0

20

21

24

Tag

21

Date

Personnel Dept

Date

0 0 6

20

21

NO ENTRIES

TOTAL SALARY + "ON" VALUE

TOTAL "OFF" VALUE

0 0 5

20

25

New Centre/Dept

# Boycott of white shops

TUESDAY 13/6/61

BEULAH BROWN and Sapa

A CONSUMER boycott of all shops and businesses belonging to whites and homeland politicians started in the northern Transvaal yesterday.

The boycott is set to last "indefinitely" and includes more than 10 towns.

Various organisations joined in the launch of the Northern Transvaal Consumer Boycott Committee last week.

A committee member said towns to be affected by the boycott would include Duiwelskloof, Burgersfort, Phalaborwa, Potgietersrus, Tzaneen, Pietersburg, Groblersdal, Marble Hall and Roedtan.

The committee said the boycott would be called off if demands were met. These included: an end to detentions in the area; reduction of bus fares and rents; withdrawal of troops; and the resignation of councillors and "Bantustan" MPs.

President of Pietersburg Chamber of Commerce Andre de Villiers told *Business Day* its seven industrial groups were making "adequate arrangements to deal with any eventuality".

	65	:	Maternity days per pregnancy	
	--.0%	:	Percentage of wage paid	
	2 days	:	Waiting period	
	3 months	:	Qualifying period	
	192 days	:	Annual payment for 6 day week	
	160 days	:	Annual payment for 5 day week	
	All workers	:	Employer Contribution	
	All workers	:	Worker Contribution	
	All workers	:	Coverage	
			6. Sick Fund	6
	-- days	:	Annual leave covered	
	--	:	Employer Contribution	
	--	:	Worker Contribution	
	--	:	Coverage	
			5. Leave Fund	5

# April figures hold little joy for motor men

STAK  
30  
13/5/86

By Jeremy Sinek

New motor vehicle sales remained in the doldrums last month and car makers will once again be forced to revise downward forecasts for total sales this year.

Unless car makers can persuade the Government to make concessions to stimulate the industry, talk is now of car sales totalling 180 000.

That compares with the figure of around 215 000 predicted at the beginning of the year. In 1985 itself a bad year, 204 000 cars were sold.

Although the 14 231 cars sold in April is a marginal gain on March's 14 077 — and a 10,8 per cent improvement on last year's calamitous April

figure — it is still well short of the hoped-for 18 000 monthly average for 1986.

## CONCERN

Commercial vehicles are causing even greater concern. Light commercial sales remained virtually static in April while sales of medium and heavy commercials slumped again — by 9,2 and 6,5 percent respectively — for the second month.

For the year to date, car sales are 17,9 percent down on the same period last year and light commercials are down 14,7 percent. The comparatively small market for medium trucks is down only 5,9 percent, but the

strategically important heavy truck sector has plunged by a 33,8 percent since this time last year.

Toyota continues to dominate the car market with a 28,2 percent share in April and 27,1 percent for the year to date. Over the whole of 1985 its share was 23,9 percent.

Samcor took 21,3 percent of April car sales, but its improved performance was distorted by heavy discounting of the outgoing Escort model. For the year to date its share of 20,2 percent is marginally down on 1985's 20,6 percent.

Volkswagen continues to gain ground, taking 17,8 percent in April and 17 percent of the market in the first four months.

## CNA-Gallo pays 12c div

JOHANNESBURG. — CNA-Gallo's sales increased 5,7% for the year ended March, their preliminary results show.

Sales for the period were R309 244 000 compared with R292 523 000 for the year-ago period.

Earnings attributable to ordinary shareholders of R8 214 000 were virtually unchanged from the restated figure for the previous year of R8 196 000.

Higher interest charges were to some extent offset by dividend income and relatively lower taxation.

A dividend of 12c an

ordinary share was declared, being the total distribution for the year following the non-payment of the interim at mid-year. This compares with the full 16c paid in 1985.

"The restatement of the results for 1985 had the effect of reducing the profit attributable to ordinary shareholders for that year by

R5 215 000 equivalent to 16,7c a share.

"Had this change in the basis of accounting not been implemented it is estimated that the earnings per share for the year ended March 31, 1986 would have been 27,2c (1985: 42,8c a share), a drop of 36%," the directors said. — Sapa

# Prof: boycotts the last peaceful option

By MATTHEW MOONIEYA

**EAST LONDON** — The case for and against consumer boycotts as a strategy of resistance must be measured against the economic principle of opportunity cost, the head of the Department of Economics at Rhodes University, Dr Philip Black, said here last night.

He was delivering a four-part paper on the strategies of resistance in the Eastern Cape.

There was lively discussion after the half-hour talk organised by the East London division of the university.

Prof Black said the Eastern Cape had more politically aware black people than other areas and boycott supporters contend that the area should be viewed against the background of a society characterised by deep rooted racial class and economic divisions.

"Proponents of the boycott maintain that it is the spiral of increasing polarisation, mass resistance and state repression that has rendered a negotiated solution to black-white confrontation virtually impossible.

"It is in this context that the recent education and consumer boy-

cotts in the Eastern Cape should be viewed."

He said many viewed the boycott strategy as the last peaceful option available and it was intended to enforce a two-stage process of negotiation between black people at grassroot level and the white business community, and between the white business community and the state at all levels.

"Consequently, in the absence of direct negotiation between the government and authentic black leaders, consumer boycotts are expected to force white businessmen into a process of effective negotiation with the government."

During discussion, a member of the East London Chamber of Commerce, Mr Harold Winears, raised the point that of the 66 000 whites in East London, there were only 400 small white retailers and they had no real influence.

He said whites in the town were generally conservative and the boycott did not worry them. He supported the point that, generally, white civil servants went about their business unconcerned about boycotts because their salaries were assured at the end of the month.

Prof Black said the spiral would soon affect all the people and another member of the audience, Mr Clive Plaskett, said the boycott had made white businessmen aware of the needs of blacks, and for the first time in 300 years they were speaking up.

Prof Black said the case for a consumer boycott was three-fold:

Although it inflicted pain and suffering on blacks, it was through this that they might become politically mobilised against the apartheid government and a boycott was seen as an important source of pressure on whites;

It raised the awareness of white businessmen who were left out of pocket and created a new channel of communication;

It boosted black businessmen in the township and could be a vehicle for the redistribution of wealth.

On the objectives and feasibility of boycotts, Prof Black said few people would presumably find fault with the social and political aspirations of blacks.

"But the feasibility may be questioned on several counts."

He argued that the effect of the boycott reached white retailers selectively. The fragmented nature had

enabled retailers to redirect their businesses to unaffected areas and the boycotts bypassed those operating on a regional and national scale who were in a position to exert some influence on decision-making bodies.

The redistribution of wealth from small retailers would not affect the fundamental relations in the economy which were arguably an important determinant of the racial distribution of income.

Forcing small white retailers to close would have an effect on the whole area in terms of the loss of business confidence.

Prof Black also dealt with school boycotts, especially their long-term effects on the

uneducated victims.

"These people are likely to be relegated to the ranks of the unemployed or to the bottom of the job ladder even if they participated in alternative education programmes aimed at preparing them for an alternative socialist society.

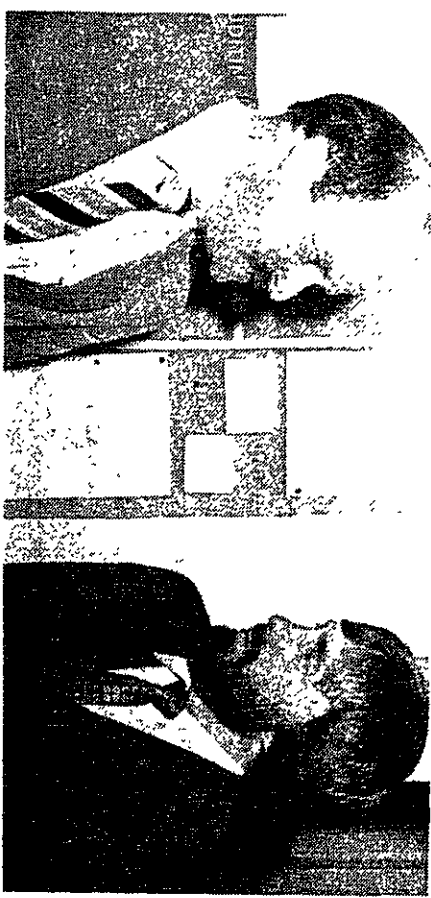
"The fact is that the occupational structure of labour markets, and specifically the demand for human capital, does not vary much with the type of economic system in operation."

Other effects of the boycott were that it raised prices in the black townships, limited the range of goods and — from the results of a survey in Gra-

hamstown — it could be concluded that black consumers had been impoverished against their will.

"If the boycott is indeed short on returns and long on costs, the question must be asked whether the ends of the strategy justify the means. This is an important question when one considers that the majority of the respondents in the Grahamstown survey rated such socio-economic demands as better housing and higher wages more highly than political demands.

"It would thus appear that blacks place a higher value on this material well being than on the pursuit of a political ideal."



The Dean of Studies at Rhodes University's East London branch, Mr Ray Suttner, chats to Professor Philip Black, right, after he gave a talk at the Rhodes branch last night.

17/6/45 12/15/85 (30/2/85)

# Boycott bankrupts Watson stores

The Argus Bureau

PORT ELIZABETH. — The Watson brothers' chain of clothing stores has been put out of business by the black consumer boycott.

Mr Gavin Watson said the four stores — which traded almost exclusively with blacks — had been placed in voluntary liquidation and would be closing shortly.

The Watson brothers first hit the headlines more than 10 years ago when Dan "Cheeky" Watson, an Eastern Province rugby wing and Springbok triallist, left white rugby to play for a black club.

Since then the four brothers, Cheeky, Ronnie, Gavin and Valence, have stayed in the public eye with their championing of black causes.

Last September the luxury family home of Mr Watson senior, which was also a home for the brothers and their families at times, was destroyed in a firebomb attack which caused R400 000 damage.

Two of the four Watson stores were exempt from last year's four-month boycott in the Eastern Cape but they have not escaped the effects of the present boycott, now in its second month.

Mr Gavin Watson said: "We are not the first store bankrupted by the boycott and we will certainly not be the last."

He said the family had other business interests in the area and would not be leaving the Eastern Cape.

"We are all involved in the formation of the Group of Twenty of concerned local businessmen and feel we still have a role to play, so we are not considering leaving."

Cheeky said it was lucky the family had other interests. He said: "Can you imagine anyone in the Eastern Cape giving Cheeky Watson a job?"

BUS DA 14/5/84

# Consumer boycott in N Tvl begins to bite

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AS THE consumer boycott began to bite in about 50 Northern Transvaal towns yesterday, industry and commerce disclosed that a contingency plan had been developed in case of a mass stayaway of black workers.

Industries in the region have split into seven categories and agreed to share workers, should shortages occur.

Supermarkets normally patronised by blacks reported that virtually no black shoppers had visited their stores this week.

"It has been very quiet since Monday," the Jazz supermarket manager in Pietersburg said yesterday. He asked not

SEULAH BROWN

to be identified.

One white store which reported a roaring trade was Metro, a Pietersburg-based retail outlet which sells mainly to traders, as black traders stocked up in anticipation of increased demand in the townships.

President of the Pietersburg Chamber of Commerce and Industries Professor Andre de Villiers said he believed the boycott could develop into a stayaway, and that contingency arrangements had been made, including the use of school-children to man hard-hit businesses.

Towns affected include Tzaneen, Groblersdal, Marble Hall, Phalaborwa, Potgietersrus and Pietersburg.

Demands by the boycott committee include the end to detentions, withdrawal of troops from townships and a reduction in bus fares and rents.

The organisers of the boycott could not be contacted yesterday.

However, UDF publicity secretary for Northern Transvaal Peter Mogaba confirmed that all blacks had been informed of the boycott through pamphlets.

"We are not directly involved," he said.

4/5/86 BUDAS 30

## Sales reflect lack of confidence

**WHOLESALE** trade sales in February fell 8.9% in real terms against February 1985.

Worst hit sectors were clothing, down 41%, furniture 38%, books 25% and metals 23%.

Latest figures from Central Statistical Services (CSS) reflect the growing concern in industry at waning consumer confidence and lack of ready money in the economy.

Including diamonds, wholesale trade sales in February this year

Industrial Staff

were R5.17bn, compared with R4.75bn in January last year and R4.65bn in February. Preliminary figures for March this year put sales at about R5.33bn.

In real terms, the figures show a continuing downward trend. Working on a base of constant 1980 prices, February's sales were R2.60bn, January's R2.413bn, and February 1985 R2.76bn. March's estimate becomes R2.68bn.



## Kids flee N Tvl schools

POST primary schooling ground to a halt in Se-shego yesterday when pupils fled from South African Defence Force troops and Lebowa police.

The soldiers and police patrolled the townships yesterday.

The action came on the second day of the consumer boycott of white-owned shops in nearby Pietersburg and other Northern Transvaal towns.

The boycott, called by the Northern Transvaal Consumer Boycott Committee, has been effective in Pietersburg and Potgietersrus.

Tension has gripped the trouble-torn Se-shego township where the army moved in on Monday night in at least 12 trucks. Police are patrolling the streets and eight youths arrested on Monday are due to appear in court this morning.

Sowetan 14/5/86



DD 14/5/86

# Watsons to close clothing stores

**Dispatch Reporter**  
**EAST LONDON** — The Watson family has announced its intention to close all its stores in the Border and Eastern Cape because it "has reservations about the area".

Mr Gavin Watson yesterday confirmed the imminent closure of their two clothing stores in Port Elizabeth and one each in East London and Uitenhage.

The East London branch of the men's outfitters, Dan Watsons, is in Oxford Street.

Mr Watson said they intended to stay in Port Elizabeth while "considering various options", and while they could play a "meaningful role socially to fight racial polarisation".

He said that although the consumer boycott had had an effect, the real cause of their closure was the massive unemployment caused by the failure of big business and the government to show any "social responsibility" for the area.

Mr Watson said he saw no relief in the near future either.

# SHOP <sup>17/3/66</sup> <sup>Cont. Tab B</sup> boycott begins in N.T.vl

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Own Correspondent

JOHANNESBURG. — A consumer boycott of all shops and businesses belonging to whites and homeland politicians started in the Northern Transvaal yesterday. The boycott is set to last "indefinitely" and includes more than ten towns.

Various organizations joined in the launch of the Northern Transvaal Consumer Boycott Committee last week. A member of the committee told Sapa that towns to be affected by the boycott would include Duiwelskloof, Burgersfort, Phalaborwa, Potgietersrus, Tzaneen, Pietersburg, Groblersdal, Marble Hall and Roodtan.

The committee said the boycott would be called off only if a list of demands were met.

These include an end to detention in the area, and to attacks on the homes of activists; reduction of bus fares and rents; withdrawal of troops from townships and villages; and the resignation of councillors and "Bantustan" MPs.

## Terms

The president of the Pietersburg Chamber of Commerce, Professor Andre de Villiers, said the chamber's seven industrial groups were making "adequate arrangements to deal with any eventuality".

He added that different industries, such as transport, retailers, wholesalers and financial institutions had appointed conveners who would have close communications with boycotters and who would try to liaise agreeable terms if possible.

"We will try and convince boycotters that their mainly political demands cannot be solved through business boycotts," Professor De Villiers said.

"The chamber has asked police and the defence force not to worsen the situation through unnecessary intervention."

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# Steps needed to boost new-car sales

## Mercury Reporter

URGENT measures need to be taken by the authorities to stimulate the new-car market if serious harm to the industry is to be avoided, Mr Peter Searle, president of the National Association of Automobile Manufacturers of South Africa (Naamsa), said yesterday.

He was commenting on the April retail motor vehicle sales which at 21 117 units reflected the continued depressed state of the

industry, the poor state of the economy and the general lack of consumer confidence.

'April total vehicles sales of 21 117 units are slightly up on the March total of 20 945 units, but the daily selling rate for April was only 812 units compared with 873 units in March,' said Mr Searle.

'April car sales of 14 231 units show a 10 percent increase over the April 1985 total of 12 849 units.

However, April sales last

year were severely depressed by buying ahead of the GST increase of March 1985.

'The March/April 1985 total passenger and light commercial vehicle sales of 45 617 units compared with the same period of this year, when a total of 40 145 units was sold, is a more accurate reflection of the present market trend,' said Mr Searle.

Toyota increased their new-car market share with 4 009 units or a 28,2 percent

slice of the cake.

Second was the joint Samcor stable of Ford and MMI with 3 037 units or a 21,3 percent share with Volkswagen's 17,8 percent share of 2 538 units giving them third place.

'With sales so far this year about 16 percent behind last year's total for the period January to April, it is clear that urgent measures should now be taken by the authorities to stimulate the market if serious harm to the industry is to

be avoided.

'On an annualised basis, we are presently heading for a 1986 sales total of 175 000 passenger, 73 000 light commercial vehicles and 12 000 medium and heavy trucks.

'The country can simply not afford the unemployment that will result from the restructuring steps that the industry will be forced to take in order to survive if sales do not improve markedly in the months to come,' said Mr Searle.

N/M/14/1986

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~~15/07/86~~

# Strike-hit stores back to normal

## Labour Reporter

PICK 'n Pay stores throughout the country, hit by work stoppages over the past five days, are expected to operate normally today as thousands of striking workers return to work.

Although their wage dispute was settled at 3 a.m. yesterday following all-night talks between the company and the Commercial, Catering and Allied Workers' Union most strikers did not return to work but attended report-back meetings.

With the exception of the Shelly Beach store, which was forced to close yester-

day because the strikers were still waiting for union confirmation of the settlement, all other stores in Natal were kept open, manned by casual workers.

Mr Jay Naidoo, local organiser of the union who accompanied the 16-man negotiating team to the wage talks, said settlement had been reached after hard bargaining on both sides.

Mr Vernon Mitchell, Pick 'n Pay's general manager in Natal, told the Mercury yesterday that he expected all striking employees to return today.

He said the chain's Shelly

Beach supermarket had been forced to close within hours of opening yesterday because the strikers refused to accept an official's word that the pay dispute had been settled.

'They wanted confirmation from a union official. Cashiers and members of head office staff who were helping to keep the store open were threatened by the strikers so we sent them home and closed the store,' he said.

The Durban North Hypermarket's general manager, Mr Martin Rosen, said the store was 'very quiet' yesterday because the strikers were attending

a report-back meeting.

In the wage talks which began at 4 p.m. on Monday and ended at about 3 a.m. yesterday, the company and union representatives agreed that workers would be given an increase of R85 a month, retrospective to March 1.

The agreement would be in force until the end of February next year.

Union members went on strike last Wednesday after the company had rejected their demand for a rise of R90 a month. It instead offered R80 a month, or a split rise of R60 from March with another R30 in July.

# Price of cars to rise

2000  
EVE POST  
14/5/86  
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By BOB KERNOHAN  
Business Editor

CARMAKERS' problems of falling sales will soon be compounded by further price rises.

Two more increases of between 4% and 5% will have to be introduced between now and year-end for manufacturers to recover their costs, industry sources said today.

The news comes a day after it was announced that manufacturers' executives are to meet Government Ministers in Cape Town "within the next few days" to discuss the plight of the industry amid fears of further retrenchments.

Mr Ronnie Kruger, public affairs manager of Volkswagen in Uitenhage, said today. With the present economic recession, low volumes and the low value of the rand against foreign currencies, further price increases are inevitable in order for manufacturers

to recover the higher cost of manufacturing."

The first increase is likely to be introduced next month and the second before the end of the year, so adding a further 8% to 10% to the 35% rises already introduced over the past 18 months.

Disturbing news for the industry is that despite these increases, there is still little turnaround in manufacturers' financial position.

Manufacturers point to dropping foreign exchange rates as having been the major factor in their increasing costs, with the introduction of perks tax and too short hire purchase payments exacerbating the situation.

Mr Kruger said that although the rand's value against the German mark had halved in the past 18 months and local component costs had increased, the price rises on cars had not been as much.

AREA A: Boksburg, Germiston, Johannesburg, Pretoria, Rodepoort, Springs, and Wonderboom and the Municipal Area of Sandton.

AREA B: Alberton, Benoni, Brakpan, Kempton Park, Krugersdorp, Nigel, Oberholzer, Randburg, (excluding the Municipal area of Sandton), Randfontein, Sasolburg, Vanderbijlpark, Vereeniging, and Westonaria.

AREA C: Delmas, Klerksdorp, and Potchefstroom;

AREA D: Heidelberg (TV1), Highveld Ridge and Witbank.

30/12/82

## Motor industry talks

FINANCE Minister Barend du Plessis will be asked tomorrow by motor industry leaders to rescue the industry from threatened disaster with significant concessions.

National Association of Automobile Manufacturers (Naamsa) president Peter Searle will lead the industry delegation in talks in Cape Town.

Trade and Industry Minister Dawie de Villiers will also be present.

Motor vehicle sales figures for the first four months of the year — down by 17,4% on the same period last year — confirm the industry is in crisis.

Motor Industries Federation director Jannie van Huyssteen said yesterday major concessions to be asked for would include early repayment of the R600m in the 1980 and 1983 loan levies; a lowering of GST on vehicle sales; and the lifting of the 10% import surcharge on vehicle parts and accessories.

5 APR 15/5/86

# 20 CBD's residential suburbs already multiracial, says Mandy

## Mandy

By Shirley Woodgate  
Municipal Reporter

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The residential areas of Johannesburg's central business district and nearby suburbs were to all intents, already multiracial and the only reason this was not acknowledged in law was racial prejudice, Mr Nigel Mandy said yesterday.

He said that, although the hub of the city occupied only 1 per cent of the 1 500 sq km metropolitan area, it contained 40 per cent of its work opportunities. The residential areas in the heart of the city could be a convenient and pleasant place in which to live but, since the late 1940s, the position had deteriorated, Mr Mandy said.

Reasons for this included the expansion of business premises, rent control which removed the incentive to build and maintain residential accommodation, changing lifestyles and new technologies.

Yet another factor undermining inner city living in South African cities had been the Group Areas Act, he said. Ethnic and residential segregation occurred spontaneously in cities all over the world but the difference in South Africa was that, in the 1950s, the Government had stepped in and enforced the removal of Indians and coloured people from the city centre under the Group Areas Act.

Even tougher restrictions were placed on blacks under other apartheid laws. "Yet the fact is that, today, many thousands — probably half our remaining downtown population — are not white. Some are Indians who reside lawfully in West Street but many other Indians, coloureds and blacks lead a twilight existence in Yeoville, Hillbrow and Berea.

"Politicians and government planners worry about congestion, over-concentration and multiracial friction here, but they do not grasp that the essential ingredients for a successful city are concentration, high densities and diversity. "Apartheid City was envisaged by government planners as a white town with separate satellite settlements for blacks, coloureds and Indians. The scale, commuting distance and cultural and commercial com-

## 416- CERAMICS INDUSTRY, CERTAIN AREA

Superceding w.d. no: 347

AREA A: Albany

AREA B: East London Highveld Ridge, Witbank and that portion of the Wonderboom which falls within a radius of 100 metres from the post office of Rosslyn.

AREA C: Alberton, Bellville, Benoni, Germiston, Goodwood, Johannesburg, Nigel, Pretoria, Randburg, Randfontein, Vanderbijlpark, Vereeniging, Weston-

plexity of a metropolis cannot be crammed into the shallow container of these precincts. Johannesburg is not a white city and it cannot be run as a white own affair, least of all by the white population. Mr Mandy said that justification for separate group areas was supposed to be the protection of racially-differentiated

cultural, educational and social institutions. Yet the cultural differences between Hindu and Muslim, which were at least as great as those between white and coloured, had not prevented the two groups living amicably together in Pageview. His plea was for a legally resident population where laws against misbehaviour could be applied objectively while, at the same time, self-administered social controls became effective.



FRIDAY  
DAY, Friday, May 16 1986

3

# Durban to cast nets for investment

JANE STRACHAN

DURBAN has embarked on a joint marketing campaign with commerce and industry to attract private entrepreneurial investment.

The municipality has put more than R90m into the provision and alteration of infrastructure, amenities and facilities, as part of its plan to give the city a new image.

It has also built up a substantial land bank, the focal piece being approximately 50ha in the Centrum, on the outskirts of the CBD.

Committed participants in the scheme to give Durban a new look include civic officials, planning consultant Revel Fox, the Chambers of Commerce and Industry, the Afrikaanse Sakekamer, Small Business Development Corporation and Durban Publicity Association.

The Centrum is an example of how the city is putting into practice its policy of co-operative development. Potential investors and members of the public were invited to a workshop to discuss options for the site, worth about R49m. Consensus was that there should be adequate open space, perhaps a hotel, a cultural amenity and a commercial component.

Sanlam and Murray & Roberts are already working on the R40m speciality retail centre there, with a R12m parking garage being the council's contribution.

On Monday the city council will consider two offers for development of the old station building near the Centrum into an hotel. The city spent R1,39m getting it into workable condition.

Town Clerk Gordon Haygarth says the city is in a strong financial position, being technically debt-free.

CAP 1957  
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# Boycott hits hard in N Tvl

Own Correspondent "grave".

**JOHANNESBURG.** — Several businesses in the Northern Transvaal are experiencing up to 80 percent less daily sales since the black consumer boycott in the area began on Monday.

Pietersburg seemed the hardest hit. Smaller towns like Potgietersrus, Na-boomspruit and Nylstroom reported no decrease in sales.

Many of the large stores in Pietersburg were virtually empty except for staff and a few white shoppers, and Jazz Stores in Pietersburg reported very low sales. Spar, owned by Mr Frik Deysel, was described as "quiet as a

A black shopper confirmed he received a pamphlet urging him not to shop at white stores.

Mr Derek Jackson, manager of Jet Stores in Pietersburg, reported 40 percent less sales. He said the boycott was very successful, and that many businesses would feel the pinch.

The Pietersburg Chamber of Commerce and Industries president, Professor Andre de Villiers, warned yesterday that the consumer boycott could cause many of the 25 000 employees in Pietersburg to lose their jobs.

## Ray of hope

Motor industry chiefs seeking emergency relief from government to tide them over the disastrous sales slump of the last 18 months are preparing a new line of attack.

After the disappointment of the March Budget, which saw no relief from perks tax of GST, attention is now being switched to reduced import duties and bigger rebates for manufacturers who meet the Phase 5 local content programme, which came into effect in 1980.

Fronted by the National Association of Automobile Manufacturers of SA (Naamsa), the industry made submissions to Trade and Industry Minister Dawie de Villiers and Finance Minister Barend du Plessis late last week listing areas of potential relief.

And the industry is rallying support for its case among its equally hard-hit suppliers, including component manufacturers and key voices in the steel, textile, rubber and paint industries.

The FM understands that some motor industry quarters are now looking to Iscor to lobby government to introduce measures aimed at stimulating new vehicle, and obviously steel sales.

Will it be — as many fear — a dialogue with the deaf?

So far, government concessions to the industry, the scrapping of the 1% ad valorem duty on imports and stretched HP repayment terms, fall a long way short of what the industry has sought.

Pretoria's reluctance to bend on the perks tax issue makes further pleas seem an exercise in futility, at least until the run-up to the 1987 Budget.

Naamsa director Nico Vermeulen admits that changes to the perks tax structure are unlikely to be considered this year. "But that does not make sacrificing the motor industry

on the alter of tax equity less iniquitous," he says.

The industry's latest submission takes excise duties as its main plank.

Volkswagen MD and Naamsa president Peter Searle explains that lowering the tax scale on Phase 5 cars and light commercial vehicles and granting manufacturers bigger local content rebates would have a "significant effect" on industry margins.

And Samcor MD Spencer Sterling is convinced that "instant relief" could be granted without tampering with existing import regulations.

Predictably, Naamsa also wants the controversial 10% import surcharge to be dropped. Sterling reckons the surcharge will cost motor manufacturers at least R100m in the year to September.

On paper, government is unlikely to make a special case of the motor industry on this issue and invite pressure from other quarters to do the same for the same treatment.

But there is good reason, counters Vermeulen, "why government should distinguish between imported material inputs to local manufacture and so-called consumption imports."

The latest figures show new vehicle sales in the year to April 30 running at a 10-year low. On this basis, Naamsa is now revising downwards its projection for 1986 car sales from 195 000 units to 165 000. "It could turn out to be the worst year since 1977, when we sold only 166 764 units," says Vermeulen.

April sales showed a modest 1,5% improvement to 14 231 units on March returns,

possibly as a result of the longer trading month.

Samcor showed the strongest gain at 19%, which Sterling attributes to the successful run-out of the Ford Escort and the introduction of the new Ford Sierra. Other manufacturers showed little, if any, improvement. ■

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FIN MAIL  
16/5/86

PICK 'N PAY

# Less lusty earnings

Pick 'n Pay's (P 'n P) share price firmed R1 on Tuesday to R39,50, as news of a wage settlement ended a potentially damaging strike. However, a more central issue relates to the future pattern of profit growth. This question has developed into a major point of uncertainty, and resulted in a 25% slide in the share price from its R51 high at end-March (see graphs).

Stringent competition, difficulty in expanding off-shore owing to SA's pariah status, labour unrest and slower economic growth make it appear unlikely that P 'n P will enjoy earnings rises on the scale of the early-Eighties. Some analysts even question if, given the new-found price volatility, the share deserves blue-chip status.

Strikes are a separate issue. Joint MD Hugh Herman says the turnover loss will not exceed R6m-R8m, and only 14 stores were closed at the worst stage last Friday. Lost sales could be recouped this week, if customers merely deferred purchases. The problem is that P 'n P is a supremely efficient operator. It is vulnerable to turnover fluctuations, as trading income mostly flows to the bottom line. If the unions "aim at rich, successful employers" as one analyst puts it, P 'n P could be exposed.

But back to the core issue. Recession and a higher profit base have seen a slowdown in earnings growth from a five-year compounded average of 41% in 1977 to 35% in 1982 and 12% in 1986. Trading profit fell last year, and the group had to rely on interest on the cash pile and unlisted investment income to achieve a 4% rise in taxed profit. Interest on cash chipped in 12% of pre-tax profit in the year to end-February (11% in 1985), even though the cash balance fell 25% to R47m by year end. This year, less cash and lower interest rates will reduce the interest contribution to profit.

Herman says an economic recovery would bring a resurgence in P 'n P's profits. But high growth in the last decade, analysts say, relied on strong economic growth and the weakness of main rival Checkers. Solid economic growth still looks a long time coming, while Checkers' restructure may enable it to compete more strongly. Notes Retailinform's Eric Levine: "This means there will be less growth for P 'n P and the other food companies and slower rising margins for the industry."

As a South African company, P 'n P has been frustrated in its overseas growth plans. Other competition might come from highly regarded Jazz and Score. With smaller turnover, they are not major competitors in the short term, but would provide tough competition if P 'n P expands further into black

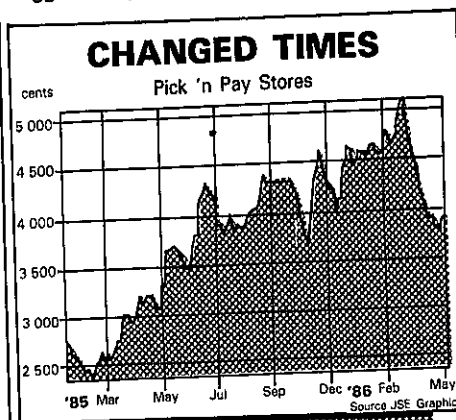
retailing and diversifies into wholesaling.

On the other hand, P 'n P has major financial and trading strength. The debt:equity ratio is just 0,09, a large percentage of South African housewives use P 'n P for bulk shopping, and Herman argues that market share is far from mature.

"There are many areas still open to expansion," he insists, "we've just opened in Potch and Queenstown, and we're opening another three stores this year. In Cape Town, we have the lion's share of the market and this is increasing." Comments Levine: "P 'n P are by far the most successful managers of the hypermarket concept. The product mix is good, and once you get the volume you get a bigger margin."

does not offer an earnings forecast, and 15% this year could prove over-optimistic. But P 'n P continues to offer investor appeal. If the market moves, the share will rise with it.

Christopher Marchand



Of course, this may not add up to future 30% growth in annual earnings. But it suggests that the downward re-rating of the share is complete. "At R38 the share would be a weak buy, and at R35 a strong one," suggests Simpson Frater's Niall Brown.

He notes the share, even at reduced R40 levels, stands on a 22 times p/e compared with the industrial sector average of 11,4. Adds Brown: "This rating is still twice as good as the market. All the market is saying is that earnings growth is not so exceptional as to justify a 2,5 times premium."

To maintain the lower rating, the market would probably look for an earnings rise of at least 15%. In the annual report, Herman

# Food industry battle for cash 30 and carry throne

W/C ANGAS 17/5/86

From PETER FARLEY

**JOHANNESBURG.** — Cash and carry has become big business and the two main protagonists in the industry are locked in a fierce battle for supremacy that is likely to produce many smaller casualties along the way.

The spotlight has come firmly back on to the fastest growth area of the food industry, with both the return of the Kirsh Group's Metro to the JSE boards — after a two-year absence — and the sparkling performance over the past two years of competitor Score.

Relatively speaking, Score is not yet in the same league as Metro — with sales still less than half those of the industry leader. Nevertheless, its remarkable growth could see the two companies on a par within the next three years.

The irony of the situation is that Score was born directly out of Metro when Carlos dos Santos and three other key members of Metro's management team walked out and set up in direct opposition to their former employers.

The damage that caused is immeasurable. And though Metro managing director Lionel Katz says that is now behind the group, one still gets the impression that those management scars are still not fully healed.

However, there is little doubt that Metro is an impressive operation. The 16 year-old wholesale chain now comprises more than 130 stores, with the latest addition in Pretoria completely dwarfing anything that has come before.

Katz firmly believes this is the future of the cash and carry business, with the new store due for opening in Johannesburg later this year set to exceed the Pretoria operation by another 50 percent with some 20 000 sq m of floor space. (For some comparison that is about equivalent to four rugby fields, side by side, under one roof).

By the end of this year there will be four of these gigantic stores around the country, with more to follow.

In part they will replace existing operations, but with the anticipated growth in the industry, Katz is banking on these operations being a major factor in turnover rising towards the R2 billion mark, from a forecast R1,5 billion in the next full financial year.

Score, on the other hand, has an average store size of around 6 000 sq m metres and Dos Santos maintains that he will stick with that strategy.

But with Metro coming back on to the JSE — through a reverse takeover of stablemate cash shell Coki — the comparisons with Score are inevitable.

Neither Katz nor Score managing director Carlos dos Santos will be drawn into much discussion about the other. Clearly the separation, and subsequent fierce and at times underhand competition between the two, has left some indelible bruises. But neither is far from the other's mind at any given time.

For the record, however, both accept that there is room for the companies in the market, with only a third of the po-

tential cash and carry turnover currently going through those outlets.

The balance is still distributed directly by the manufacturers. This is, however, beginning to change rapidly, particularly with the problems in the townships that is making cash and carry outlets a more attractive proposition for the manufacturer.

This is borne out by Dos Santos who says that after Score produced just over R400 million turnover last year the group has broken the R600 million mark in annualised sales.

By the end of the year to next February 28 it is feasible that Score's sales could therefore broach the R700 million mark, which would mean 75 percent growth on the back of 100 percent growth last year.

But it is much easier to accelerate at that pace when you are small and the challenge will be to maintain strong earnings growth in the years to come.

On the other side, Katz is looking for 25 percent growth this year, and to sustain that level for the rest of the decade. The departure of Dos Santos also brought with it a mass exodus of much of Metro's senior staff and the group had a major hiccup for a couple of years. Historic compound growth over the past five years at Metro is therefore a more modest 11 percent.

Whichever way it turns out it is sure to be an interesting battle, and one in which no holds will be barred for some time to come.

# Sunrise finance

Fast-rising Score poised to challenge market strongman Metro

# The cash-and-carry battle

By Peter Farley  
Investment Editor

Cash and carry has become big business and the two main protagonists in the industry are locked in a fierce battle for supremacy that is likely to produce many smaller casualties along the way.

The spotlight has come firmly back on to the fastest growth area of the food industry, with both the return of the Kirsh Group's Metro to the JSE boards — after a two-year absence — and the sparkling performance over the past two years of competitor Score.

Relatively speaking, Score is not yet in the same league as Metro — with sales still less than half those of the industry leader. Nevertheless, its remarkable growth could see the two companies on a par within the next three years.

The irony of the situation is that Score was born directly out of Metro when Carlos dos Santos and three other key members of Metro's management team walked out and set up in direct opposition to their former employers.

## Damaging split

The damage that caused is immeasurable. And though Metro MD Lionel Katz says that is now behind the group, one still gets the impression that those management scars are still not fully healed.

However, there is little doubt that Metro is an impressive operation. The 16 year-old whole-sale chain now comprises more than 130 stores, with the latest addition in Pretoria completely dwarfing anything that has come before.

Katz firmly believes this is the future of the cash and carry business, with the new store due for opening in Johannesburg later this year set to exceed the Pretoria operation by another 50 percent with some 20 000 square metres of floor space.

## Ex-employee versus his former employer



Carlos dos Santos

(For some comparison that is about equivalent to four rugby fields, side by side, under one roof.)

By the end of this year there will be four of these gigantic stores around the country, with more to follow.

In part they will replace existing operations, but with the anticipated growth in the industry, Katz is banking on these operations being a major factor in turnover rising towards the R2 billion mark, from a forecast R1.5 billion in the next full financial year.

Score, on the other hand, has an average store size of around 6 000 square metres and Dos

The two main players in the cash and carry stakes are Score's Carlos dos Santos and Metro's Lionel Katz.

One will emerge the victor in the years to come, but with the rate of acceleration already posted by Score — and another couple of deals are about to break — the new boys appear to have the edge.

Katz, however, is an old hand and enjoys relating the tale whereby he brought Dos Santos into the business, shortly after he started Metro some 16 years ago.

Nevertheless, with Metro due back on the JSE in the next month it must be frustrating for Katz to find analysts using his old team as a yardstick for measuring Metro's investment potential.

On the one side is Score's aggressive management team and independent flexibility while on the other is the vast weight of experience and the vast resources of the Sanlam group.



Lionel Katz

only a third of the potential cash and carry turnover currently going through those outlets.

The balance is still distributed directly by the manufacturers. This is, however, beginning to change rapidly, particularly with the problems in the townships that is making cash and carry outlets a more attractive proposition for the manufacturer.

This is borne out by Dos Santos who says that after Score produced just over R400 million turnover last year the group has broken the R600 million mark in annualised sales.

By the end of the year to next February 28 it is feasible that

Score's sales could therefore broach the R700 million mark, which would mean 75 percent growth on the back of 100 percent growth last year.

But it is much easier to accelerate at that pace when you are small and the challenge will be to maintain strong earnings growth in the years to come.

On the other side, Katz is looking for 25 percent growth this year, and to sustain that level for the rest of the decade. The departure of Dos Santos also brought with it a mass exodus of much of Metro's senior staff and the group had a major hiccup for a couple of years.

Historic compound growth over the past five years at Metro is therefore a more modest 11 percent.

Some observers of the industry suggest that Katz might not have the fight left in him at the age of 64. But anybody who witnesses the enthusiasm and relish with which Katz is squaring up for the battles ahead would never write off the ability of this dozen of the food industry.

Taking a look at some of the nitty gritty financial details of the two operations Score appears to come out in front by a short head. Katz reckons that Metro is currently operating on a two percent return, while Score is holding steady with a 2.6 percent margin.

## Shrinkage

In the crucial area of shrinkage — even more vital in wholesaling because of the lower margins, Katz says that Metro has confined theft to 0.5 percent of turnover — which in their case represents some R6 million, while Dos Santos has kept theft down to less than 0.25 percent or around R1.75 million.

Analysts suggest that Score's margin is boosted by the inclusion of its chain of 40 small supermarkets, but more than half total turnover comes from the Trador cash and carry business. And with the growth all coming from that sector some analysts believe the contribution to sales from that source could be as high as 80 percent.

Dos Santos openly admits that his ambition is to make Score the number one in the industry while Katz is equally adamant that he will retain the top slot.

Whichever way it turns out it is sure to be an interesting battle, and one in which no hold will be barred for some time to come. It makes a change from the cosy cartels that exist in so many other industries and on that should finally allow the consumer to dictate who wins.

# Pages face boycott

By DAN DELAMINI

FOSCHINI and Pages Stores face nationwide boycotts if they don't start negotiations with the Commercial, Catering and Allied Workers' Union within the

next seven days.

This follows a resolution by the Witbank branch of the Congress of SA Trade Unions in solidarity with 301 workers retrenched at these stores.

According to a Cosatu spokesman, Foschini and Pages management "failed to talk to Ccawusa representatives" about the retrenchments.

Foschini spokesman JB Corlett said they reached deadlock with the union after it wanted them to introduce a "job-sharing" strategy.

"But my door is always open," he said.

# Grand Bazaars retains identity

Cape Times 20/5/86 30

By AUDREY D'ANGELO

GRAND BAZAARS — the Cape Town-based supermarket chain — will continue to trade with no change in its name or appearance, the managing director of Score Food Holdings, Carlos dos Santos, said last night.

Score has acquired more than 90% of Grand Bazaars and Dos Santos said it intended to increase this to 100% ownership.

But it did not plan to incorporate the chain in its rapidly-expanding Score Discount supermarket chain.

Grand Bazaars will retain its name, logo and identity although it will share Score Discount's managing director, John McLean.

## New recruit

His second in command will be a new recruit from Checkers, Mike Palmer.

Dos Santos said that Grand Bazaars staff would be kept on.

"Without people, we have no business."

The price paid was 42 Score shares for every



Carlos dos Santos

100 Grand Bazaars shares which, Dos Santos said, worked out at R12,1m.

Grand Bazaars' results for the year to February have not yet been announced but Dos Santos said: "Their figures were not too good."

"Grand Bazaars ends the year with a break-even situation out of a turnover of R160m."

Discussing his plans for the new acquisition, he said: "We will make it profitable to start with. I

believe we will not show less than three-quarters of a million rands for the year to February 1987.

"We are going to use Score management expertise and our buying muscle to turn Grand Bazaars round."

Score, which employs 2 600 people, has a wholesale arm, Trador Cash & Carry and two supermarket chains, Score Discount with 30 stores and A & A Supermarkets with 37.

A & A is the former Barberton Wholesalers, which was acquired by Score last August.

## Activities

Score extended its activities to the Western Cape last October with the opening of a Trador store in Epping.

It is about to open a second branch of Trador in Woodstock.

Its turnover has risen from R11,5m in 1981 to R419,5m in the year to February 1986.

In 1981 it made a loss of R321 000. It ended its last financial year with a pre-tax profit of R11m and an attributable profit of R5,8m.



CAPG Times (197) (198)  
20/5/80 30

# 'Hotels survival depends on political solutions'

By AUDREY D'ANGELO  
LIQUOR licensees should look for a go-ahead black partner to help them take advantage of new opportunities opening up for the trade, business consultant Colin Hall advised yesterday.

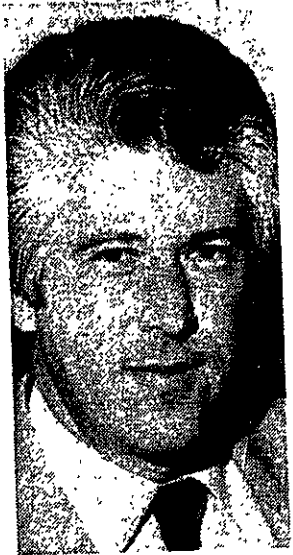
Speaking at the annual congress of the Federated Hotel, Liquor & Catering Association of SA (Fedhasa), Hall told licensees that white people would never be able to realize the enormous potential of the black consumer market if they selfishly tried to do so on their own.

### Venture

They would be well advised to venture with a black partner, who might well be a she-beener now.

In his opening address to the congress, the retiring president of Fedhasa, Stan Hoffmann, said conditions in the past year had forced the industry to "adopt a survival at all costs stance."

Hoteliers had been obliged to retrench staff "resulting in high unemployment as well as the loss to the industry of highly skilled and semi-



Stan Hoffmann

skilled workers." This would be "at great cost to our industry in the long term."

There had also been a general cutback and postponement of hotel refurbishment programmes.

This had resulted in a gradual lowering of standards. Hoffmann feared that the industry as a whole would not be able to regain these standards because of a changed political and economic environment.

He thought the market place would demand a wider range of types of accommodation "offering as a baseline a lower standard of accommodation".

Discussing the short-term outlook, he said. "We as an industry cannot see at this stage any short-term upturn and, in fact, view 1987 prospects of such an upturn as poor."

### Revival

"Economic revival is dependent upon political solutions being found."

Confidence could not be restored without these solutions and "economic revival is dependent upon the restoration of such confidence among the business community at large."

Hoffmann called for more consultation and negotiation with "the authorities that control our destinies" — particularly the Liquor Board, the SA Tourism Board, the Competition Board and the Department of Manpower — and major trading organizations to help the hotel industry survive.

## Shops feel boycott pinch

Northern Transvaal Bureau

The effects of a consumer boycott, instituted in the Northern Transvaal a week ago, are now being felt, particularly by chain stores which sell food.

The president of the Pietersburg Chamber of Commerce, Dr Andre de Villiers, said it was clear that most black commuters had been successfully "mobilised by radicals" to boycott white businesses in all the major towns.

Blacks who made use of private transport were still buying fairly extensively at white-owned shops.

A spokesman for a chain store said business in Pietersburg had dropped overall by about 20 per cent for the whole week.

CAT 7/15 (30)  
20/5/86  
Coal de-regulated

Political Staff

THE distribution of coal is to be de-regulated as far as possible, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, said yesterday.

The move follows an earlier announcement abolishing price control at both the wholesale and retail levels.

Mr Steyn said that the recommendations as far as de-regulation were concerned were applicable where coal was sold directly to consumers by coal merchants.

Certain exceptions would be made.

Mr Steyn said it was important that cognisance should be taken of the fact that coal should be readily available at all times at market related prices and that coal distribution had to be disciplined.

The government would play a monitoring role in this regard, he added.

2/15/82

BUSIDAY

182

30

# Truck, busmakers weigh up local content proposal

TRUCK and busmakers are weighing up component manufacturers' proposals on implementing a local content programme for heavy vehicles.

They have 10 days to report to an investigating committee appointed by the Board of Trade and Industries.

But deep division over local content levels and the phase-in period for the scheme remain unresolved with no signs from either side that it intends to break the stalemate.

The board is expected to draw up a final set of proposals for Trade and Industry Minister Dawie de Villiers early in August.

Sources said a programme could be implemented by year-end.

Truck and bus manufacturers — through the National Association of Automobile Manufacturers of SA (Naamsa) — are concerned that government could set the local content level too high.

Naamsa director Nico Vermeulen said: "It is vital the level does not trigger additional cost-raising elements into the industry."

The board recommends that protective measures for engines, axles and gearboxes should be scrapped. Instead excise duty should be levied.

HAMISH McINDOE

But the National Association of Automotive Component Manufacturers (Naacam) warned yesterday that serious problems would arise if competition from imports was allowed to jeopardise the future of the drive-train sector.

Naacam director Denzyl Vermooten said: "A slight premium must be paid on the insurance of having these strategic operations in SA."

Naacam is urging the board to raise the local content level for trucks and buses over 1 300kg to 50% against the board's proposed 40% benchmark.

Vermooten said: "And the local content level should be raised to 60% if imported components in locally made engines, gear boxes and axles are deemed part of the local content weight."

A deal at around 50% local content with Atlantis Diesel Engines and AS Transmissions and Steering components considered 100% local content looks likely.

While Naacam favours a two-year phase-in period, Vermeulen said truckmakers had no objection to early implementation provided it were on a "no-hurt entry level".

avoided with the insertion of a clause

# New centre for Soweto shoppers

**3WJDA**  
FOUR MAJOR retailers are close to signing for space in a major shopping centre to be developed outside Soweto... an ambitious first for the area.

The boldness of the developers in venturing into this market, particularly under current economic conditions, has been questioned, but it seems little could stop the plans now.

The 26ha site — near Midway station, south-east of Soweto — is jointly owned by Rand Consolidated Property Holdings and Quantum Acceptances. Project coordinators are R M S Syfrets, who have been working on the scheme for two years.

Phase one — 25 000m<sup>2</sup> — should be complete by the last quarter of 1988 and will cost R45m. Phase two will take the Midway Centre up to a total leasable area of 60 000m<sup>2</sup>, with a final cost, in 1986 terms of R100m.

The centre is positioned to draw its

**30** 21/5/86  
customers from Soweto, Lenasia and Eldorado Park.

R M S Syfrets MD Pat Flanagan says one of the most important aspects of planning has been consultations with various interested parties in Soweto, from a political as well as a financial point of view.

Finance of the development is under

negotiation and is intended to involve as much black investment as possible — although, falling just outside Soweto, the 51%/49% black/white ownership regulation is not applicable.

Architects Margoles Roberts Goodwin Loebenberg, whose designs include Sandton City, Eastgate, Westgate and Wonderpark, have been commissioned.

## Mitchell's Plain project

**3WJDA**  
ANOTHER major regional shopping centre for a thus-far unserved area is the K Property Projects (KPP) development in Mitchell's Plain, outside Cape Town. The final go-ahead in a protracted plan approval process has come from the Cape Provincial

**30** 21/5/86  
Administration, and KPP executive director Eddie Magid says laying of trunk services should begin in October. Completion of the 31 800m<sup>2</sup> of gross lettable area is due for Easter 1988. Also on the cards is a 600-unit housing development.

and R12,80m<sup>2</sup> the third

2 bedrooms, 2 bathrooms, lounge/dining room, family room, maid's room with fully tiled bathroom

# Boycott 'won't start on Friday'

Post Reporter

THE Uitenhage Consumer Boycott would not resume on Friday, a spokesman for the Uitenhage Consumer Boycott Committee said yesterday.

The consumer boycott, which was suspended on March 10, would not be resumed until discussions had been held with the Rosedale Youth Congress (RYC) and the boycott discussed with the people.

Rumours have been circulating that the boycott was scheduled to restart on Friday.

The spokesman said that members of the Uitenhage Consumer Boycott Committee and other groups would meet the RYC today.

The Uitenhage consumer boycott was lifted on March 10 following the lifting of the state of emergency and release of detained Uitenhage community leaders.

The spokesman said that a number of demands had still not been met.

These include that the Defence Force and the police withdraw from the townships and that all banned organisations be unbanned.

2/15/86 BUS DAY  
**Grand Bazaars name to remain unchanged** (30)

**THERE** are no plans to change the name or appearance of Grand Bazaars, the Cape-based supermarket chain, says Score Food Holdings MD Carlos dos Santos.

Score, which has acquired more than 90% of Grand Bazaars, is seeking 100% ownership, he adds.

It does not plan to incorporate the chain into its rapidly-expanding Score Discount supermarket chain.

It will share Score MD John McLean. His second in command will be Checkers' recruit Mike Palmer.

Grand Bazaars' staff will be kept on, says Dos Santos. "Without people, we have no business."

The price paid was 42 Score shares for every 100 Grand Bazaars shares, which worked out at R12,1m. — Sapa.

# Pamphlet: firm offers big reward

(20) EVE POST MILKER

Post Reporter

A HARDWARE firm in Port Elizabeth, Builders Warehouse, is offering a R10 000 reward for information about the authors of an anonymous, libelous pamphlet calling on members of the building trade to boycott them.

The pamphlet, headed "Why we don't buy at Builder's Market, Second Avenue, Walmer", has been widely distributed but, according to Mr Des Chalmers, one of the directors of the firm which owns Builders Market, it appears to have had no impact on sales.

The directors have sent a letter to their clients rebutting all allegations, many of them relating to Mr Mkhusele Jack, spokesman of the PE Consumer Boycott Committee, who is employed at Builders Market.

In the letter the directors describe the mind be-

hind the pamphlet as "small, sick and evil".

They say Mr Jack is "a hardworking, loyal and totally trustworthy employee and friend" who has worked for them since 1983.

If they were to dismiss Mr Jack it would mean discarding "the one tiny fulcrum of contact between township leadership and business".

Their offices served as a contact point where politicians from all parties, businessmen, educationists and representatives of Government departments came to find out what was going on in the black community.

On the allegation that having Mr Jack on the staff benefited them by increasing sales in black areas, the directors noted that 90% of their trade was with white businesses and individuals.

And in response to the suggestion that Builders

Market benefited from the burning of public buildings in the black areas by supplying materials to rebuild them, they say they do much less work with Government departments than their competitors.

The smear pamphlet also alleged that they provided cars or money or materials to Mr Jack or his organisation or the End Conscription Campaign. "We have never, nor do we plan to, provide cash or cars to political organisations."

Allegations about the private lives of staff were utterly false.

They also deny any contact with the "Committee of 20", which they describe as a group of "concerned citizens working for the future of whites in South Africa".

Anyone with information about the pamphlet can contact Mr Chalmers at 514357.



# 30 Unique step for retail trade

A R100 million shopping centre in which blacks will be invited to have a slice of the trading and the entrepreneurial development is being planned in what is regarded as a unique step for retail trade in South Africa.

Developers are describing the centre as 'colourless' in that it will not be aimed at any particular race group, although it will be sited on the fringe of Soweto with Lenasia and Eldorado Park as close neighbours.

From the start, says Deon Meyer, a director of Quantum Acceptance, blacks have been involved in the planning, construction, leasing and marketing spheres of the project.

If the final go-ahead is given, the centre, dubbed Midway after a nearby railway station, will be about the size of the first stage of Sandton City.

Some R45 million has been earmarked for the first phase which is set down to open for trading in the last quarter of 1988. But by the time the whole project is complete, costs are expected to top the R100 million mark.

Mr Meyer anticipates that the major proportion of satellite or speciality stores will be owned and run by blacks and once trading, the centre will be under black management.

So far, appointments to the professional team include Transvaal's RMS Syfrets as project co-ordinators and Co-ordinated Marketing as marketing consultants.

The centre will provide four major stores occupying some 12 000m<sup>2</sup> and these will be supported by some 12 500m<sup>2</sup> of speciality space which will provide for about 100 shops.

PETER SEARLE

# The case for carmakers

30 FUN MAIL 23/5/86

IN MY OPINION



Peter Searle, deputy chairman and MD of Volkswagen SA, takes issue with an *FM* leader last week which argued that many of the motor industry's problems were rooted in the excessive protectionism of earlier years.

Certainly the motor industry is in trouble and the merits of the local content programme are a matter for debate, but it's a question of the level that is economically justified rather than the concept itself.

The industry would be perfectly viable at the sales levels of two years ago. What has changed first and foremost is the value of the rand, whose devaluation has brought a massive additional burden on the industry (a one pfennig change in the DM exchange rate equates to R2m for my company alone).

Recently, the government's local content programme has in fact been a bonus to the South African consumer by shielding him from the full effects of this currency devaluation. Car prices would have more than doubled in the past 18 months had we been dependent on fully built-up imports. Actual increases have been less than 50%, which, admittedly, has been a shock to the system and has resulted in a severe decline in unit sales — but we can thank the local content programme for car prices not increasing by more than 100% in this period.

Your editorial contains many statements of opinion which deserve closer examination. For example:

**Billions of rands of taxpayers' money were wasted.**

Last year the motor industry is estimated to have contributed R3,6 billion to State coffers despite substantial losses by manufacturers. They alone paid an estimated R300m in excise tax over and above import and ad valorem duties and many millions in GST from the sale and resale of the industry's products.

Our motor industry is dependent on foreign and local private sector investment — not taxpayers' money.

**The aim of creating employment is misguided.**

Some 100 000 people are currently employed in manufacturing and allied industries, with an estimated 150 000 in the motor trade. We are said to be the second biggest

employer after mining.

Furthermore, the objectives of the programme go considerably further than the creation of employment. Attracting foreign investment with the transfer of technology and skills are other objectives as well as the creation and development of the component industry for original equipment and replacement parts.

Later your editorial says: "We don't even have the jobs anymore." The mind boggles! SA spends millions to create 1 000 jobs let alone the 100 000 that still exist and which you appear to dismiss with a stroke of the pen.

**The industry stubbornly resisted becoming much more than an assembly industry.**

Your editorial writer is invited to visit a major local motor manufacturer. He obviously hasn't.

**The truth is, we still have too many manufacturers. More rationalisation is necessary which only market discipline can produce.**

An oft-heard comment, and not without justification. But let's also recognise that the consumer is benefiting from the intense competition. For example, compare the price of a VW Golf CL (excluding sales tax in SA and Germany) on May 19. In SA: R13 990; in West Germany: R15 757 (DM1,00:R1).

If the same car was imported built-up for sale in SA with no duties and taxes, it would cost all of R16 930. The local price of R13 990 includes about R300 to the fiscus and provides employment for many people who would otherwise be on the street.

So what does the *FM* want? Built-up imports at great cost to the country and the consumer? A cosy cartel of three or four, or perhaps a monopoly? Yes, motor manufacturers and others are constantly saying "too many manufacturers" — who doesn't want to wish some of the competition away in such fiercely competitive circumstances!

**Production runs are too short even to repay the tooling costs.**

Yes, the decision on future tooling investments is very difficult. But Toyota, Mercedes, BMW, Samcor and Volkswagen have all recently introduced new models and Nissan is said to be spending R170m right now. All crazy? Tooling costs never repaid? Scarcely.

But we must be worried about the future if the industry is left to languish at current levels.

All those taxpayers' billions must perforce — but inevitably — be written off.

Again the mind boggles! It's the motor industry that is paying billions to the fiscus and not vice versa.

Atlantis Diesel, which you mention, is but one of more than 300 suppliers to the local motor industry.

A whole industry should not be written off because of question marks surrounding one supplier which was set up by government decree.

**We have far too many industries whose survival is only made possible by a wide range of protective measures.**

Show me the country that doesn't protect its industries from foreign competition. Even Uncle Sam and most European countries have put quotas on Japanese cars. Some European countries bar Japanese car imports entirely. The Japanese themselves have a host of ingenious, but not so obvious, protective measures.

Ask any aspiring exporter of manufactured products.

Your article does the *FM* and the motor industry no credit. SA can be proud of the standard and the efficiency of its motor manufacturing industry, small as it is. It would be a pleasant change if we stopped knocking our own and started to take pride in our achievements. South African motor manufacturers and component manufacturers have been exporting for many years and are now moving into export markets in a substantial fashion. Our quality ranks with the best. Our market is small but our standards are high.

Nevertheless, the industry has serious problems which require the attention of government and need to be addressed. The main reasons can be found in the rand devaluation and consequent imported component cost increases, the economic recession and consequent under-utilised capacity, excessive taxation and the decline in real disposable income plus the perks tax on cars.

The government is being asked to help the consumer and the industry by giving some relief on that R3,6 billion tax burden by temporary concessions coupled with the lessening of HP requirements, and addressing the manner in which perks tax is imposed on cars.

We urgently need to get confidence back into our economy; to revitalise consumer spending power and to get SA and South Africans back to work.

NATIE KIRSH

# Back to earth again

FINMAN (30) 23/5/86



Like the mythical character Icarus, entrepreneur Natie Kirsh reached for the sun. At its zenith, his R3 billion retail and wholesale empire, Kirsh Trading, stalked that of SA

Breweries, the biggest consumer retail group in the land. One dazzling deal followed another, as the Potchefstroom boy took Johannesburg's business community by storm. Kirsh was the darling of the press.

"The truth is that after two years of incredible growth, hardly anything is too big for Mr Kirsh, and SA Breweries, jealous of its retail dominance, knows it," the *Rand Daily Mail* wrote in 1982 — just after the Greatermans deal. Effused *The Star* nine months earlier: "Give him 10 years and the man who said of his sweeping business interests in Swaziland 'it is difficult to turn around in this country without doing business with us,' might be saying the same thing about SA."

Yet Kirsh's strength was also his undoing. The inspirational genius which enabled him to build an empire had little capacity for the ongoing task of management. Some saw him as arrogant, erratic, volatile and prone to judge his team on short-term considerations. He lost key personnel, notably from Metro and Russells, and was unable to attract top-flight managers, as at Checkers (but at a time of a brain drain from the

In his heyday Natie Kirsh took Johannesburg by storm, but he lacked the management ability to hold his consumer-retail and insurance empire together and has paid the price.

country). Some see him as distant, yet close associates revere him. "We're like family, we both feel it's family," says Metro chairman Lionel Katz, who was crucial to Kirsh's suc-



Natie Kirsh

cess. This success was not to last.

Like wax, Kirsh's empire went on to melt in the heat of economic recession, management and trading weakness, high debt, record interest rates and over-ambitious plans for more soaring growth. As Kirsh fell towards earth, rescuers and would-be rescuers appeared. Sanlam took the wholesale-retail empire. Federated was to buy AA Mutual's short-term insurance assets. However, Federated now wants to back out of the deal, owing to underwriting losses and the spectre of a wafer-thin insolvency margin has been raised (see *Economy*).

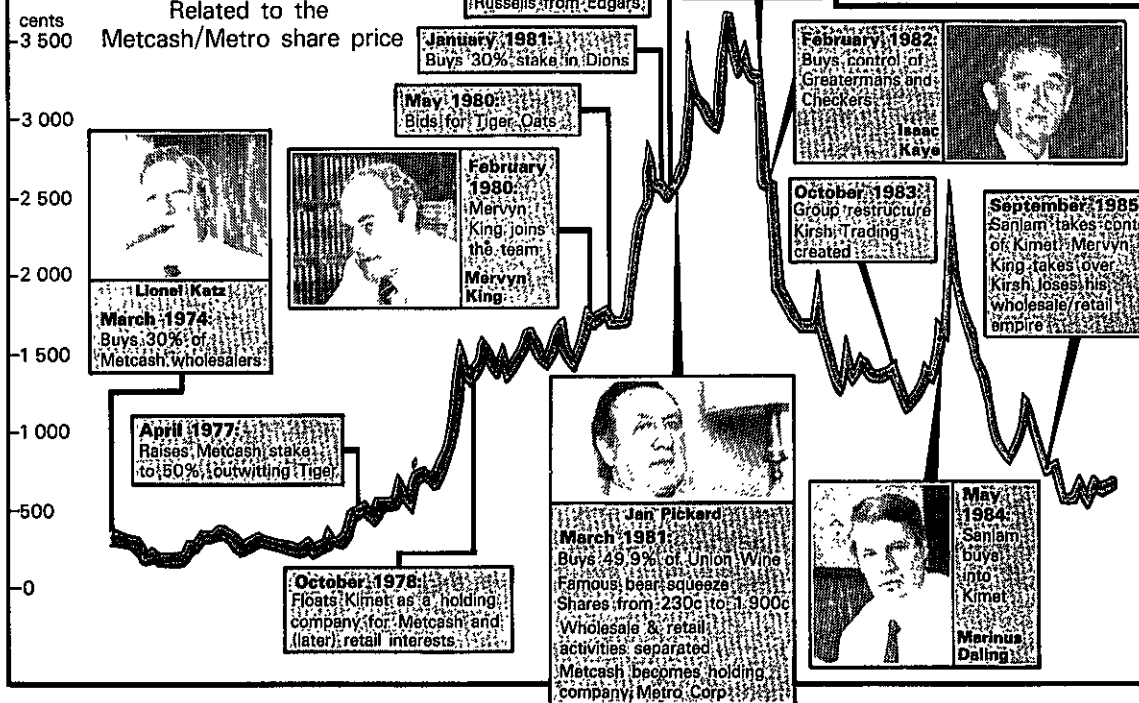
Kirsh himself has not drowned. He remains an extremely rich man with international and local interests — an associate reckons he is worth R50m. However, the supreme bid for greatness has been scorched, a process in which his personality has obviously played a part. Kirsh is incisive and highly energetic, but can display a startling lack of ruthlessness. Kirsh relied in business on trust and friendship, and maybe hates to admit a mistake. At Checkers, in particular, Kirsh was slow to change management — with fatal consequences for his control.

A sober perspective comes from a Johannesburg stockbroker: "There was a mystique about this man who had done so much in Swaziland. The publicity he got was fantastic. The press made out he was Raymond Ackerman multiplied by 10, and he used his image to issue paper to finance his acquisitions. But being a good operator in Swaziland doesn't put you in the big league here. His acquisition research in taking over Marine & Trade, AA Mutual and Greatermans was bad. He couldn't follow things through."

Kirsh disputes that his research on the Marine & Trade or Russells takeovers was poor, although these show the marks of the problems which felled him in Greatermans. However, he concedes the criticism on Greatermans/Checkers, which all agree was his biggest disaster. "We should have walked away from it," says Kirsh of

## Natie's razzle and dazzle

Related to the Metcash/Metro share price



the Greatermans purchase, "but we bought for an amount which we thought was expendable. Moreover, in 1982 we thought we were doing well in cleaning it up, we felt we could get it right. And once you take control, all kinds of elements keep you there: from pride, to 20 000 employees, to suppliers."

There are few models for management of retail conglomerates on the diversified scale created by Kirsh — especially one which grew as fast as Kirsh's. Looking back, did Kirsh give himself a chance? In his context, a small head office, so beloved by advocates of decentralised management, proved a disaster. Head office was never strong enough to monitor and control management at the work-face. It was preoccupied with crisis handling, and often seemed unable to view the fundamental picture.

#### Looking abroad

Add to that Kirsh's overseas involvement. At the time of South African retail growth, he personally had to devote much attention to turning his US retail interests to profit. Says Kirsh looking back: "One of my philosophies has always been to put a man in charge to get on with the job. It worked well when we thought we could read the early warning systems, but not at Checkers. In the end, we thought we knew what was happening at Checkers, but we didn't."

It was different at the start, when things were smaller. With capital backing from friends in Johannesburg, Kirsh went to Swaziland. It was 1959 and he was not yet 30. In 10 years, he assembled a conglomerate with interests in milling, wholesale food, forestry, sawmilling, building materials, property development, a malt factory, a small plastics injection moulding operation, an HP bank, retail outlets for Mercedes and Nissan vehicles, and a Mbabane shopping centre. Under construction is a R25m hi-tech cotton plant.

Kirsh became a Swazi citizen, and will have been chairman of the Swazi Electricity Board for 21 years when he retires this September. Kirsh has represented Swaziland on many international missions, and, he says, has never accepted a penny for any government job. In 1970, he sold a half share in his Swazi interests to the Swazi government, for which he was paid in Swiss francs. This gave him capital for the growth of his overseas interests. Kirsh today is more an international than a South African businessman: with US retail, UK liquor and Israeli construction and security interests. (He parries questions on the size of these assets, or his emigrating.) Apart from Johannesburg, Kirsh keeps homes in Swaziland, London and New York.

Businesswise, Kirsh's first direct involvement in SA came in 1969 by reverse takeover of listed food wholesaler, Moshal Gevisser. Kirsh had dealt with Moshal in Swaziland. Chairman Sol Moshal was 74, had no heir and wanted to retire. Kirsh sold his Swazi assets to Moshal and was issued shares in return. He was to buy more shares and develop the wholesale business. The

Swazi interests were later re-incorporated in Swaziland. In a controversial move, Kirsh delisted Moshal in 1971 after a substantial fall in the share price. He was accused of wanting to hog the full benefit of Moshal's future growth, but minorities overwhelmingly approved the delisting. Kirsh remained private for the next seven years.

Metro Cash and Carry became the springboard for Kirsh's SA expansion. In March 1974, Moshal's 21-nationwide cash and carry stores were merged with Metro's 19 stores to create the largest wholesale food group in SA. Kirsh took a 30% stake in Metro, while Tiger and Katz's family held 30% each. Three years later, Kirsh took control when he bought more shares from the Katz family (with aid from Premier), after Tiger chairman Rudi Frankel failed in court to interdict the transfer of shares to Kirsh. The presiding judge was Mervyn King, who in early 1980 was to join Kirsh after leaving the Bench, and eventually replace him as head of the trading empire.

"Natie provided a more dynamic push to Metro," Katz recalls. "He was amenable to faster growth, whereas I felt that Tiger would be more conservative. We were a good combination — my side the trading, his the financial. He was the major contributor to developing Metro to the level it is today." Certainly, the Seventies, despite Soweto and the recession, was a time of roaring growth. From 1973-1980, earnings grew by an average compound 66% and dividends by 63%. Turnover in 1980 reached R405m. The wholesale market was far from mature, bad debts were almost non-existent, and the group was cash flush. Strategically, it was well-placed to lend financial support to the retail expansion of the Eighties.

Before this, Kirsh expanded in finance. After having shown interest in the Bank of Lisbon, Kirsh in 1978 bought short-term insurers, Marine & Trade. He had British partners — the Alexander Howden insurance group. The profit projections of the vendors were hopelessly wrong. Kirsh, however, stuck with the deal, took out the minorities at their purchase price (the share price had slumped 40%), named the company Constantia Insurance and recapitalised it. Later that year, he listed Kimet as a holding company for Metro, and then the retail interests. The offer was 30 times oversubscribed.

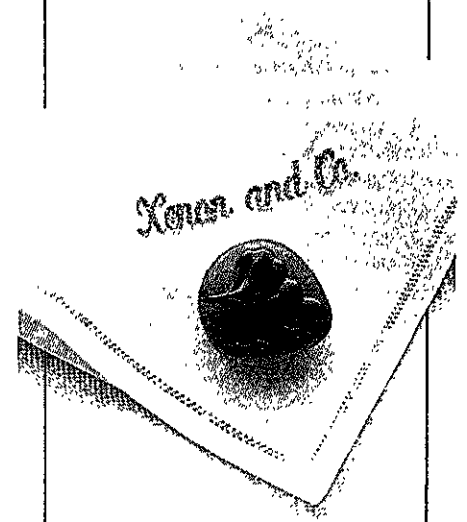
Retail growth, Kirsh says, was pursued in the belief that the wholesale market was saturated. Retail boycotts and high rail tar-

#### TOP COMPANIES

The *Top Companies* survey, the *FM*'s annual authoritative look at SA's major industrial and financial corporations, is published this week. It is being distributed to subscribers in a separate envelope to save postage costs.

News-stand copies will be available at the point of sale.

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Sun International

DD 23/5/86 (30) 88

# King businessmen hail CBD opening

Dispatch Reporter

**KING WILLIAM'S TOWN** — Businessmen and council officials here welcomed the announcement that the King William's Town central business district is now open to traders of all races.

The announcement was made in parliament yesterday by the Minister of Constitutional Development, Mr Chris Heunis. The proclamation will be gazetted today.

The deputy town clerk, Mr Mike Human, said the opening of the CBD to all traders was a breakthrough for King William's Town, considering that the town was one of the first in the country to apply.

"It will be good for

business here," he said.

The town clerk, Mr Henry Hutten, was not available for comment.

The president of the Kaffrarian Chamber of Commerce, Mr Jack Patel, said he was very happy that it had eventually been announced, and he was certain that the majority of businessmen here felt the same.

He hoped it would help the economy of the town and said he believed a lot of interest had already been shown because of it.

He said he was happy with the proclaimed area and that it did "not worry him" that two businesses in the original proposal, one in Alexandra Road and the other in Grey Street, had been rejected.

Council said an application to have these declared open trade areas would soon be submitted to the government.

The mayor, Mr Ken Hartley, said a long time had passed since the first application and he was pleased that it had at last come about.

"I sincerely hope it helps the economy of the town and puts a stop to the consumer boycott," Mr Hartley added.

The chief of health and social services, Mr Peter de Goede, whose department deals with the licensing of new businesses said that to date about 20 black businessmen had applied or had shown interest in opening businesses here.

Map, page 8.

# FIN MAIL 23/5/86 APRIL VEHICLE SALES

30

## CARS

	1985 Jan-Apr	% of Market	1986 Jan-Apr	% of Market	1986 Apr	% of Market
<b>Toyota</b> .....	<b>16 451</b>	<b>24,11</b>	<b>15 156</b>	<b>27,06</b>	<b>4 009</b>	<b>28,17</b>
Corolla .....	10 941	16,03	9 989	17,83	2 455	17,25
Cressida .....	5 440	7,97	5 108	9,12	1 525	10,72
Other .....	70	0,10	59	0,11	29	0,20
<b>Samcor, MMI &amp; Ford</b> .....	<b>14 421</b>	<b>21,13</b>	<b>11 339</b>	<b>20,24</b>	<b>3 037</b>	<b>21,34</b>
Mazda 323 .....	2 579	3,78	2 966	5,30	679	4,77
Mazda 626 .....	2 622	3,84	1 702	3,04	478	3,36
Peugeot (All makes) ...	1 018	1,49	337	0,60	—	—
Tredia .....	1 013	1,48	882	1,57	1407	0,08
Other .....	24	0,04	—	—	—	—
Escort .....	2 797	4,10	2 913	5,20	1 042	7,32
Granada .....	267	0,39	154	0,28	24	0,17
Sierra .....	4 101	6,01	2 385	4,28	674	4,74
<b>VW</b> .....	<b>9 922</b>	<b>14,54</b>	<b>9 519</b>	<b>16,99</b>	<b>2 538</b>	<b>17,83</b>
Golf/Jetta .....	6 990	10,24	8 114	14,48	2 178	15,31
Passat .....	2 155	3,16	881	1,57	194	1,38
Audi .....	777	1,14	524	0,94	166	1,17
<b>Mercedes-Benz</b> .....	<b>7 034</b>	<b>10,31</b>	<b>5 421</b>	<b>9,88</b>	<b>1 219</b>	<b>8,57</b>
Honda .....	3 653	5,35	2 656	4,74	711	5,00
Mercedes-Benz .....	3 277	4,80	2 760	4,93	506	3,56
Other .....	104	0,15	5	0,01	2	0,01
<b>Nissan</b> .....	<b>5 282</b>	<b>7,71</b>	<b>4 573</b>	<b>8,16</b>	<b>1 081</b>	<b>7,60</b>
Skyline .....	1 318	1,93	1 467	2,62	381	2,68
Langley/Pulsar .....	3 717	5,45	2 785	4,97	633	4,45
Stanza .....	1	0,00	—	—	—	—
Laurel .....	188	0,28	301	0,54	63	0,44
280 ZX .....	4	0,01	10	0,02	3	0,02
Other .....	34	0,05	10	0,02	1	0,01
<b>BMW</b> .....	<b>4 330</b>	<b>6,35</b>	<b>4 303</b>	<b>7,68</b>	<b>1 037</b>	<b>7,29</b>
5 Series .....	523	0,77	601	1,07	141	0,99
7 Series .....	447	0,66	292	0,52	78	0,55
3 Series .....	3 348	4,91	3 398	6,07	818	5,75
Other .....	12	0,02	12	0,02	—	—
<b>GM</b> .....	<b>5 244</b>	<b>7,68</b>	<b>3 708</b>	<b>6,62</b>	<b>1 020</b>	<b>7,17</b>
Opel Rekord/Commo- dore/Senator .....	1 988	2,91	1 124	2,01	316	2,22
Opel Ascona .....	1 118	1,64	178	0,31	44	0,31
Opel Kadett .....	2 137	3,13	2 408	4,30	660	4,64
Other .....	1	0,00	—	—	—	—
<b>Renault</b> .....	<b>3 534</b>	<b>5,18</b>	<b>1 974</b>	<b>3,52</b>	<b>283</b>	<b>1,99</b>
Renault 5 .....	634	0,93	1	0,00	1	0,01
Renault 9/11 .....	2 884	4,23	1 957	3,49	280	1,97
Other .....	16	0,02	16	0,03	2	0,01
<b>Other</b> .....	<b>77</b>	<b>0,11</b>	<b>27</b>	<b>0,05</b>	<b>7</b>	<b>0,05</b>
Jaguar .....	46	0,07	8	0,01	1	0,01
Rover .....	4	0,01	—	—	—	—
Range Rover .....	10	0,02	7	0,01	2	0,01
Mini .....	1	0,00	2	0,00	—	—
Lancia .....	16	0,02	10	0,02	4	0,03
<b>Apr total</b> .....	<b>14 231</b>	<b>(10,76% up on 12 849* last year)</b>				
<b>Jan-Apr</b> .....	<b>55 020</b>	<b>(17,91% down on 68 245* last year)</b>				
<b>Mar</b> .....	<b>14 017</b>					

## LIGHT COMMERCIALS (Up to 5 000 kg)

	1985 Jan-Apr	% of Market	1986 Jan-Apr	% of Market	1986 Apr	% of Market
<b>Toyota</b> .....	<b>10 728</b>	<b>38,93</b>	<b>9 476</b>	<b>40,32</b>	<b>2 518</b>	<b>42,21</b>
Nissan .....	5 260	18,09	5 282	22,48	1 245	20,87
Samcor, MMI & Ford .....	4 927	17,88	4 570	19,87	1 089	17,92
GM .....	4 186	15,19	2 270	9,66	811	10,24
VW .....	1 771	6,43	1 704	7,25	486	8,32
Leyland .....	231	0,84	96	0,41	25	0,44
Mercedes-Benz .....	48	0,17	4	0,02	—	—
<b>Apr total</b> .....	<b>5 965</b>	<b>(11,10% up on 5 369* last year)</b>				
<b>Jan-Apr total</b> .....	<b>23 502</b>	<b>(14,72% down on 27 559* last year)</b>				
<b>Mar total</b> .....	<b>5 932</b>					

## MEDIUM COMMERCIALS (5 001 kg to 7 500 kg)

	1985 Jan-Apr	% of Market	1986 Jan-Apr	% of Market	1986 Apr	% of Market
<b>Toyota</b> .....	<b>391</b>	<b>22,71</b>	<b>473</b>	<b>29,18</b>	<b>102</b>	<b>30,36</b>
Samcor, MMI & Ford .....	639	38,76	540	33,31	87	25,89
GM .....	286	16,61	236	14,56	71	21,13
Mercedes-Benz .....	188	10,92	140	8,64	40	11,91
Nissan .....	223	12,95	232	14,31	36	10,71
<b>Apr total</b> .....	<b>336</b>	<b>(7,95% down on 365* last year)</b>				
<b>Jan-Apr total</b> .....	<b>1 621</b>	<b>(5,87% down on 1 722* last year)</b>				
<b>Mar total</b> .....	<b>370</b>					

## HEAVY COMMERCIALS (7 501 kg and over)

	1985 Jan-Mar	% of Market	1986 Jan-Mar	% of Market	1986 Mar	% of Market
<b>Mercedes-Benz</b> .....	<b>1 090</b>	<b>30,63</b>	<b>801</b>	<b>33,98</b>	<b>219</b>	<b>37,44</b>
Toyota .....	434	12,19	366	15,53	85	14,53
GM .....	484	13,04	265	11,24	74	12,65
Magnia/Nissan .....	413	11,60	253	10,73	67	11,45
Leyland .....	215	6,04	198	8,40	48	7,86
MAN .....	271	7,81	144	6,11	30	5,13
Samcor, MMI & Ford .....	350	9,83	196	8,32	28	4,44
ERF .....	105	2,95	60	2,55	18	3,25
Malcomess-Scania .....	63	1,77	60	2,55	17	2,91
Int Harvester .....	66	1,85	3	0,13	—	—
Foden .....	16	0,45	7	0,30	2	0,34
Hestair .....	19	0,53	4	0,17	—	—
<b>Apr total</b> .....	<b>585</b>	<b>(22,21% down on 752* last year)</b>				
<b>Jan-Apr total</b> .....	<b>2 357</b>	<b>(33,77% down on 3 559* last year)</b>				
<b>Mar total</b> .....	<b>626</b>					

\* — Includes models withdrawn from the SA market

# Consumer boycott in King to end

0024/186  
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**Dispatch Reporter**  
EAST LONDON — The consumer boycott implemented in King William's Town on April 21 is to be lifted on Monday.

In Queenstown, the boycott of bottle stores has ended.

A King William's Town consumer boycott committee spokesman, Mr Temba Mtwapi, said yesterday: "The boycott committee will adopt a wait-and-see attitude on whether the local authorities have met their demands."

The demands were:

- Student demands must be met by the government and the harassment of students must stop.
- Trade unions should be allowed to op-

erate freely and without government interference, particularly in Dimbaza and Zwelitsha.

● The government must upgrade Ginsberg, Schornville and Breidbach by providing better education facilities.

● The South African Government, "through its agent, the Ciskei Government," must stop "killing our people" and bring an end to lawlessness in Zwelitsha.

"We wish to thank the peace-loving people of our country for their support and sacrifice in making this boycott an effective measure to bring about change," Mr Mtwapi said.

The president of the Kaffrarian Chamber of Commerce, Mr Jack Patel, said last night the lifting of the boycott was the second "fantastic" news this week for businessmen in King William's Town.

The other piece of good news, he said, was the opening of the central business district to traders of all races.

Mr Patel added that he could not comment on the demands tabled by the committee, but said it was good to know the issues involved. He agreed that action should be taken to upgrade the townships.

The decision to lift the boycott of bottle stores in Queenstown was taken at a meeting of Mlungisi residents in the Wesley Church hall on Wednesday.

When the boycott of white shops was conditionally suspended early

in April it was decided that bottle stores and shebeens would still be boycotted.

Among the demands made by the Mlungisi residents' committee were that the township, including schools and the sports stadium, be upgraded; that residents be consulted before rents were increased, and that lodgers' fees be abolished.

The Town Clerk, Mr Peter Gerber, said yesterday he was pleased that "everything is normalising in the community".

Bottle store owners reacted with mixed feelings.

Mr Jay Shadiack, owner of an hotel off-sales, said there he been no noticeable change in business since the boycott was lifted.

Mr John Mattushek, of another off-sales, said: "They have killed the goose which laid the golden egg resulting in many blacks becoming unemployed. They therefore do not have the same spending power they had before."

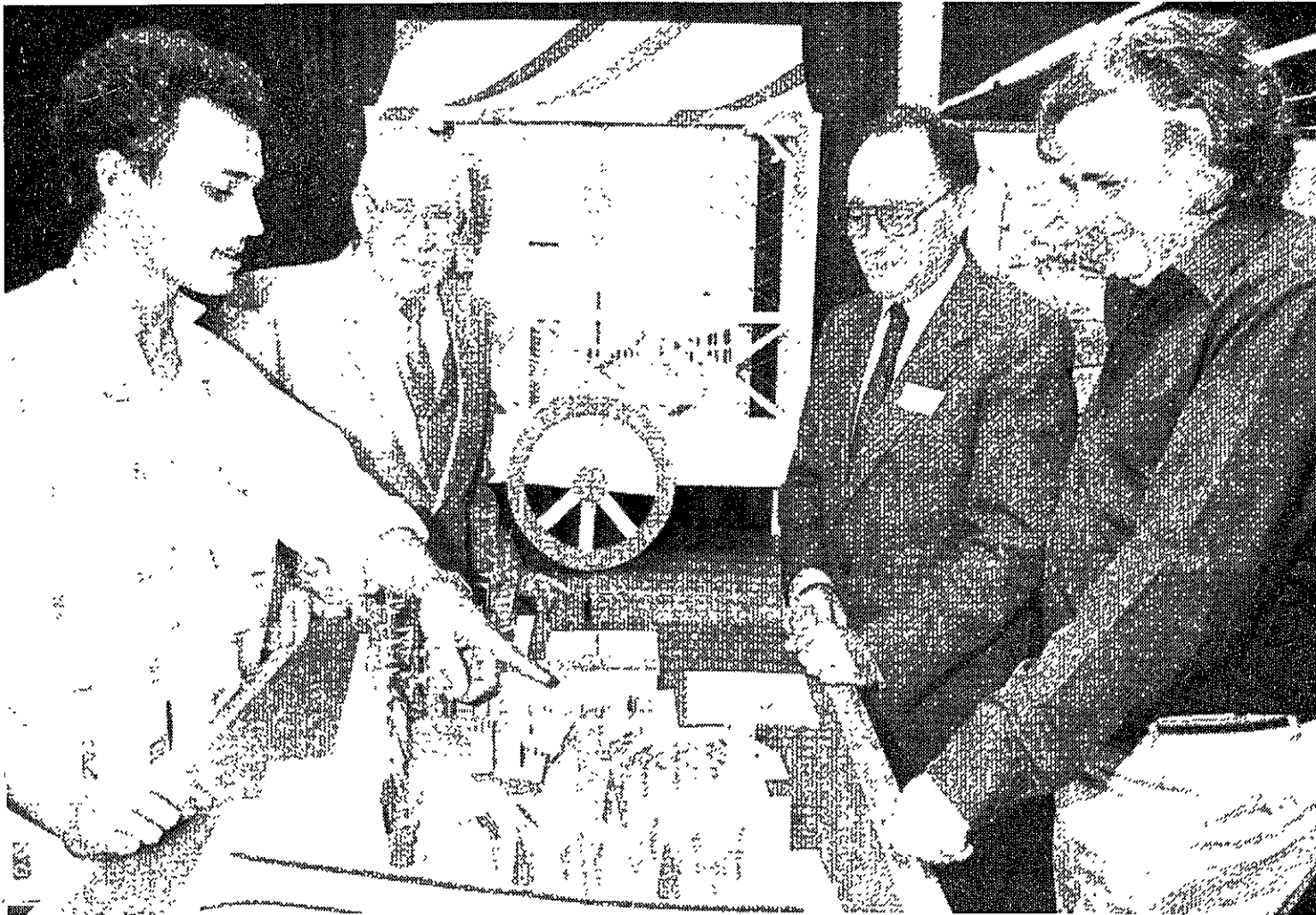
The owner of two off-sales, Mr Andre Botha, said he had noticed a definite increase in trade.

"People are buying freely without fear of intimidation, but, because of the general economy of the area and the large number of people unemployed, sales are smaller than before the boycott.

"But I am very happy the boycott has been lifted," he said.



# New drive to bring life to Market Square



Two of the many exhibits of designs for Port Elizabeth's Market Square. Architectural student RIAAN RICHTER, of Durban, explains his concept to the Mayor of Port Elizabeth, MR BEN OLIVIER (second from left); MR HAROLD DAVIDSON, the director of the PE Community Chest, and PROFESSOR DANIE THERON, head of the Architecture Department at the University of Port Elizabeth.

## Market Square

By KIN BENTLEY

THE concept of Port Elizabeth's Market Square becoming what it was intended to be — a thriving market area in the centre of town — has been given concrete form in a colourful and exciting exhibition of ideas by architecture students from the University of Port Elizabeth.

Weekend Post visited the exhibition at the Architecture Department and found a wealth of stimulating ideas on rejuvenating what has for long been a bit of a desert in the heart of the city.

The idea of injecting life into the square through the establishment of a street market has been bandied about in Port Elizabeth for many years. But it was the establishment earlier this year of an interim committee to look into the issue which led to this exhibition.

Included on the committee are representatives of the Small Business Development Corporation, the Urban Foundation, the Small Business Unit of UPE, Mr Harold Davidson, the director of the PE Community Chest, and the head of the Architecture Department, Professor Danie Theron.

This week Professor Theron set his students a project to visualise and draw practical and attractive designs for the Market Square, which they have done with great results.

In many of the works one can feel the vibrance which it is hoped will become the norm on the square.

The Mayor of Port Elizabeth, Mr Ben Olivier, said after viewing the exhibition that he would ask the Town Clerk, Mr Paul Botha, that the works be exhibited in the foyer of the City Hall to allow the public to view the ideas more easily.

He also spoke of a possible prize for the best design. He said he hoped the market would become more than just an idea and "get off the ground".

While the designs focus only on the square, he said, he believed the aim should be to "surround the City Hall" with this sort of activity.

Professor Theron expanded on the need for some form of "architectural unity, some sort of dignity in the marketing activity", if the idea was to become a success.

He listed a range of goods which he believed should be sold on the square:

Second-hand goods like old books, clothing and pieces of furniture; new goods like leather-ware and clothing; cutlery, souvenirs, brass-ware and furniture components like door handles, door-knobs and casters, home-made sweets, jam and pickles and take-away food.

He said a properly protected area of the square could accommodate one or two outside restaurants and cafés.

There could also be a space for bands or street artists, as in Europe.

He said a "Speakers Corner" was something which could also be considered.

Mr Davidson said the Eastern Province Society of Fine Arts had asked to sit on the committee looking into the market idea.



# Time runs out for PE shops

30

CITY PR. 25/5/86

CP Correspondent

AS the consumer boycott strangles white Port Elizabeth businesses, the only thing moving in the city is traffic.

The "Closing Down" and "To Let" signs in deserted shops bear silent witness to the effect of the boycott that was resumed on April 7.

Most PE businesses have been hit with a 50-90% drop in turnover. They have little hope of enduring an indefinite boycott.

Many businesses have been forced to retrench and are operating on skeleton staff.

A North End clothing

store owner had a turnover of R3,29 on Monday - he sold one customer three pairs of stockings.

One the same day, one general dealer sold a packet of headache powder for 24c - his total sales.

"Maybe I will close up next month," he said.

A businessman who runs a clothing store with his wife said they were also discussing closing it down.

"Ninety percent of our trade is dead. The recession gave us problems - but we were riding that storm.

"The boycott we cannot handle."

A North End bottle store manager who used to have a daily turnover of over R3 000 said: "Now we're lucky if we take R200".

A major garage owner said: "My petrol sales have dropped by 50%, my accessory trade by 80% and my workshop is empty."

Shoe shops, hardware stores, cafes, butchers, fishmongers and general dealers all tell the same story.

Though some business are holding out for the time being, it has been at the cost of greatly reduced profits.

A shopowner who relies heavily on black customers showed me a batch of final demand notices sent to him by desperate suppliers.

"I just can't pay," he said.

"I have run this business for four years and built up a good strong trade. My monthly turnover was between R9 000 and R10 000 - but now I'm lucky to reach R500. And it's getting worse."

A general dealer said: "It's frightening. I don't know how long I can last."

"The government surely knows about the situation we're facing. Why don't they do something?"

Correspondent

THE suspension of the boycott of white-owned businesses in Pretoria does not mean an end to the people's demands.

This was said by a Pretoria Consumer Boycott Committee spokesman, who said the organisation's demands still stand.

"There is no reason to abandon our demands at this stage. We will continue our fight until all our demands have been met," the spokesman said.

# 'Our fight will continue'

CITY PR

25/5/30

The boycott was called off temporarily last week to allow people to buy winter clothes. It is expected to be resumed within a month, the spokesman said.

- The PCBC is demanding:
  - The withdrawal of all security forces from the townships.
  - The release of all political detainees.
  - An end of police harassment and victimisation.
  - A reduction of house rentals.
  - The unconditional reinstatement of Metal Box employees.

Meanwhile, the Pretoria taxi rank saga is still continuing.

The Pretoria United Taxi Association was granted leave to appeal last month against an earlier Supreme Court decision that the town council move the Bloed Street taxi rank to the Belle Ombre Station.

Judge Fleming ruled last November that the Transvaal Administrator's decision to close the rank was invalid.

Button up with ....



## Man dies after

BUS DAY (39)  
28/5/86

# Duduza boycotts shops, buses

DUDUZA township on the East Rand, the scene of death and destruction during unrest last year, is experiencing a massive joint consumer and bus boycott.

The boycott by workers and students is in protest against the detention more than a week ago of six leaders of the Duduza Civic Association.

A spokesman for the Duduza Consumer Boycott Committee said

SIPHO NGCOBO

the targets of the boycotts were Nigel Municipality buses and white owned-businesses in Nigel.

Organisers claim total support from the Duduza community. However, some white Nigel businessmen and chain store managers said the boycott was having no effect. Others did not even know about it.

28/5/86

28/5/86

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## Woman held in fatal shooting

By Anna Louw,  
East Rand Bureau  
Police have detained a 19-year-old woman in connection with the fatal shooting of a man in Delmas at the weekend.

Mr Andre Smit (22), who lived with his mother, Mrs Maria Buitendacht, in Van Riebeeck Avenue, died from a bullet wound in the head in a Pretoria hospital hours after the shooting on Saturday morning.

The 16-year-old daughter of a neighbour found him lying on his bedroom floor at about 8 am.

### CONCERNED

Mrs Buitendacht, who had left early for work that morning, became concerned when her son, who was employed at the same firm, did not arrive.

She asked the neighbours' daughter to go and check on her son.

Mr Smit's fiancée had spent the past week at their flat to make final wedding arrangements.

Police said Mr Smit was shot with his own 9 mm pistol. He was admitted to Delmas Hospital and later transferred to a Pretoria hospital where he died.

East Rand Murder and Robbery detectives arrested the young woman on Saturday night. She is being held in the Benoni police cells.

# SA will have open schools — educationists

By Susan Fleming, Education Reporter  
South Africans must prepare themselves for a multi-cultural, non-racial education system, said leading educationists and academics at a conference in Johannesburg on Friday.

South Africans, speakers said, were not prepared for the major transition to a multi-cultural, non-racial education system.

### PREJUDICES

Contact between the different racial groups from an early age was essential if prejudices separating people in South Africa were to be broken down, said the first rector of the University of Bophuthatswana, Professor Jaques Kriel.

In a plural society such as South Africa, education could never be classified as an "own affair".

"Education must be based on free choice and free association," said Professor Kriel.

The principal of Woodmead School, Mr Peter Nixon, said although every school should be open to all, each culture should be catered for within that school. "There should be no one dominant culture in the school."

School principals from several non-racial schools spoke on their experiences of multi-cultural education.

After the 1976 nationwide unrest, several "traditionally white" private schools began accepting pupils of all racial groups. Sacred Heart College in Observatory was one of them.

The principal of Sacred Heart College, Brother Neil McGurk, said since 1976, his experiences in admitting pupils of all race groups had been a "path of adventure, struggle and effort" and that there had been an "evolution of consciousness" in the school.

The growing crisis in education was pushing South Africans of all cultures and affiliations to examine the pertinence of open schools, Brother McGurk said.

The acting principal of Mmabatho High School, Mr Clive Smith, said there had never been a racial incident at the school — either in the classroom or the staffroom.

"Nonracial, multi-cultural education should not be the exception.

"It should be the right and privilege of all our children and teachers and communities," Mr Smith said.

## White shops feel bite

By Hannes de Wet

A black consumer boycott at Steelpoort in the North-Eastern Transvaal is threatening to close down some white shops. The village has been the scene of petrol bombings and intimidation since February.

"I cannot even pay my telephone and electricity bills any longer. If this boycott lasts much longer, I will have no choice but to close down," said shop-owner Mr Paul Malan. His shop is within walking distance of the border between Sekhukhuneland, in Lebowa, and Steelpoort.

### SHOTS FIRED AT 'COMRADES'

He told *The Star* that all white shops in the vicinity had been hit. "The blacks are allowed to buy only from the local Indian shop. They are being threatened by 'comrades' that they will have to swallow everything they buy from a white shop."

Mr Malan has become so exasperated that a few days ago he shot at two comrades sitting near the entrance to his shop. "They were watching black consumers and keeping them away. If they come near my shop again, I will not hesitate to shoot again."

## R95-m USAID plan for SA's 'disadvantaged'

Own Correspondent

DURBAN — The United States Agency for International Development will spend more than R95 million over the next two years to help upgrade the status of disadvantaged South Africans, according to US ambassador Mr Herman Nickel.

Speaking at the annual graduation ceremony at the M L Sultan Technikon in Durban at the weekend he

said that close to R42 million will be spent during this year "to address the needs in the field of education, labour relations, legal defence, private enterprise and community development"

Included in this package is the Training for Disadvantaged South Africans Project which finances graduate and undergraduate study at United States colleges and universities.

# IMC makes plea for end to boycott

By RAYMOND HILL  
THE chairman of the Port Elizabeth Indian Management Committee (IMC), Mr Raman Bhana, MP for Malabar, today called for an end to the consumer boycott in Port Elizabeth.

Speaking at the monthly IMC meeting in Korsten, Mr Bhana said the IMC's acting chairman, Mr Jay Kathan, had last month requested the PE City Council to include him (Mr Bhana) in the delegation to see various commercial, industrial and Government organisations regarding the boycott.

"I believe a meeting between the sub-committee of the council and the various organisations was held. But the Indian

Management Committee was not requested to be represented. I am disappointed," he said.

It had come to his notice that a sub-committee of the PE City Council was formed to discuss the boycott with any person or body having an interest in the matter.

Mr Bhana requested the relevant sub-committee, headed by Mr H Van Zyl Cillie, to use every means within reach and all expert knowledge available to help end the boycott in Port Elizabeth.

Mr Bhana said Port Elizabeth's economy was at its "lowest ebb".

The fact that businesses were not realising their normal turnovers would result in the retrenchment or dismissal of employees resulting in

"untold hardship" for families, he said.

According to Mr Bhana, repercussions of the Port Elizabeth boycott, coupled to the country's general economic problems, would definitely have "far reaching implications" for the citizens of Port Elizabeth.

"As it is, the Ford Motor Company has left Port Elizabeth. Do we want a similar situation to occur with the other major industrial undertakings in the city?"

"I reiterate my plea that the sub-committee of the City Council, together with all those organisations involved in the Port Elizabeth consumer boycott, should have a round table discussion in an effort to resolve this impasse."

EVE POST  
26/5/86

(30)

# King traders cautious about boycott end

DD  
26/4/86  
30

Dispatch Reporter

EAST LONDON — King William's Town businessmen have reacted cautiously to the announcement on Friday that the consumer boycott in the town will be lifted from today.

Businessmen interviewed at random during the weekend said they would have to wait and see what would happen, although they were very pleased at the announcement by a boycott committee spokesman, Mr Temba Mtwapi, that the boycott would be lifted.

The director of a Market Square supermarket, the area hardest hit by the consumer boycott, Mr Vic Homann, said the announcement was "very welcome".

"But the proof of the pudding is in the eating," he said.

"There have been so many broken confidences that we will just have to wait and see what happens."

The director of a Market Square general dealer, Mr Mike Pautz, said the boycott had been more effective than the previous consumer boycott, and he was looking forward to strong month-end trading.

"Ciskei cheques are due now, so we are looking forward to a good month end. We have good stocks ready for winter which I am sure will be in demand.

"I think business will take a few days to get going as there will still be some uncertainty among shoppers."

Mr Pautz said his business would consider business lost because of the boycott to be "water under the bridge" and would not try to make it up.

The owner of another Market Square business, Mr Areli Kockjeu, said he was "very pleased" with the news.

"I wonder if the news of the opening of trading to all races in the CBD didn't have anything to do with this," he said.

"It will be back to business for us. We are going to try and give the best deals possible, and we will take it as it comes."

He said his store would not try to make up for lost business by increasing prices.

Referring to the consumer boycott demands, Mr Kockjeu said he was disappointed that most of the demands concerned Ciskei.

"I wish there was something we could do about the demands, but these demands concern mainly Ciskei, and there just isn't much we can do about them."

The sales manager of a chain supermarket branch in the town, Mr M. C. Tapson, said businessmen in town generally were happy that the boycott had been called off.

"We should start getting customers back next week and we are looking forward to a good week."

**N**IGEL MANDY looks down at the wasteland of Newtown from north-facing windows in his 29th floor Southern Life Centre office. "This side of town is bad. I call it a filing cabinet for people. There are many wasted opportunities here in Newtown."

As chairman of the Johannesburg Central Business District Association (CBDA) he believes that municipal inertia is partly responsible. But then he stresses: "However, the CBD in Johannesburg is not dying. Johannesburg is an enormously vigorous city. It's like what they say about New York — a city so busy that no one goes there any more."

Mandy recognises the acute need to manage rather than suppress or subdue changes occurring at an ever-accelerating rate in urban SA. Sitting around a large boardroom table covered with documents, charts and graphs outlining building development in the CBD, Mandy's redoubtable energies are palpable.

Often referred to as "Mr CBD," he lobbies the authorities for continued courageous and rapid action increasingly demanded by internal unrest, international condemnation and the growing threat of economic sanctions.

In 1977, government policy dictated all CBDs should be white. That was when the CBDA was formed. It paid off. February 21 this year saw the lifting of all restrictions on blacks in trade, industries and the professions in downtown Johannesburg.

**M**andy enthuses on this theme. "For everything except residential purposes, Johannesburg is totally desegregated. This is a great step forward. My estimate is that probably 50% of Eloff Street is Indian controlled already, though I don't expect many new shops to open in a time of recession.

"I can show you blocks of good, old lower-end offices entirely tenanted by blacks, and they have been for a year or two. The next step has to be acknowledgment that the CBD is multiracial residential already."

"If this had been kept a white city it would have died. And if the CBD had died the City Council would have lost half of its rates income."

Yes, he agrees, at the moment there is a 10% vacancy factor on downtown office rentals. But he's not fazed. "The property industry is always too much or too little. They always over-build and it takes time to get things on stream."

Change has come about. Much



□ NIGEL MANDY ... "If this had been kept a white city it would have died."

remains to be done in the CBD. "The older industrial premises on the periphery of downtown are ideally suited for black nursery industries."

"But government philosophy is still to create an industrial park outside Soweto. That's lunacy. It takes four or five years to acquire land and get it proclaimed. Apart from that you do not create racial-ly segregated, high capital cost industries when you have underutilised capacity in town."

As he explains, there are all sorts of small-scale activities big business can sub-contract efficiently to lower costs and overheads. Packaging, delivery services, sanatorial services, for example.

"People with skills but out of work can set up small businesses in unlet space for minimal capital outlay. Share a secretary, telephone answering, copying facilities. The Small Business Development Corporation is encouraging this very successfully. You can create 30 or 40 businesses for R200 000."

Today the Johannesburg CBD, focal point of the whole metropolitan region, accommodates a daily workforce which tops 300 000. No less than 50% of all commercial office space in the whole of SA is in Johannesburg's CBD and Braamfontein.

"When people perceive the CBD in decline," explains Mandy, "they

confuse retail function with the CBD primary functions: offices, financial services, professional services. Overwhelmingly, it is proven that employment opportunities are centralised."

Assessing the viability of Johannesburg's CBD is a matter of perception and of qualification. Perception, he says, is often muddled by inherited images from North America where cities have died. "But cities which perform major regional or national functions, like New York, Washington, Chicago, do not die."

**R**etail function all over the world in CBDs is becoming less important. But Johannesburg's CBD is the most convenient shopping for blacks who, increasingly, are the more important component of downtown shoppers. Comparison shopping rather than convenience shopping is what happens in the CBD.

What he pleads for now is better management of Johannesburg. "The key is in regional and metropolitan and local government. Government's proposed regional services councils is not the answer." A two-tier system of metropolitan government is the alternative, he suggests.

The RSC concept is a half-baked one, stresses Mandy. "It started

# Johannesburg's CBD at the heart of SA's future

*By SA/SL/B*

HELLOUISE TRUSWELL

from the wrong end. The way in which it was constituted is unacceptable. The RSC legislation gives representation to communities of all colours but voting power is to be calculated in proportion to revenue contributed. The effect is thus that voting strength remains with representatives of the 'white' municipalities."

He faults the system of proposed taxes which will finance the venture. "The taxes that are to be levied under the RSC Act is that there will be a tax on payroll and a tax on turnover. They are not efficient taxes, except that they can be collected fairly easily."

"Nevertheless, you are going to get evasion and avoidance on a large scale. It is likely that the employment base will shrink. The cost of administering local government has escalated enormously and the amount which these taxes will produce is clearly insufficient for present and future needs."

He points out that the big fear is also that it is an avowed part of government policy to use the taxes not only to service metropolitan areas but to force businesses out of these areas to other areas which are less productive. "We cannot go on subsidising low skills, high overheads, inconveniently situated businesses."

To achieve an equitable management mix he suggests that commerce and industry — who are

expected to finance the entire structure — should be entitled to elect representatives to serve on regional and metropolitan councils.

Mandy: "Such representatives would add valuable balance to the RSCs, because business employs people of all races, commuting from all parts of the metropolis. Such a business franchise could lend much-needed objectivity and balance to the RSCs."

A metropolitan area, he says, has to have a central nerve point of concentration. Johannesburg's CBD is that nerve point, he notes. "There has to be high density. A truth which is being realised throughout the world is that there is a convenience in having a shared destination."

"The CBD is where people get together, work together, get co-operation. The physical assets exist here. They don't have to be created. All we have to do is manage them better. People always see present troubles. But the potential here is vast. You get people pulling together, get your systems right and then you can achieve miracles."

**H**is outlook for the CBD? "Let's first say that I don't see any separation between the CBD, metropolitan Johannesburg and SA. What benefits one, benefits all. The PWV is less than 2% of SA's land area and produces nearly 50% of its GNP. Of that, nearly half is produced within 25km of Johannesburg's City Hall."

"Whatever happens here will have a spin-off for the rest of the country. Johannesburg is like a switchboard, with lines coming in from all over and going out all over. The right adjustments have to be made here. I believe they are being made. They are complicated by economic downturn and political polarisation. Perhaps things have to get worse to get better."

It's difficult to be optimistic at this stage, he agrees. "We have wasted resources. We have squandered a lot of our inheritance. But we are a rich country in terms of minerals and people."

"Our blacks are the most advanced on the African continent. Over 40 years they have become much more sophisticated and more experienced, including in the ways of disruption. Our white population is a settled one. The coloured and Asian population is coming up very rapidly."

"We are not managing it yet but we are in a position — far more than in any other country on the African continent or in South America — to release these energies for the benefit of all."

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27/5/67  
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200

# Cracks in the Kirsh empire

From MICHAEL  
CHESTER

JOHANNESBURG. —  
The collapse of AA Mutual is not the first setback suffered by multi-millionaire takeover king Mr Natie Kirsh.

The first big cracks in the business empire he created appeared seven months ago.

The crown tilted when Sanlam marched across his frontiers to control one of the main citadels, Kimet, the holding company for Kirsh Trading, which sat in command of a wholesale and retail sprawl with sales running at no less than R3 000 million a year.

Sanlam carried a purse of more than R100 million which it used to take over control of a chain with household names like Checkers, Dion, Russels and Metro Cash.

The exercise was seen as a massive rescue operation that came on the heels of a general meeting of more than 100 creditors banging on the Kirsh doors.

Mr Kirsh handed over the Kimet crown and slipped in rank to a minority shareholder. But he still controlled other colonies he had captured — not only AA Mutual, but also extensive interests elsewhere in South Africa, in Swaziland and far away in Israel.

And remained an enigma to supporters and detractors alike. What everyone agreed about, though, was that he obviously revelled in the power game.

Mr Kirsh, who set out from a family malt business in Potchefstroom, had gained the attention of the business hierarchy back in 1967, when at 35 he had from scratch built a power base in Swaziland, where he had taken Swazi citizenship and became "Mr Money".

Swaziland Milling, later sold to the Government, was a conglomerate with tentacles in chemicals, in fertilizer, in estate farming (sugar, rice, pineapples) and wholesale groceries.

It was not only back to South Africa that he turned his gaze. In Israel, he controls a huge construction company, Rassco, which recently unveiled plans to build a

R200 m commercial centre in Jerusalem.

"We live in a dynamic world," he remarked during the pell-mell of his takeover career. "Big business opportunities knock constantly".



No excuse X

for lack

of growth

- Theron

Post Reporter

DEPRESSED economic conditions and the current state of turmoil were no excuse for the lack of growth in Port Elizabeth's architectural field, according to Professor J D Theron, head of the Department of Architecture at UPE.

Prof Theron, who is to deliver his inaugural lecture at the university tonight, was speaking at a Press conference today about his views on PE's architectural potential, which, he said, had been "neglected for too long".

He said the city centre — as the "capital asset of any society" — was the place to start with "dynamic reactivation".

"If we can bring Main Street back to life as a lively and beautiful place and bring activity to the square, it will spill over into other areas — shops and businesses will improve — and it will be of benefit to the whole community," he said.

EVE  
POST  
30 27/5/86

# Duduza bus boycott enters second day <sup>SMA</sup> <sub>27/5/68</sub> 30

By Mudini Maivha

The joint bus and consumer boycott by Duduza residents entered its second day today with complete support by residents, organisers and residents said.

The local taxi association is supporting the boycott and reducing fares from 70c to 60c.

Residents walked to work in Nigel and surrounding areas.

Late yesterday afternoon the Nigel municipality bus service ran a skeleton service as far as the township entrance only. Except for pupils, the buses ran empty.

But this morning, students too did not board the buses.

Residents launched the boycotts because of the detention of six leaders of the Duduza Civic Association two weeks ago. They also made other demands for the immediate provision of essential services in the township.

Residents want:

- The installation of sewerage and electricity in the township.
- The withdrawal of charges arising from hand grenade blasts last year.
- The withdrawal of troops.
- Recreation facilities.
- A decrease in bus fares.

## Bus and consumer boycott at Duduza

RESIDENTS of Duduza near Nigel yesterday started a bus and consumer boycott in protest against the general situation and lack of basic facilities in the township.

The boycotts follow a meeting held by residents in the area a week ago at which a number of demands were made.

These included the provision of houses for the homeless; the improvement of the toilet system as residents are still using the old bucket system; the reduction of bus fares from 60 cents to 40 cents; and the release of leaders of the Du-

duza Civic Association from detention.

No official comment could be obtained from the Nigel town clerk who was said not to be available. He is the only person who is in a position to talk to the Press.

According to a member of the local civic association, residents had decided to build shacks on open veld because houses were not being built in the area. The shacks were then allegedly razed by members of the police force on Saturday and the building material confiscated.

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Some Jan 27/1986



# PE council is living in the past, says Jane Raphaely

Post Reporter

WHEN it came to home industries, the Port Elizabeth City Council was living in the past, magazine editor Mrs Jane Raphaely said last night.

Mrs Raphaely sharply criticised the City Council after a councillor, Mr Lomo du Plessis, said the council had to protect the residential neighbourhood and the integrity of business areas.

They were speaking at a Women's Bureau job creation seminar last night.

Mrs Raphaely said that with its restrictions the council was attempting to en-

shrine a way of life that had vanished.

There was loud applause when she said that in the present financial climate, neighbours in most areas were supportive of each other's entrepreneurial efforts.

"We are all in a financial fix because of the high rates. And if we can help ourselves out of this mess, we should get rebates — not get penalised," she said.

Mr Du Plessis said the council was "extremely sympathetic" to people attempting to establish home industries, but there were no specific rules.

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## Open CBD: next step on Monday <sup>(30)</sup>

**Dispatch Reporter**  
EAST LONDON — Another step will be taken on Monday towards making the opening of the central business district here a reality.

The was announced last night at the monthly meeting of the city council by the mayor, Mr Joe Yazbek, who was welcomed back into office after an operation.

Mr Yazbek said he was "very disappointed" to learn that King William's Town had been

given the go-ahead to have an open CBD and East London had not heard anything about its application.

"I was glad to hear on my return that our officials had raised the matter and that they had been informed that Queenstown and East London would be next.

"They were told that the matter was being expedited and that the issue would be advertised next Monday," Mr Yazbek said.

# Most blacks opposed to sanctions, says HSRC

STAR  
28/5/86  
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Most blacks in the PWV area were opposed to economic sanctions against the country, the Human Sciences Research Council has found.

Those surveyed were equally divided over the consumer boycott issue, said the HSRC in Pretoria.

A random test by the council among 1 338 blacks in the PWV area showed about 48 percent supported consumer boycotts, while nearly the same percentage opposed them.

The HSRC survey showed, however, that 68 percent of blacks in the PWV area were opposed to economic sanctions against the country.

More than half of those questioned said blacks would suffer the most in the event of sanctions.

## Negotiation

The survey also showed that about two-thirds of the blacks in the area believed more could be achieved through negotiation than violence.

Seventy-five percent believed that blacks had not benefited by the unrest in the country.

More than 75 percent were opposed to black officials, including policemen and community council members, being murdered, the survey found.

In a survey among 1 067 adult urban whites, the HSRC found that "more and more whites were willing to accept black representation in Parliament."

Nearly 50 percent of the respondents believed that peace in South Africa was possible only when blacks joined coloureds and Indians in taking part in the new constitutional dispensation.

Since March last year, the percentage of whites in favour of the abolition of the present system had risen from 26 to nearly 43 percent, according to the HSRC. — Sapa.

Malope ~~has~~ A  
28/5/86  
Sowetan

## has a (30) dream

MR Reginald Molahlwe Malope of Soweto is a man with a vision.

He is the first black man in the country to run an outdoor advertising business.

In an interview with the *Sowetan*, Mr Malope said he has successfully negotiated with a leading outdoor advertising company to take over their operations in Soweto and other black townships.

He said since 1982, he has been trying to penetrate into the outdoor advertising business, but to no avail. However, the breakthrough came this month when he successfully registered his company, Spot-On Advertising (CC).

"I had already thrown in the towel, but when I realised that with the escalating township unrest, billboards were no longer being attended to by white companies, I pressed ahead.

"On the other hand, what really prompted me to get involved in this kind of a venture is that we do not only have to fight for political power, but economic power as well. My feeling is that we have to match whites pound for pound, especially for businesses in our areas," he said.

According to Mr Malope, he has several ideas with which he wants to make Soweto a decent-looking place.

For a start, Mr Malope said he has acquired a contract with the Soweto City Council to erect welcome signposts at entrances and exits of the sprawling township. He will also sell advertising space on the signposts and service all the existing billboards.

He added that he also intended catering for the small businessman by encouraging him to advertise his businesses in an attractive manner. Mr Malope can be contacted at Block 92, Flat 1, Jabulani Flats or write to P.O. Box 323, KwaXuma, Soweto.

Cape Times 28/5/80 (30/232)  
**Tongaat Foods buys  
Supervision Services**

Own Correspondent

JOHANNESBURG. — Supervision Services, one of SA's largest industrial catering and contract cleaning groups, has become a wholly-owned subsidiary of Tongaat Foods.

Tongaat Foods has purchased the outstanding 50% of Supervision Services shares from the American conglomerate Delaware North with whom Tongaat Foods had been a joint partner for the last three-and-a-half years.

Chairman of Supervision Services, Russell Stevens said yesterday that Delaware North still retained a smaller interest in another SA group.

He declined to say how much Tongaat Foods had paid for the outstanding 50% stake.

Stevens will be stepping down as executive chairman due to other business commitments but will remain on the board and as a consultant.

Simon Dougherty, chairman of Tongaat Foods will be appointed chairman of Supervision Services.

The Cape Times correspondent in Washington, Simon Barber, writes that Delaware North Vice President Samuel Gifford said the firm had sold its stake in Supervision Services to Tongaat Foods for "business reasons" which he declined to specify. He would not reveal the terms.

Gifford said the company was continuing to do business with the SA

government through Air Terminal Services, a wholly owned subsidiary under contract to provide catering services at Jan Smuts airport.

Delaware North is privately held, and is not a signatory of the Sullivan Code. Its US businesses include a steel foundry, racecourse management and a typesetting concern.



# VW boss hopes for easier spell

JIM MACKENZIE

THE heavy weather battering the SA motor industry could lift a little, perhaps in the next week, according to VW (SA) MD Peter Searle.

His open optimism backs the report in yesterday's *Business Day* that Trade and Industry Minister Dawie de Villiers is expected to make a formal response early next week to representations by SA's motor manufacturers on the parlous state of the industry.

Searle was speaking at a symposium, "Quo Vadis — the SA motor industry", at Johannesburg's Carlton Hotel yesterday.

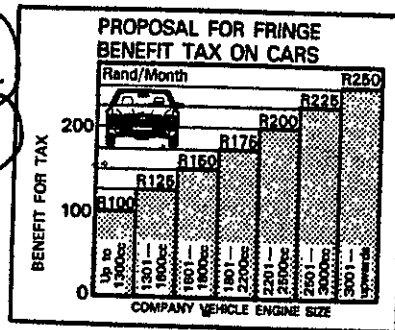
Emphasising that the motor industry was second only to mining in SA "in terms of its

employment and contribution to the wealth of the nation", Searle said the new vehicle market peaked in 1981 at 454 000 units, giving a 2.95% share of SA's GDP.

Last year, there was a "disastrous total" of 305 000 units. And he added: "Statistics to date show that we are moving to a further decline in 1986 ... to an anticipated total of 260 000 vehicles".



● SEARLE



He added: "The industry is now working at a capacity utilisation of about 50%, and 50 000 out of an original 150 000 jobs are estimated to have been lost in motor and component industries over the past five years."

To bring the industry back to the sales figures of two years ago (406 000 units) "fiscal and economic measures affecting the motor industry and the consumer should be eased".

"This should take the form of a restructuring of taxes and incentives in a more favourable manner for the industry and the consumer. A car is a 'high ticket' item and while prices have increased 50%, taxes have increased 130%. This is controllable factor No 1."

Factor No 2 is that the current and projected rise in the fringe benefit tax, coming on top of the escalation in prices, "has proved a major deterrent to the replacement of company cars".

Searle suggested that to overcome this deterrent, "a system of fringe benefit tax ... according to engine size and irrespective of price, or model year, would seem to be the answer". (see chart).

# Fewer domestic workers being employed today

Business Editor

MADAMS are having to dispense with the luxury of domestic workers, a leading economic study has disclosed.

In a wide-ranging report, the Bureau for Economic Research (BER) at the University of Stellenbosch said spending on household services — including domestic workers — had declined by 2,2%.

This indicated "that servants become an unnecessary luxury during times of recession", the report said.

Referring to trade and commerce, the report identified a reduction in tourism as a major reason for a 6,1% drop in consumer spending on various types of services.

"As long as civil unrest continues, tourists will be deterred, even though prospects for a cheap holiday at the present rate of exchange remain attractive," said the report.

It forecast that the tourist reduction would continue this year.

The BER said consumer boycotts had had an effect on spending on food, beverages and tobacco, which dropped by 5,1% last year.

This was despite an increase in the population.

But the organisation said it was difficult to know if the figure was accurate.

"It is probable that goods sold on the black market in consumer boycott-affected areas are not reflected," the report said.

● See Page 11

# Govt petrol price 'notice'

9/11/73  
29/1/86  
MFB

Own Correspondent  
**JOHANNESBURG.** — The government is poised to strike at petrol price discounters in a new bid to pull rebel retailers into line with its fixed-price policy.

The Department of Mineral and Energy Affairs (DMEA) has sent a legal notice to about 8 000 telling retailers to stick to official prices in the country's 30 petrol zones.

The department's deputy director, Mr Theuns Burger, said the circular was an "early warning" to petrol retailers to stop discounting.

"The only purpose of the notice is to fix the price of petrol," Mr Burger said. "Previously there was an agreed price between the department, the MIF (Motor Industries Federation) and the oil wholesalers. Now there is a legally determined price."

## 'Self-service'

Industry watchers believe the move is the result of a Supreme Court ruling in March allowing Pick 'n Pay to continue its petrol coupon scheme.

The MIF is worried that widespread discounting will lead to more self-service petrol stations.

Mr John Malcomess, the PFP energy affairs spokesman, said the DMEA was not adhering to government's call for a freer market system. Mr Malcomess said he could understand why MIF wanted one price for petrol but he believed that the general interest of the consumer was paramount.

Pick 'n Pay general manager Mr Richard Frieslich was "worried and DMEA confused" by the "There was no mention of coupon schemes in the circular, so legally we are doing nothing wrong. But government is building up to something," he said.

The supermarket's pump prices are the same as the DMEA's. But a coupon system offering a 4 cents a litre voucher — reclaimable on any purchase — is offered at 13 petrol outlets.

"Government must make the next move and we will fight any action against our coupon scheme," said Mr Frieslich.

Garages told to stick to official price list

BUS DAY

# Govt poised to hit back at petrol 'rebels'

29/5/86

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1/33  
1/34

GOVERNMENT is poised to strike at petrol price discounters in a new bid to pull rebel retailers into line with its fixed price policy.

The Department of Mineral and Energy Affairs (DMEA) has sent a legal notice to about 8 000 service stations telling retailers to stick to official prices in the country's 30 petrol zones.

DMEA deputy-director Theuns Burger told *Business Day* the circular was an "early warning" to petrol retailers to stop discounting.

"The only purpose of the notice is to fix the price of petrol," Burger said. "Pre-

HAMISH McINDOE

viously there was an agreed price between the department, the MIF and the oil wholesalers. Now there is a legally determined price."

Industry watchers believe the move follows a Supreme Court ruling in March allowing Pick 'n Pay to resume its petrol coupon scheme.

"Government could not simply let the matter rest in the face of its price maintenance policy," said Motor Industries Federation (MIF) executive director

Jannie van Huyssteen.

He said Mineral and Energy Affairs Minister Danie Steyn may shortly revert to Section 2D of the Petroleum Products Amendment Bill — the so-called Pick 'n Pay amendment — and declare petrol coupons an undesirable trade practice.

"If retailers don't comply, they could be prosecuted, but ultimately it will be a matter for the courts to decide," Van Huyssteen added.

Pick 'n Pay GM Richard Frieslich was "worried and confused" by the DMEA circular.

"There was no mention of coupon schemes in the circular, so legally we are doing nothing wrong. But government is building up to something," he said.

Burger would not comment on Frieslich's assumption.

While the supermarket chain's pump prices adheres to the DMEA's, a coupon system offering a 4c/litre voucher — reclaimable on any other Pick 'n Pay goods in stock — is offered at 13 petrol outlets.

"Government must make the next move and we will fight any action against our coupon scheme," said Frieslich.

The MIF is worried that widespread discounting will lead to more self-service petrol stations.

Two statistics, according to MIF estimates, dominate the issue: the possible loss of 46 000 jobs and the cost of R1,2bn to convert the country's petrol pumps.

Burger said the level of petrol price discounting was considerable, but declined to disclose numbers. Frieslich thought the figure was minimal.

## MVA is covering all fallen insurers' claims

BUS DAY

29/5/86

THE Motor Vehicle Assurance Fund (MVA) will cover all outstanding Third Party claims made by vehicle-owners who took out insurance through AA Mutual insurance.

A statement to this effect is to be released today by Transport Director-General Adriaan Eksteen.

Eksteen told *Business Day* last night the MVA would also cover any claims arising from accidents occurring since it became known AA Mutual was in financial hot water.

It could not be established yesterday whether this MVA cover would also extend to comprehensive insurance taken out through AA Mutual.

CHRIS CAIRNCROSS

Meanwhile, Finance Minister Barend du Plessis and Registrar of Financial Institutions Robert Burton indicated yesterday they were not prepared to respond to calls for an official statement concerning the affairs of AA Mutual or conditions affecting the rest of the short-term insurance industry.

According to a spokesman for Du Plessis' department, anything said now could prejudice tomorrow's Supreme Court action dealing with the Registrar's applica-

● To Page 2 →

# Now VW joins clamour for relief for motor industry

By Sven Lünsche

Mr Peter Searle, current Naamsa president and MD of Volkswagen (SA), has added his voice to the increasing number of businessmen who are demanding significant fiscal measures from the Government to alleviate the slump in the motor industry.

Speaking at a Volkswagen symposium on the motor industry yesterday he said that the monetary officials should take a serious look at the methods of levying excise duties, as well as applying a more equitable system for fringe benefit taxation.

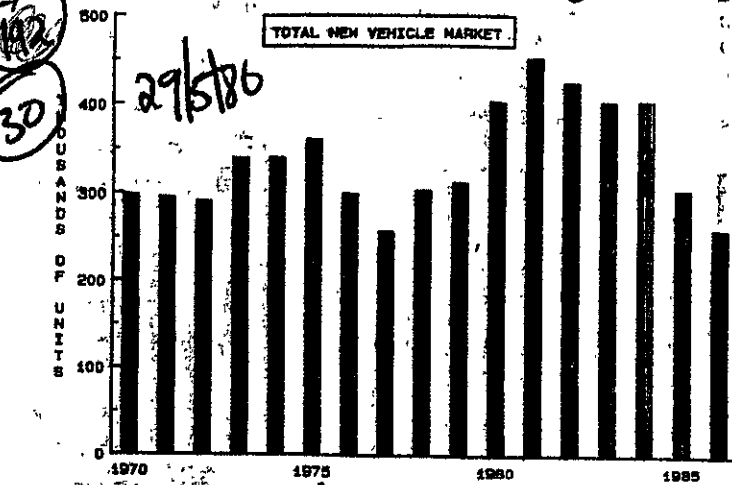
"The motor industry, despite the enormous losses of motor manufacturers, is estimated to be contributing about R3,6 billion to the fiscus. There is surely some room for relief and a need to assist car manufacturers to keep down future price increases and to help the hard pressed motorists," Mr Searle said.

He suggested that fringe benefit taxation should be based on the real cost of operating the car and not be influenced by the original price of the car, as the current and projected increase in the tax, coming on top of the escalation in prices, has proved a major damper in the replacement of company cars.

"To overcome the significant deterrent that exists, a system of fringe benefit taxation which is based on the category of car driven, according to engine size and irrespective of price or model year would seem to be the answer," he said.

"A car is a high ticket item and whilst prices have increased by 50 percent, taxes have increased by 130 percent. This is definitely under the Government's control," he said.

Referring to the present state of the industry, Mr Searle said that this year's anticipated new vehicle market of 260 000 units



represents a further decline on the disastrous total of 305 000 units last year.

Since the boom year of 1981, 50 000 out of an original 150 000 jobs are estimated to have been lost in the motor and component industry, and the industry is now working at about 50 percent capacity.

Mr Searle cited the absence of the expected boom in the black market as the major reason for the slump.

"Inflation and other factors influenced vehicle prices to such an extent that the gap between income and price has continued to widen, and as credit is the 'open sesame' to a new car purchase, the absence of wealth in the form of property ownership amongst blacks has prevented realisation of growth in the market," he said.

The rand devaluation and consequent high cost of a vehicle is the root of the problem.

"However, whilst vehicle prices have been high, but for the local content programme, prices would have risen by double the amount they have over the past 18 months, by shielding the consumer from the full impact of the weak rand," Mr Searle said.

He added that those compo-

nents which are still imported are so capital intensive and therefore high volume dependant, that South Africa cannot produce them locally for less than the imported cost.

Rationalisation has been suggested by some analysts as the way out of the slump. But apart from the fact that only seven car manufacturers are left in the country, compared to 13 in 1980, and that only 22 major passenger car lines are available (42 in 1984), Mr Searle suggested that a merger in bad economic times can actually lead to a post-merger trauma.

"There are considerable short-term expenses involved in relocating people, product, plant and machinery. There can be immense cost burdens on communities and on the fiscus from regional unemployment that is the inevitable result of rationalisation," he said.

Referring to the industry's export strategy, Mr Searle said: "The most effective way the motor industry can offset its high import bill is by increasing exports and foreign currency earnings, which could make an important contribution towards the future development of the motor industry."

0029/1/86 X  
**CBD nod  
for blacks**

**KING WILLIAM'S TOWN** — Nineteen black businessmen have applied for trading licences here since the town's central business district was officially declared open to all races last week.

The chief of health and social services, Mr Peter de Goo, said his department had already granted one trading licence.

Ten licences had already been passed, and would be issued as soon as the applicants paid the relevant fees.

— DDR

ARGUS 29/5/86 (30)

## Rebel repairers offer aid to stranded motorists

### Motoring Editor

MOTORISTS insured with AA Mutual whose vehicles need repairs but face paying for the work themselves have been offered help by the members of the Free Enterprise Motor Repair Association.

Independent repair shops formed the association to oppose the panel system used by insurance companies which gives work to only certain shops.

They have come up with a package deal for motorists stranded by the collapse of AA Mutual and offer:

- The lowest practical prices for repairs.

- Repair work to be done at a venue most convenient to the owner.

- Discounts on spares.

- Free legal help to recover costs for motorists not at fault.

- All work guaranteed by the association.

- The appointment of an ombudsman to ensure satisfaction.

Association chairman Mr Moshe Soffer said: "We have al-

ways maintained that the panel system is not in the public interest. Now we have been proved right.

"The panel system has led to inefficiency and abuses. The public are being charged unnecessarily high repair costs, which must be recovered from premiums.

"The quote system is a joke, because the insurance companies reserve the right to refuse the lowest quote.

"The public have been paying through the nose, but now many repair shops have lost heavily too and many are going to go under.

"If the insurance repair work had been fairly spread around the 500 reputable repair shops in the Peninsula instead of those favoured by the insurance companies, losses would have been manageable."

there would be "yet another political statement" dressing this objective.

for the World Cup finals. This is a Scotland support

See also page 13

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# Boycott still on in King says spokesman

DD 30/5/86  
30

Dispatch Reporter KING WILLIAM'S TOWN — A spokesman for the King William's Town consumer boycott committee has denied that the consumer boycott in the town has been called off.

A man who identified himself as Mr Themba Mntwapi handed a statement to a Daily Dispatch representative in King William's Town saying the King Consumer Boycott Committee totally disassociated itself from a report that appeared in the Daily Dispatch on May 24 which said the consumer boycott in the town had been called off.

"We have noticed with dismay the confusion that has been created by certain elements," the statement said.

"The Consumer Boycott Committee wants to make it clear to everybody that the consumer boycott has not been called off, and as far as it is concerned the de-

mands still stand. Nobody is supposed to buy from shops in King William's Town, be they black or white-owned.

"The boycott committee disassociates itself completely from this irresponsible destructive action in our liberation struggle. It feels that since not a single demand has been taken heed of, there is no ground for calling off the boycott.

"We appeal to our people to refrain immediately from buying in all the shops in King William's Town."

Mr Mntwapi denied that he had made the original statement about the lifting of the boycott attributed to him in the Daily Dispatch's May 24 report.

"If the Daily Dispatch had checked the man who claimed to be Mntwapi, it would have found that it was not him," he said.

He said the story

about the lifting of the boycott had been given a front page prominence, whereas the launching of the boycott had been printed on the second page.

He called on the Daily Dispatch to give his denial the same front page prominence.

● The reporter who wrote the original report said he had obtained it telephonically late in the afternoon on May 23.

The reporter said he initially insisted that a written, signed, statement be made. The caller, who called himself "Themba Mntwapi", said he had attempted to deliver the written statement to the King William's Town offices of the Daily Dispatch but there was no-one there.

The reporter said that as he believed the statement to be important and as he had no reason to doubt its authenticity, he accepted it.

...s to choose...  
...ended...



# Ackerman ready for fuel fight

HAMISH McINDOE

PICK 'N PAY chairman Raymond Ackerman has reacted angrily to speculation that government is set to break the supermarket chain's coupon-linked petrol discounting operation.

"We will counter any action against us," he said yesterday.

Department of Mineral and Energy Affairs (DMEA) deputy director Theuns Burger confirmed that government might still do legal battle with Pick 'n Pay.

A Cape Town Supreme Court ruling in March allowed Pick 'n Pay to resume its petrol coupon scheme.

Industry watchers believe government will fight to see the coupon system declared undesirable.

Burger said the DMEA had no plans to introduce further amendments to the Petroleum Products Act. "Existing legislation is sufficiently encompassing," he said.

# GM on the lookout for corporate SA partner

DAVID FURLONGER  
Industrial Editor

GENERAL Motors wants a corporate partner in SA — but not at the cost of surrendering management control.

MD Bob White confirmed yesterday that the US-owned motor manufacturer was looking for a partner, but added: "Who in their right mind would want to get involved in the motor industry at the moment?"

He cited the two main reasons for partnership with a major SA corporation:

Association with a conglomerate would open the way for GM into the lucrative company fleet market;

Under local financial regulations, wholly-owned foreign subsidiaries are limited in local borrowing. Partnership would give GM access to financial markets.

SA conglomerates have become increasingly involved in the motor industry in the last two years — Anglo American through Samcor, and Sanlam through Nissan.

GM's name was linked with Old Mutual, while talks with German motor manufacturer BMW broke down last year.

Insisting that GM was presently not involved in specific partnership talks, White said: "It is our intention that we retain management control under any scenario."

He added that GM would not agree to any deal requiring it to leave Port Elizabeth.

# GM seeks tie-up with local partner

By Trevor Walker

General Motors SA MD Mr Bob White said the company is looking for a local partner to give the corporation better access to the local capital market and fleet buying, but that it is firmly committed to the Eastern Cape.

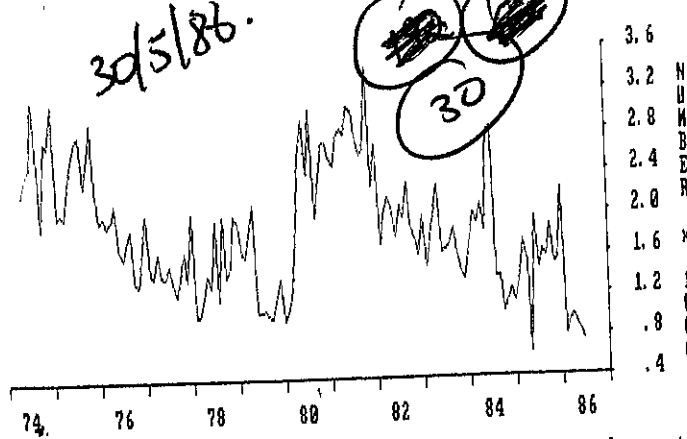
In a frank discussion with financial journalists yesterday he said GM was not in business to pull out of markets and the disinformation that the company has had to deal with in South Africa was unfortunate.

General Motors was one of the oldest assemblers in this country, with one of the largest and most stable dealer networks and in addition was next to market leader Toyota a very substantial seller into the market.

The company has an annual turnover of some R500 million and the 200 dealers employs no less than 6 000 people.

He said the corporation was busy at this moment negotiating a new five year agency agreement with its dealers and this was not the sort of operation one undertook prior to pulling

NAAMSA NEW CAR SALES - General Motors (SA)



out of a country, unless one was a very dishonest businessman.

He said of the 40 or so GM plants around the world it would be surprising if five of these were making useful profits at the moment.

General Motors' world-wide turnover was around \$1 000 billion and it was certainly not group policy to withdraw from temporarily unprofitable markets, particularly while competitive manufacturers were still in those markets.

He said, for example, certain He said GM would be open to tie-up with a local partner, but would insist on maintaining management control and also the possibility of moving from the Eastern Cape would not be open for negotiation.

The corporation had "tremendous staying power," backed by the world's largest motor manufacturer and the stable and skilled workforce and established operations in Port Elizabeth would not be abandoned.

government strictures such as transport costs which worked to the detriment of the company could easily be changed.

The company has a substantial share of the hatchback car market in South Africa and when the Monza saloon was introduced later this year it was expected that GM's market share would improve further.

Motor dealers said it was ironic that one of the country's oldest and, in the case of Toyota, biggest manufacturer was being forced more and more to compete in a "conglomerate" business climate.

Fleet buying by South African conglomerates is strenuously denied, for example by Nissan and Samcor, yet everyone in the industry knows that fleet switching to an in-house assembler is taking place on a wide scale.

One only has to look to the fleet switches in certain Sanlam companies recently to agree with motor industry observers that it cannot be due entirely to coincidence or quality standards.

30/5/86. STAR.

Next step in opening up CBD 30

# Blacks may get bus stops in city centre

By Shirley Woodgate,  
Municipal Reporter

Thousands of black commuters who have to walk to work from the outskirts of Johannesburg's central business district could get city centre bus stops next month.

Outlining the Johannesburg Chamber of Commerce campaign to upgrade black transport in the city, the president Mr Pat Corbin, said that at present about 118 000 peak hour passengers from Alexandra, Soweto, Tembisa and coloured townships are allowed to travel only as far as the termini on the perimeters of the central business district.

## MUST WALK

From there they must walk to their work in the central business district, adding a further 10 to 15 minutes and 1½ km each way to their daily trips.

Black bus routes go through the city along Bree, Jeppe, Sauer and Simmonds Streets but passengers are not allowed to get off en route as no stops have been allowed.

The present stops are at Westgate, Faraday, Doornfontein, Bree, Jeppe,

West and Noord streets (see diagram).

"With opening of the CBD it is totally unacceptable that there should be no black stops in the city and we firmly believe there should be equity for all. All commuters must be given a fair deal without delay," he said.

"This is also one of the issues raised by the boycotters, and there is no defence," Mr Corbin said.

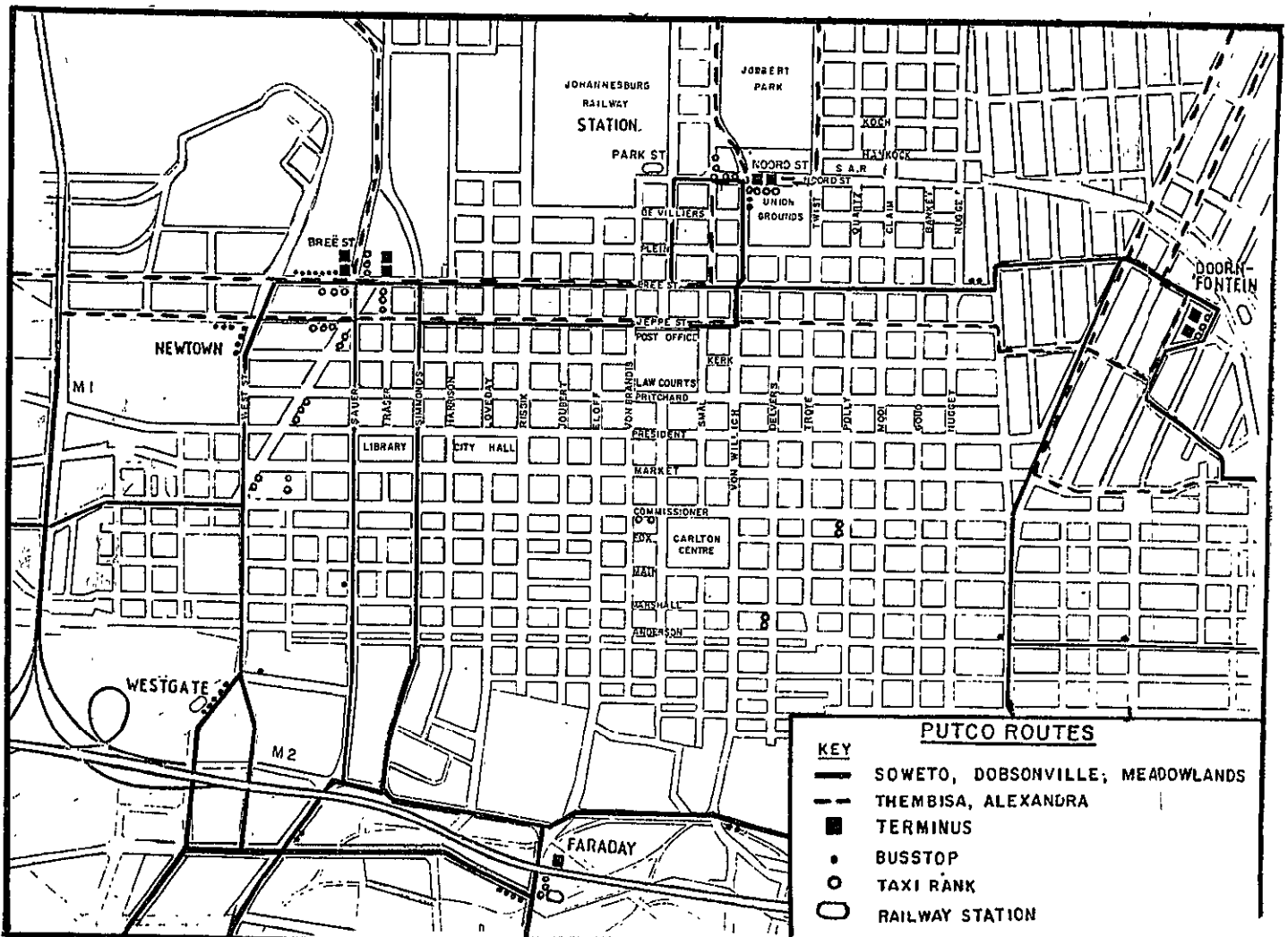
The JCC has the support of the Department of Transport, the Transportation Board, and the City Council.

At least two banks — Barclays and Standard — have offered their complete co-operation in having stops sited nearby.

Mr Corbin said once the stops had been allocated the next objective would be getting new routes through the city.

He mentioned Market, Commissioner and Main Streets and the possibility of using the under-utilised facilities at Van der Bijl Square.

Alongside these issues the JCC was also addressing the matter of black taxi ranks, he said. Proposals for five ranks in the CBD had been put to the council.



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31/11/66

# Govt to stop fuel coupon discounts

30

By Sue Leeman,  
Pretoria Bureau

The Government is to publish a proclamation on Monday banning the coupon discount schemes offered by a growing number of petrol outlets, *The Star* has learnt from industry sources.

It is understood that a prohibition on the practice of giving motorists discount coupons for other commodities — a way of discounting petrol — will be published by Minister of Min

● To Page 2, Col 3 ■

# Hope for motor plant staff

Post Reporter

MANY of the people left unemployed when Ford finally completes its move out of Port Elizabeth might find alternative employment — in the small businesses sector.

By the end of June most of Ford's remaining operations in the city will have closed down, leaving a further 1 500 people retrenched.

Busy winding down are Ford's parts and accessories warehouse, its product development section and the Sierra plant at Struandale.

But, on the positive side, about 500 of these people have, via Samcor which now partly owns Ford, approached the Small Business Development Corporation and expressed an interest in setting up small businesses.

The assistant manager of the SBDC in the Eastern Cape, Mr Willie Fouché, said this week that together with the Small Business Unit of the University of Port Elizabeth, the SBDC had held a comprehensive information seminar for them, defining prospects of starting their own businesses.

He said five categories of activity were covered at the meetings: motor and allied, building and allied, retail, service and manufacturing.

"It could give a lot of new impetus to PE if all 500 got actively involved in new businesses," he said.

Mr Fouché said the vacuum left by Ford's departure — only the Struandale engine plant is to remain — could be partially filled if those keen to get small businesses off the ground received assistance.

"Small businesses are regarded worldwide as the largest employer."

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# Kleinskool self-help scheme is on a steadfast foundation

Once upon a time it was impossible

**By DENISE ROURALL**  
WHEN people start erecting their own houses in six days, you know you're on to a winner.

And that is what happened in the Kleinskool self-help scheme.

One of the participants completed the basic structure and the roof in six working days, including Christmas and New Year.

The enthusiasm with which the 69 participants have backed the building of their own houses has prompted the Urban Foundation, who run the scheme, to start propagating the self-help approach to housing throughout the Eastern Cape.

"Kleinskool is a success story. It has shown that self-help works," the Urban Foundation's East Cape residential development manager, Mr. Felix Atton-Powell, said this week.

"Self-help — when it is undertaken by an implementing agency which provides the plans and supervision and organises materials and finance — is quick, about 30% cheaper than contractor-built housing and the standard of the construction is such that building societies will bond the houses."

The foundation has now launched a programme to explain the concept of self-help to local authorities or any interested person. The promotional package consists of a 20-minute

video based on the Kleinskool project. The video, which the foundation will send to any interested group, is accompanied by a folder explaining the principles and advantages of self-help.

If people want more details, foundation staff will talk about the details of installing such a scheme and give them a detailed brochure on running a self-help scheme.

One group of people who they will have little difficulty convincing of the advantages of self-help is the potential participants. The project controller at Kleinskool, Mr. Clive Felix, estimates that he deals with about four inquiries from potential participants every day.

"We started with about 10 houses in October and by the end of January all the sites were taken up, but the inquiries haven't stopped."

To date, 69 of the 72 houses have been started and the first 16 families will move into their houses in June. The project is expected to be 80% complete in September.

Most of houses are being built by the owners with help of friends, family or a paid artisan. Even if the owner has not really been involved with the physical construction, all of them have supervised the work because they are ultimately responsible for building the houses.



Mr CLIVE HUMPHRIES (left) and the men who are helping him to build his home in Kleinskool. The houses in this Urban Foundation scheme are being built by the owners with few helpers.

"With the shortage of housing, the self-help scheme has given these participants a chance in a lifetime and once they're in the scheme they don't want to lose out," said Mr. Felix. The owners are responsible for all the work except pouring the foundations.

Floor slabs and electrical installation which is done by a contractor under the Urban Foundation's supervision. Urban Foundation staff do the plumbing.

The houses, which are between 50 and 60 square metres, cost just over R10 200. This includes their fully serviced even as well as all the administration and legal fees.

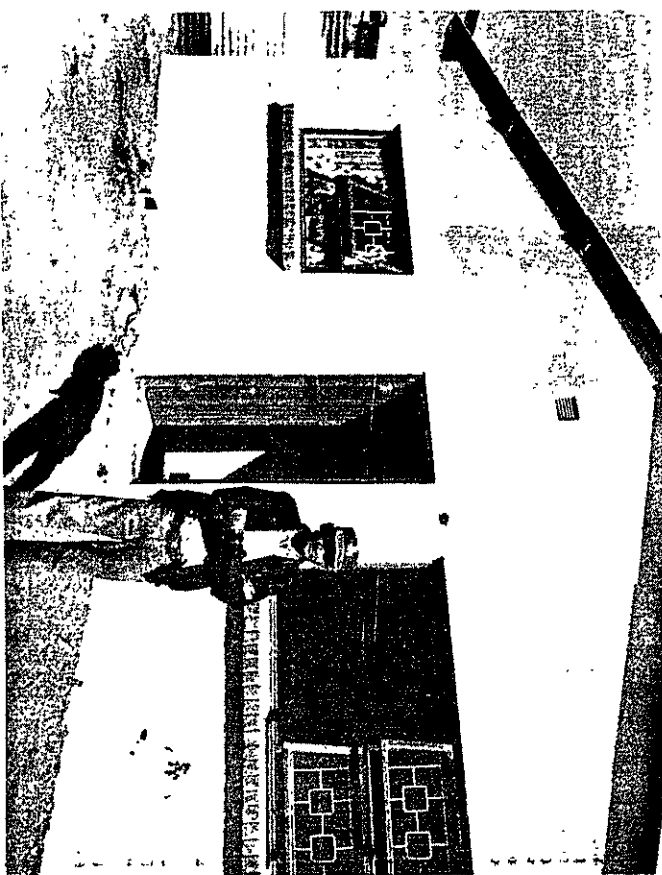
The plans for the five house-types in Kleinskool all include various options for extending the houses and improving houses is one of the trademarks of self-help schemes. In near-

self-help schemes in near-40-unit pilot, self-help schemes run by the foundation and completed in 1984 — the home owners are constantly at work improving their homes.

As a result the scheme, where all the houses were built originally to the same design, now has 40 unique houses.

For some people, self-help means not only owning their houses, but possibly their first experience of living in a brick and mortar house. It can even mean new careers.

In Kleinskool Area A at least one man who had previously worked in a shoe factory now makes a living as a building contractor.



This is the house that Mr HENRY BOTHA built. And nobody's going to huff and puff and blow it down, even though it was built in six days, including Christmas and New Year. The interior finishes will be completed next month. Then Mr Botha, his wife and their four children will move in and live happily ever after. (They may even be able to extend their home one day.)

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Cape Times 30

# rore: s speak

## Donation to education

Staff Reporter

CHEQUES forming part of a total new commitment of more than R100 000 were presented to representatives of 11 higher educational institutions in the Cape and Boland at a luncheon in Bellville yesterday.

The cheques were handed over by Sanlam's managing director, Mr Pierre Steyn, bringing the company's total donations to these institutions to over half-a-million rand.

The R46 000 paid out this year will be used, among other things, for the development of library services and the acquisition of books.

Universities, technicals and training colleges in the Cape received donations.

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# Grandbaz growth prospects improve

(30)

By AUDREY D'ANGELO

GRAND BAZAARS has improved prospects for growth as part of the Score Food Holdings group, with its enormous buying power, retiring chairman Manuál Sachar said in an interview this week.

Score formally takes over Grand Bazaars on Monday and Sachar who, with his cousin Max Sachar, built it up from one small shop in Parow to a chain of 22 stores, will retire from the retail industry.

## Property

But he plans to go into property development, in which he has always taken an interest.

"I have been building stores, which we later sold and leased back, for years."

Sachar said that since

1984 Grand Bazaars had been hit by foreign exchange losses, high interest rates, unrest, boycotts "and very severe competition".

## Competitors

It had not been able to match the buying power of larger competitors — a situation which would now change — but it had maintained its market share and increased turnover every year.

Sachar said he expected the economic upturn soon and it was not the recession and its effects which had persuaded the majority shareholders to sell Grand Bazaars to Score.

He had reached this decision because he was now in his seventies and his son Jackie, who was managing director, wanted to start another type of business.

# Firing Ackerman the 'biggest error in SA business'

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By **DEREK TOMMEY**  
Financial Editor

MARINUS Daling, Sanlam's trouble shooter in Johannesburg, has called it "the single greatest error in South African business." He was referring to the firing of Raymond Ackerman, head of Checkers, by his boss, Norman Herber, head of Greatermans and Checkers.

It is part of South African business folklore that Herber called in Ackerman one Monday morning and said he wanted his resignation. When Ackerman refused he was given two weeks' pay, told to clear his desk and leave immediately.

The result was that Ackerman developed his own highly aggressive and extremely efficient supermarket chain, Pick 'n Pay, which today is valued by the share market at over R800 million.

And it created intense competition for Checkers — and almost put it out of business.

Why did Herber fire Ackerman who by opening 85 Checkers stores in the previous six years had shown immense ability and drive?

This is a question that has intrigued businessmen especially since Pick 'n Pay took off. Now it has been answered in a book entitled *Jewish Roots in the South African Economy*, written by Mendel Kaplan.

The book traces the growth and development of the major Jewish business in South Africa and is based on interviews with the men themselves or their families.

In his book Kaplan publishes interviews with both Ackerman and Herber on the incident. They indicate that the probable reason for their falling out was that both were extremely am-



Raymond Ackerman

bitious and determined, and that Herber may have resented the kudos Ackerman was receiving as head of Checkers.

There is a suggestion that the JAYCEES Outstanding Young Man of the Year award to Ackerman in 1965 may have caused an undercurrent of friction.

Ackerman told Kaplan that he was being difficult at the time of his firing.

"Greatermans just wouldn't let me develop supermarkets the way that I knew they should be developed. I was very difficult in that area, and that I admit."

But he believed he was on good terms with Herber and when he was told he had to

go, "it was like a blow between the eyes".

"When I suggested that maybe I should take over Ackerman's seeing that he didn't want me in Checkers, he told me it was absolutely unacceptable and he didn't want me in the business any more."

Kaplan says Herber's reaction to Ackerman's demands can be better understood when it is realised that Checkers was the inspiration of Norman Herber and that he, not Raymond Ackerman, had been the first to go overseas and to be inspired by developments there.

"Norman Herber wanted to control Checkers, no matter how successful the stores were proving under Ackerman's management," says Kaplan.

Herber told Kaplan that he had fired Ackerman because: "Unfortunately he and I fell out.

"To put it bluntly, there could not be two bosses in the business and I felt I was much too young to retire.

"You know, it was as simple as that. I was about 42 or 43 — a bit young to retire. And there just wasn't room for both of us."

On leaving Greatermans Ackerman decided to buy a small chain that he could build up.

His friends advised him to buy an existing business — "at least where the tea is being made and you don't have to buy the cups and saucers".

This led to his buying in 1966 a small group of three stores in Cape Town called Pick 'n Pay for R620 000. He and his family put up R100 000; his bank R450 000 and friends the balance. And the rest is history.

# Industrial 'hotel' for 2 000 traders

From DAVID CANNING

DURBAN — The Small Business Development Corporation is buying the vast unused former Leisure Corp factory building at Industria, Johannesburg, for about R4 million.

The managing director, Dr Ben Vosloo, said in Durban that the 14 000 square metre building was being earmarked for development as a huge industrial "hotel" which could accommodate up to 2 000 small entrepreneurs.

The building was bought through a liquidation sale and loose ends were still being tied up. The site was ideal because of its proximity to several industrial and residential areas — and its location near the road to Soweto.

Speaking on a tour of SBDC facilities in the Durban area, Dr Vosloo said the idea of small business "incubators," as they were known in the United States, appeared to be working well in South Africa.

The SBDC was trying to ease the unemployment problem by providing facilities for the unemployed and others to start their own infant businesses. It provided industrial accommodation and equipment for hire on a daily basis and planned to give back-up in financing, marketing, secretarial and other services.

He said the SBDC still was "feeling its way" but appeared to be meeting a real need at present.

The first such complex, opened in Port Elizabeth, was already moving to larger premises.

The 1170 square metre industrial building occupied recently at Phoenix near Durban had many more applicants than it had space to accommodate. Entrepreneurs hired space daily (at a charge of R5) and the project had given employment to 86.

Entrepreneurs in the motor, metal and allied trades, woodworkers, garment manufacturers and others were catered for in premises at Phoenix, Chatsworth, Maritzburg and elsewhere.

Natal general manager Tony Kedzierski said the SBDC had managed to by-pass red tape in several areas and Natal Provincial authorities had now granted it a major licensing concession. At its discretion it could arrange for tenants to operate without usual licences.

# Already a waiting list for new 50-unit PE hive

By KIN BENTLEY

A NEW "hive" for small businesses — almost four times the size of the present one — is opening in Port Elizabeth.

And pilot hives are being set up in Uitenhage and Stutterheim, with prospects of additional ones at Port Alfred and East London.

But already the Small Business Development Corporation has more potential tenants on its books in PE than it can handle.

The existing hive in Stanford Road is to move into premises 3,5 times bigger at the end of June.

This was revealed this week by Mr Willie Fouché, the assistant manager of the Small Business Development Corporation in the Eastern Cape.

At least 300 new job opportunities will be created in these moves.

An agreement with Feltex Foam and Automotive Products was finalised this week for the lease of a brand new 4 000m<sup>2</sup> double-storey building in Lindsay Road, Port Elizabeth.

Partitioning and subdivisions are underway in 3 500m<sup>2</sup> of the building, the remaining 500m<sup>2</sup> of which is still being used as a warehouse, on which the SBDC has first option.

Ninety-two people are currently employed at the hive in Stanford Road, which is 1 000m<sup>2</sup> and has 20 units of an average of 25m<sup>2</sup> each.

At the new hive, to which these businesses will move at the end of June, there will be a total of 50 work units, the average size of which will be 45m<sup>2</sup>. This means that in addition to the 23 existing businesses, premises for a further 27 potential businesses will be allocated.

"This new expansion has arisen due to a demand for larger premises for the existing participants and the large number of enquiries received.

"To date we have had 81 strong, positive applications — over and above general enquiries and casual ones," Mr Fouché said.

Although some applicants would have to be disappointed, Mr Fouché said it was not economically possible to keep the Stanford Road hive operating because rental would have more than doubled under a new lease arrangement.

Among new products considered were: soft toys,

stuffed fur and fabric animals, picture-framing, decorative wall-hangings, sand-blasted mirrors and glass, patch-work and embroidery, pottery, flower-arranging and office plant care, padded jackets and baby-wear.

He requested any additional people interested in becoming participants to submit their applications before mid-July when the final selections will be made. The aim was to have all the units occupied at the beginning of August.

At an average of four per business, he said, 108 new job opportunities would be created at the new hive.

Last year the SA Motor Corporation (Samcor) invested R100 000 in share capital with the SBDC. This was used to launch the Stanford Road hive.

The estimated total cost of the new facility is R150 000, including the cost of partitioning, structural changes, re-installation of equipment and so on.

"We've got the capital, but are seeking further investment by private enterprise to enable us to fund similar projects for which we have identified possibilities in Uitenhage, Port Alfred, East London and Stutterheim."

"Apart from the fact that these businesses provide jobs, they are also viable," he said.

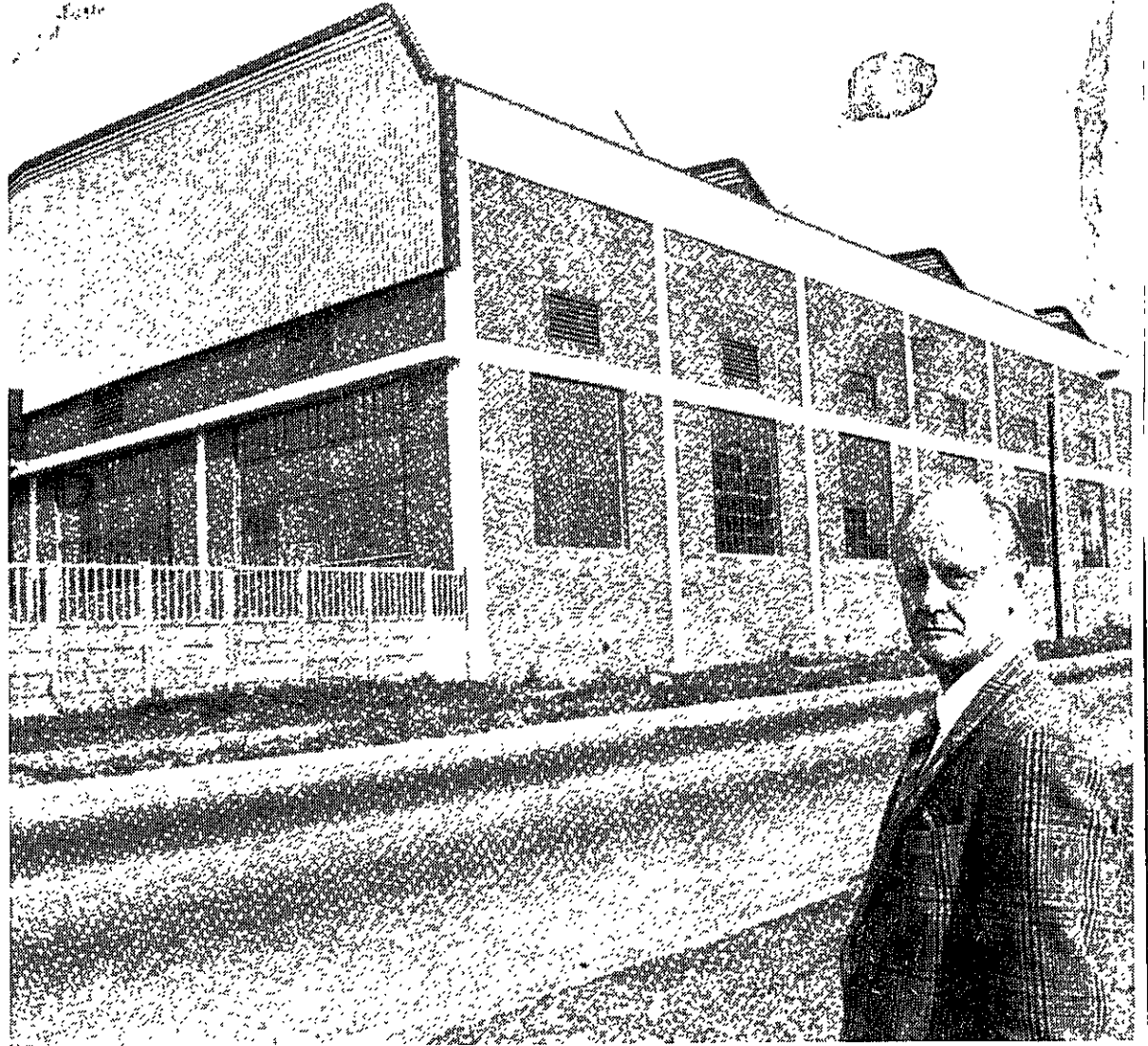
He cited the example of a carpenter at the hive, Mr Llewelyn Clark, who since he moved in two months ago, had received "two to three positive enquiries for kitchen units per day".

Mr Fouché stressed that backyard industries were also supported and financed by the SBDC, and were seen as a vital first step up the business ladder. The hive was an incubator for semi-formal businesses moving from the totally informal to the formal sector.

In the new hive, the ground floor will be used for wood-related activities and the first floor for engineering, motor-related and soft-good activities such as leather-work, sewing and knitting. Each section will be totally separate.

On both floors there will be communal machine rooms, with a variety of machines available for hire at a very low rate.

Showrooms to exhibit goods will be set up on both floors, which will also have day-workshops, interview rooms and store-rooms, manned by a full-time



Mr DENNIS WEST, technical advisor for the Small Business Development Corporation's Hive of Industries in Stanford Road, outside the SBDC's new hive in Lindsay Road, Neave Township, Port Elizabeth. When it is operational at the beginning of August, 50 viable small businesses will be providing some 200 job opportunities.

storeman. There will also be a full-time purchaser of raw materials to assist participants.

Mr Fouché said a centralised secretarial service would cater for typing and telephone-answering needs for the whole hive.

Accountants would provide participants with monthly trading figures at a nominal fee.

He said that in Uitenhage, with the support of the town council, they were at the "setting up stage" of a hive which should cater for about 22 businesses.

In Stutterheim, 18 businesses, mainly in the clothing and wood-related lines, would be catered for in the hive currently being established.

In Port Alfred, also in conjunction with the town council, about 20 businesses in motor-related, sewing and leather fields were in the pipeline.

In East London, the SBDC's local representative, Mr Piet Strumpher, had recently presented the city council with ideas for a hive.

COMMERCE - GENERAL  
1986

JUNE — Aug.

# Pick 'n Pay to test new petrol ban in court

SOAR  
5/6/86  
30

By Jackie Unwin

Pick 'n Pay is going to court for the second time to contest the banning of its discount petrol coupon scheme.

Director Mr Alan Gardiner said: "We believe the regulations in the Special Government Gazette this week banning our scheme are invalid. On that basis we are going to take the matter to the Supreme Court."

"It would be reasonable, in the meantime, if we were allowed to continue with our voucher scheme. I am

sure that the Department of Mineral and Energy Affairs will allow us at least time to test the validity of the scheme in court."

A spokesman for the Department of Mineral and Energy Affairs, Mr Theuns Burger, said: "It has been reported by the media that Pick 'n Pay is going to institute legal proceedings, but we have no official knowledge of that. It is Pick 'n Pay's prerogative to do so, and we will have to take it from there."

He said that whether the chain would be allowed to continue with the coupon scheme "depends on how soon legal proceedings are instituted and on the type of proceedings — whether an interdict is requested."

"Time is running out. If the company does not institute legal proceedings soon then the department will take action. I cannot comment on the type of action. We have various options."

"If Pick 'n Pay does not take action, and still carries on with its petrol coupon activities, then it will be quite clear it is flouting the law."

If legal proceedings are instituted it will be the second time this year that the company has sought an interdict.

The first was when it had set aside a directive from Minister of Mineral and Energy Affairs Mr Danie Steyn to oil companies to stop supplying the chain with petrol.

CITIPK (30)  
**KWT shops  
get breather.**

By BENITO PHILIPS

KING William's Town Consumer Boycott Committee says it may reintroduce its boycott if its demands aren't met.

The boycott was provisionally lifted on Monday.

"If the government does not address itself to our demands, we may need the people's co-operation again in future," said CBC spokesman Temba Mtwapi.

Among the demands were that the government improve conditions for students, allow trade unions to operate freely in Dimbaza and Zwelitsha, and upgrade certain townships.

By Jackie Unwin  
There is growing anger at the Government action in outlawing petrol discount schemes.

Pick 'n Pay is testing the law by continuing to issue its 4c redeemable coupons with every litre it sells.

A special Government Gazette has banned coupon-linked petrol discounting schemes.

Mr Richard Frieslich, general manager of Pick 'n Pay auto outlets, said today: "If there is a glimmer of hope we will try to continue our discount scheme."

Mr John Drake, managing director of the Oil Division of Shell, said: "We are waiting for legal opinion on this matter. In the interim, we will continue to supply all Shell dealers."

## Pick 'n Pay testing law on discount petrol ban

Consumer Union chairman, Mrs Betty Hirzel, described the action as high-handed.

Mrs Lyn Morris, president of the Housewives' League, said she could not reconcile the banning of coupon discount schemes with new legislation with regard to the Competition Board.

The Automobile Association

repeated its view that the free enterprise system should be permitted, allowing market forces to set the pump price.

The Department of Mineral and Energy Affairs was investigating the restructuring of the petrol price. Any ban on discounting should have been delayed pending its findings.

Mr Brian Goodall, PFP spokesman on mineral and energy affairs, said:

"It is regrettable that the Government is taking steps to prevent the consumer from enjoying cheaper petrol.

"It is ironic that in a period when inflation has reached an all-time high in SA the Government acts against those who wish to reduce prices."



Industry hopes for relief dashed

# Govt says no special case for motor trade

30 2/6/86 BUSINESS DAY

GOVERNMENT has rejected the motor industry's pleas that it be treated as a special case, dashing hopes that meaningful concessions for the industry's fiscal burden will be forthcoming.

A senior Finance Department spokesman confirmed that any relief would be framed as part of Finance Minister Bar-end du Plessis' broader measures to re-activate the economy.

"Direct relief for motor manufacturers is not being considered, but the industry will clearly be affected by any measures taken to stimulate the economy," the spokesman said.

Toyota marketing director Brand Pretorius said he was disappointed government would not directly address the problems facing the motor industry.

"We are the second biggest employer in the industrial sector and this alone

HAMISH McINDOE

should accord the industry special consideration," he said.

But National Association of Automobile Manufacturers (Naamsa) director Nico Vermeulen conceded that "government will not make a special case of motor manufacturers".

Nissan MD John Newbury yesterday repeated calls to government to help revive the collapsed new-vehicle market, saying "the industry is already taxed to the hilt".

Business Day understands Finance Department officials informally told motor industry quarters late last week not to expect direct fringe benefit tax relief or other fiscal concessions.

Naamsa is believed to be rushing a last-minute submission on elements of the perks tax structure to the Minister before the third budget reading in the

House of Assembly on Wednesday. Industry watchers believe government is avoiding a public commitment to motor manufacturers at the risk of provoking an outcry from other recession-hit sectors of the economy.

The combination of very low sales — a projected 165 000 units compared to 1981's 301 000 — and the high cost of imports has left the motor industry in dire financial straits.

Government has been warned by Naamsa and the Motor Industries Federation that disaster lies ahead unless consumer spending is increased to an extent where vehicle sales are boosted.

In a separate development, the Department of Trade and Industry (DTI) is expected to announce the dropping of the 10% import surcharge on some vehicle parts early this week. But a DTI spokesman would not confirm this.

# PETROL COUPONS BANNED

ARGUS 2/6/86 30

The Argus Correspondent

PRETORIA. — A special Government Gazette today will clamp an outright ban on all petrol coupon discount schemes.

But Pick'n Pay, who run the most prominent of the schemes, intend to contest the ban.

The notice comes after the Government tried, and failed, to have the schemes banned in the Supreme Court in March.

Discount petrol schemes are being run by an increasing number of petrol outlets.

A spokesman for the Department of Mineral and Energy Affairs, Mr Theuns Burger, today said the proclamation was wide-ranging and would stamp out the practice of giving motorists discount coupons for other commodities — a roundabout way of discounting.

Mr Richard Frieslich, general manager of Pick'n Pay auto-centres, said they had not yet seen the Gazette.

However, he said: "The Government has played this close to the chest. We don't see how they could take any action against us ... whatever happens today we will contest it."

## Another method

Since the Government stopped the store's direct petrol discounting to self-service customers at its Boksburg Hypermarket this year — bringing in the so-called "Pick'n Pay Act" — the chain has found another method of providing discounts for customers.

People who buy petrol at Pick'n Pay garages receive coupons which entitle them to discounts on items bought at the chain's supermarkets.

The Government tried in March to strangle this scheme by prohibiting oil companies from supplying the chain — but Pick'n Pay had the ruling set aside in the Cape Town Supreme Court.

## Opposed

Since then one petrol outlet in central Johannesburg and three in Pretoria have started similar schemes — and Checkers and OK Bazaars indicated they might follow suit.

The authorities favour uniform price-fixing and the oil companies are also understood to be against deregulation of the price.

The spokesman for the Department of Mineral and Energy Affairs said in terms of today's notice, made in terms of Section 2(1)(d) of the Petroleum Products Act, no person entitled to sell petrol could:

- Supply or offer petrol other than by way of sale "for a wholly monetary consideration and at the prescribed price"; or

- Offer as a condition of or as a result of any sale of petrol any benefit to the consumer.

The term "benefit" has a wide definition in terms of the proclamation.

Pick'n Pay chief Mr Raymond Ackermann said the clampdown was the "worst thing which could happen to the consumer, who is facing rising prices everywhere".

The ban will probably stop all discounting schemes, including those which offer motorists "lucky draw" prizes or free holidays for patronising certain garages.

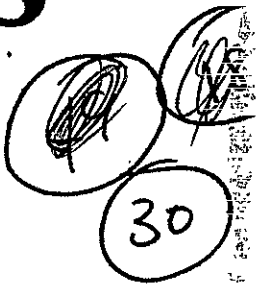
- The board of Pick'n Pay is meeting in Cape Town today and intends to discuss the contents of the Gazette.

Special Gazette enforces fixed prices for fuel

# Government bans petrol discounts

STAR

2/6/86



By Sue Leeman, Pretoria Bureau

A special Government Gazette today will ban all petrol coupon discount schemes.

They are being run by Pick 'n Pay garages and a growing number of other outlets.

A Department of Mineral and Energy Affairs spokesman, Mr Theuns Burger, said today the proclamation was wide-ranging and would end the practice of giving motorists discount coupons for other commodities — a roundabout way of discounting petrol.

The move constitutes another round in the battle between the Government and the growing band of petrol discounters — the most prominent being Pick 'n Pay.

## Discount on goods

Since the Government stopped the chain-store's direct petrol discounting to self-service customers at its Boksburg Hypermarket earlier this year — bringing in the so-called "Pick 'n Pay Act" — the chain has found another method of giving customers discounts. Anyone who buys petrol at Pick 'n Pay garages receives coupons which entitle them to discounts on items bought at Pick 'n Pay supermarkets.

In March the Government tried to strangle this scheme by prohibiting oil companies from supplying the chain — but Pick 'n Pay had the ruling set aside in court.

Since then, one petrol outlet in Johannesburg and three in Pretoria have started similar schemes — and Checkers and OK Bazaars indicated they might follow suit.

## No free holidays

But the authorities are known to be opposed to such practices, and the oil companies are also understood to be against deregulation of the price.

Mr Burger said that in terms of today's notice — made in terms of section 2 (1) (d) of the Petroleum Products Act — no person entitled to sell petrol can

- Supply or offer petrol other than by way of sale "for a wholly monetary consideration and at the prescribed price".
- Offer as a condition of, or as a result of, any sale of petrol any benefit to the consumer.

The word "benefit" has a very wide definition in terms of the proclamation.

The ban will probably stop all discounting schemes, including those which offer motorists "lucky-draw" prizes or free holidays.



This painting, "The caretaker", was one of the big challenges of artist Trish Perrevos's life. It took three months of solid work to complete it in time for the Artists under the Sun exhibition at burg's Zoo Lake at the weekend.

● Picture by Karen

ARC 3/6/86

ARC 3/6/86

# Wave of boycotts, unrest sweeps SA

**The Argus Correspondent**  
JOHANNESBURG. — A new wave of boycotts and continuing violence is hitting South Africa.

Stonings, petrol bombings, police action, work stayaways and consumer boycotts are sweeping large parts of the country.

The latest upsurge of violence is in strife-torn Kwandele in the wake of opposition to plans for the region to accept independence in December.

Since Sunday night scores of people are reported to have been injured and several are feared dead in clashes between security forces and youths

A three-day work boycott started yesterday.

Consumer boycotts are hitting centres in the Transvaal, including Potchefstroom, Boksburg, Springs and Nigel.

The Soweto Civic Association (SCA) has called for a rent boycott until demands are met by Soweto councillors and the Government.

Among the demands are that all councillors should resign, pensioners should not pay rent, refuse should be collected, street lights installed and rents

lowered. They also demanded that soldiers should leave the township.

The charred body of a man was found in Guguletu last night, police said.

Petrol bombings of vehicles were also reported in Langa and at New Brighton near Port Elizabeth.

At Matsulu near Nelspruit, a group of about 50 stoned a police vehicle. The police dispersed the mob with birdshot and a man was fatally wounded.

University of the North students started a class boycott yesterday, apparently in protest against the detention of a fellow student. Mr Archie Ramaboea, by Lebowa police on the campus at the weekend.

At Tweefontein in Kwandele a police spokesman said one man was killed and two others wounded in a separate incident when a mob attacked a black policeman on Sunday afternoon.

At least nine Soweto bottle stores were looted yesterday and at the weekend.

In Naledi youths used a front-end loader to bring down the wall of a bottle store before looting it.

# See me when I'm free — Mandela to Buthelezi

**The Argus Correspondent**  
DURBAN. — Jailed ANC leader Mr Nelson Mandela will not meet Inkatha president Chief Mangosuthu Buthelezi until the imprisoned ANC leaders have been set free.

A conference between the two leaders, whose organisations are virtually at war, was recently proposed by Kwazulu's Minister of Education and Culture, Dr Oscar Dhlomo.

Dr Dhlomo said there was so much rhetoric in black politics that a meeting between the two influential men would "clear the air".

In a statement released yesterday Mr Ismael Ayob, the lawyer acting for Mr Mandela, said that while the leader "warmly appreciated" Chief Buthelezi's peace efforts, he considered it would be more appropriate to hold negotiations after his release.

### FRUITLESS

Mr Ayob said Mr Mandela had suggested that Chief Buthelezi contact the ANC mission-in-exile with the view to further negotiations.

Chief Buthelezi said though he was heartened by Mr Mandela's positive response, all correspondence with the Lusaka-based ANC leadership had been fruitless in the past.

The Progressive Federal Party today renewed its call for the release of Mr Mandela to help to stop the unrest.

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More violence sweeps wide areas of SA

# Wave of boycotts gains momentum

3/6/66 STAR

30

Staff Reporters

## A new wave of boycotts and violence is hitting South Africa.

Stonings, petrol bombings, police action, work stayaways, and consumer boycotts are racking large tracts of the country.

The latest upsurge of violence is in strife-torn kwaNdebele in the wake of opposition to plans for the region to accept independence in December.

Since Sunday night, scores of people have been injured and several are feared dead in bloody clashes between security forces and youths.

A three-day work boycott started yesterday. Consumer boycotts are hitting centres in the Transvaal — among them Potchefstroom, Boksburg, Springs and Nigel.

The Soweto Civic Association (SCA) has called for a rent boycott until its demands are met by Soweto councillors and the Government.

Among the demands are that all councillors resign, rents be lowered, pensioners should not have to pay rent, refuse be collected, and street lights installed. They also want troops to leave the township.

Police said today that during the looting of a Soweto liquor store, West Rand Development Board police used birdshot to disperse a mob, and a man was arrested when a mob tried to set a liquor store alight.

## Charred body found

At least nine Soweto bottle stores were looted yesterday and during the weekend.

The Soweto areas affected by unrest are Diepkloof, Motolo, White City, Jabavu, Molapo, Dobsonville, Senoane, Merafe, Zola and Naledi.

Almost all the bottle stores owned by the West Rand Development Board are closed and under guard.

Police said the charred body of a man was found last night at Guguletu in the Western Cape.

The petrol bombing of vehicles was also reported at Langebaan in the Western Cape and at New Brighton in the Eastern Cape.

At Matieland near Nelspruit, a mob of about 50 stoned a police vehicle.

The SAP dispersed the mob with a round of birdshot, fatally wounding a man, the police said.

At kwaZakele, near East Elizabeth, a man was wounded when police dispersed a mob with shotgun fire.

## Policeman attacked

Scores of kwaNdebele villagers were wounded and several others feared killed during fierce clashes between security force members and youths on the eve of the three-day work stayaway which began yesterday.

Many youths and elderly men have also been reported missing from their homes in the troubled villages of Siyabuswa and Waterval since Sunday night. Some were allegedly kidnapped from their homes by members of the homeland's vigilante group, Mbokocho.

At Tweefontein in kwaNdebele, a police spokesman said a man was killed and two others wounded in separate incidents when a mob attacked a black policeman on Sunday afternoon.

At the University of the North students started a class boycott yesterday, apparently in protest against the detention of fellow student Mr Archie Ramaboea by Lebowa police at the weekend.

In Vosloorus, buses and other vehicles were stopped by youths yesterday evening. They told passengers that they should not buy in white business districts.

Disc. Times 7/11/66  
30 July 1966  
**Discount  
petrol ban  
under fire**

Own Correspondent

**JOHANNESBURG.** — Strong criticism from industry and consumer organizations greeted the government's gazetted ban yesterday on petrol discounting.

"It gives the lie to Pretoria's lip-service support of free enterprise," was the snap reaction of one opposition MP.

Pick 'n Pay executives were planning a counter-move in a day-long emergency board meeting in Cape Town despite the edict ruling out further court action.

The PFP spokesman on energy affairs, Mr Brian Goodall, described the ban as deplorable. "Pretoria should not be above the law," he said.

The Automobile Association said government should have delayed any ban on discounting while an investigation into the petrol price was under way.

The deputy director of the Department of Mineral and Energy Affairs, Mr Theuns Burger, said the main reason behind the ban was to protect small businesses threatened by large retailers.

# Rajbansi wants Oriental Plaza at prison site

**Mercury Reporter**

TWO Cabinet ministers have been asked to consider allowing the old Durban Central Prison to be converted into an Oriental plaza.

Mr Amichand Rajbansi, Chief Minister in the House of Delegates, yesterday confirmed that discussions were being held with Mr Kobie Coetzee, Minister of Justice, and Dr L A P A Munnik, Minister of Public Works, over the siting of the plaza.

'I confirm that the old central prison site in Pine Street is among a number of sites we are looking at for a new Oriental plaza.

'The House of Delegates has given a pledge to stallholders in the former Durban Indian Market in Victoria Street that we are morally obliged to assist them.

'Very soon we are going to have further talks with various parties, including the Durban City Council, regarding the plight of the stallholders affected by the fire which destroyed the

old Indian Market.

'Most of the displaced stallholders are housed temporarily in the old bulk-sales hall in Warwick Avenue and now they face being uprooted again to make way for roadworks,' he said.

Mr A R Naidoo, chairman of the Durban Indian Market Stallholders' Association, welcomed Mr Rajbansi's announcement that plans for an Oriental plaza were receiving top priority.

He said the Government was morally obliged to build the plaza because of an undertaking it had given to the Indian community after the Indian Market in Victoria Street had been destroyed by fire more than 10 years ago.

'Further delays would only escalate building costs. The Government should waste no more time but should get on with the building, he said.

His association would be happy to settle for the old central prison building as an alternative if other premises were unavailable.

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MM 3/6/86 (50)

SAK Times 3/6/66  
30  
Discount  
petrol ban  
under fire

Own Correspondent  
JOHANNESBURG —  
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# Other races buying PE properties

(30)  
 9/16/86  
 7/6/86

By DENISE BOUTALL  
 ABOUT 25 commercial properties in "white" Port Elizabeth are being sold every year to Indian and Chinese people.

This was disclosed today by a FE man with close connections in the property industry.

Reports from the other major cities in South Africa indicate that coloured and Indian people are openly attending show houses in white residential areas and buying the properties in white group areas mostly through white nominees, closed corporations or companies.

PE estate agents say they have either had none or only very preliminary inquiries from people, mainly coloureds and Indians, interested in buying houses in the white residential areas.

"Most of them would, however, welcome the scrapping of the Act.

Mr Etienne Haarhoff, executive director of a major estate agency, said: "It will not only help to stimulate the property market but is a necessary step to normalise property ownership and give everyone an equal opportunity to attain a better quality of life."

The President's Council is currently investigating the Group Areas Act and is expected to report in October.

A FE man closely connected with the property business estimated that over the last 10 years about 25 commercial properties in the white group area had been bought annually, mainly by Indians but also by a few Chinese businessmen.

He said there was little point in buying residential properties in the white areas at present because a person who did not "qualify" in terms of the Group Areas Act would not be able to live there until the Act was scrapped.

Buying commercial properties in the CBD and elsewhere was, however,

a long-term investment.

He said this was usually done by forming a company where a white person had a 51% shareholding.

The partner, who put up the money to buy the property, safeguarded his investment by getting a signed, blank share transfer form from the white shareholder. The form gave all the details of a transfer of the white shareholder's majority holding but the name of the transferee was not filled in. If at a later stage a dispute arose the partner could simply transfer the white partner's shareholding to another person by filling in the blank space.

He said that in terms of the Group Areas Act coloureds and Indians could get a permit to buy and occupy a non-residential property in the white areas. The permits were not granted easily, though.

While it was not too difficult to obtain a permit to "hold" or buy a property few people were given permission to occupy them. The right of occupation was being granted more and more in PE, particularly to Chinese people, but mainly for properties in less sought after commercial areas. Chinese people were also now being given permits to live in white areas.

AMT Temp 3/6/16

38 (14) 200  
**Assocom  
slams  
regulated  
petrol price**

ASSOCOM believes that market related forces should determine prices and strategies in regard to the sale of fuel, a spokesman said yesterday.

The organization was reacting to a notice in the Government Gazette yesterday banning all sale of petrol coupons.

Pick n Pay has been enabled to sell discount petrol by issuing purchasers with coupons which can be used towards the price of other goods.

The statement issued by Assocom said it reiterated its commitment to free enterprise with a minimum of control.

It "would accordingly question the broad terms of the prohibition which not only controls the price but outlaws hitherto legitimate marketing devices."

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ers had to work on the  
moves dreamed up by Yugo  
noon, a Port Captain's  
office spokesman said. call

CME Times 4/6/86 30

# Chain to continue banned petrol scheme

Staff Reporter

PICK 'N PAY garages  
countrywide will contin-  
ue their discount petrol  
scheme in defiance of a  
government ban on all  
petrol discounts.

Mr Alan Gardiner,  
Pick and Pay executive  
director, said yesterday  
that the discount scheme  
would continue. The  
company was consulting  
lawyers on the ban and  
may seek the advice of  
senior counsel.

Mr Gardiner said  
there had been a huge  
consumer "uproar" con-  
demning the ban.

"The government has  
really put its foot in it  
this time.

"The government has  
upset so many ordinary  
South Africans with this

ridiculous and pathetic  
action that it really is a  
great shame," Mr Gardi-  
ner added.

Pick 'n Pay started dis-  
counting petrol in No-  
vember last year when  
under its self-service  
scheme motorists paid  
four cents less than the  
standard price on a litre  
of petrol.

The government then  
prohibited this but Mr  
Raymond Ackerman  
said he would defy this  
ban. A government di-  
rective was then sent to  
petrol companies in  
March this year, to stop  
them selling petrol to  
outlets not selling at the  
prescribed price.

Pick 'n Pay continued  
discounting petrol until  
its tanks ran dry.

Another scheme was  
started in March when  
motorists received a  
four-cent coupon for  
every litre of petrol  
bought. These were re-  
deemable on goods  
bought at Pick 'n Pay.

Petrol deliveries to  
the food-chain's garages  
were once again stopped  
by suppliers in March.

Pick 'n Pay then sought  
an urgent Supreme  
Court interdict in the  
same month to set aside  
the government notice  
which prevented oil  
companies from supply-  
ing petrol to outlets sell-  
ing petrol at a discount.

The company won a  
court victory in March  
which enabled it to im-  
mediately reinstate the  
petrol-coupon scheme.

on air

Red

N/M 4/6/86 (30)

# Support for Oriental plaza plan

## Mercury Reporter

TWO organisations have come out strongly in favour of an Oriental plaza being built in the city centre to create a carnival atmosphere for Durban in its attempt to attract more overseas and local tourists.

Mr Geoff Tyler, senior manager of the Durban Metropolitan Chamber of Commerce, and Mr Andrzej Kiepiela, Durban Publicity Association marketing di-

rector, said a plaza was vital for the city.

They were reacting to a call by the Chief Minister in the House of Delegates, Mr Amichand Rajbansi, to two Cabinet ministers to consider conversion of the vacant Central Prison to a plaza.

Mr Kiepiela said a plaza in the city centre would not only make Durban a city unique in the world but would provide a carnival atmosphere to attract over-

seas and local tourists.

He said his association was pleased Mr Rajbansi had taken it upon himself as a personal challenge on behalf of the Indian community to speed up the process of implementing the project.

'We support him fully and want to bring to the public's attention that for years we have made many attempts through various avenues to have the Indian market restored in the city centre.

'It is obvious to us that if there is any group of people, under-promoted and under-exposed in terms of culture, it is the Indian community in the greater Durban area,' he said.

It was ironic that overseas and local tourists regarded Indian culture and, in particular, the Indian market-type of atmosphere, a tremendous attraction.

He said the DPA would like to add that to have a carnival-type atmosphere, the market also should incorporate a venue for other cultures like Zulu dancing.

Mr Kiepiela said the plaza would be a major link between the commercial and entertainment centres in the CBD and would have a mixture of Victorian and Indian architecture.

Mr A R Naidoo, chairman of the stallholders' association, said they were presently looking at a number of sites in central Durban, including the old Central Prison, but no finality had been reached.

# Pick 'n Pay still sells gas coupons

4/6/86 STAR  
By Jackie Unwin

30

There is a lull in the petrol discount coupon war while the Department of Mineral and Energy Affairs gives discount garages time to "put their house in order".

A special Government Gazette issued on Monday banned petrol discount schemes.

Pick 'n Pay is talking to lawyers on how to contest the new regulations, which outlaw the company's redeemable coupon scheme.

Mr Alan Gardiner, director of Pick 'n Pay, said: "The coupons (redeemable on commodities other than petrol) are still being issued at our petrol stations. We haven't heard from the department."

A spokesman for the department, Mr Theuns Burger, said: "By continuing to sell petrol coupons, Pick 'n Pay are breaking the law and we will act against them."

Consumer organisations have condemned the ban on discount coupon schemes in the wake of a Supreme Court finding that the practise is legal.

But Mr Burger said: "The Government fears widespread discounting practices will lead to service stations being closed down."

# Pick 'n Pay to seek court ruling

PICK 'n Pay plans an urgent application for a Supreme Court hearing in Cape Town to have government's ban earlier this week on all forms of petrol discounting declared invalid.

Pick 'n Pay will be seeking re-confirmation of the legality of its coupon-linked petrol discount scheme, after a Supreme Court ruling in March allowed the supermarket chain to continue offering coupons.

Lawyers for Pick 'n Pay yesterday studied the special Government Ga-

zette for the first time since its issue on Monday.

A legal expert said the courts had over-riding power to determine whether an administrative edict was fairly applied. "They will be asked to judge the validity of the delegated legislation," he said.

Pick 'n Pay is continuing with the issuing of petrol coupons at its 13 outlets.

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Argus 5/6/86

CITY/NATIONAL

# Petrol discount ban: Pick'n Pay steers for court

The Argus Correspondent

**JOHANNESBURG.** — Pick'n Pay is to go to the Supreme Court for the second time in a bid to prevent the banning of its discount petrol coupon scheme.

Mr Alan Gardiner, company director, said: "We believe the regulations in the special Government Gazette issued this week banning our scheme are invalid."

"On that basis we are going to take the matter to the Supreme Court."

"It would be reasonable in the meantime if we were allowed to continue with our voucher scheme."

"I am sure that the Department of Mineral and Energy Affairs will allow us at least time to test the validity of the scheme in the Supreme Court."

He said the case should come to court within a few days.

A spokesman for the Department of Mineral and Energy Affairs, Mr Theuns Burger, said: "It has been reported by the media that Pick'n Pay is to institute legal proceedings, but we have no official knowledge of that."

"It is Pick'n Pay's prerogative to do so and we will have to take it from there."

The question of allowing the chain to continue the coupon scheme "depends on how soon legal proceedings are instituted and on the type of proceedings — whether an interdict from the judge is requested".

He added: "Time is running out. If the company does not institute legal proceedings soon then the department will take action. I cannot comment on the type of action. We have various options."

## Second time

"If Pick'n Pay does not take action today and still carries on with its petrol-coupon activities, then it will be quite clear it is flouting the law."

If legal proceedings are instituted it will be the second time this year the company has sought an interdict against the Government.

The first time was when a court set aside a ministerial directive to oil companies to stop supplying petrol to discount outlets.

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CAM Trip 5/6/62 (30)

# Petrol coupon controversy heading for courts again

By ANDRE KOOPMAN

THE discount petrol coupon controversy will be taken up in the Supreme Court for the second time this year in an ongoing fuel battle between Pick 'n Pay and the government.

An executive director of Pick 'n Pay, Mr Alan Gardiner, yesterday said the food chain had decided to seek an urgent interdict in the Supreme Court to set aside a government notice effectively prohibiting petrol coupon discount schemes.

Mr Gardiner, who described the move as "ridiculous and pathetic", said the chain believed the regulations to be "invalid".

He said it would be "reasonable" for the company's garages to continue selling petrol in the meantime.

## May prejudice legal action

The director-general of the Department of Mineral and Energy Affairs, Dr Louw Alberts, yesterday said he was not prepared to comment since this might prejudice any legal action.

If the matter comes to court it will be the second time this year that Pick 'n Pay has sought an interdict against the government.

The Minister of Mineral and Energy Affairs, Mr Danie Steyn, issued a directive in March this year forbidding the supply of petrol to outlets which sold petrol "other than against a monetary consideration".

At the time Pick 'n Pay had been issuing 4c coupons for every litre of petrol bought. These were redeemable on goods bought at Pick 'n Pay stores.

The chain then sought, and was granted, an interdict setting this aside when the judge ruled that the minister had acted "beyond his powers".

## Fix the price of petrol

At the end of last month the minister once again gazetted an order in terms of which petrol could not be sold by outlets "other than by way of sale for a wholly monetary consideration and at the price so prescribed" or "give or offer any benefit to the consumer".

A spokesman for the Department of Mineral and Energy Affairs said at the time that the only purpose of the directive was to "fix the price of petrol".

The latest ministerial order is the third attempt by the department to stop discounts on petrol.

In November last year the minister prohibited Pick 'n Pay from selling petrol at 4c less than the standard price. The company initially defied this order and said it would continue selling petrol until "its tanks run dry".



Inequities in relief under fire

BUD DAY  
5/6/88

# Retailers need tax allowances too — OK boss

OK BAZAARS chairman Meyer Kahn has appealed to the tax authorities not to discriminate against mass retailers.

He says in the company's annual report that he hopes the Margo Commission will address the inequities and distortions which have crept into the tax system over the years, particularly since the removal of Retail "Lifo" Concessions.

"We trust that tax allowances will be granted to retailers as an incentive to encourage capital expenditure on retail facilities as is the practice in the manufacturing industry.

MERVYN HARRIS

"The attempt to stimulate mass production through these incentives without also stimulating on equal terms the secondary step of mass distribution remains a complete anomaly," he says.

Retailers are also concerned over new taxation to provide finance for the Regional Services Councils, as it will hit profits at a time when these are already under severe pressure.

"This increase in taxes should be offset by a corresponding reduction in other taxes so that there is no increase in the total tax burden.

"Firms operating on a low mark-up, high turnover basis, which pass on economies of scale to consumers, will be penalised by having to pay higher taxes than will be paid by high mark-up, low turnover operators.

"Furthermore, labour-intensive businesses such as mass retailers have to bear a higher tax burden than capital-intensive organisations. This will also tend to aggravate unemployment."

He urged the immediate removal of the 10% surcharge on the value of many imported commodities because of its cost-raising inflationary effect.

OK is also opposed to extended shopping hours as the concept is inflationary, the directors say in their report.

Increased costs that extended shopping hours must generate will lead to a rise in the cost of merchandise to the consumer whose disposable income remains at the same time constant.

However, as some stores will obviously benefit at the expense of others, OK will experiment with the opening of selected stores, using a flexi-hours approach rather than one of extended hours.

## COMPANIES

# OK stems 4-year downward slide

OK BAZAARS expects earnings to improve this financial year after stemming a four-year downward slide in the year to March.

However, last year's earnings, up marginally from 100c to 100,8c, is still less than a third of the 1982 earnings peak of 306,9c, the annual report shows.

The group increased sales by 4% to pass the R2bn mark last year at a time when consumer demand has been subjected to four years of uninterrupted downward pressure.

Total industry sales rose 8% last year, a fall of about 6% in real terms.

The higher contribution of food — 62,4% of total sales against 60,3% in 1985 and 58,5% in 1984 — hit gross margins which were further eroded by consumer purchases of low margin staples and basic commodities in all merchandise groups.

The contribution of furniture to group sales was 15,7% (17%), housewares 10,1% (10,6%), and clothing 11,8% (12,1%).

MERVYN HARRIS

New stores and the acquisition of four existing Knowles stores increased total floor space occupied by the group by 58 000/m to 1,57m/m. Two new stores will be opened this year while others will be replaced and refurbished.

The group's balance sheet is sound with the ratio of interest bearing debt to shareholders' funds at 0,30:1 (0,27:1).

Chairman Meyer Kahn says this is well within the self-imposed constraint of 0,50:1, while the ratio of total liabilities to shareholders' funds at 1,11:1 (1,02:1) is also comfortably within the constraint of 1,40:1.

At the current price of R14,25, OK shares are on a dividend yield of 4,2% which is line with the retailers and wholesalers sector average. The shares have risen 42% since reaching a 12-month low of R10 in November last year but are below last July's peak of R16,50.

METRO GROUP

(30) FINMM  
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## Finely pitched

Now that Kirsh Trading Group (KTG) has announced the terms for listing its subsidiary, Metro, the consensus view on Diagonal Street is that the issue is finely priced, leaving room only for a modest stagg profit.

Some 10,18m Metro shares are to be placed at 500c each with shareholders in KTG, Interhold and Kimet. The public will not be invited to subscribe for Metro shares. If the offer is fully subscribed, KTG will hold around 76% of a total 45m Metro shares in issue.

Although the issue carries an element of preference, it is no giveaway at 500c. At this price, Metro's prospective p/e ratio is 16, compared with a prospective p/e of 22 for its listed competitor, Score. But Score is a young company whose foreseeable growth is widely predicted at around 50% a year. Metro is a more mature group, whose own prediction is for earnings growth over the next five years of 25% a year.

If one places Metro on the same prospective p/e as Score, the share should open at 650c. But most analysts believe it can't easily command such a rating. Most see Metro opening at around 575c, for a stagg profit of 15%. Apart from the reservations about the pitching price, forecasts have been made more cautious by the currently soggy climate on the JSE.

Taking a longer-term viewpoint, the impact of Metro's entry to the listings should not be underestimated. It is a dominant player in the rapidly expanding wholesale food market and investment demand in this attractive niche of the JSE far exceeds the tradeable equity that can be provided by Score. Metro will help fill that gap, and for that reason, its shares could hold up better than many believe.

The issue is attractive enough to induce most of the preferred shareholders to take up their allocation. But this is one issue that seems unlikely to turn into a stag's party.

Neville Glaser

# Four cents trebled Pick 'n Pay's fuel sales

## WEEKLY MAIL REPORTER

PICK 'N PAY'S profits on petrol have soared since it started discount sales, executive director Alan Gardiner said yesterday.

"Garages are allowed a profit of 5.2c a litre. We offered a 4c discount coupon, dropping our fuel profit to 1.2c a litre. But our sales increased more than three-fold, and we are actually making more profit than we did when we sold at the higher price," he said.

Pick 'n Pay is preparing to seek an urgent Supreme Court interdict to set aside a recently-published government notice which prohibits petrol coupon schemes.

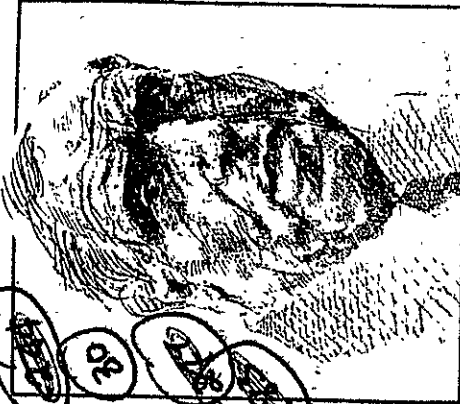
Gardiner said they would seek the interdict within a few days, probably at the beginning of the week.

There were huge vested interests behind the ban on discounting fuel, he said.

The Motor Industries Federation, representing some 4,000 garages, was in the pro-regulation camp, the oil companies were in the pro-regulation camp and they had persuaded the government to join the same camp.

Gardiner said that if the company lost the fight in court it would not give up, but would look at other ways of keeping the petrol price down.

"I cannot comment on these options at this stage because I don't want to



Raymond Ackerman

compromise us, but we will continue the fight, we will not give up," Gardiner said.

This is the company's second legal battle with the government this year over discount petrol.

After Minister of Mineral and Energy Danje Steyn directed in March that suppliers might not sell petrol "other than against a monetary consideration", Pick 'n Pay was granted a Supreme Court interdict setting the order aside. The court found the minister had acted outside his powers.

Notice of the latest prohibition was published at the end of last month.



# Boycott 'is war on PE's whites'

Post Reporter

THE black consumer boycott was part of an economic war against whites, about 500 whites were told at the launching of Action for Peace and Prosperity (APP) in Port Elizabeth last night.

Addressing the meeting in the Hellenic Hall, Pastor Martin Luther Badenhorst refused to say what action would be taken on these issues.

The organisation, billed as "a movement to counteract communism, revolution and economic warfare", has selected the consumer boycott, unrest, the media and the SA Council of Churches as targets.

Taped music was played while people filed into the tinsel-hung hall where three SA flags and two large flower arrangements decorated the stage. The meeting opened with a prayer and ended with the national anthem.

Mr Badenhorst said the boycott affected everybody.

"But I am convinced that it is a form of economic warfare against whites, which is also being used as a handy political weapon to get a hold over blacks."

Later he added that the organisation did not want to alienate blacks. "We are not against blacks."

On the unrest, he said there was a crisis in the security situation in SA. "I am not pointing a finger at the security forces. I thank God for them. However, we're in a position where we can't enforce the law among 70% of the population. We can't tolerate it indefinitely," he said to loud applause.

Of the media, he said he was astonished by the negative image of the city created daily in the local Press. "There should be an opportunity for the other side of the same story to be heard as well," he said.

If the organisation had any complaints about the media, it would first take up the matter with the editors.

Attacking the SA Council of Churches as "the biggest single factor doing our country the greatest harm", he said — to loud applause — that it was time someone contradicted Bishop Desmond Tutu, former secretary-general of the SACC and Archbishop-elect of Cape Town.

In reply to a question, he said he was opposed to paying people who participated in worker stayaways — "that's what the Bible teaches us, but we must be reasonable and house people where they will be safe to come to work if they want to".

He refused to disclose the names of the 14-strong committee of APP, saying they had been elected by about 70 people including businessmen, academics and ministers.

Apart from notices in English and Afrikaans, 40 000 invitations were printed in Xhosa.

The meeting was chaired by Mr Bruce Mann.

THE Automobile Association (AA) yesterday met Department of Mineral and Energy Affairs' (DMEA) director-general Louw Alberts for a confidential briefing on government's reasons for banning petrol discounts early this week.

The move is part of government's efforts to give the industry, outside oil companies, a firmer grasp of its reasons for outlawing petrol discounts.

The AA maintains the discount ban should have been delayed while the DMEA's investigation into restructuring of the petrol price is under way.

Oil industry observers have criticised government's failure to explain fully its motives behind the discount ban.

An oil industry source said: "The public believes it was movement without method."

But he said government had to weigh difficult proposals on allowing the consumer cheaper petrol against:

- Securing the supply of crude oil imports to wholesalers;
- Protecting small retailers and thousands of industry jobs;

# AA told why govt bans cheap petrol

HAMISH McINDOE

Saving about R800m in foreign exchange by avoiding widespread conversion to self-service petrol pumps.

He said sustained cutting of the retailer's 5,2c/l fixed profit margin could force oil wholesalers to subsidise franchise service stations.

About 40% of the country's petrol outlets are owned by oil companies.

And he said: "Government may be forced to increase the wholesalers' profit margin by raising petrol prices."

**VW has 4.8  
pc markup**

Volkswagen announced yesterday an average price increase of 4.8 percent in VW cars and light commercials, but not Audi.

This follows the lead of Toyota, who raised prices on some models by seven percent on Monday.

Mercedes and Nissan say prices won't rise this week and BMW won't move until July. General Motors has revised the price of its new Rekord model.

Makers say it is not the rand/dollar dip that worries them but the dubious prospects for dollar/DM and dollar/yen.

Says Mr François Loubser of Toyota: "The picture is not bright."

OPEN CBDs

# No rush to the city centres

The opening of Johannesburg's CBD to all races in February may have been a significant political event, but it has hardly set the property market on fire.

There has been a slow trickle of black tenants into the CBD since February, but certainly not the rush that some had predicted.

However, the response has been much in line with what landlords had forecast. None of the bigger operators expected the deracialising of downtown Johannesburg to result in any meaningful reduction in the amount of surplus office and retail space in the short term.

They were right. The truth is that nearly all Indians, coloureds and Africans who wan-

streets, and the Sanlam Building at the corner of Commissioner and Sauer streets.

About 600 m<sup>2</sup> of this has been leased since D-day, says property leasing manager Johan Boshoff. Tenants include Leefa Estate Agency, TV Recruiting Mega Star, the Rangers Football Club, a building contractor and a training centre. Two small shops, of 40 m<sup>2</sup> and 60 m<sup>2</sup>, in the old Ansteys Building, have also been leased to blacks.

Ampros, says national leasing director Joe Hallis, has let space to 12 blacks since February. These tenants include lawyers, insurance brokers and an architectural draughtsman.

Most — particularly those launching new ventures — have opted for economical space

concept to property owners, traders, rate-payers and the local commercial association (*Property* January 24).

Now it is ready to make its boldest move yet — to close off 50 m of the 150 m-long Chartwell Drive shopping precinct. The proviso, says Umhlanga town planner Dorstan Hayman, is that "we get the final go-ahead from all parties involved."

The planners, he adds, say the pedestrianisation proposal is feasible. The council sees it as desirable, and the traders — some of whom expressed initial reservations — are beginning to come round to that view too.

Hayman, however, makes it clear that unless there is absolute unanimity, the plan will not proceed.

"We don't want to be accused of acting unilaterally or not consulting properly," he says. "At the end of the day, there will have to be full agreement on the steps that need to be taken."

Firm proposals have been put and the various interest groups will report back with their own recommendations on June 6. Hayman admits to being encouraged by the views being privately expressed. If there is consensus, then he suggests a start could be made on the first phase of the pedestrianisation plan before the end of the year.

It could be a lot longer before the full plan — closing Chartwell Drive between Lighthouse Road and Ocean Way — is finally implemented.

"I think we've convinced them," he says, "that motor vehicles don't do the shopping. Provided we create a safe, fun, shopping environment, there won't be a detrimental effect on turnovers."

## Randburg study

In building the argument for pedestrianisation, he notes, case studies of Randburg and other successful malls were cited. In most cases, it was shown that turnovers, along with shop rentals, increased substantially in the post-pedestrian period. In comparison, Randburg's mall is three times as long as the one proposed for Umhlanga.

Of the argument that off-street parking would be lost to shoppers — a total of 79 parking bays will be done away with — Hayman contends there is "more than sufficient undercover parking in the vicinity to compensate."

Finally, it appears that Umhlanga's diplomacy is being backed with a bit of muscle after all. He warns that the borough's traffic problems are such that if the traders do not play ball on the mall issue, the council will have to act in other ways.

For example, it would have to restrict bulk



Johannesburg CBD ... grey areas

ted, or needed, to locate in the CBD were there before February, illegally leasing space in the names of nominees (*Property* August 23 1985).

Ebrahim Kharsany, MD of the Islamic Corporation and the Corporate Group of Companies, said then that 30%-50% of all shops in Johannesburg's central core were already Indian-owned.

This does not, however, mean the opening of the CBD was just an empty gesture. Landlords believe that non-whites will move in gradually. It will take time, they say, for a core of black businessmen to establish itself in the CBD. This core, in turn, will attract others.

There are signs that the process may have already started, and a pattern of black space requirements and rentals is being established. Most want office space in secondary buildings and are prepared to pay R8.50/m<sup>2</sup>-R9/m<sup>2</sup>. The demand for retail space from blacks is very small.

Sanlam has about 1 200 m<sup>2</sup> leased to blacks in two of its buildings — the old Ansteys at the corner of Jeppe and Joubert

to keep costs down. Some, however, have taken space in the Carlton Centre. The other Ampros buildings that blacks favour are Darragh House and His Majesty's Building.

"Most of our black tenants have taken 50 m<sup>2</sup>-70 m<sup>2</sup>, and are limiting their rentals to R600-R1 200 a month," says Hallis.

These rates are market-related. "We do not differentiate," Hallis explains. "We treat our black tenants like any other. They have to give a month's rental as a deposit, pay the first month's rent in advance and pay for the lease charges when signing." ■

## UMHLANGA MALL

### Pedestrian pace

Umhlanga Town Council could hardly be accused of acting overhastily in its attempts to pedestrianise a portion of Chartwell Drive in the resort town's CBD.

Backed by detailed feasibility studies prepared by town planning and traffic consultants, it has spent 12 months trying to sell the



in the CBD to existing limits and approve another commercial centre — at the Sea View interchange on the crest of the hill overlooking the town. ■

## GOUGH COOPER

### Off the floor

Even before the house market turned sour, homebuilder Gough Cooper Homes (GCH) was finding business a slog. The problem was that GCH's image had, over the years, tended to be associated with repetitious housing at the economy end of the scale.

Competitors, with an eye to GCH's slipping image, went in for the kill and Gough Cooper duly began to lose market share.

The challenge was thus to change the image and beat off the competition. Now MD Tony Acton, admitting that this has taken time, reckons he and his team are winning. GCH, he points out, has virtually halved last year's pre-tax loss to end-June 1985 of about R6,77m. The improvement in the group's fortunes, believes Acton, will continue to a point where GCH should be back in the black next year.

Not all of GCH's woes can be blamed on what Acton terms "the worst recession that has hit the housing market since the Thirties."

Part of the reason for the poor performance, he reckons, is that previous manage-

ment had tended to ignore or misread market requirements.

Before Acton took over, GCH wrote off land worth R2,7m. Later, on taking office, he turned his attentions to the 121 spec houses worth nearly R6m which still clogged the books at June 1985.

Another R4m was tied up in second bonds granted to individual homebuyers at discount rates. Not surprisingly, therefore, there was a severe cash-flow problem when Acton moved in.

"My immediate problem was to stop the cash haemorrhage and restore profitability," he explains. "Stopping the cash outflow was relatively simple. I reduced the stock of houses by selling 63 units which generated about R3m. Then I discounted part of the second-bond book and that raised a further R2m."

But returning GCH to profitability, he admits, was far more difficult. GCH, he recalls, had not moved with the times: it wasn't promoting itself well and its products were out of tune with demand.

It was still operating in the mid- to lower-bracket white housing and had only "a presence" in the black market which accounted for 23% of

turnover in fiscal 1985. Nor was GCH catering adequately for the new white market created by government subsidies to first-time buyers. The subsidy amounted to a third of the interest for first-time owners whose homes, excluding the ground, cost less than R40 000.



GCH's Acton ... out of the box

Robert Tshabalala

## WAITING FOR PRUPROP

Is Prudential Assurance, busy assembling its own property trust (*Property* February 7), ready to come to the market within the next few weeks?

Word is that Pruprop, through agents Richard Ellis (RE), has assembled a portfolio worth at least R90m which includes most of the Pru's properties.

Among the buildings said to be going into the trust are four office buildings in the Parktown area, as well as its Crownwood office development in Ormonde in the south of Johannesburg.

Four Sandton properties — two already owned by the Pru and two specially purchased for the trust — are also said to be included.

What will happen to the office block now being built on the midtown Colosse-

um site is unclear, although it's unlikely to be included while the property is still being developed. Occupation is expected only in 1988.

Neither Pru property manager Roger Hunting nor RE's Alastair Barclay were available for comment, no doubt aware that financial institutions registrar Robert Burton is said to take a dim view of comment about funds not yet launched.

Pruprop is likely to come onto the market before Nedbank's proposed trust which is being assembled by RMS-Syfrets. Market talk is that the Nedbank fund could be in the region of R150m-R200m.

RMS director Peter Gerard says he hopes to be in a position to speak about the Nedprop launch in July.

## SMALL HOTEL

Hill Samuel Real Estates' Ralph Raubheimer has sold the former Leisurecor HQ in Stormill to the Small Business Development Corporation (SBDC) in a R4m cash deal. Seller was the 100% Leisurecor subsidiary Pennyville Properties (Pty) which now becomes a shell company in liquidation along with the rest of Leisurecor.

The funds realised in the deal will be used partly to settle a first bond of R2,8m on the property held by Syfrets and a second bond of R1m held jointly and equally by Nedbank and Hill Samuel Merchant Bank.

The SBDC plans to establish an industrial "hotel" in the 14 000 m<sup>2</sup> building in which it will accommodate small entrepreneurs.

The SBDC will provide industrial equipment for rent on a daily basis and plans to offer back-up financing, marketing, secretarial and other services.

A similar development in Port Elizabeth has done well and is now expanding. The site is ideal for the SBDC's plans, being close to a number of residential and industrial areas and on the main road to Soweto.

Negotiations lasted about five months.

One course of action was to go into the black market more aggressively, and today the company is involved in building houses for blacks in Protea, a suburb of Soweto; Diepmeadow; Katlehong; Tsekane near Springs and Atteridgeville near Pretoria. And, together with the Urban Foundation, it is developing a large township in Mamelodi.

But the returns on the construction of black housing, home-for-home, just don't match returns in the white market and volume in black areas is the name of the game.

Also, there's no sweetener in margins on land sales because the ground on which GCH is building is provided by the Urban Foundation, local councils and the development boards. The company can usually profit on the land in its white townships because it develops its own townships.

Nevertheless, some 70% of this year's turnover will be generated by building houses for blacks, Acton says.

But GCH is not forgetting the potential white market either and, as a first step on the road back, has briefed an ad agency to get rid of the company's "little boxes" image.

So far, Acton says, the campaign has worked well. In the Transvaal sales had slumped to about 14 a month in fiscal 1985 but the figure has more than doubled since.

"But," he says, "we're still building most of those houses and, because we take our profit only on completion, profits won't show up in our books until next year, financial 1987." ■

# Black man hopes to be first in complex

## Municipal Reporter

A KWA MASHU businessman has shown a strong interest in becoming the first black tenant of The Workshop, a specialty shopping centre which opens on the old station site next October.

At least two Indian women will also own shops in the complex.

Mr Chris Lawrence, the director of Murray and Roberts Properties, said his company was involved in promising negotiations with the man.

Mr Bob Loxley, property development manager for the company, confirmed the negotiations, saying: 'We've certainly got a letter of intent from the man and we are in the process of formalising the lease.'

The man, an experienced township retailer, is apparently funding his new crafts store through the Small Business Development Corporation.

Mrs Khatija Mall, who will own a spice shop, said she got into the business while making curry four years ago with an aunt.

'It eventually grew into manufacturing a braai marsala. I thought the public needed a small, central place where we could educate them about spices,

she said yesterday.

Mrs Mohunia Singh, owner of a Grey Street area shop, said she was especially glad to be involved in something so different for Durban.

She will manage an Oriental store.

The Workshop, a Victorian-style specialty shopping mall with a strong focus on community involvement and entertainment, will open in the remodelled old station buildings in October.

Mr Lawrence, who was

speaking at a Fedhasa-Natal luncheon this week, said the centre would be divided into Zulu, Oriental, colonial British, harbour and Cape provincial theme areas.

The complex will be open seven days a week, with extended shopping hours. A disco has been proposed.

Mr Alan Gooderson, chairman of Fedhasa, suggested the audience applaud Durban's 'forward-thinking city council' for making schemes such as The Workshop possible.

## Petrol ban challenge in court today

Pick 'n Pay is to contest the banning of its petrol coupon discount scheme in the Cape Town Supreme Court this afternoon.

A Special Government Gazette on Monday banned on all petrol coupon discount schemes.

The chain store is continuing to distribute its 4c coupons for every litre of petrol bought at its service stations. The coupons are redeemable on goods in its stores.

Pick 'n Pay director Mr Alan Gardiner said yesterday: "We believe the ban is not valid."

Pick 'n Pay sent a telex to the department yesterday advising it of the intention to take legal proceedings.

FIN MAIL 6/6/86

PETROL DISCOUNTS

## Back into battle

While SA's 60-odd petrol discounters smart under this week's ban on price-cutting, reaction from elsewhere has been loud and furious (see page 35).

Pick 'n Pay (P'nP), which won a Supreme Court action to maintain the right

to dish out 4c/litre discount coupons redeemable in its shops, will be the hardest hit.

The group increased pump sales from less than 3 M/a month to about 7 M/a month at its 12 petrol outlets since the court ruling. "And we're still making more profit on petrol sales than we did previously," says P'nP's Alan Gardner.

Meanwhile, P'nP continues with the coupon scheme while it awaits legal advice.

The Department of Mineral and Energy Affairs (DMEA) says it has been carefully monitoring the situation since the court ruling, and "in the interests of wholesalers and small businesses it decided to stop the practice."

DMEA deputy director Theuns Burger says he hopes all retailers will comply with the new law. "The DMEA saw the coupon scheme was creating problems for smaller retailers, which employ around 45 000 people. The discounting scheme was found to conflict with government's policy to promote small business."

Burger says discounting also distorted the market for wholesalers because those which supplied discounters were increasing market share at the expense of those which did not. "This could cause a full price war at wholesale level, and reduce the viability of certain oil companies in SA," he says.

He points out that the ban is restricted to "the present," and he says the DMEA constantly studies price control and petrol pricing with a view to making appropriate changes.

Nevertheless, the action has been slammed by many consumer organisations, including Assocom. It says market-related forces should determine prices and strategies in the sale of fuel. Also, it questions the broad terms of the prohibition which not only control price but also outlaw previously legitimate marketing devices. ■

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LOCAL CONTENT

### Sticks and carrots

The Board of Trade and Industry (BoT) has suggested a wide range of free market measures designed to reduce the crippling effect the current local content programme is having on the South African truck manufacturing industry.

No doubt its recommendations will find no favour in some quarters. It suggests, for example, that the punitive protective duties on some imported components be eased or lifted, that the protection given to Atlantis Diesel Engines (ADE) and AS Transmissions and Steerings (ASTAS) be phased out and that the current heavy-handed legislation, which is concerned primarily with strategic problems, be replaced with a scheme to encourage local content by offering rebates on excise duty.

#### New report

The proposals appear in BoT's new report on its investigation into a local content programme for heavy commercial motor vehicles, conducted at the request of Dawie de Villiers when he was Minister of Industries, Commerce and Tourism in 1982. BoT recommends that:

- The current protection measures for locally made engines, gearboxes, driving axles and specified components be discontinued;
- A system of excise duties for commercial vehicles be introduced and, to encourage local content, that rebates based on local content be allowed: the higher the local content, the lower the duty;

A new way of measuring local content be adopted. This would divide vehicles into standard component groups with "the value of each group expressed as a standard percentage of the excise value of the vehicle." What this means is that components sold into the replacement and export markets will be added to those used for original manufacture. This will enable individual component makers to reach a local content level of more than 100%;

Differentiated protection be adopted for approved engine and gearbox manufacturers to soften the short-term shock of losing protection. The board sees manufacturers achieving lower costs through rationalising product ranges and stepping up output to break into exports — thus achieving lower unit costs. They will have to re-negotiate licensing agreements with parent companies, and the board suggests they do it as speedily

as possible; and

Because "vehicle users and manufacturers expressed strong reservations about the particular (locally made) gearbox that is being offered for use in large vehicles," protective duties be structured to ensure that certain imported gearboxes will be deemed local content.

The BoT paints a gloomy picture of the truck manufacturing industry in the preamble to its recommendations.

An index based on 1980 figures shows the average value of a vehicle rose from 1980's 100 to 1984's 172. Imported content fell from 71% to 47% and local material input jumped from 14% to 41%. But value of the local content, expressed as an index, rose from 100 in 1980 to 520 in 1984.

Excise duty accounted for the biggest rise. In 1980 government creamed off R1,36m in excise duty from truck sales, but in 1984 it

took R6,1m, pushing the index up from 100 to 589 in the period.

The average cost of a heavy commercial vehicle rose R17 942, or 72%. In the same period the total manufacturing production price index increased by 56%.

After accounting for all manufacturing costs, BoT finds that "about 25% of the cost increase, an average of R5 997 a vehicle, was not passed on to the consumer. Some of this loss was recovered through other sales, mainly parts and accessories, but after that there was a net loss of R3 680 a vehicle. To this figure must be added the effect of general inflation".

In a masterpiece of understatement it comments: "The industry's net overall contribution to the economy in 1984 must be regarded as having been negative." Its comments on 1986 will make interesting reading.

## Petrol coupons

still go on

Pick 'n Pay was yesterday granted permission to continue with its petrol discount coupon scheme until Wednesday.

The chain store was to contest last week's banning of its coupon scheme in the Cape Town Supreme Court yesterday afternoon, but instead met the Government's legal advisers.

Pick 'n Pay director Mr Alan Gardiner said it was agreed to re-schedule the case for Wednesday. "This will give both parties the opportunity to prepare their cases more fully and allow the Government sufficient time to reply to our affidavit," he said.

*Case 7/1986*  
**Pick 'n Pay goes to court again** *30*

**Supreme Court Reporter**

PICK 'N PAY has taken the Minister of Mineral and Energy Affairs to court again, alleging that the minister has exceeded his power by forbidding petrol sellers to offer "any benefit" to buyers.

The hearing has been postponed by agreement until Wednesday to allow the minister time to file answering affidavits, but Pick 'n Pay's case is set out in papers already before the court.

An affidavit from director Mr Hugh Herman sets out the history of the chain store's battle to maintain a scheme in terms of which people buying petrol receive coupons discounting Pick 'n Pay goods other than petrol.

A crisis was reached when petrol supplies to Pick 'n Pay were cut off after a letter from the minister forbade the supply of petrol to outlets where "any refund or any other consideration" was offered to consumers.

Pick 'n Pay took the minister to court on March 6, and on March 19 the court ruled that the section of the Petroleum Products Act relied on by the minister did not give him the power to act as he had done.

On June 2 the minister published a notice in terms of another section of the Act, forbidding petrol sellers from offering "any benefit" to buyers.

Pick 'n Pay argues that while the minister is empowered to regulate business practices which he thinks are "calculated to influence" the price of petrol, this does not empower him to forbid their coupon scheme which, they contend, has no bearing on the price of petrol.

Mr Justice H Berman presided. Mr S Aaron, SC, with Mr L Weinkove and instructed by Sonnenberg, Hoffmann and Galombik, appeared for Pick 'n Pay. Mr P B Hodes, SC, with Mr D van Reenen and instructed by the State Attorney's Office, appeared for the minister.

*Bus Day 4/4/66*  
**Pick 'n Pay to defy Govt**

*(19) (24) (30)*  
Own Correspondent

PICK 'N PAY garages throughout SA will continue the petrol coupon discount scheme in defiance of a government notice gazetted on Monday, banning all petrol discounts.

Pick 'n Pay executive director Alan Gardiner said yesterday that the coupon scheme would continue.

He said the company was taking legal advice on the notice and may seek the advice of a senior counsel.

Gardiner said there had been a huge consumer "uproar" condemning the ban.

"The government has upset so many ordinary South Africans with this ridic-

ulous and pathetic action that it really is a great shame," he said.

The notice, issued by Mineral and Energy Affairs Minister Danie Steyn in terms of the Petroleum Products Act of 1977, states that no-one may supply or offer petrol "other than by way of sale for a wholly monetary consideration, and at the price so prescribed" or "give or offer any benefit to any consumer".

Pick 'n Pay started discounting petrol in November, when, under its self service scheme, motorists paid 4c less than the standard price on a litre of petrol.



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EVE POS 2/16/86

# Council invitation for discussions on consumer boycott

By KIN BENTLEY

AN invitation is to go out — "possibly today" — to Mr Mkhuseleli Jack, spokesman for the Port Elizabeth Consumer Boycott Committee (CBC) and the rest of the CBC executive, to meet the special negotiating sub-committee of the PE City Council.

This was announced today by the chairman of the sub-committee, Mr H van Zyl Cillié, after a meeting it had with Mr Ronnie Kaplan, chairman of the Progressive Federal Party in the Eastern Cape, and Mr Graham Richards, a city councillor.

Last week Mr Richards held discussions with Mr Jack, who indicated that the CBC as a whole (it consists of representatives from several different community organisations in the PE townships) should be invited to discuss issues with the sub-committee and that an agenda should be drawn up. These points were conveyed to the sub-committee.

Mr Cillié said the date for the meeting would have to be decided jointly between the sub-committee and the CBC.

He added that Mr Kaplan had made his submissions to the committee and these had been discussed.

Commenting before today's meeting, Mr Richards said he believed negotiation at local level was "an area where we can still talk to each other".

He said negotiations towards the setting up of non-racial local government structures had to take place between "representatives of people of all races".

"Once we have a situation like that we can address the economic problems and work out a strategy to develop this area."

# Relief fund getting cash

THE Unrest Relief Fund, established by the Soweto Chamber of Commerce and Industries to help families of unrest victims, is heading to be a roaring success as more and more donations keep on pouring in.

Mr Willie Ramoshaba, of Ebony Management and Secretarial Services, a company responsible for the running of the fund, said well over 40 Soweto businessmen have paid annual membership fees of R100 each.

A leading international bank is also playing a vital role in marketing the fund to other American companies doing business in South Africa.

Since the fund was started a few weeks ago, the SCCI, through the Soweto Civic Association, has provided funds towards the burial of at least eight unrest victims, according to Mr Ramoshaba.

Mr Ramoshaba also said organisers of the fund were planning to stage a music festival in September this year.

He said an amount totaling R12 000 had already been received from the following businesses:

- Buta Supermarket, All Time Supermarket, Building and Tiling Company, Releke Sizame Supermarket, Mzamo Moleko Liquor Enterprise, Molawa Trading Store, Paradise Centre, Makhudu Fast Food, Reditype Foods, Big K Bazaar, Soweto Dry Cleaners, John Langa Motors, DTZ Construction, The Little Supermarket, Stone Dairy and General Dealer, Stone Dry Cleaners, Welcome Dry Cleaners, Riverview General Dealer, Mosiya Shopping Centre, Quo Vadis CC.
- C T M General Dealer, Khetang Meat Festival, Thandeka Upec Wa Macho, Thandeka Tours and Travellers, Diepkloof Bakery, Inkhata Ya KwaZulu, Kupanane Funerals, Vukani Supply Stores, Alex Hair Stylists, Tubatse Enterprises, Pilgrims Skyline Supermarket, Ikwezi Station Pharmacy, Blue Flame Bottle Store and Sechaba Cash Store.

# Reasons for spiralling costs of motor cars

9/6/86 E. Post

**Business Editor**

NEW car-buyers are paying up to 13% more for their vehicles today than they were at the beginning of the year — and 50% more than at this time in 1984.

The latest rounds of increases — introduced, say manufacturers, mainly to recover foreign exchange losses — have pushed the least expensive cars up to close to R12 500.

When general sales tax is added, this means that the man in the street will need just a few rands short of R14 000 to buy a basic economy model.

At the other end of the scale, a locally manufactured luxury car will cost R38 580 — or R43 210 when GST is added — with several costing twice as much as that.

Medium-sized cars —

the norm in South Africa only a decade ago — start at about R16 000 (R17 920 with GST added) and go up to R22 000 (R24 640 with GST added.)

Latest manufacturers to increase their prices are Volkswagen and Samcor.

Volkswagen increased its Golf, Jetta and Passat prices by 4,6% last week.

Audi prices — increased by 8,5% in January and 5,5% in April for a total of 13,5% — remained unchanged.

Samcor introduced “selective increases” of between 4,5% and 7% on several of its Ford and Mazda models on Friday.

Market leader Toyota also recently increased its prices by 5% on Corollas and 7% on Cressidas.

Other manufacturers — General Motors, Nissan, Mercedes and

BMW — are expected to follow suit during the course of the month.

Reason for the increases, say manufacturers — who are anxiously awaiting a relief announcement from the Government after intensive lobbying — is mainly the plummeting value of the rand.

“Costs of imported components have doubled in the past two years, while local parts are costing 40% more,” said the public affairs manager of Volkswagen, Mr Ronnie Kruger.

“That means the industry’s costs have risen by 70% in that period.

“But price rises have been kept down to 50% as manufacturers have tried to absorb as much as possible and not pass all cost rises directly on to the man in the street.”

# Pamphlet confusion

50 WED 12/6/76 (30)

THE consumer boycott in the Northern Transvaal has aroused controversy in Pietersburg with an unknown organisation entering the fray with anti-boycott pamphlets and newspaper advertisements.

The boycott started on May 12 and was called the Northern Transvaal Consumer Boycott Committee

(NTCBC). The identity of the members of the committee is unknown. The boycott affects various towns including Pietersburg, Potgietersrus, Tzaneen and Phalaborwa.

The boycott was highly effective in Pietersburg with the local chamber of commerce admitting a 20 percent cut in sales during the first week. Then two weeks ago, pamphlets were distributed in Seshego under the name of the Seshego Youth Congress (Seyco) calling off the boycott.

These pamphlets allege that black businessmen in the township were overcharging consumers and refused to donate money to liberation movements.

Seyco issued a pamphlet denouncing the first one and denied any connection with it. It pointed out that the boycott was called by the NTCBC and not

By MATHATHA  
TSEDU

Seyco. Last week, an equally mysterious organisation calling itself the Far North Consumer Action, entered the controversy with a quarter page newspaper advertisement promising

among other things protection against "intimidators" and "remembering traders who are robbing us".

According to the *Times* newspaper, which carried the advert, Consumer Action is to put more similar advertisements. The identities of the two "warring" committees are a mystery.

The consumer boycott was announced at the funeral of the late United Democratic Front leader, Mr Peter Nchabeleng, at Apel on May 3.

The *Times* said in a story on Friday that a street survey had revealed that people "suspected that police had a hand in the formation of Consumer Action".

SA pipeline  
prices top  
the total cost

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Pretoria Bureau

Many inland consumers of petrol and diesel carry pipeline transportation costs that considerably exceed the total cost of such transportation.

Mr H S Mabin, former executive director of Assocom, said this at an energy conference in Pretoria today.

There had been growing criticism of the Government for charging inland motorists what were considered unreasonable sums for the use of the pipeline, he said.

As long ago as 1945 the Board of Trade and Industries had recommended that railway tariffs be made to conform to the actual cost of the service.

"In 1978 the board remarked that the implementation of this recommendation in the case of pipeline tariffs would itself reduce geographical selling price differentials in oil fuels to virtually insignificant proportions.

"To the best of my knowledge, organised commerce endorses these sentiments."

Mr Mabin believed price control on petrol could have the effect of raising prices rather than lowering them.

"The overall cost of energy might well be influenced by two existing controls that to some extent limit the application of market forces and factors to energy supply — price controls over important energy supplies and export controls."

# Rents on PE Shops, offices

By BARBARA ORPEN  
RENTS on shops and offices have dropped by as much as a third in Port Elizabeth's central business district, and in Main Street, North End, by as much as a half.

In North End particularly, an "alarming" number of premises is standing empty.

Mr Des Hynch, director of Hancock's For Space, said the situation was a result of the general economic climate, exacerbated by the consumer boycott.

He cited an example where office and shop space in one of the modern buildings in Main Street was being let at R5,50 to R6 a square metre, as opposed to R8 or R9 a square metre two years ago.

Some premises in Russell Road were being let at R8 a square metre, as opposed to R12 two years ago.

Business premises in the North End area between Albany Road and Constantia Centre were now being let at R5 or R6 a square metre, instead of the R10 of two years ago.

A shop near Albany Road was being let at R3 a square metre, "which is cheaper than warehouse space in an industrial area would have been two years ago".

Industrial premises which went for R3 a square metre two years ago are being let for R1,70 in the Kempston Road area.

"The situation in North End is that landlords no longer quote a rental — they wait for an offer from the prospective tenant."

"The commercial property market is now the landlord's market, with rentals merely to ensure tenancy of his property."

Mr Hynch said the clo-

sure of shops and businesses in North End was "alarming and frightening".

"We receive two or three phone calls a day from people who are asking either to sub-let their property or who are closing down."

He said he personally dealt with at least 12 shops which had closed down between Albany Road and the Constantia Centre in North End during the last year.

"A few years ago this area was considered a diamond field for traders. People fought to get in and rent a shop. Now they are fighting to get out."

Mr Hynch said no new businesses had opened up between the two consumer boycotts.

"Now, since the imposition of the new boycott, things are very frightening for traders in that area."

"One only has to drive

through North End — letting boards festoon the shopfronts like Christmas decorations."

A spokesman for a national letting agency said he was "too embarrassed" to record the number of business premises that were vacant in North End, but confirmed that tenants had asked for rent relief.

Mr Bruce Trehaven, chairman of the Institute of Estate Agents in PE, said although his property business had established no set pattern with regard to the reduction of rentals, many tenants were asking for reductions in North End.

"Although it has been the tenant's game for the last two years, one has to remember that the landlord has commitments to meet with rates and taxes, but if the boycott continues to the end of the year, things will probably look very bad," he said.

## plummet



A familiar sight in North End streets. Some premises in the area have had their rents cut by half.

DD 11686 (30)

# Man jailed for intimidation

**Dispatch Reporter**  
EAST LONDON — A man was yesterday sentenced to an effective 15 months' imprisonment after he was found guilty in the regional court here of intimidation.

Bhekikhaya Peter Makata, 24, of NU 9, Mdantsane, had pleaded not

guilty to the charge at a previous hearing.

It was found that he intimidated Mr Nkosinathi Shiyani and his wife, Nowetile, at the Oriental Plaza on March 8 and threatened them about the groceries which they had bought from shops in town.

He was sentenced to 2 years' imprisonment, of which 9 months were conditionally suspended for four years.

Mr P. Campbell was on the bench. The prosecutor was Mr R Esterhuyse and Advocate S. Gyanda of Durban, instructed by Siwisa and Partners, appeared for the defence.

# Motor industry rocked by drop in May car sales

By Jeremy Sinek

Another fall in car sales during May was bad news for the embattled motor industry — and with a further round of vehicle price increases now going through, the prospects don't look good for any improvement in June.

Passenger car sales slipped 3,4 percent from April's 14 231 to 13 754 — the lowest monthly total this year — and heavy commercials from 583 to 527 units.

As things stand, the industry is on course for a full-year total of only 170 000 cars. That compares with 204 000 in 1985, itself a bad year.

But there are some grounds for judging the overall figures for May not quite as bad as they first appear.

The tally of 6 387 light trucks and buses sold was 7,1 percent up on April and is the best monthly figure of 1986, as well as 5,7 percent better than May last year.

Moreover, most car-makers improved their sales in May — by as much as 28 percent in the case of Mercedes/Honda — and of those which did not, BMW and Toyota each slipped by only two percent.

The overall picture appears to have been distorted in the short term by a massive 29,3 percent slide in Samcor sales, particularly the Ford division, which sold only 1 004 cars in May, 42 percent fewer than April's 1 740.

This was attributed by a Samcor spokesman to a hiatus between the run-out of the discontinued Ford Escort and the availability only this month of the new Laser and Meteor replacements.

Conversely, after a disastrous start to the year, GM registered an 8,7 percent gain from April to May. Nissan was up 4,9 percent, and VW 6,5 percent.

## DIRECTOR

Commenting on the May figures, the director of the National Association of Automobile Manufacturers of South Africa, Mr Nico Vermeulen, said they indicated the exceptionally difficult business conditions.

"A comprehensive relief package to revitalise the economy and stabilise business conditions in the motor industry is now necessary to assist in the recovery process and would be consistent with official longer-term social and economic objectives," he said.

Naamsa representatives met government last month, and the industry anticipates some relief measures will be announced shortly. With the shrinking rand once again putting pressure on costs, the need for action is more urgent than ever.



## Historical low levels recorded

# Car sales plunge to a record low

CRH Tips 11/6/85 30

By GORDON KLING  
Financial Editor

NEW motor car sales plunged to a record low for the year in May, according to figures released yesterday by the National Association of Automobile Manufacturers (Naamsa) amidst further appeals for help from the ailing industry.

Naamsa director Nico Vermeulen said new vehicle sales volumes in all sectors had remained under pressure at historically low levels.

Only light commercial vehicles showed a small improvement to 6 387 units, but sale for the year are running some 11% below last year.

New motor car sales were down 8% on last May and 3,4% lower than April at 13 754 units. Figures for the first five months of the year are down 16,1% on the similar period a year ago.

Sales of medium, heavy trucks and buses continued to reflect a sharply negative trend confirming continued

weakness in general economic conditions.

According to Toyota's marketing director, Brand Pretorius, the new car market recorded its fifth successive no-growth month in May; and total sales for the year could fall dangerously close to the worst ever year of 1977, when only 166 764 vehicles were sold.

Department of Finance sources recently indicated that measures aimed specifically at the motor industry were not envisaged in the stimulatory package expected to be unveiled by Finance Minister Barend du Plessis early next week.

It is understood, however, that the measures had yet to be finalized at the time and Vermeulen for one hopes the authorities will reconsider the position.

### Interest rates

Speculation is rife that HP regulations, GST, and interest rates may be further relaxed.

The scrapping of GST on second-hand cars is considered another possibility which would put more money in the pockets of those reselling with intention of buying new cars.

In the medium commercial segment, sales remained virtually static compared with the previous month, with year-to-date figures 5,9% below last year.

The heavy commercial sector again took the brunt of the depression, sales being 9,9% below April's. Year-to-date sales are a dismal 2 884 units, 34,1% down on 1985.

TRA  
EGO  
SPRI

# Dramatic increase in earnings at Fraser's

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By Sven Lünsche  
While big retailers throughout the country are suffering drastic cut-backs in white consumer spending, the largely black-orientated Fraser's wholesale stores have shown dramatic increases in earnings over the last couple of months.

A readjustment of their inventory to meet the tough times has ensured that the half-year interim could boast an earnings increase of 61 percent, with the trend expected to improve during the remaining four months of the current financial year.

Of all companies serving black markets few seem better placed to benefit than Fraser's, as it is among the most diversified of black-orientated groups, with interests in furniture, clothing and foods.

Says Fraser's MD, Mr. Don Campbell: "All the sectors are are maintaining quite nicely, but the furniture section is doing particularly well after the lifting of HP requirements."

He said there is no doubt the future of retail groups lies in the black market, and ascribes Fraser's success to long-term management decisions.

"Most store managers are black and while it is essential that we train blacks as a result of the shortage of skilled labour, they also have a better understanding of our target market," Mr. Campbell said.

At a gearing ratio of almost 25 percent, Fraser's has benefited substantially from lower interest rates, while rationalisation and computerisation have limited the groups' expenditure programmes.

11/16/86  
BCE DIA  
'Strong economy will be needed'

# US firms must stay in SA, says GM chief

SOUTH AFRICA would need a strong economy, with jobs for all, once apartheid was abolished, General Motors chairman Roger Smith said in Detroit yesterday in a discussion with the US media.

For this reason, it is important for US companies to remain in SA, he added. "We must continue our work to end apartheid and help create the just society all South Africans deserve.

"There is no debate about the fact that apartheid must be ended. The only question is what is the most effective way to do this."

Smith co-chairs two groups which aim at hastening the reform process: the US Corporate Council on SA, which was formed in September and consists of more than 100 companies with SA operations, and a group of concerned leaders called SA Beyond Apartheid.

Smith, who visited SA earlier this year and spoke to political leaders, businessmen, journalists and others, said that for

Business Day Reporter

the sixth consecutive year GM had been given the highest-possible rating for its progress in implementing the Sullivan Code.

GM has operated in SA since 1926 and has taken a leadership role for many years in efforts to create a more just society, he said.

Smith said GM in SA follows a policy of equal pay for equal work, total integration of work facilities, and training programmes to enable blacks to become skilled workers and to move into supervisory positions.

"Outside the work environment, GM's efforts have included contributions of personnel, equipment and funds to the black educational system; contributions and low-interest loans to build or improve housing for blacks; and the donation of expertise and capital assistance for the development of businesses owned and operated by blacks."

BODAY (22) (24) (30)  
11/6/86

# Govt wants to settle petrol war

GOVERNMENT wants the petrol war with Pick 'n Pay finally settled today when the two sides cross legal swords for the second time in less than three months in the Cape Town Supreme Court.

Meanwhile, the Department of Mineral and Energy Affairs (DMEA) has agreed not to take action against the supermarket chain's coupon linked petrol discounting operation pending the hearing.

A spokesman for the State Attorney's office in Cape Town said Senior Advo-

Business Day Reporter

cate Peter Hodes — acting on behalf of the DMEA — would present a strong case for judgment to be delivered today.

He said Pick 'n Pay was asking the court to set aside Section 2 (B) of the special *Government Gazette* of June 2 as *ultra vires* on grounds that DMEA Minister Danie Steyn acted beyond his powers.

The section states retailers shall not "give or offer any benefit to any consumer on petrol sales".

## Discount petrol battle continues

CAPE TOWN — Pick 'n Pay yesterday resumed its legal battle with the Government over its petrol coupon discount scheme in the Cape Town Supreme Court.

On June 2 the Minister of Mineral and Energy Affairs, Mr Danie Steyn, banned discount schemes in terms of the Petroleum Products Act of 1977.

The Act allows the Minister to regulate or prohibit any "business practice, method of trading, agreement, arrangement or understanding" which he believes may influence the sale or selling price of petrol at any outlet, either directly or indirectly.

Pick 'n Pay Retailers (Pty) Ltd are seeking an order setting aside the ban.

Mr S Aaron SC, for Pick 'n Pay, argued that Mr Steyn had used the powers conferred on him by the

Act for a purpose for which they were not intended.

"It is submitted that, once a price has been prescribed and customers are required to pay that price, the need to regulate falls away. No business practice, method of trading, etc, can any longer influence the price," Mr Aaron said in his written argument.

In a replying affidavit, Mr Steyn said resale price maintenance had been permitted to continue in the case of petrol "inter alia, for strategic reasons" details of which could not be divulged.

"In my view, the purchase of petrol and the receipt of a benefit having a commercial value as a result of, or in connection with, such purchase must not be perceived as two unconnected transactions but as one."

Judgment will be given on Tuesday. — Sapa.

# Black consumers boycott red meat

Own Correspondent

20

the workers' union and dismissing the entire black work force following a recent strike.

**BLOEMFONTEIN** — Black consumers in the Bloemfontein area are to boycott red meat from Monday at the request of representatives of various black unions in the city.

Butcheries in the township will sell chicken only. Shops and supermarkets have agreed to stop selling chicken to keep the butcheries functioning.

About 90 percent of local businessmen are backing the boycott, which results from the abattoir's refusing to recognise

If the abattoir fails to reinstate the black work force, a consumer boycott of white businesses will be launched.



Alexandra boycott . . . some hard-hit, others "business as usual".

# Alex boycott 'fizzled out' but targeted shops felt the pinch

By Craig Kotze

Shopkeepers in Alexandria township and the surrounding Johannesburg suburbs affected by the township's recent two-month consumer boycott are divided over its effectiveness.

The consumer boycott ended this week but the rent boycott would continue, a spokesman for the Alexandra Action Committee said on Tuesday.

The Star yesterday visited the affected areas to establish how effective the boycott had been.

"It hit us quite badly for the first two weeks, but then it simply seemed to fizzle out — it's been almost business as usual since then," said Wynberg clothes store owner, Mr J Hesselsohn.

Another shopkeeper, who declined to be identified, said the consumer action had "no affect" on his business and that people still bought from him throughout the boycott.

## NO DIFFERENCE

"It made absolutely no difference at all," he said.

Even businessmen not included in the boycott agreed.

"Certain businesses lost a bit of money initially, but everything petered out, possibly because the original monitors no longer enforced the action," said a Wynberg tailor, who also declined to be identified.

But only metres away from Wynberg, in the township itself, targeted businesses seemed to be harder hit.

"Here the boycott was effective because the monitoring never stopped. I lost 50 percent of my trade," said one owner.

Another shopowner ascribed the boycott's success more to thuggery than to the organiser's actions.

Except for one, all shopkeepers interviewed refused to be identified. All refused to be photographed.

SOVEN 12/6/66

# Nafcoc to hold annual indaba

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THE National African Federated Chamber of Commerce will hold its 22nd annual conference from July 6 until July 10 at the Good Hope Centre, Cape Town.

The conference marks an important milestone in the development of the chamber and will provide opportunity for members to discuss and resolve a variety of problems and to hear the views of local and international speakers.

The theme of the conference is Black Business — A Factor in Determining the Political Future of South Africa.

The theme covers a wide spectrum of important issues which relates to the current situation in South Africa and should be of enormous interest to the business community, political organisations and policy makers, Nafcoc publicity secretary, Mr. Gabriel Mokgobe, said.

Nafcoc has invited all its regional chambers and associated organisations to be represented so as to participate in the important discussions to take place at the conference.

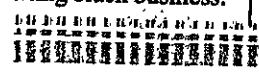
## Subjects

Attending the conference will also be representatives and observers from various African and overseas countries.

Of particular significance will be the presidential address by Dr Sam Motsuenyane, which will outline the role Nafcoc must in future play in the peaceful resolution of the South African conflict.

Seven discussion groups will grapple with the following subjects:

- Retailing: Trends in the development of the Consumer Market;
- Industry: Present position of black industry;
- Education: Black education in crisis, the present and the future;
- Agriculture: Present position of black farmers and their involvement in the South African farming industry;
- Housing: Dynamics of urbanisation, provision of housing and effects of political future of South Africa;
- Transport: Transport entrepreneurship beyond the passenger service: Challenges for the black entrepreneur;
- Legal: Findings of the legal review committee on the problems confronting black business.





# P 'n P resumes discount battle

PICK 'N PAY yesterday resumed its legal battle with government in the Cape Town Supreme Court over its petrol coupon discount schemes.

On June 2 Mineral and Energy Affairs Minister Danie Steyn banned discount schemes in terms of the Petroleum Products Act of 1977.

The Act allows the minister to regulate or prohibit any "business practice, method of trading, agreement, arrangement or understanding" which he believes may influence the sale or selling price of petrol at any outlet, either directly or indirectly.

Pick 'n Pay Retailers (Pty) Ltd seeks an order setting aside the ban.

business practice, method of trading, etc, can any longer 'influence' the price," Aaron said in his written argument.

In a replying affidavit Steyn said resale-price maintenance had been permitted to continue in the case of petrol, "inter alia, for strategic reasons", details of which could not be divulged.

"This situation has pertained until today and strategic reasons are

equally relevant today, if not more so, inter alia, because of increased international hostility towards the government of SA which manifests itself in boycotts and embargoes in respect of the importation of crude oil from which petrol is derived.

"In my view the purchase of petrol and the receipt of a benefit having a commercial value as a result of, or in connection with, such purchase must not be perceived as two unconnected transactions but as one." — Sapa.

# Sales of N 1/12/6/86 new cars plummet <sup>(30)</sup>

## Mercury Reporter

THE need for Government to stimulate the motor industry was underlined by the very low sales of new vehicles in May — the lowest since May 1977 — the director of the National Association of Automobile Manufacturers of South Africa, Nico Vermeulen, said this week.

He said a stimulatory package of measures was needed to ensure the long term viability of an industry which was of vital importance to the socio-economic future of South Africa.

Sales of new cars in May plunged to 13 754 units — 8,6% fewer than in May 1985 and 3,4% fewer than in April.

And for the period January to May 1986, compared with the same period in 1985, sales were down a massive 19,2%.

While sales of light commercial vehicles had improved by 5,7% to 6 387 units — the highest monthly sales for 1986 — medium and heavy trucks and buses continued to reflect 'a

sharply negative sales trend confirming continued weakness in general economic conditions'.

'A comprehensive relief package to revitalise the economy and to stabilise business conditions in the South African motor industry is now necessary to assist in the recovery process, consistent with official longer term social and economic objectives,' said Mr Vermeulen.

Toyota again topped the new car sales figures with a 28,5% share, selling 3 923 units, followed by Volkswagen with a 19,7% share and sales of 2 703 units.

Third was the joint Mazda-Ford Samcor stable with 2 147 units representing a 15,6% share. The top three thus captured nearly 64% of the market, leaving the other four manufacturers to fight it out for the remaining 36%.

Volkswagen's public affairs manager Ronnie Kruger said new car sales for the first five months of the year indicated that total 1986 sales would be the lowest since 1968.

## Motor industry calls for local content concessions

Mercury Reporter

THE GOVERNMENT needs to make urgent concessions regarding local content and taxation to the motor industry if it is to recover and make profits again for the first time since 1982, according to Nissan South Africa chairman, Mr Peter Whitfield.

The Board of Trade, currently investigating the motor industry, should give serious consideration to suggestions that market forces be allowed to govern the level of local content, said Mr Whitfield in a statement released yesterday.

Alternatively, some formula should be found

whereby the export of components could be used to offset local content requirements.

Mr Whitfield said that at present the last 10 percent of the required local content by weight, from 56% to 66%, comprised only about 100 kg of an average car's mass, but increased investment for a new model by as much as 70%.

Tooling costs for a new model range were currently about R60 million, of which the cost of raising local content from 56% to 66% constituted about R40 million.

Mr Whitfield pointed out that with the weak rand, there was significant potential for the export of components to Europe and the

Far East.

The Board of Trade should investigate means of making export of components count towards achievement of local content.

This would not only protect local component manufacturers, but largely benefit the motor industry and ultimately the consumer, said Mr Whitfield.

Another cause for concern was the high taxes levied on the motor industry. 'With the 10% import surcharges, excise duties, general tax, import duties and newly introduced perks tax, the motor industry is a direct source of taxation, and paying heavily.

'We are hoping that this will change and the levels of tax be reduced.'

OK BAZAARS

# Margins squeezed

80 FIN MAIL #13 13/6/86

**Activities:** Retail food, household goods, textiles and furniture.

**Control:** SA Breweries holds 70% of the equity.

**Chairman:** J M Kahn; managing director: G W Hood.

**Capital structure:** 12,2m ords of 50c; 1,04m 6% cum prefs of R2; Market capitalisation: R173,8m.

**Share market:** Price: 1 425c. Yields: 4,2% on dividend; 7,1% on earnings; PE ratio, 14; cover, 1,7 12-month high, 1 650c; low, 1 000c.

**Financial:** Year to March 31

	'83	'84	'85	'86
<b>Debt:</b>				
Short-term (Rm) ..	88,1	18,9	10,8	26,5
Long-term (Rm) ...	65,0	76,1	78,4	76,6
Debt:equity ratio .....	0,64	0,34	0,27	0,30
Shareholders' interest	0,38	0,43	0,50	0,47
Int & leasing cover ..	1,7	1,5	1,3	1,2
Debt cover .....	0,44	0,51	0,48	0,45

**Performance:**

	'83	'84	'85	'86
Return on cap (%) ..	11,6	8,0	5,8	4,9
Turnover (Rm) .....	1585	1763	1963	2042
Pre-int profit (Rm) ...	71,7	51,9	38,9	35,3
Pre-int margin (%) ..	4,5	2,9	2,0	1,7
Taxed profit (Rm) ....	27,7	21,6	12,7	13,0
Earnings (c) .....	230	181	100	100,8
Dividends (c) .....	142	108	60	60
Net worth (c) .....	1940	2290	2660	2703

With its results for the 1986 year, OK Bazaars has stemmed a three-year earnings decline. Earnings a share were only marginally ahead of the previous year; but the performance was far better than the market had expected, and since the profit announcement two weeks ago, the share price has spiralled from R11 to R14,25.

### Shift to foods

There was little help from consumer spending, as group turnover advanced only 4% to R2,04 billion, a fall in real terms. Lower interest rates, improved stock and cost control, and a surge of high-margin appliance sales towards year-end enabled OK to lift earnings to 100,8c (100c) a share, after they had been 45% down at the interim.

OK is a complex group. With a product

mix ranging across food, clothing, housewares, and furniture and appliances, it is influenced not only by consumer spending power, but also by spending patterns. Since 1983, the consumer giant has seen a radical shift in its sales mix towards low-margin foodstuffs. Last year food accounted for 62,4% of total sales, compared with 58,5% in 1984. Consequently, while turnover rose over four years from R1,58 billion to R2,04 billion, pre-interest profits fell over the period from R71,7m to R35,3m.



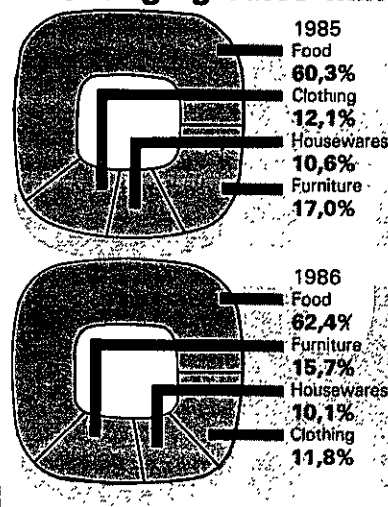
OK's Hood ... expecting better earnings

Last year only three new stores were opened, compared with an average 10 stores every year in the past. In the current year, says MD Gordon Hood, nine stores are coming on stream, including the five acquired from the Knowles chain. The larger trading base should give OK the impetus it needs to lift its earnings further this year.

OK is one chain, though, that looks potentially vulnerable to political unrest in general, and consumer boycotts in particular. Many of its stores are sited in areas where they are particularly accessible to black consumers.

At operating level, OK is working hard at improving its image with consumers. It has improved the quality of its perishable products, says Hood, "in the firm belief that customers are attracted to a store by the standards maintained in its perishable department." He adds that "research has shown a marked improvement in consumer perception of our perishable department." In the 1987 year, he says, "earnings should

### Changing sales mix



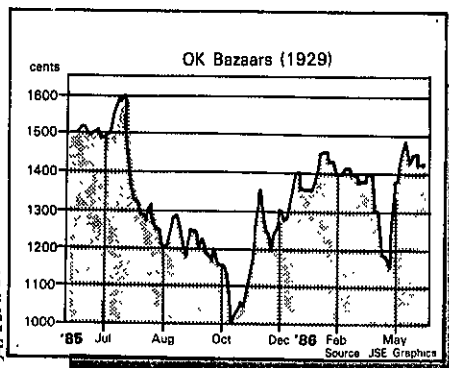
show an improvement over those of the previous year, provided the socio-political situation does not deteriorate."

OK's shares have exceptional potential to rebound. At R14,25c, they trade at half net worth, an unusual situation for a group with a large food trading base. But much depends on whether or not OK can produce a sustained recovery in its durable and semi-durables sales, as well as the timing of such an event.

Neville Glaser

function can be expressed in the following algebraic form:

STAR. Deloitte Haskins & Sells.



- 10 Identify sign
- 11 Investigate s
- 12. Conclusions

F IN MAIL 13/6/86

MOTOR INDUSTRY

**Still bleeding**

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If evidence was still required of the struggling South African motor industry's need for relief, last month's sales figures provide it.

New car sales in May fell further from April's 14 231 units to 13 754 — the lowest monthly total of the year. And a new round of price increases already on the way from most manufacturers means that any chance of an upturn without government relief must be remote.

The industry hopes government will heed its latest plea for help in the stimulatory package expected later this month. But government spokesmen have already warned that the industry cannot expect to be treated as a special case.

Says Nico Vermeulen, director of the National Association of Motor Manufacturers of SA (Naamsa): "The figures underline the need for a stimulatory package to ensure the long-term future of an industry which is vitally important to SA."

Countering the depressing car sales to

Financial Mail June 13 1986

some extent, Naamsa reports that light commercial vehicle sales had their best month of the year with 6 387 units. Sales of medium vehicles were similar to last month but heavy truck sales showed another fall.

CONSUMER SPENDING

Retail riddles

Unisa's Bureau for Market Research reckons consumer buying power will increase faster in 1986 than at any time in the last four years. But this is not to say that retail sales forecasts are bright.

The bureau estimates that retail spending, at 1985 prices, will creep up from R30 billion to R31 billion.

However, Assocom economist Bill Lacey disagrees. "The signs are not encouraging," he says, pointing out that retail sales in the first quarter of the year are 6% down in real terms on the same period of 1985.

Unisa's Professor Marius Loubser agrees that "people haven't been spending. But," he adds, "there comes a time when they can no longer postpone the purchase of durable goods."

Loubser lists ability, need and willingness to buy as the motivations for consumer spending. And this year's Unisa forecast shows that the need aspect will predominate. "Need is related to the 2,5% total annual population growth. As the population expands, more goods are sold," says Loubser.

The ability to spend will also increase because of easier hire purchase conditions and credit facilities, lower interest rates, and savings reserves built up in 1985, says the bureau.

Slight increase

It expects a slight overall increase in real retail sales of 1,5% for 1986 because it sees private consumption expenditure, which does not flow through the retail system, rising by only 1%. This is lower than the estimated increase in total private consumption expenditure.

Sales of furniture and household appliances, which have been falling since 1982, are expected to pick up. But sales of imported merchandise will decrease because of the 10% import surcharge, says Loubser.

"The adverse economy, with so many out of work, leaves willingness-to-spend at the bottom. But it is still higher than in 1985," he adds.

But Assocom, which puts the unemployment level at about 3m, takes a more gloomy view. "Consumer and business confidence has been destroyed by high inflation and unemployment. A total economic package of R1,5 billion is needed to boost consumer and business confidence," says Lacey.

The continued fall in real employee remuneration on the one hand, and the maintenance of high personal tax on the other, is expected to cause a decrease of about 2% in real personal disposable income, says the bureau.

"As in 1985," says Lacey, "salary and wage increases will lag well behind the rate of inflation and South Africans will have to brace themselves for another decline in living standards. Wages in the private sector rose 11% in 1985 and indications for 1986 suggest

accurate; but its 3,5% estimate of increased textile sales was way below the ultimate 7,8% increase. "We obviously didn't take into account the fact that in these times people would be making more of their own clothes and buying more material," says Loubser.

continue in 1986, their buying power percentage will decline, with a correspondingly higher share going to whites, coloureds and Indians.

Just how accurate is the bureau's forecast? On the one hand, its estimate of a 1,5% real increase in food sales for 1985 proved

an overall increase of 12%."

Black salaries have increased over the years, raising buying power in this sector, and black spending outweighs that of whites in food, clothing, furniture, alcohol, tobacco and cigarettes and detergents, says Loubser.

But if black boycotts of white retailers

STAN BERGER

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## A solid background

Stan Berger, new MD of SA's largest specialist retail group, Amalgamated Retail (Amrel), has an optimistic outlook which can only help him deal with SA's current retail slump. Though last year was Amrel's worst trading year ever, Berger is convinced that this year will be better.

"For one thing," says Berger (48), "the company has been restructured. The first six months of last year were a complete disaster and we had a lot of homework to do. Now it's done. We'd overstocked and subsequently discovered that with streamlining we could manage on much lower stock levels.

"The lifting of hire-purchase restrictions has also significantly helped the furniture division, which includes Geen & Richards, Lubners, Crown Furnishers, Triangle, Furniture City, Melody, Tip Top and Macna-meas."

In fact, Berger doesn't believe that consumers have less disposable income at the moment, rather he believes there's a good deal of pent-up spending. "We've taken market share from other retailers. The furniture division is trading better and there are no serious problems here."

Though Amrel's interests include foot-

been a troublesome area for some time now. Re-organisation is continuing here, Berger says, as well as in the apparel division, which includes Uniewinkels, the recently acquired Smiley Blue chain and Goophees.

Berger's current priority is to improve the bottom line, to consolidate and to get the shoe division into better shape. New growth isn't likely to be from acquisition: "I want to put right what we've got," Berger says. "I believe that future growth is likely to come from the black market."

So what of consumer boycotts? "We've been through it last year in PE," Berger says, "but we're so widely spread that it affects us but doesn't cripple us. Anyway, everyone feels vulnerable. We cater for customers, not colours, and make a point of making everyone comfortable."

Schooled at Parktown Boys' High, Johannesburg-born Berger really wanted to be a vet. He succumbed to parental pressure, however, and found himself studying accountancy, which he hated and which resulted in his spending most of his university career on the cricket pitch and hockey field.

With five years of accountancy training behind him, he dropped out in 1962 and joined his father and his two brothers in the family business, Brighton Furnishers.

In 1964, Afcol bought a 50% stake and, in 1974, bought out the family. Berger was



Robert Tshabalala

Berger ... this year will be better

wear and apparel, Berger's background is in furniture. But since the furniture division contributes 68% to Amrel's R500m turnover, he's well placed. In any case, last year as deputy MD, he attended the board meetings of all divisions to get the feel of things.

Right now, it seems that the footwear and apparel divisions are Amrel's major sore thumb. Though Amrel holds about 20% of the footwear market through ABC, Scotts, Cuthberts, Barnes and Moda Belle, this has

transferred to Lubners, where he started as a stock clerk working his way up to operations director. He became Geen & Richards MD and then found himself heading the furniture division.

With a long history in furniture, Berger feels things couldn't get much worse: "If political reforms are made, things must improve," Berger says. "In any case, I wish to believe they will, since I do not want to leave this country."

WEP Post 14/6/86

# Women learn to make a living

Post Reporter

AN enterprising group of women in the Port Elizabeth townships is attempting to make a living through knitting and crochet work.

Led by Mrs Nicolette Qalinge, an unemployed mother of four, they have canvassed support from two motor companies, who have provided building material for their make-shift premises.

The women are working from patterns provided by readers of Gwen Bisseker's column in Family Post.

Mrs Qalinge, who lives in the Soweto shantytown, has been out of work since 1981, when she lost her job in a strike, except for a five-month spell.

"I have been up and down looking for work, all in vain," she said this week. "So I sat down and thought of ways to help myself, and decided on crocheting, which I had learnt from classes given by Build a Better Society.

"Then I thought of teaching other people in my area to learn to help themselves like I am doing, especially the young girls and boys, to keep them at one place and away from hooliganism.

"So I requested patterns through Gwen Bisseker's column. I had a big response, from as far afield as St Francis Bay and East London.

"Mrs Francis Fourie of Gelvandale invited me to her house, and we shared ideas.

"When I told her of my



Mrs NICOLETTE QALINGE (standing) with some of the women she is teaching to knit and crochet for a living. From the left are Miss NOSIPHO TAMBO, Miss LINDIWE NOMBANE, Miss NOSIPHO PLAATJES, Mrs NOWINILE MAKINANA (slightly obscured), Miss NOMAWETHU NKOMOMBINI and Miss NOMFUNDO KITTY.

plan for a home industry she suggested I should write to the managing directors of Ford and General Motors for building materials, and they have helped me. But I am still short of doors and windows, and corrugated iron for the roof."

Mrs Qalinge is also considering doubling up her

home industry as a creche, but at this stage feels the accommodation is not good enough.

She has also written to various companies requesting reject carpets, foam rubber and yarn which the group could use to improve their position.

"So far, I've had no reply from them. I wish they

would answer but I am very grateful to those who have helped me, like St Johns Methodist Church in Havelock Street," she said.

Mrs Qalinge said her aim was to show that "not only bad things are done in this dungeon, but that there are people who live here who think and can do

wonderful things, too.

"I hope some readers could donate things for my friends, like crocheting material, knitting equipment, old carpets and even timber or corrugated iron," she added.

Mrs Qalinge can be reached care of 130 Johnson Road, Zwide, Port Elizabeth, 6201.



CIT-1PR . 15/6/86

# Transvaal shops deserted

By SINNAH KUNENE

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BLACK consumers have staged an almost 100% boycott of white businesses in the Northern Transvaal, despite the distribution of counter-boycott pamphlets.

A local Consumer Boycott Committee spokesman said Marble Hall, Groblersdal, Potgietersrus, Burgersfort and Pietersburg were deserted, and the boycott was "picking up" in Tzaneen and Phalaborwa.

The boycott was called at the funeral of United Democratic Front Northern Transvaal president Peter Nchabeleng, who died in detention two months ago.

Residents demanded the withdrawal of troops from the townships, the resignation of Lebowa MPs and the release of all political leaders.

The spokesman said the committee welcomed the resignation of "Mr Matlala of Jane Furse from the bogus Lebowa bantustan parliament".

He condemned the distribution of counter-boycott pamphlets by the authorities and "the so-called Far North Consumer Committee". "This is a sign that the consumer boycott is hitting the allies of apartheid hard," he said.

He warned businessmen in local villages and townships to "stop taking advantage of the boycott by exploiting consumers".

He said the boycott would be reviewed next month. "Conditions will determine whether it's extended or not."

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# Govt plans to hold leaders'

Post Reporter

THE spokesman for the Consumer Boycott Committee in Port Elizabeth, Mr Mkhusele Jack, believes the Government is planning to detain anti-apartheid leaders as soon as the necessary legislation goes through Parliament.

He said today the Bill currently before Parliament — the Public Safety Amendment Bill — and its companion, the Internal Security Amendment Bill, were "a plot" to enable the Government to move against political activists.

The ground was also being prepared "for the banning of the United Democratic Front", he said.

When it becomes law, the Public Safety Amendment Bill will allow the Government to give the security forces emergency powers in specified areas without a formal state of emergency being having to be declared.

The Internal Security Amendment Bill will give senior police officers the power to detain a person in an "unrest" area for up to six months (the present maximum period in terms of this section of the Internal Security Act is 14 days).

The Bills, Mr Jack said, were aimed at "attempting to frustrate the way the people want to express themselves on June 16".

They have to be passed by all three Houses in the tricameral Parliament before they become law. If they are opposed, the President's Council will have to rule on the dispute, but even if this happens the Bills could become law within weeks.

Mr Jack said detaining leaders who were "working hard to minimise the unrest situation" would worsen it.

# OK overdraft nearly R19-m as operating profit declines

In these turbulent times majority shareholder SA Breweries, holding 70 percent of OK Bazaars, must have been more than happy with consolidating virtually unchanged earnings for both 1985 and 1986.

The salient features from the OK 1986 annual report can be summarised thus:

● Cash in the bank of R23,9 million in March 1985, changing to an overdraft of R18,9 million a year later.

● Total interest-bearing debt increasing 16 percent to R103,1 million while stock on hand increased 15 percent to R374,2 million.

Chairman Mr Meyer Kahn aptly summarised the state of retailing when he said: "Demand has been subjected to an uninterrupted downward pressure as a direct consequence of the prevailing socio-economic conditions. Consumers continued to suffer both from spiralling price increases and diminishing disposable incomes."

As in 1985, says MD Gordon Hood, sales growth was by no means constant in the four major retail sectors in which the group operates: food, clothing, houseware and furniture and appliances.

Sales of food rose 7,6 percent to R1 274 million (R1 184 million) and clothing was up 1,5 percent to R240 943 (R237 543).

Housewares had nil growth at R206 230 (R208 096) while furniture and appliance sales declined 3,7 percent to R320 575 (R333 738).

While food contributes 62,4 percent of sales (60,9 percent) it continues to exert a detrimental effect on gross margins especially as some staple foods are subsidised. Unfortunately the contribution to operating and net income from each of the four divisions was not disclosed.

Overall, the operating profit expressed as a percentage of sales has continued to systematically decline each year from

**The  
bottom  
line  
with  
Michael Menof**



1982 when it was 5,7 percent to only 1,7 percent in 1986.

Total sales increased 4 percent for 1986 to R2 042 million but in real terms declined 6 percent. Despite turnover increasing operating income declined to R35,3 million (R36,4 million).

Interest expense was virtually unchanged at R11 million but a lower effective tax rate of 46 percent compared to 49,7 percent in 1985 helped increase after tax income to R13,0 million compared to 1985's R12,7 million.

Earnings a share remained at 100c for both years and the 60c dividend was unchanged.

The group's most significant asset is stock which increased to R374 million at end March 1986 (R326 million). Mr Hood says inflation, the poor exchange rate of the rand on imported goods and increase in stores are the reasons.

The value of stock at selling price is still well within the group's standard of three months forward sales and in 1986 stock turn was 5,83, 1985 — 6,07 and in 1984 — 5,04 times.

Could it be that the R48 million increase in stock is the main reason for the R41 million swing from cash in bank at March 1985 changing to an overdraft a year later together with total borrowings rising from R89,2 million to R103,1 million? The annual report offered no explanation.

Due to the rise in stock the acid test ratio of current assets less stocks to current liabilities has declined alarmingly to only

0,30 to 1 compared with 0,41 to 1 in 1985. Profitability ratios have also decreased over the past five years.

Operating profit to capital employed has fallen steadily from 20,6 percent in 1982 to only 8 percent at March 1986. The same trend occurred with the profit-after-tax to net assets where the ratio was 9,7 percent in 1982 but only 2,9 percent in 1986. Earnings as a percentage of ordinary shareholders funds was 17,6 percent in 1982 but only 3,7 percent in 1986. These trends emphasise increasing difficulties business has experienced in the past five years.

The new turnover and salaries taxes shortly to be implemented by government to finance the Regional Services Councils can only hurt OK Bazaars. This is most unfair to firms operating with low mark-ups and high turnovers and which are labour-intensive, states Mr Kahn.

While the balance sheet numbers are sound an improvement in earnings is solely dependent on the socio-economic situation improving. OK Bazaars put on a brave face in its 1986 annual report but the persistent downward trends are worrying and mirror the increasing odds that businesses have had to contend with in the past five years.

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# Uncertainty hits CBD leasing

JANE STRACHAN

THE taking-up of office space in downtown Johannesburg remains slow, with prime and secondary over-supply still at around 11%.

Several surveys on the office market have recently been completed, the results of which indicate a reluctance by prospective tenants to commit themselves to accommodation — a reticence born out of current political and economic uncertainty and a distinct lack of confidence in the near future.

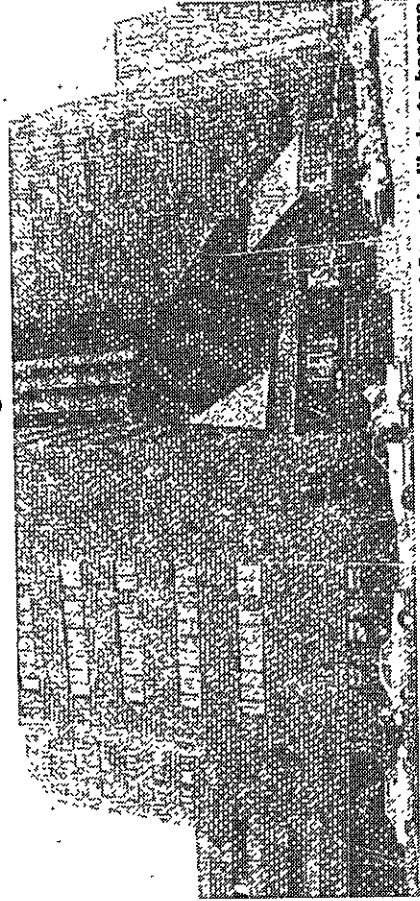
The CBD, as defined by the municipality, is bounded by the motorways to the west, east and south and by the railway lines to the north. A recent Old Mutual Properties study of the CBD shows a total floor space in mid-86 of 2 837 925m<sup>2</sup> in this area, divided into top prime accommodation (A), prime/secondary (B), secondary (C) and tertiary (D).

An analysis of tertiary space is not made, as its impact on rental levels is considered negligible.

Group A has a total of 242 667m<sup>2</sup>, with 32 020m<sup>2</sup> available — a 12% vacancy. Group B has 243 537m<sup>2</sup>, of which 20 686m<sup>2</sup> or 8% is vacant; and group C has 538 077m<sup>2</sup>, with 64 569m<sup>2</sup>, or 12%, unoccupied.

Bearing in mind the office sector is the most resilient of the commercial and industrial sector, the vacancies are telling.

The financial district, loosely defined as the area bounded by Commissioner, West and Rissik streets and the M2, is showing most activity with a quiet but steady take-up. Close to 30 000m<sup>2</sup> is vacant in mainly smaller pockets, with around 16 000m<sup>2</sup> having been taken up over the last year.



● About half the 20 000m<sup>2</sup> in AA Mutual House in Diagonal Street is likely to become available as a result of the collapse of AA Mutual

The insurance companies, miming houses and banks are still taking up in this area, although little new space is set to come on line. The new Nedbank premises come on stream later this year, which may free a little space elsewhere, and the Goldfields headquarters development in Fox Street should be ready for occupation early next year.

CBD specialist Stan Arenson at Richard Ellis sees the new financial district around Diagonal Street as being the problem area. The environment is not sufficiently attractive to draw substantial tenants, he says.

Elsewhere in the hardcore CBD, deals are being done at a quarter the pace of the financial area. Arenson adds, and there is a lot of space available at highly negotiable rates.

Sanlam's provincial property manager Frikkie Botha agrees with the view that major changes or trends have yet to be seen.

"There's been no real improvement," he says, "but we're optimistic that there will be no further deterioration... perhaps there'll even be a little pick-up towards the end of the year."

He admits, however, predictions are hard to make at the moment — more so than ever before. In general he sees the political uncertainty as an inhibiting factor, especially among smaller businesses which are extremely careful about increasing space.

Botha puts total CBD vacancy at around 15%, but adds that some landlords are concealing their true positions.

On the "up" side, as noted by JHI, there is an inherent resilience built into the industry, as most landlords of quality and substantial properties are corporate or institutional entities and will survive the present circumstances — and, as far as it is in their control, will ensure their tenants do so, too.

Arenson, among many others, is a great believer in the future of Johannesburg's CBD. A businessman with a large staff must think twice about moving to decentralised areas like Sandton, because of factors like transport difficulties and cost.

Confidence in the CBD has been illustrated by the financial, insurance and mining houses which have built headquarters in the area and continue to expand in the city.

This is in addition to fringe attractions such as fitting-out contributions and absorption of existing leases.

Published office rentals for vacant space reflect an approximate 20% reduction on rents prevailing a year ago, the report says, but the "omission factor" prevails as, in fact, many landlords are offering short-term rent reductions of up to 50% lower than the published rates.

BUD DASH 16/6/86

282 (30)

# Leave it to the courts: commerce

CHRIS CAIRNCROSS

**ORGANISED** commerce has expressed concern at the usurping of the powers of the courts by vesting in cabinet ministers the power to finally sequester individuals and liquidate companies by decree.

These powers are contained in Section 15A of the Trade Practices Act, added to the legislation in 1984 as a

direct response to provide government with the necessary legal instrument to deal with revolving schemes like the rotten milk culture scheme.

Calling for the repeal of the legislation, the Western Cape regional congress of the Association of Chambers of Commerce (Assocom) said it was not advocating support for schemes like the rotten milk scheme.

THE ASSOCIATION OF CHAMBERS OF COMMERCE (ASSOCOM) IN THE WESTERN CAPE REGION HAS EXPRESSED CONCERN AT THE USURPING OF THE POWERS OF THE COURTS BY VESTING IN CABINET MINISTERS THE POWER TO FINALLY SEQUESTER INDIVIDUALS AND LIQUIDATE COMPANIES BY DECREE.

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# BMW and Volkswagen grab bigger share of the market

## Financial Staff

Amid the generally depressing news emanating from the motor car industry, latest Naamsa figures show that two manufacturers — BMW and Volkswagen — have actually increased unit sales in the first five months of this year.

Although the new car market as a whole is down by more than 16 percent, against the same period in 1985, BMW has produced 1,7 percent growth in unit sales and VW is up by 0,6 percent.

Marketing director Mr Vic Doolan says this means that BMW's share of the market has grown to 7,6 percent, from 6,3 percent last year and 5,8 percent in 1984.

Looking at the market by another yardstick, Mr Doolan says

that in terms of the rand value of new cars sold BMW is now the third largest selling brand after Toyota and Volkswagen.

In the first five months of this year Toyota's sales of new cars totalled R264 million, VW R150,5 million and BMW R130,1 million.

But while price increases will certainly have helped cars at the upper end of the market in this kind of calculation, Doolan said that the effect of higher prices should not be over-estimated.

He points out that with the sharp fall in interest rates, a new BMW 320 model is currently only nine percent more expensive than a year ago when the cost of leasing is added to the equation.

However, the prospect of

avoiding more price increases is bleak. "The very low level of the rand would make it virtually impossible for car manufacturers to ease up on the car price increases envisaged for the remainder of the year," says Mr Doolan.

He added that "the weak currency continues to deal us a double blow, with imported components now three times the cost of three years ago and the impact the resultant price increases are having in the market."

Nevertheless, he said it remains to be seen what effect the State of Emergency and this week's expected economic stimulation measures will have on consumer confidence in general and the car market in particular.

BUE & DAY. 16/6/86

(30)

## Leave it to the courts: commerce

CHRIS CAIRNCROSS

**ORGANISED** commerce has expressed concern at the usurping of the powers of the courts by vesting in cabinet ministers the power to finally sequester individuals and liquidate companies by decree.

These powers are contained in Section 15A of the Trade Practices Act, added to the legislation in 1984 as a

direct response to provide government with the necessary legal instrument to deal with revolving schemes like the rotten milk culture scheme.

Calling for the repeal of the legislation, the Western Cape regional congress of the Association of Chambers of Commerce (Assocom) said it was not advocating support for schemes like the rotten milk scheme.

*500 044*  
**Govt's petrol  
discount ban  
indefensible'**

**GERALD REILLY**

GOVERNMENT'S ban on the sale of discount petrol was indefensible on any grounds, Artisan Staff Association (ASA) president Jimmy Zurich said yesterday.

Speaking after an ASA administrative committee meeting, Zurich said the argument that discount sales would add to unemployment was totally unacceptable.

Zurich said the free market system, which government claimed to support, could only operate successfully when traders were given the freedom to sell at a price they considered profitable.

Political comment in this issue and newsbills by Ken Owen. Headlines and sub-editing by Michael Allwright. Both of 171 Main Street, Johannesburg.



Star

18/6/86

Blacks will also be able to live in the central city (30)

# Obie foresees mixed Jo'burg

By Janine Simon

It was only a matter of time before Johannesburg's central business district — recently declared open to all businesses — was opened for residential purposes, the chairman of Johannesburg's management committee, Mr Francois Oberholzer said yesterday.

He was addressing a property seminar on the subject of city management and planning for the year 2000.

Mr Oberholzer said opening the CBD would help provide much-needed housing for blacks.

The City Council would also not have to set up infrastructure for the provision of essential services elsewhere.

Regional Services Councils would play an important role in financing the future establishment and upgrading of infrastructure, he said.

"But the business sector will have to contend with a perpetual and increasing burden as it will be bled to pay for the needs of the ever-increasing black population."

## SERVICED

The provision of serviced land for housing was an immediate problem, especially in the black areas in the Johannesburg metropolitan area, Mr Oberholzer said.

By 2000, there would be a need for extensive lower-income residential areas in the north to provide employees for Johannesburg, Randburg, Sandton, Midrand and

Verwoedburg.

The PWV road system, with adjustments, would provide a good basic framework for a future highway system, needed for the free movement of workers, businessmen and goods.

During the next 15 years, numerous residential areas in Johannesburg would be rezoned for higher density and other needs associated with public transport, Mr Oberholzer said.

Disused mining land would be developed for residential, commercial and recreational purposes.

The South African Transport Services would still cater for most commuter traffic, but would be closely co-ordinated with buses and minibuses, he said.

Pick 'n Pay is  
'hoisted by  
its own  
petard'

Own Correspondent

A SUPREME COURT judge "hoist Pick 'n Pay by its own petard" yesterday, quoting the chain's advertising campaign in ruling that its petrol-sales-coupon scheme did influence the price of petrol.

Pick 'n Pay had applied for a court order against the Minister of Mineral and Energy Affairs, arguing that he had exceeded his powers by forbidding petrol sellers to offer "any benefit" to buyers.

Pick 'n Pay argued that while the Minister was empowered to regulate business practices he thought would influence the price of petrol, he had exceeded his powers because its coupon scheme had no bearing on the petrol price.

Dismissing the application with costs, Mr Justice H Berman said the truth of the matter was that the coupon scheme was "primarily calculated and intended to influence the volume of sales". At the same time it was an exercise in public relations.

The judge said the consumer who bought petrol under Pick 'n Pay's coupon scheme did not pay the fixed price of petrol and separately obtained goods at a discount.

Finding that the consumer therefore paid less than the prescribed price of petrol at Pick 'n Pay outlets, Judge Berman ruled that its coupon scheme did affect the price of petrol.

He granted Pick 'n Pay leave to appeal to the Appellate Division on the grounds that another court might come to a different decision.

MICK COLLINS

OK BAZAARS MD Gordon Hood says the main thrust of the retail giant's efforts will be concentrated on sales in the wake of sweeping changes in management structure.

"I've been wanting to introduce these changes for a long time. A company such as ours exists to buy and sell and this move will focus attention on the all-important sales aspect of our operations."

The changes, which include the appointment of seven general managers to the main board, effective from July 9, are seen as a major re-positioning of the company in the market place.

"We have created a new executive post and appointed Ken Coote to the position of sales director.

"He has extensive experience in all aspects of our operations, and the appointment reflects the vital role sales must play to keep us in the forefront of retailing.

18/11/66  
WEDNESDAY  
OK gears up  
for major sales thrust

"The hyperama division, of course, has always enjoyed this autonomy under Gerald Manne."

To make the company more operationally effective, three of the main regions have each been given their own directorate at provincial level.

"This makes for more effective communication. These regions are: northern provinces, to be headed by Bobby van Coller; midland provinces headed by Gerrie Snyman; and southern provinces under Aubrey Choppin."

This will give all divisions the recognition they deserve at board level.

CML-11/1/86 (30)  
18/6/86

# Petrol sales: Store loses court action

Supreme Court Reporter

THE Supreme Court "hoisted Pick 'n Pay by its own petard" yesterday, quoting the chain's own advertising campaign in ruling that its petrol sales coupon scheme did influence the price of petrol.

Pick 'n Pay had applied for a court order against the Minister of Mineral and Energy Affairs, arguing that he had exceeded his powers by forbidding petrol sellers to offer "any benefit" to buyers.

Pick 'n Pay argued that while the minister was empowered to regulate business practices he thought would influence the price of petrol, he had exceeded his powers because their coupon scheme had no bearing on the petrol price.

Dismissing the application, with costs, Mr Justice H Berman said the truth of the matter was that the coupon scheme was "primarily calculated and intended to influence the volume of sales". At the same time it was an exercise in public relations.

The judge said the consumer who bought petrol under Pick 'n Pay's coupon scheme did not pay the fixed price of petrol and separately

obtain goods at a discount.

"Rather, to use the minister's language, his pecuniary position has been diminished by the fixed price of the petrol he has purchased less the monetary value of the benefit he received.

"To go further and hoist Pick 'n Pay by its own petard by way of reference to the eye-catching statement in its own advertising campaign, the customer saves 4 cents on every litre, the obvious connotation being that the customer is paying 4 cents less per litre at the Pick 'n Pay outlet."

## Appeal

Finding that the consumer therefore paid less than the prescribed price of petrol at Pick 'n Pay outlets, Mr Justice Berman ruled that their coupon scheme did affect the price of petrol.

He granted Pick 'n Pay leave to appeal to the Appellate Division on the grounds that another court might come to a different decision.

Mr S Aaron, SC, with Mr L Weinkove and instructed by Sonnenberg Hoffman and Galombik, appeared for Pick 'n Pay. Mr P B Hodes, SC, with Mr D van Reenen and instructed by the State Attorney's Office, appeared for the minister.

# Mandy calls for rethink on 'doomed' RSCs

By Colleen Ryan

The Government should "go back to the drawing board" and delay plans for Regional Services Councils (RSCs), said president of Johannesburg's Central Business District Association, Mr Nigel Mandy.

Addressing a property seminar in Johannesburg yesterday, Mr Mandy said proposed regional councils for white, black, Indian and coloured local authorities, would fail as there would be no meaningful black participation.

"The United Democratic Front, Inkatha

and many black councillors distrust and reject this system," said Mr Mandy.

He said many Soweto leaders would accept nothing less than full integration with Johannesburg.

"Such integration would certainly be resisted by the white municipal electorate, so the probability of heightened conflict is great," he said.

An alternative would be to redefine the city as a metropolis, with a two-tier, federal form of government.

"The policy of apartheid, now modified and softened to 'own' and 'general' affairs,

cannot be applied in the management of a metropolis ... The great need is to find a system which takes account of the essential unit of Greater Johannesburg," he said.

Mr Mandy said RSCs were to have been introduced from January but practical difficulties had prevented this.

"For once, let us be grateful for bureaucratic delays and ask the Minister to go back to the drawing board," he said.

Referring to the Government White Paper on urbanisation, Mr Mandy said, though courageous in many respects, it paid only lip service to devolution.

SMX 18/1/76 30

Kinto lives  
bad  
PE  
Sas  
Wunhelung

# Pick 'n Pay shelves coupon fuel plan

PICK 'N PAY service stations would for the time being, not issue coupons to motorists filling up with petrol, joint MD Hugh Heriman said yesterday.

He said this would be the policy while Pick 'n Pay was appealing against the Supreme Court's decision upholding the Department of Mineral and Energy Affairs' ban on giving free incentives to consumers.

Sapa Reports that the Artisan Staff

SUSAN VAN ZYL

Association has said in a statement government was stifling the "spirit of the so-called free enterprise system" by prohibiting Pick 'n Pay from selling petrol at discount prices.

"This smacks of price maintenance and cannot be condoned," the statement said.

"Prohibiting Pick 'n Pay and, for that matter, any other outlet from

selling petrol at a reduced price to the hard-hit motorist is not in the interest of the consumer, and is not in the spirit of the so-called free enterprise system and cannot be accepted by members of this union."

The union congratulated Pick 'n Pay chief Raymond Ackerman "for the courageous stand he is taking on this matter and expresses the hope that he will be successful in his endeavours to sell petrol at a price which is to the benefit of the consumer."

# Strikers demand release of leaders

AT LEAST six retail chains and a major dairy on the Reef have been hit by strikes, with hundreds of workers demanding the release of detained Commercial Catering and Allied Workers' Union (Ccawusa) leaders.

Milk deliveries to homes in the northern and eastern suburbs of Johannesburg have been disrupted by a strike by 850 workers at Nel's Dairy in Victory Park. Many are Ccawusa members.

Dairy owner Hans Nel said the workers were dismissed yesterday.

Most of the sit-in, retail strikes began on Friday — the day after the unionists were detained — and have continued sporadically. The number on strike has fluctuated, according to employers.

OK Bazaars, Frasers Ltd, CNA Gallo Ltd, Pick 'n Pay, Checkers and Woolworths have been affected.

It is understood employers in the commercial and distributive trade have sent urgent requests to Law and Order Minister Louis Le Grange to charge or release detained union leaders.

A union member at the Ccawusa offices said yesterday there were no offi-

CLAUDE PICHARD-CAMBRIDGE

cialists there who could comment on the strike.

OK Bazaars personnel director Richard Blackwell said 12 branches had been affected since Friday, when workers began an illegal strike. He did not know how many workers were on strike, but said store managers were negotiating with them.

No details of the strikes at Woolworths and Checkers could be obtained last night. It is believed a total of more than 20 stores of the two companies have been affected.

Frasers Ltd chairman Donald Campbell said about 120 workers at seven Frasers stores on the Reef had been engaged in sporadic strikes since Friday.

Michael Wright of CNA said 300 workers in two warehouses and seven CNA stores in Johannesburg had been on strike since Tuesday.

Pick 'n Pay's store at Steeldale, south of Johannesburg, has also been affected. Its Bloemfontein store was affected only on Friday.

There are sectors of the retail industry which have not been affected.

# Cashbuild offer subscribed <sup>(30)</sup> 17,9 times <sup>CML-1m ps</sup> <sub>19/6/86</sub>

JOHANNESBURG. — 1978 with one store, and today has grown to 26 stores in the rural areas throughout SA. The offer of shares in Cashbuild, the country's dominant cash and carry wholesaler of building products, drew applications totalling R65,6m and was subscribed 17,9 times, Senbank announced yesterday.

It was open to holders of equity instruments (ordinary shares, preference shares and debentures) in Kirsh Trading Group and its two holding companies: Interhold and Kimet.

The allocation basis varies with the number of Cashbuild shares applied for and the number and class of equity instruments held by the applicant.

All applications for up to 200 Cashbuild shares will be satisfied in full, and allocations from 200 upwards will be rounded to the nearest 100 shares.

## Total

A total of 20m Cashbuild shares are due to be listed in the Retailers and Wholesalers sector of the JSE, with effect from Wednesday June 25.

At the offer price of 110c each, the shares stand at a prospective earnings yield of 9,8% compared with the historic 7,2% of the JSE's Retailers and Wholesalers Actuaries Index.

The prospective dividend yield is 4,4% compared with the historic 3,3% of the Retailers and Wholesalers Actuaries Index.

Cashbuild started in

1978 with one store, and today has grown to 26 stores in the rural areas throughout SA.

Over the five years to June 1985 profits attributable to shareholders grew at an average of 100% a year compound.

## Leap

For the year about to end (to June 30, 1986), a 26% rise to R1,6m is forecast, followed by a 33% leap to R2,1m in the year ending June 1987, equivalent to 10,8c per share.

Because the Cashbuild business was a wholly owned subsidiary of Kirsh Trading Group until April 26, 1986 the actual results of the newly listed company for the period to June 1986 will comprise those from two months of trading — the period from April 26 to June 30, 1986.

Accordingly, the first dividend to be received by Cashbuild shareholders will be that for the year to June 1987, which is forecast to be 4,8c a share, covered 2,25 times.

Managing director Albert Koopman, who has run Cashbuild since establishing the first experimental store, says: "In the year to June 1987 we expect to raise the number of stores to 33, all of them in rural areas. In due course, stores serving urban areas will be developed.

"We are therefore confident that pre-tax profits will grow at an average of at least 25% a year over the five years from 1986 to 1990." — Sapa



ARGMS 19/6/86 (30)

# OK's unchanged earnings must please SA Brews

By MICHAEL MENOF

JOHANNESBURG. — In these turbulent times majority shareholder SA Breweries, holding 70 percent of OK Baazaars, must have been more than happy with consolidating virtually unchanged earnings for both 1985 and 1986.

The salient features from the OK 1986 annual report can be summarised thus:

- Cash in the bank of R23,9-million in March 1985, changing to an overdraft of R18,9-million a year later.

- Total interest-bearing debt increasing 16 percent to R103,1-million, while stock on hand increased 15 percent to R374,2-million.

## DOWNWARD PRESSURE

The chairman, Mr Meyer Kahn, aptly summarised the state of retailing when he said: "Demand has been subjected to an uninterrupted downward pressure as a direct conse-

quence of the prevailing socio-economic conditions.

"Consumers continued to suffer both from spiralling price increases and diminishing disposable incomes."

As in 1985, says the managing director, Mr Gordon Hood, sales growth was by no means constant in the four major retail sectors in which the group operates: food, clothing, houseware and furniture and appliances.

## FOOD SALES

Sales of food rose 7,6 percent to R1274-million (R1 184-million) and clothing was up 1,5 percent to R240 943 (R237 543).

Housewares had nil growth at R206 230 (R208 096), while furniture and appliance sales declined 3,7 percent to R320 575 (R333 738).

While food contributes 62,4 percent of sales (60,9 percent) it continues to exert a detrimental effect on gross margins, especially as some staple foods are subsidised.

Unfortunately the contribution to operating and net income from each of the four divisions was not disclosed.

## OPERATING PROFIT

Overall, the operating profit expressed as a percentage of sales has continued to systematically decline each year from 1982 when it was 5,7 percent to only 1,7 percent in 1986.

Total sales increased 4 percent for 1986 to R2 042-million but in real terms declined 6 percent. Despite turnover increasing operating income declined to R35,3-million (R36,4-million).

Interest expense was virtually unchanged at R11-million but a lower effective tax rate of 46 percent, compared with 49,7 percent in 1985 helped increase after-tax income to R13-million, compared with 1985's R12,7-million.

Earnings a share remained at 100c for both years and the 60c dividend was unchanged.

The group's most significant asset is stock, which increased

to R374-million at end March 1986 (R326-million).

Mr Hood says inflation, the poor exchange rate of the rand on imported goods and increase in stores are the reasons.

The value of stock at selling price is still well within the group's standard of three months forward sales and in 1986 stock turn was 5,83, against 6,07 in 1985 and 5,04 in 1984.

Could it be that the R48-million increase in stock is the main reason for the R41-million swing from cash in bank at March 1985 changing to an overdraft a year later together with total borrowings rising from R89,2-million to R103,1million? The annual report offered no explanation.

Due to the rise in stock the acid test ratio of current assets less stocks to current liabilities has declined alarmingly to only 0,30 to 1 compared with 0,41 to 1 in 1985. Profitability ratios have also decreased over the past five years.

# Retail chains hit by strikes

Cape Times 19/6/86

30

Own Correspondent

JOHANNESBURG. — At least six retail chains and a major dairy have been hit by strikes on the Reef, with hundreds of workers demanding the release of Commercial Catering and Allied Workers' Union (Ccawusa) leaders believed to be in detention.

Milk deliveries to homes in the northern and eastern suburbs of Johannesburg have been disrupted by a strike by 350 workers at Nel's Dairy in Victory Park. Many of the workers are Ccawusa members.

The owner of the dairy, Mr Hans Nel, said the workers were dismissed yesterday.

Most of the sit-in retail strikes began on Friday, the day after the unionists were allegedly detained, and have continued sporadically. The number of workers on strike has fluctuated greatly, according to employers.

OK Bazaars, Frasers Ltd, CNA Gallo Ltd, Pick 'n Pay, Checkers and Woolworths have been affected to a greater or lesser extent.

## Requests to minister

It is understood that employers in the commercial and distributive trade have sent urgent requests to the Minister of Law and Order, Mr Louis le Grange, to charge or release union leaders believed to be detained.

A union member at the Ccawusa offices said there were no officials there who could comment on the strike.

The personnel director of OK Bazaars, Mr Richard Blackwell, said 12 branches had been affected since Friday when workers began an illegal strike. He did not know how many workers were on strike but said store managers were negotiating with them.

Details about strikes at Woolworths and Checkers could not be obtained last night. It is believed that a total of more than 20 stores owned by the two companies have been affected.

The chairman of Frasers Ltd, Mr Donald Campbell, said about 120 workers at seven Frasers stores on the reef had been engaged in sporadic strikes since Friday.

## 'Holding a red rag'

Mr Michael Wright of CNA said 300 workers in two warehouses and seven CNA stores in Johannesburg had been on strike from Tuesday.

Pick 'n Pay's store at Steeldale, south of Johannesburg, and its Bloemfontein store have also been affected.

There are, however, sectors of the retail industry which have not been affected.

Commenting on the retail strikes, the Progressive Federal Party's manpower spokesman, Mr Peter Gastrow, said arresting labour leaders was like "holding a red rag in front of their unions".

"The emergency may well reduce unrest in the townships in the short term, but it will do long-term damage to labour relations unless trade union leaders are released or charged."

Strikes follow detention of union leaders

# Big business is to protest to Le Grange

30  
STAR  
19/6/86

Staff Reporters

Leaders of big business in South Africa are seeking an urgent meeting with Minister of Law and Order Mr Louis le Grange about the widespread detentions of trade unionists under the state of emergency regulations.

The detentions have led to a collapse of established labour practices and a wave of strikes.

According to Johannesburg shoppers who have contacted *The Star*, stores affected by the strikes include Checkers, Pick 'n Pay, Woolworths and OK Bazaars. Checkers has been particularly hard hit.

The detentions are having a devastating effect on some businesses and many trade unions.

Mr le Grange's office confirmed today that he had been approached by business leaders who wished to discuss the situation with him. The meeting is expected to take place today.

Most trade unions — their leaders in detention or hiding for fear of detention — have been prevented from operating effectively. Most are afraid to operate from their offices.

The detention of unionists has resulted in a wave of protest strikes by black workers at a number of retail outlets and could jeopardise wage negotiations now in progress.

At least one of the retail bosses seeking a meeting with Mr le Grange will complain about direct interference in industrial relations matters.

In another development, the chairman of Premier Group Holdings, Mr Tony Bloom, has sent a telegram to Minister of Manpower Mr Piet du Plessis and Mr le Grange protesting at the detention of unionists.

## Dairy stoppage

Mr Bloom said management was now faced with running factories by dealing with "the mob", because leaders were in custody.

Several retail chains have been hit by sit-down strikes by members of the Commercial Catering and Allied Workers Union of SA (CCAWUSA).

A number of CCAWUSA shop stewards and union officials are being detained. Their names may not be published because of the emergency regulations.

Nel's Dairy has also been affected by a work stoppage. The company has declined to divulge details, but milk deliveries to the Johannesburg northern suburbs have been disrupted, according to housewives. Some deliveries to supermarkets have also been affected.

Comments on the strikes by company spokesmen may not be published in terms of the emergency regulations.

"There has been a genuine effort on the part of many South African companies to negotiate with unions, and vice versa," said Mr Bloom. "For this reason we find it deeply disturbing that many leaders of the union movement and shop stewards have been arrested and placed in detention without trial.

"Apart from the humanitarian aspects of detention without trial, this will create a legacy of bitterness in the business sec-

Assocom and FCI say powers too wide

# RSC tax system comes under fire

BEULAH BROWN

COMMERCE and industry have rejected the wide range of Regional Service Council (RSC) taxes proposed in Parliament.

Reacting to amendments to the Bill in Parliament this week, the Associated Chamber of Commerce (Assocom) said the "withdrawing" clause relating to partnerships was especially inadequate.

"The drawings made by a partner could represent capital he had put into the enterprise and may not necessarily be profits made in business.

"This amendment should be reconsidered," said Assocom legal manager Ken Warren.

The wide base granted to Finance Minister Barend du Plessis enabled tax to be imposed at his discretion, without reference to the legislature.

Warren said a plea was made by Assocom in May that implementation of RSCs be delayed until economic difficulties in SA were clarified.

The benefits of the economic package to stimulate the economy could be negated by the introduction of taxes which

would undoubtedly have an adverse effect on the private sector.

"The private sector has to bear the major brunt of government's new sources of extracting revenue."

Federated Chamber of Industries' (FCI) legal adviser Arthur Hammond-Tooke was concerned about the wide powers given to Du Plessis.

The FCI was also concerned about the fact that RSCs would be largely appointed, rather than elected.

The potential for levies to be expanded would harm the income and employment-generating capability of some regions — a worrying aspect for the industrial community.

However, it welcomed the enhanced role of the Commissioner of Inland Revenue in the administration of the new tax system and collection of levies.

Another positive aspect was the greater clarification of the functions and methods of RSCs, Hammond-Tooke said.

## Optimistic debut

Following their conversion from Coki shares, Metro stock began trading last week at R8, before falling back recently to R7. The lower price still represents a R2 premium over the placement price; but while the only shares in issue are those belonging to Sanlam and former shareholders in Coki, Metro is so thinly traded at present that most analysts are not taking its current price too seriously.

When the terms of the listing were announced, my initial expectation was the share would come on at 650c. I subsequently trimmed this forecast down to 575c after considering the market's views. The consensus opinion continues to be that the share should trade between 550c and 600c. One analyst argues that the share will only achieve its true value in early July, after some 10,18m new Metro shares have been placed with shareholders in Kirsh Trading Group (KTG), Interhold and Kimet.

The fact that the shares of Kimet and KTG failed to rise over the week seems to indicate that investors, too, are not taking seriously a potential R2 staggung profit in Metro.

Asked what he thought of Metro's performance on the JSE, Metro MD Lionel Katz said: "I've never even looked at a newspaper to check its price. I'm more interested in running the company." But on Metro's trading prospects, Katz is unequivocal: "We will have no trouble meeting our profit projections," he says.

Neville Glaser

20/1/78  
Businessmen  
note council  
no 30 Kopel

International companies doing business in the city had noted Johannesburg's National Party-controlled city council had voted against allowing all races full access to the central business district.

This warning was made by Mrs Molly Kopel (PFP) at last night's budget meeting.

Calling for immediate action, she said Mr Chris Ball, managing director of Barclays Bank, had said experience had shown the environment had to be changed and attitudes would follow.

She challenged management committee chairman Mr Francois Oberholzer to be courageous and take the step.

This would end the situation where blacks were now allowed to trade in the central business district (CBD) but not reside there.

Mr Oberholzer replied he could not visualise how a black person could trade from a building he owned, yet could not live there. The time was ripe for opening the CBD.

Opening the city would help to end the housing shortage and it would not be necessary to provide infrastructure for housing developments elsewhere.

Argus 2/6/86 30

RETAILING

## Pepkor R16m in red, rights issue 'unlikely'

PEPKOR, reporting a R18,8 million net loss for the year to February, aims to restructure the group and reduce borrowings.

But another rights issue of shares is highly unlikely, said the chairman, Mr Christo Wiese, today.

"There are various alternatives but a rights issue is very low down the list."

The group raised about R75 million in cash seven months ago through issues of ordinary and preference shares.

The group's borrowings jumped by R60 million to R187 million and its R50 million operating profit was slashed by an interest bill of almost R40 million.

The higher borrowings followed the switching of all loans on-shore and forex losses of over R25 million incurred in the first half.

However, the group, with its 579 stores, boosted its turnover by 19 percent to R693 million in spite of tough trading conditions.

Export sales soared to R8,7 million from R1,7 million but the cost of getting into the export market resulted in a R3 million loss.

"We are developing our exports in a particular manner," said Mr Wiese. "Unfortunately it can be a costly exercise but we expect future export sales to be profitable."

Tom Hood

20/6/86 BUSOP (92) (48) (30)

# Motor trade gets a boost

makers, Econometrix automobile specialist Tony Twine said the proposed relief probably would not be passed on to consumers in the form of lower prices. At best, the measures could "delay an impending price increase in the future".

The exemption from the 10% import surcharge was not applied to imported automobile components that could be produced domestically. Such products include copper hose clamps, air distributors, gaskets, generators and a wide variety of other parts.

The import surcharge was removed



● From Page 1.

from imports that could not be produced locally, generally considered to be electronic components and other high-technology items.

The Government did not release information on a new table for calculating the taxable portion of company car use, which tax experts have agreed would also favor the auto industry. It was unclear whether the new information would be published today's *Government Gazette*.



'4 000-ton mountain' exists, yet ...

STAR. (30) ~~20/6/86~~  
20/6/86 (20/6/86)

# Stores run out of butter

By Jackie Unwin

Some supermarkets have run out of butter. In anticipation of a drop in the price of butter by the Dairy Board, some dropped their prices substantially — by over 90 cents for a 500 g block.

But the announcement of the expected decrease by the Board has not yet come through and supermarkets have in some cases run out of stock.

A Dairy Board spokesman said: "Nobody is holding the butter back. We have a surplus and want to dispose of it."

"The recommendations of the Board's Butter Committee on the disposal of the surplus are with the Minister. As soon as we come up with the solution we will announce it."

Mr Geoff Kahn of Pick 'n Pay said: "We have virtually run out in all our stores. We are waiting to hear what the Dairy Board is going to do."

"We heard rumours the Dairy Board would reduce the price and decided to go ahead of them and drop our prices."

"We have in fact advertised and cannot get sufficient stock until the Board finally makes a decision. The Dairy

Board is now standing back and watching."

Mr Clive Weil, managing director of Checkers, said: "We were told the prices were coming down and in anticipation decided to drop our prices."

"We believe a move down is inevitable."

"But I think it is regrettable we are selling the fresh butter at this low price and the problem with the butter mountain remains."

## Battle for supplies

"We are battling to get butter supplies right now — which is a disgrace considering the butter lying in stock is, we understand, 4 000 tons. This stock should be made available at a reduced price."

Mr Mervyn Kraitzick of OK Bazaars, said the store would hold butter prices down until further notice.

He said the run on butter had caught the suppliers by surprise and they did not have big stocks.

Angry consumers phoned *The Star* yesterday complaining they had combed many supermarkets in vain searching for the advertised inexpensive butter.

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# The day that fell off the calendar

June 16 did not turn into a day of violence after all. If anything, it was a day of empty streets, closed shops and disconnected phones. SEFAKO NYAKA reports

30

**RESTRICTED** Reports on these pages have been censored to comply with emergency regulations

**RESTRICTED** Reports on these pages have been censored to comply with emergency regulations

Church volunteers wrap flowers with memorial cards

## Some ironic pockets of press freedom

IN an ironic spin-off from Emergency curbs on the press, the "independent" homelands are now the only places where reporting can take place with relative freedom.

The TBVC states — Transkei, Bophuthatswana, Venda and Ciskei — have rarely been known for their regard for human rights. But none of them has yet followed Pretoria's latest initiative in restricting news coverage in terms of the Emergency regulations.

Transkei has been under a State of Emergency for years; when South Africa's partial State of Emergency was imposed last year, Umtata responded by imposing a curfew throughout the territory.

This time, said Commissioner of Police, General RS Mantanga, "we have our own Emergency regulations, and we are not going to follow what is done in South Africa".

Transkei regulations do not target the press, although the frequent deportations of journalists indicate the hazards of reporting there.

In Ciskei, no State of Emergency has been declared, and so it is from Mdantsane — East London's largest township, but technically in the Ciskei, and subject only to laws and declarations made in Bisho — that some of the few direct

By **FRANZ KRUGER**  
East London

reports emerge regarding June 16 events.

The tenth anniversary of the Soweto uprising was marked by numerous outbreaks of violence in Mdantsane, leading to the death of at least one youth, 14-year-old Mhlangabezi Tiyoyo.

Tiyoyo died in Cecilia Makiwane hospital in the township after [redacted] in a denominational service in a Methodist church in the township.

According to Rev Gilbert Nyangane, who was leading the service, Ciskei [redacted] had given an order that the service would be allowed to proceed.

Nyangane said two ministers went out to relay Nonhono's assurance, [redacted]

About 70 people are estimated to have been taken for medical treatment to both Cecilia Makiwane hospital and East London's Frere Hospital. By Wednesday, only seven remained in the wards, and a hospital spokesman said they were progressing well.

Ciskei government representative Headman Sontumzi said [redacted] had been taken after the service became rowdy, and after a [redacted] Nyangane denied this: "Everyone was behaving well," he said, "and there was no [redacted]"

In other incidents of violence on Monday, the house of Goodwin Makongolo, the senior editor of Umthombo, a Ciskei government publication, was petrol-bombed. Nobody was hurt, but damage was caused.

A number of buses were attacked by stonethrowers. At least two buses were severely damaged, while a third was burnt out in a petrol bomb attack.



Bishop Desmond Tutu leads a memorial service at St Mary's Cathedral, Johannesburg

Picture: ANNA ZIEMINSKI, Atrap

# above the mosque floor

By A'DIL BRADLOW, Cape Town

COMMUNITY leaders have described the [redacted] of [redacted] mosque on Sunday night a [redacted]. Law and Order Minister Louis le Grange, however, speaking in parliament, said this week the [redacted].

The incident occurred at the St Athens Road mosque in Athlone, at a commemoration service for the victims of the 1976 protests.

According to eyewitness reports, over 1 000 people attended the service, which was described as completely peaceful. At approximately 9.15pm, according to eyewitnesses, [redacted] arrived and [redacted].

[redacted] courtyard adjoining the mosque. Eyewitnesses allege that only after these [redacted] did [redacted].

[redacted] in terms of the Emergency regulations.

The service continued; the doors of the mosque were closed in an effort to keep the [redacted]. Then, say eyewitnesses, [redacted].

[redacted] were several hundred women who were seated upstairs. Several of the older women [redacted] and several others [redacted].

[redacted] Le Grange, replying to a question in parliament during the second reading of the Internal Security Amendment Act, said police had received a tip-off that "armed members of the Muslim community" were going to attend the gathering. Upon their arrival at the mosque, police saw on the roof three armed men who allegedly opened fire on them. In returning the fire, police acted with "great restraint".

The minister also noted the police issued a warning that the gathering was illegal, but this was ignored.

According to Le Grange, three people were arrested.

In the House of Delegates, Le Grange came in for heavy criticism. The chairman of the Ministers' Council in the House of Delegates, Amichand Rajbansi, said he had been in touch with the State President on the issue, while Ahmad Arbee (Solidarity, Eastern Transvaal) called for a commission of inquiry into the incident, saying the failure of police to respect the sanctity of the mosque "left a bad taste in the mouth".

"Furthermore, any meeting held in the mosque is a religious meeting, more so if it addresses the question of injustice. Muslims do not accept the dichotomy between religion and politics. The [redacted] in a mosque once again clearly gives the lie to PW Botha's statement that there is religious freedom in this country. [redacted]."

**RESTRICTED** Reports on these pages have been censored to comply with Emergency regulations

## DURBAN: SHOPOWNERS SHUT THE DOORS AT NOON

WEEKLY MAIL REPORTER, Durban THE sombre mood on June 16 was worsened by the car bomb which exploded on the beachfront Saturday night, leaving three dead and dozens wounded.

There were virtually no black people in the city, and while the shops in the "white" part of town were open, many had closed by mid-afternoon. In the "black" part of the city, no shops opened at all. [redacted] were strongly in evidence in the streets, but in terms of the regulations, there can be no description of what action they took.

More alarming for residents of the township was that a mysterious technical fault, the exact nature of which has still not been announced, disconnected many phone exchanges and no one could call in or out.

Azapo had been granted an order by the Natal Supreme Court on Thursday last week, declaring legal two meetings scheduled for June 16 in Durban. After the Emergency was made public,

both meetings were banned by special announcement.

Cosatu and the Inkatha Youth Brigade had both made a bid to use Currie's Fountain for a rally on June 16. Stadium management promised the venue to whichever group acquired a permit.

The magisterial permit went to the Inkatha Youth Brigade. However, even this meeting, addressed by KwaZulu Chief Minister and Inkathata President Chief Mangosuthu Buthelezi, was hit by a stayaway problem, and fewer attended than expected. Estimates ranged from 2 000 to 6 000.

With most meetings banned, the churches provided the only way of marking the day.

At St Thomas's Church, Musgrave Road, black arm bands were made available for the intrepid to wear until the lifting of the State of Emergency.

Bishop Dominic Khumalo and 30 Catholic priests celebrated a special mass at St Theresa's Church, Sydenham, praying for "justice and reconciliation" in South Africa. A number of detainees were mentioned and prayed for by name, but these names cannot be published — except for those of Father Theo Kneifel and Brother Hanz Ernst, both deported on Tuesday evening after their release from detention.

The service followed a remarkable show of solidarity by the priests of the Archdiocese of Natal, recently in disarray after a strong negative reaction by some clergy to the Southern African Catholic Bishops' Conference statement on economic pressure against South Africa.

But a statement read in many Catholic churches on Sunday read, in part,

ED Reports on these pages have been censored to comply with Emergency regulations

## press freedom

[redacted] wrap flowers with memorial cards

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A number of buses were attacked by stonethrowers. At least two buses were severely damaged, while a third was burnt out in a petrol bomb attack.

WEDNESDAY  
PICK 'N' PAY  
petrol  
sales drop

PETER WALLINGTON

PETROL sales at Pick 'n Pay outlets around the country dropped markedly yesterday, a day after the supermarket chain was forced to stop its coupon scheme.

Richard Freslich, GM of Pick 'n Pay service stations, said sales had "dropped markedly" although sales on Wednesday had been higher than usual as customers filled up for the last time under the coupon scheme.

In the 12 weeks Pick 'n Pay issued coupons giving a 4c/l coupon redeemable in its supermarkets, its petrol turnover trebled over the same period last year.

# Minister talks to leaders



MINISTER Louis le Grange

BUSINESS leaders met the Minister of Law and Order, Mr Louis le Grange, yesterday for talks on the detention of trade union leaders under the state of emergency.

The talks continue today.

The businessmen represented Checkers, Pick 'n Pay, Woolworths and Truworths, Metro Cash and Carry, CNA, Gallo and Kirsh Industries.

The leader of the delegation, Mr Mervyn King, confirmed that the meeting took place but refused to disclose further details because disclosure might prejudice

SOVIET BY LANGA SKOSANA

Further meetings would be held today and he was hopeful that a result would be reached in due course.

Mr le Grange's Press liaison officer, Captain Henry Beck, said from Pretoria yesterday that the Minister held talks with businessmen on Friday, Saturday and yesterday.

Yesterday the Sovietian visited strike-hit retail shops in and around Johannesburg.

They said they faced problems

which could only be resolved by their elected leaders.

At union offices yesterday those leaders who have not been detained were absent and said to be in hiding.

So far more than 100 strikes have been recorded and the retail industry has well-founded fears that the number may grow.

Yesterday the following units were still experiencing strikes:

- Checkers — 37 supermarkets but the number was expected to grow;
- OK Bazaars — 24 stores;
- Woolworths — 14 stores and one depot;
- CNA — nine stores, two factories and one depot;
- Frasers — 12 stores, one warehouse;
- Pick 'n Pay — Steeledale Hypermarket south of Johannesburg.

WE have been advised that the police interpret the blank spaces we have left in the newspaper over the past few days as being "subversive". We will now fill the spaces with the most innocuous of writings.

24/6/86. BUD DAF

30

Figures reflect tough trading time

# Wholesale-retail sales continue to show big drop

DAVID FURLONGER

DIFFICULT trading conditions in the wholesale and retail sectors show little sign of improvement, government figures show.

The Central Statistical Services (CSS) figures reveal a continued real decline in sales, and highlight the tight trading conditions being experienced by most sectors of the economy.

Official projections show that, in real terms, retail trade sales this month are likely to show a 7,3% drop on June 1985 — from R1,33bn to R1,24bn — as well as a decline from the R1,26bn of last month.

These figures are based on a constant 1980 price. At current prices, retail sales this month are expected to hit R2,59bn, a 5,1% improvement on the R2,46bn of June 1985.

At 1980 values, sales in the second quarter to end-June are expected to total R3,74bn, down 7,3% on last year's R4,04bn.

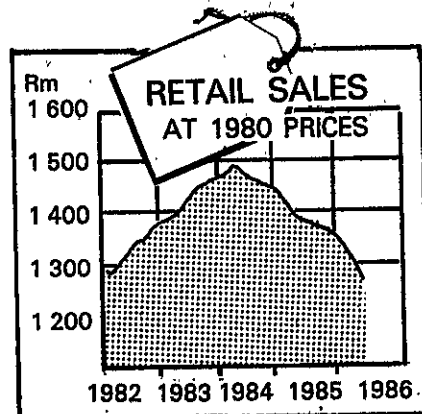
Wholesale trade projections — including diamonds — for May give a 1980-based total of R2,66bn, compared to R2,83bn in May 1985. Excluding diamonds, the figures are R2,51bn (1986) and R2,74bn (1985).

CSS figures show no respite for the motor industry.

Even at current values, trading revenue for motor vehicle and accessory retailers in May is expected to be the lowest for a year.

Provisional figures estimate revenue in May to be R1,11bn, compared to R1,22bn in April, and the lowest since the R983m of May 1985.

Seasonally adjusted, the May 1986 figure is expected to be R1,114bn, an 11,5% decline on April's R1,259bn but up on the May 1985 figure of R989m.



The continued problems of the motor industry are further reflected in final wholesale and retail figures for March.

The wholesale sector shows a seasonally adjusted decrease of 19,5% on February 1986 and 13,8% on March 1985.

The adjusted figures, with actual values in brackets, are March 1986, R224m (R271m); February 1986, R279m (R281m); and March 1985, R262 (R314m).

Retail figures for the same period are March 1986, R1,120bn (R1,131bn); February 1986, R1,176bn (R1,198bn); and March 1985, R1,067bn (R1,076bn).

Government figures also confirm the slowdown in building activity.

Private sector building plans worth R355m were passed in April, 29,5% down on the corresponding month in 1985. Most marked decreases were in flats and townhouses (down 29%), non-residential buildings (69,4%), and additions and alterations (25,4%).

CSS said these decreases were counteracted by a 44,9% increase in the value of dwelling-house plans passed, mainly in the Cape Town, Pretoria and Witwatersrand urban areas.

# Smoother road for car-makers

20 BUS ST 24/6/86

LAST MAY 16 — a Friday — Volkswagen MD Peter Searle led a delegation of executives from SA's embattled car industry on a critical lobbying mission to Cape Town. There, the industry leaders — representatives of the National Association of Automobile Manufacturers (Naamsa) of South Africa (Naamsa), the Motor Industry Federation (MIF) and the National Association of Automotive Components Manufacturers (Naacam) — plead their case for desperately needed relief measures.

Finance Minister Farent du Plessis and Trade and Industry Minister Dawie de Villiers held court.

It wasn't the first time the car-makers had appealed for government help. The industry has been in crisis for more than four years, crippled by weak consumer demand and sustained high levels of inflation.

## Bandages

In the last year, lobbying trips by individual executives and by Naamsa's director, Nico Vermeulen, had become more and more frequent.

Last month, finally, the car-makers had a concrete programme to present.

Searle asked the Ministers to consider four options that could provide some immediate bandages to the industry's ailing arteries.

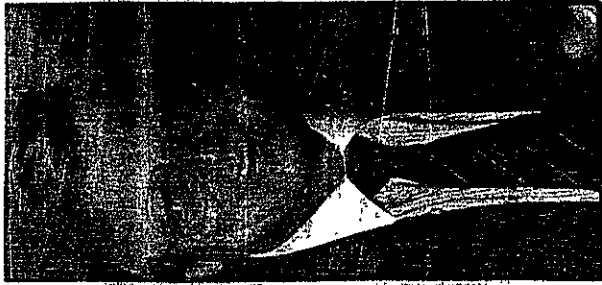
□ A reduction of the general sales tax (GST) from 15% to 10%.

□ Recalculation of the car excise duty.

□ Elimination of the September 10% import surcharge and EIA softening of the perks tax on private use of company cars.

At the time, reported one industry executive, Du Plessis and De Villiers indicated, first, that they would consider relief sympathetic.

The Ministers also indicated proposals; a new table on the perks



□ SEARLE... led the car-makers' delegation

that any car relief package would be buried in a more general economic programme. Apparently, the source said, because "they didn't want to appear to be angling out of the industry."

A month later, it appears government was indeed, sufficiently moved by Searle's argument.

Du Plessis' R1.5bn economic stimulation package introduced last Tuesday contained no relief of GST, but all of the industry's other prayers were answered handsomely.

The "new measures" on the excise duty and the import surcharge are close in content to the Naamsa proposals; a new table on the perks

## ECONOMICS REPORTER

tax has not been released, but industry sources think this, too, will follow the car-makers' plan.

Industry executives clearly are pleased. It is a very, very good package," growed Searle, MD Searle of Sterling. And, indeed, the effects of the relief measures could well be substantial.

For one, notes Econometric expert Tony Twine, the actual government expenditure outlined in Tuesday's package — totalling close to R3bn — should stimulate some R35bn in consumer spending, which translates into 7,500 additional cars sold over the next 18 months.

A change in the perks tax guidelines also could indirectly stimulate unit sales, by removing the deterrent for companies to replace their old vehicles.

## Determination

MIF director Bob Thomas, representing car retailers, said the imposition of the perks tax on company car-use caused a 30% drop in corporate vehicle purchases — equal to about 8 000 vehicles. Any softening of the perks tax guidelines, he said, would return some of those lost sales.

For both retailers and manufacturers, the perks tax is a critical issue — some say the critical issue — which is why Du Plessis announced promise last Tuesday and has left many executives holding their breath.

"It's a great pity that the Minister chose to make a statement without disclosing the details," Thomas complained. "We don't thrive in a climate of uncertainty."

The Naamsa proposal on the



□ STERLING... "It is a very, very good package"

perks tax, a product of weeks of negotiation between industry members themselves, called for a new determination of a car's value based not only on retail price, as before, but on engine capacity as well.

In addition, the proposal, if adopted, would eliminate the planned phase-in, fixing the taxable amounts at levels equivalent to this year's 40% phase-in.

The measure would result in lower assessments across the board, with larger cars receiving more relief in absolute terms.

The effects of a softer excise duty and the removal of the import surcharge on some components will be less visible.

The industry should gain about R65m in concessions from the two measures — R70m from the excise duty and another R15m from the surcharge reduction — but executives and observers say this relief will not be passed on to retailers and consumers.

Even if it was, notes Econometric's Twine, the savings would amount to an average of just R300 per vehicle. At best, he and others think, the measures may delay price increases already planned.

More likely, they say, car-makers will see fit to pocket the tax breaks for themselves, in an effort to ease losses said to total R1.2bn for the industry last year.

## Tolerable

In the meantime, both measures reaffirm government's questionable strategy of encouraging labour-intensive production by measuring local content by weight rather than value.

Du Plessis' concessions should bring relief — for now. Even if the new package does help manufacturers regain profitability this year, however, executives agree that long-term health will require far broader solutions.

Car-makers lie at the bottom of a five-year slide, during which unit sales have declined by half and employment by 35%.

Short-term injections will accomplish little unless consumers start consuming and inflation returns to tolerable levels — and even this may not prevent further plant closings and retrenchment before the industry finds a profitable equilibrium.

The car-makers are not fooling themselves.

As Searle's Sterling observed: "These measures alone cannot carry the industry through the longer term. We have to have a significant elevation of business confidence to keep the industry on its feet."

**BUS DAY (30)**  
**Car-maker's taxi promotion**  
25/1/16 SIPHO NGCOBO  
NISSAN SA yesterday handed over 32 10-seater mini-buses worth R600 000 to the South African Black Taxi Association (Sabta).  
The vehicles will be used by Sabta representatives in their various regions to promote Nissan products to taxi owners.  
Nissan SA's MD John Newbury said the 32 vehicles were his company's contribution to the advancement of black business which was aimed at "injecting a new flair of entrepreneurship into the black market".  
Referring to Sabta as an official organ and a major directing force in the taxi business, Newbury said all the buses were given to Sabta free "as a gesture of more than five years of relationship between us".  
Each vehicle was painted in Sabta's blue with a distinctive stripe of black and white checks.



# Course will sharpen traders' skills

30  
DOWNTOWN  
26/6/86

THE Centre for Developing Business at the University of the Witwatersrand will hold a course to develop the skills of backyard traders.

The one-day course, which will be held at the Wits Business School's Auditorium in Parktown on July 23, will cover various aspects on marketing, finance, ideas, records and staff.

Mr Prince Mokoena, lecturer and consultant at the centre, said the course was arranged because of the severe unemployment situation in the black population.

"It is specifically aimed at people who are dependent on their skills to make a living.

Apart from lectures



Mr PRINCE Mokoena... helping backyard traders.

and lecture notes, there will be a panel of guest speakers. The speakers are small business owners who themselves started from home," Mr Mokoena said.

He said the objective was to promote the development of entrepreneurial and managerial skills of those who wished to increase their participation in the economy.

Those interested in attending the course should phone Tabea Mofolo at (011) 643-3241.

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Those interested in attending the course should phone Tabea Mofolo at (011) 643 3241.

## Open Sandton CBD welcomed

26/1/86  
A "great idea" is how Sandton City traders have described the possible opening of the Sandton CBD to all races.

However, many feel opening the area will bring no substantial changes, as rents in the shopping centre are high.

A snap survey conducted by *The Star* yesterday revealed a wide range of opinion on the issue, most of it positive.

Some people qualified their approval by saying they felt it necessary to "keep up standards". "If a chap can afford R8,500 a month rent then we don't mind," said one shop owner.

Another stressed he opposed the move for commercial reasons: "I've got a shop in the Carlton and the difference speaks for itself. Sandton City is miles ahead business-wise."

26/6/86 STAR

30

# Get Sandton CBD opened to all races, urges Mandy

## Staff Reporter

Sandton Town Council should be more forceful in urging the Government to open the Sandton central business district (CBD) to all race groups, said the chairman of the Johannesburg CBD Association, Mr Nigel Mandy, last night.

Speaking at a panel discussion on the opening of the Sandton CBD to all race groups, Mr Mandy said the town council should not be complacent in calling for Sandton to be open to all races.

"You must ask the Government what they have done with your application," he told councillors and residents at a Sandton

club.

A former Mayor of Sandton and member of Sandton management committee, Mrs Zoe Marchand, said an application to open the CBD had been made to the Department of Community Development and Planning last October. The council was waiting for a reply.

## HEALTHY SITUATION

Mrs Marchand said the Group Areas Act had distorted the growth of CBDs.

"In Sandton our CBD should be used by all cultures — this is a normal and healthy situation," she stressed.

The chairman of the management committee, Mr Ricky Valente, said Sandton did not look for racial classification before granting trading licences.

"We will not play those games," he stressed. "We are not interested in the colour of the person trading or living in Sandton."

The chairman of the management committee of Marlboro Gardens, Mr Yakoob Makda, said the Government should have issued a blanket decree to open all trading areas to all race groups.

● Johannesburg CBD was officially opened to all race groups on February 21 this year.

tage of the cheap rand.

Efforts are being concentrated on grey iron castings, engine blocks, and the like. Currently 3 000 four-cylinder diesel engine blocks a month are being sold abroad, but the destination remains undisclosed for obvious reasons. Negotiations are well advanced on four more contracts, each totalling some R100m, of 20 000 blocks.

Rautenbach also reports growing interest in ADE as the beginning of a pipeline through which local car and truck manufacturers may make use of its production line and other facilities to export castings to their parent companies overseas. Volume of about



**ADE ... going for  
foreign sales**

30 000 pieces a year is on the cards.

The net effect is that the foundry, which was running at less than 30% capacity six months ago, should increase production three-fold by the end of the year.

"By early next year we could well have committed our total foundry capacity for two shifts, for the next three years and possibly five years. Some of the new business could have lead time of up to 24 months because of pre-production planning and design work," says Rautenbach.

The foundry has taken on 330 new workers since the beginning of the year and the staff is now being increased by an additional 120.

The bad news is that local truck and tractor engine sales remain stalled in the doldrums. Combined sales this year will not exceed 20 000 units, compared with last year's 24 000, which was considered dismal at the time.

Rautenbach believes domestic conditions will improve early next year. That, in conjunction with the exports, should make for a nice, easy romp back to levels of about 12 500 tractor engines and 22 000 heavy and medium truck units by 1989, he hopes. ■

FUN M/V L 27/6/86  
ATLANTIS DIESEL

### Export drive

The future's looking far brighter for the Cape's State-backed Atlantis Diesel Engine (ADE) project.

The export market is picking up substantially, and marketing and public affairs director Wally Rautenbach says there are many more orders to come. The best news is that the Atlantis-based factory is again hiring staff after years of lay-offs.

Rautenbach says ADE has had to move quickly on the export front before SA's sky-high inflation erodes the export price advan-

101. Own Correspondent

DURBAN — Businessmen are in the course of launching a new national umbrella body for small to medium-sized entrepreneurs.

The body, the South African Association of Entrepreneurs, aims to give smaller businessmen the power of a united voice on important issues.

It will be open to all races and its brief will include "the lobbying of Government departments to achieve tax relief and

# New organisation to help small business concerns (30)

27/6/88. SMK

the revision of laws that are stifling and inhibitive to the smaller businessman."

Chairman Mr Philippe d'Abbadie, a Durban chartered accountant, said the association saw the interests of small to medium-sized business as differing from those of larger businesses. It would have a cut-off

qualification on size, protecting its membership from being dominated by big groups.

Mr d'Abbadie said that with Natal and KwaZulu "on the fringe of a negotiated solution which will bring prosperity to the province," the time was right for integration of entrepreneurs of all races. Small business

created more jobs than large corporations and the association wanted to promote partnership of black, brown and white entrepreneurs.

In return for an annual fee, members would get two free "rescue" services of up to one hour each in the fields of taxation, management, finance and legal matters,

plus special rates for additional aid. Educational seminars and newsletters would also be arranged.

He hoped to have the association operating by mid-July and aimed to obtain a nation-wide membership of 2 000. Its various services would be computer-based.

It initially will operate in Durban and Johannesburg. The rest of its committee consists of Messrs IM Bawa, AM Mkhwanazi, JC Mathee, PMR Israelsohn, AJ van den Berg, JA Green and L Deeley-Barnard.

# Money pool to help 30 set up businessmen



Makana  
Tshabalala

**THE Greater Soweto Chamber of Commerce and Industries and Barclays National Bank have formed an investment trust fund to give financial aid and training to black entrepreneurs.**

Some R2,5-million has been used as the basis of an investment trust fund — a project which could start a chain reaction among financial institutions wanting to take part.

GSCCI president Makana Tshabalala said the GSCCI have been seeking ways of enabling members to participate fully in economic growth.

"We are very enthusiastic about this new venture," he said.

Barclays managing director Chris Ball said: "Barclays is actively

committed to the development of black business and regards it as natural to join the Soweto chamber in helping black business."

The objectives of the trust fund — to be known as the Soweto Investment Trust Company Ltd are:

- To channel funds into black business to develop black entrepreneurial skills.
- To provide an opportunity for black people to take part in the development of commercial and industrial projects.
- To identify and provide much needed advisory services to black entrepreneurs.

Barclays has put up R2,5-million to launch Sico.

The board of directors will be appointed by a black trust, which will own the company.

"Although Barclays has been the first company to put in money"

get the company going, both Barclays and the GSCCI are looking forward to investments from other organisations and sources also committed to seeing black business coming into its own," Ball said.

Tshabalala said a priority would be giving aid to smaller black entrepreneurs who have often found it difficult to raise the capital they needed for development.

"We plan to put some of the funds into venture capital to allow the company to provide financial assistance to enterprises which have nowhere to turn to at present," he said.

The structure of the trust company has been designed to ensure that the black community will always retain ownership of the project, Tshabalala said.

The funding of the organisation would be done through loans and preferred shares, he

# Motor makers perk up

S. TIMES 29/6/86

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PI the be ho w re co lis ba pa int w 50 n m we res sh Pi Re I pa 19 Te we RI ed bo the m pr ler of 19 of V an on the pe

THE motor industry is cock-a-hoop over the new perks tax schedules.

The new valuations on cars and freezing of the phase-in period "for the foreseeable future" mean tax savings of between R167 a month on a R20 000 car and R541 on a R75 000 model.

The change should be a tremendous boost for new-car sales even though it does not make ownership of a company car immediately cheaper. It prevents the tax burden from rising in future.

## Wrong foot

Although the new deal comes into effect only in September, it has removed uncertainty in the market and should result in an improvement in car sales in the next few months, say industry sources.

It has caught tax advisers and many companies on the wrong foot because they have steered many motorists away from company cars to car allowances. Now it makes more sense to have a company car.

Fleet purchases make up 70% of new-car sales, but the market has all but dried up as owners of company cars faced the daunting prospect of eventually having to fork out as much as R760 a month in tax.

The concessions, which follow closely the industry's recommendations, will make a company car worthwhile again, in terms of a perks package.

Fringe benefits tax has been frozen at 40% of the taxable value based on the old

## By Don Robertson

formula and will be maintained for the foreseeable future.

For example, a BMW 316, selling at R19 990, would attract a tax value of R513 a month under the old system at the full rate of 100%. In terms of the new system, this is reduced to R160 a month at 40%. Tax payable by the owner at the marginal rate of 47.5% would have been R243 at the full rate, but drops sharply to R76.

For a BMW 735i, the tax payable falls from R760 at the full rate to R219 under the new scheme — a saving of R541.

## Equitable

A BMW spokesman says: "At the new rates, the tax becomes more equitable with comparable taxation in, for instance, West European countries.

"Because the consumer's fear of rates rising to the high levels of the original system has been removed, the new rules must contribute to an improvement in the car market.

"This is to be welcomed because of the depressed car market of the past two years and the need to curb unemployment."

Jürgen Schremp, managing director of Mercedes-Benz, says: "The new system is much fairer than the old, which did not reflect the true operating costs of a vehicle.

"I am encouraged that Government has been prepared to listen to the industry. Much credit goes to the Deputy Minister of Finance,

Kent Durr.

"It won't help us immediately because most of our cars are sold for several months ahead, but in the medium to long term it is a helpful reform."

The new scales have been welcomed by Peter Searle, president of the National Association of Automobile Manufacturers of SA (Naamsa), who says they and the earlier stimulatory package will benefit new-car sales in the next few months.

New-car sales have fallen by 16% in the first five months of the year compared with last year's depressed levels.

Mr Searle says the system has been adapted from that used in Britain and represents a reasonable and equitable balance between the cost of vehicles and operating costs.

"The new table provides a mild and reasonable progression which will reduce the relevance for fringe benefit taxation in company car-buying decisions."



## Agencies merge

and billings of the new will be about R15-



## Pickpay picks up a chain

By Kerry Clarke

PICK 'n Pay has bought out the founder of the Cape-based Boardmans chain of homeware stores, making it a wholly owned subsidiary.

Pick 'n Pay financial director Chris Hurst says: "The company was undercapitalised, and was relying on bank finance. We were prepared to put more capital into the business as long as we got the lot."

Tom Boardman, who sold a 50% stake in his chain to Pick 'n Pay in 1984, says it remains to be seen whether he will continue as managing director of Boardmans. He is sharing this position with Pick 'n Pay executive Billy Rendall.

### Buying power

Mr Boardman and two partners started the chain in 1978 by buying the two Cape Town Sam Newman hardware stores from HLH for R1,25-million. They converted them into colourful homeware shops aimed at the young, middle-income market, with a 60% imported product range, including cutlery and bed linen.

With the R500 000 injection of capital from Pick 'n Pay in 1984, the chain expanded and opened shops at Stellenbosch, Verwoerdburg, Tyger Valley and Bedfordview's Eastgate.

Mr Boardman says he sold out to Pick 'n Pay because the chain needs extra buying power.

## Five-star hospitals for JSE Rembrandt values clinics at R170m

By David Carte

AS reported in Business Times in April, Rembrandt will list its private hospital group, Medi-Clinic Corporation.

In doing so, it values the company at R170-million.

Medi-Clinic owns the Sandton, Morning-side, Leeuwendal and Medipark clinics, and has three hospitals under construction.

When the three — Panorama, Mitchells Plain and Constantiaberg clinics — are completed, the group will have 1 379 beds. The listing values them at an average of R123 000 each.

### Recession-proof

Of course, there is more than beds. The five-star hospitals have sophisticated operating theatres and intensive-care units.

Medi-Clinic managing director Edwin de la Harpe Hertzog says private hospitals have a great future as the Government hands over the medical care of everyone but the indigent to the private sector. Medi-Clinic is well poised to manage Government hospitals which may be privatised.

Dr Hertzog says population growth, the rising average age of the population and increasing standards of health care for all will underwrite Medi-Clinic's future.

The listing document says the health business "is not materially affected by recessionary conditions or unstable labour relations and is a hedge against inflation".

Subscribers are offered compulsorily convertible debentures yielding 11% at R1. These will be converted into ordinary shares when the ordinary dividend reaches 11c.

In a true 50-50 partnership deal, Rembrandt will have 85-million of the 170-million shares and debentures in issue. Financial institutions, staff and friends of Medi-Clinic are getting the lion's share of the rest.

The public will receive only 10,5-million, or 6,2%, of 170-million shares.

Because of Medi-Clinic's big construction programme and consequent funding costs,

the retrospective profit record is unimpressive. But the company projects a bright future.

The pre-tax profit record from 1984-1986 reads: R2,5-million, R2,8-million, R2,3-million. There was an alarming R10,4-million loss after tax last year, but that reflected the cost of new clinic openings and the heavily borrowed situation of the company before the listing. It owed Rembrandt R40,7-million. Remgro will convert its loan into shares.

After conversion of the debentures, the company will have no debt. It owns properties worth R87,2-million and will have R57-million cash in the balance sheet, at least until it pays for its construction programme.

The company projects earnings of R7,7-million in 1987 doubling to R15,1-million in 1988 and rising to R31,1-million by 1991. On a fully converted basis, that is growth from 4,5c a share to 18,3c in five years — an average of more than 30% compound.

For these calculations, Medi-Clinic assumes an inflation rate of 15% and a bed occupancy rate of 70%. Profits are highly geared to inflation and occupancy.

### Well heeled

If bed occupancy rises to 80%, projected profits could rise by 20% to 35% and if inflation runs at 20%, they could increase by 20% to 30%. If occupancies and inflation are lower, profits could be up to 20% lower than projected.

But if these projections are right and dividend cover is to be two as published, the ordinary shares will not pay dividends until 1992.

Shareholders will have to accept a return of 11% for six years — well below the 18% plus obtainable on Escum stock now. It is also well below the 15% inflation rate which Medi-Clinic uses in its projections.

In short, the shares are far from a give-away and it is not surprising they have been aimed at institutions, doctors and the well heeled. They are intended for the patient Rembrandt-type investor more than the fly-by-night stag.

30/6/80 S. 1112  
Pta to decide  
on open CBD

Pretoria Bureau

30

The Pretoria City Council faces two thorny issues at its monthly meeting tonight — the integration of cinemas and the opening of the CBD to traders of all races.

Pretoria has been accused of dragging its heels on these matters for some months.

Strong resistance is expected from the small Herstigte Nasionale Party caucus.

Cinema integration has been tossed back and forth between the council and the Department for Constitutional Development and Planning.

Film distributors have applied for open cinemas but the council has still to agree.

The body must also decide whether to petition the authorities for the opening of the city's central trading area.

22/05/86

Post Bu

## Another call for help to the SA motor industry

ANOTHER prominent South African businessman has added his voice to the calls for help to be given to the motor industry.

Sidney Borsook, the executive chairman of Saficon Investments, the investment holding company with operations in motor vehicle trading, materials handling and the manufacture of motor components, says:

"The motor industry had a difficult 1984, a disastrous 1985 and the outlook for 1986 doesn't look much better."

Writing in Saficon's '86 annual report before the recently announced relief measures for the motor industry, he says that the amount of taxation directly and indirectly levied on motor vehicles, motor components and parts is excessive and has been inflated by a weak rand.

"The industry needs help quickly if it is going to survive as a viable contributor to our economy. Vehicle manufacturers cannot continue to absorb the heavy losses of the past two years and they are unable to pass on their full costs to the consumer without reducing the already depressed new vehicle market even further.

"So far motor dealers have not suffered to any great extent when compared to the tremendous losses suffered by the manufacturers. Nevertheless, unless profitability can be restored to reasonable levels, they will have great difficulty in financing the replacement of vehicles and parts stocks at prices which are rising at an alarming rate without resorting to unhealthy levels of debt."

The Saficon annual report illustrates how badly hit the motor industry was during the 12 months ended March 31. Vehicle sales through dealers were 22,4% lower than in the previous year.

Among the assumptions Saficon has used for the year ahead are that the Government will stimulate the economy further, that GDP growth will not exceed 3%, and that the rand/dollar rate will fluctuate between \$0,38 and \$0,45, and that the rand/yen rate will be Y70 to Y110.

Saficon also assumes that car sales will improve during the second half of the company's financial year but that new vehicle sales will be 5% lower than last year, gross margins will be marginally lower, and that operating costs will be 13% higher.

# Business sector confidence on the increase

Dispatch Correspondent

JOHANNESBURG — Business confidence has picked up for the first time since February, according to Assocom's latest Business Confidence Index (BCI).

The index, which measures business confidence according to the movements of certain economic indicators, was boosted 1,5 points to 80,1 in June. This follows a decline for three consecutive months from a high of 85,5 in February.

Positive impacts came mainly from the JSE market, the unemployment index and net migration from South Africa, according to Assocom's economists.

In contrast with improvements in these sub-indices, the fall in the external value of the rand which started in April, continued through to June, with further negative influences coming mainly from declines in the volumes of retail sales and a persistently high rate of inflation.

Although business confidence remains at a relatively low level, Assocom says the factors which have favourably influenced business sentiment this month, and which may also do so in the months ahead, include:

- The recent announcement of the fiscal "package" by the Minister of Finance, Mr Barend du Plessis.
- The prospect of lower interest rates.
- The perception that the incidence of violence in South Africa may be on the wane.

# Price war hits Granbaz

A FIERCE price war in the grocery trade, particularly in the northern areas of the Peninsula, is among the factors given by Grand Bazaars' chairman, Mr Manual Sachar, for the group's R5 000 loss before tax last year.

Grand Bazaars was taken over by Score Food Holdings on June 1 following an offer to the controlling shareholders of 42 Score shares for every 100 Grand Bazaar shares held. A similar offer is being made to minority shareholders.

Mr Sachar says in the company's annual report that the year ended February 28 had been the most difficult since the company's incorporation.

The company's 11,4 percent increase in turnover to R161,3-million was increased only at the expense of profit margins.

## MARKET SHARE

To protect the company's market share in an increasingly competitive market it had been necessary to further reduce margins.

The company faced fierce competition, particularly in its home base in the northern suburbs where four additional competitors opened in the second half of the year.

Trading conditions had been further hampered by ongoing political unrest and the consumer boycott in the Eastern Cape.

During the year ended February, Grand Bazaars acquired two small stores, one in Ndabeni, Cape Town, the other in Montagu.

## CURRENT ASSETS

At February 28 Grand Bazaars employed R14,4-million, of which R9,5-million represented shareholders' interest and R4,9-million long term liabilities.

Current assets totalled R29,6-million, of which R21,7-million was stock. Current liabilities totalled R26,1-million, made up of R16,8-million accounts payable and R9,4-million in short-term borrowings and bank overdraft.

Derek Tommey

# Opening up cinemas to all — but by halves

Own Correspondent

Pretoria city council is to recommend to Government that 12 of 24 Pretoria cinemas become multiracial and only part of the central business district (CBD) be opened to traders of all races.

**Pretoria  
City  
Council**

The council decided at last night's monthly meeting to recommend Sterland's eight cinema theatres, Metro Menlyn's three theatres and Zwartkop drive-in be open to all.

The Department of Constitutional Development and Planning referred applications for the opening of four Pretoria drive-ins and 20 indoor cinemas to the city council for comment in April.

The theatres concerned are the Zwartkop, Fountains, Uitspan and Wonderboom drive-ins as well as Cinerama, Transvalia, Metro Menlyn 1, 2 and 3, Metro Village 1 and 2, Kine 1, 2 and 3, Sterland 1 to 8, Metro and Metro Oscar.

The decision was approved by 21 votes to 11 after a heated debate during which HNP speakers challenged the Federation of Ratepayers' Association councillors to resign.

Mr Joseph Chirole said HNP members would then also resign, and the ensuing election should be fought on only three issues: open cinemas, open CBDs and acceptance of regional services councils.

The two PFP councillors were not present at last night's debate.

## MAIDEN SPEECH

Dr Bertus van Rooy of the National Party, who voted with the Federation of Ratepayers' Associations, said in his maiden speech other facilities at the Menlyn shopping centre were open to all races. It would be inconsistent to reserve cinemas there for whites.

On the CBD issue, the council decided in favour of opening the area bounded by Boom, Du Toit, Vermeulen, Bosman, Struben and Potgieter streets to traders of all races.

It added the condition, however, that section 27 of the Group Areas Act, which concerns property rights, should not be abolished in the area.

Town clerk, Mr Piet Delport, said in a report that people of colour (anderskleuriges) should not be allowed to acquire property rights of residential stands there, because this would lead to "gradual residential encroachment by people of colour."

The report said the entire central business district should not necessarily be opened, but the opened area should be linked to the core of the CBD.

The council was told that a petition against opening the CBD, signed by 42 business and professional men, had been submitted by HNP Councillor Mr Joseph Chirole.

Letters in favour had been received from the Small Business Development Corporation and Mr Peter Rose, on behalf of Pretoria Traders' Association.

The city council had earlier indicated it would not oppose the opening of four other areas in Pretoria — but retaining section 27.

These are two sections of the Asiatic Bazaar, the area bounded by Bosman, Christina, Jacob Mare and Scheiding Streets and the area bounded by Mitchell, Carl and Buitenkant Streets in Pretoria West.

Post Business

# Tax boost for new car sales

By BOB KERNOHAN  
Business Editor

TAX expert Costa Divaris said in Port Elizabeth yesterday that changes to perks tax legislation could provide an "immense boost" to car sales.

He interpreted the new perks tax tables — changed recently by the Government following intensive lobbying by the motor industry — as being aimed at boosting sales of more expensive cars, on which carmakers earn higher profits.

"The new tables mean that whether you drive a car valued at R1 000 or R20 000, you pay the same perks tax," he said in an interview before addressing a Barnib seminar.

"This will discourage company-car owners from delaying purchasing

new cars, trading down or purchasing second-hand vehicles," said Mr Divaris, who has carried out extensive research on the new tax tables, in which the cubic capacity of the engine is now an integral part.

He said that because of inflation since the original tax tables were drawn up early in the decade, perks tax based on the previous system — linked to the purchase price of the car — had increased to very high levels.

"Under the new tables, there is a moderate progression in taxes, so making purchase much more attractive."

"The car allowance is now also better for more expensive cars used for covering higher mileages," said Mr Divaris.

This "massive advan-

tage" for more expensive cars would level out in future, but would in the meanwhile provide the boost for the car industry.

A side effect of the changes could also be the some companies would again look at providing cubic capacity range do-

top-ranking employees with a second car, so providing further impetus to the market.

He pointed out that the difference between perks tax on a R45 000 car and a R25 000 car in the same cubic capacity range do-

ing 16 000km a year was now only R284 a year — R888 compared with R604.

"The narrowing of this gap will improve sales and underpin the car market for the next five years," Mr Divaris added.

740

July 1986

# NAFCCO CONFERENCE

## Be aware of increasing sophistication, companies told

30

MARKETING companies in South Africa have been warned to face the consequences of the increasing sophistication and politicisation of black consumer power.

The warning was issued by managing director of Co-ordinated Marketing Retail Khoza in an address to a group meeting at the annual congress of the National African Federated Chamber of Commerce (Nafccc).

"It is not unduly pessimistic to surmise that with increasing black consumer sophistication and the intensification of trade union power, companies which are perceived to be unscrupulous,

Own Correspondent

consumer expectations will be singled out for boycotts.

"The marketing communication implication is clear: marketers will have to pay as much attention to source credibility as they do to the communicated message and the medium.

"Manufacturers will be impelled to dig wells of goodwill by means of fair employment and marketing practices," Khoza said.

"The pressure will be compounded by the politicisation of black consumer behaviour," he said. Historically the black sector of the

South African market had been viewed as largely homogeneous and as a satellite of the white market.

"Already, cracks are apparent in the facade of what used to be perceived as a pool of cheap labour and a largely dispensable consumer public."

New segments were emerging with the most controversial classification being the emergent black middle class.

The most important recent trend in the development of the black consumer market was "this sector's intensifying awareness of consumer power and the exploitative and indifferent to black keenness to use such consumer power in

pursuit of political objectives."

During the recent consumer boycott of white-owned retail outlets, some black traders had rejoiced that black consumers were now forced to buy at home.

"Under the false belief that black consumer boycotts of white retailers guaranteed them a captive black consumer market, some black traders got complacent, took advantage and started overpricing. Result? Black consumer backlash against them.

"To survive and prosper, black traders will have to hone their business skills," Khoza said.



# Bid for 'healthy climate' for small businesses

AKG  
2/7/86

30

PRETORIA. — The Government is to de-regulate small business to create a "healthy climate" for this sector of the economy.

The Minister of Trade and Industry, Dr Dawie de Villiers, said in a statement that the Government had, in the main, accepted the recommendations of the President's Council's committee for economic affairs for developing and de-regulating small businesses.

He said the committee sought to promote a healthy climate for the small business sector, in view of its important economic role.

The committee concentrated on the establishment of a framework for a more effective policy of small business development and de-regulation. Dr de Villiers said the Gov-

ernment was convinced the recommendations, which it had accepted and was implementing, would contribute towards expediting de-regulation and promoting the economic development of small business and the developing communities.

The Small Business Development Council has welcomed the Government's moves.

In a statement the council said the stimulation of entrepreneurship, especially in neglected areas, was now a responsibility of all Government departments and authorities.

"We hope that Government departments and other authorities will single-mindedly pursue de-regulation as a most important means of stimulating entrepreneurship," said Dr Ben Vosloo, managing director of the SBDC.

"Small business can only make a meaningful contribution to the economy and to job-creation in an environment of minimum Government control."

The chairman of the committee for economic matters of the President's Council, Dr Francois Jacobsz, said he was "particularly pleased" with the Government's reaction to his committee's report on de-regulation and small business development.

The Government had accepted all but one of its recommendations, he said.

"Even the recommendation that was not accepted has been amended in such a manner that it can still achieve the goals we set in the report."

He foresaw no problem in implementing the recommendations. — Sapa.

## New car sales look brighter

NEW car sales last month are expected to rise by between 10% and 14% — to about 15 000 units — compared with the previous month, says the National Association of Automobile Manufacturers of SA (Naamsa).

Commercial vehicle sales should rise by 12% to 6 800 units.

Naamsa director Nico Vermeulen said yesterday government's fiscal measures to re-activate the economy — including perks tax relief — favourably affected last month's sales.

This improvement comes after May car sales slumped to a 1986 low of 13 754 units, prompting renewed industry calls for a comprehensive rescue package.

Naamsa director Nico Vermeulen said commercial vehicle sales should improve by 12% to 6 800 units in June.

2/7/86 BUS DAY (232) 30  
**Govt boost for small business**

TRADE and Industry Minister Dawie De Villiers yesterday announced the acceptance of recommendations for the deregulation and development of small business.

De Villiers said government was confident the recommendations, which were now being implemented, would contribute to deregulation as well as the promotion of small busi-

ness development and developing communities.

The President's Council committee for economic affairs, which made the recommendations, concentrated on establishing a framework for a more effective policy for small business development as well as deregulation of legislation and regulations.

● Comment Page 6

27/86 00 (30)

# R0,5m factory flats for Q'town

**Dispatch Reporter**  
QUEENSTOWN — Factory flats costing in the region of half a million rands, are to be erected at Queendustria near Queenstown, the manager of the Small Business Development Corporation (SBDC) in the Eastern Cape, Mr Arnold Greyling, confirmed yesterday.

Mr Greyling said the flats would be the first of their kind in Queenstown and could possibly expand later to consist of three phases.

He said the first phase would consist of two units, covering an area of 240 square metres each, and the flats would be sub-divided into units of various sizes for hiring by those wishing to start small businesses.

"It will have three sections of 160 square metres each and ten sections of 45 square metres each, for the small entrepreneur who is starting manufacturing for the first time," he said.

He said the larger units were for existing entrepreneurs to expand their businesses, or formalise a company.

The other two phases could be considered in the future, should all the units be taken.

"Similar projects are being undertaken in other areas of the Eastern Cape, and a similar project is in the process of being built at Craddock, with another being undertaken later at Middeburg, while an industrial park has been established at Graaff Reinet."

He said other projects had also been undertaken at Mdantsane, East London and Kwazakale at Port Elizabeth.

"There is also a large type of factory space in East London, which was completed last year, and which might be expanded in the future," he said.

He said the SBDC would probably be putting the building out to tender in September.

Mini loans, for the purpose of the infant informal sector enterprises, are available from the SBDC, and a mini loans committee had been formed in Queenstown, which is

empowered to grant loans of up to R2 000 to people wishing to start small businesses.

"Loans will be made available to entrepreneurs of all races, and for example, if an entrepreneur made dusters and had an order, we lend him the money to buy the feathers on, a small term small loan.

"Loans in excess of this amount are handled by our offices in East London and Port Elizabeth," he said.

The Town Clerk, Mr Peter Gerber, said the council was pleased that the SBDC had shown enough confidence in Queenstown to go ahead with the erection of the building.

## Gusty end to boardsailing Challenge

**Dispatch Reporter**  
EAST LONDON — The final day of the Great Western Cooler Challenge ended with winds gusting up to 30 knots to give the contenders the conditions needed to determine the top boardsailors in South Africa in the open boardsailing championships held here.

The surf at Bonza Bay beach was transformed into a rainbow of colours as boardsailors from all over the country used their muscle as they battled in the sea with waves of up to two metres.

At a prizegiving attended by both competitors and fans last night, the youngest Springbok, Cameron Bruce, 16, of Western Province, won the overall title in the challenge.

Guy Schroeder, an up and coming top boardsailor, followed closely behind taking second place overall while the youngest competitor, Peter Slate, 15, won third place overall.

The following represents the breakdown for the South African titles for each of the three disciplines. Springbok Marlon Weibel, 19, of Western Province won the course racing event, while Natal favourite, Ivan van Vuuren, 18, took the wave performance title in an upset result, while the overall winner, Cameron Bruce, also took the individual title in the slalom event.

The contest director, Mr Terry Wyner, said this final day of sailing represented the most intense and spectacular

ning.  
"At first it was disheartening because of the wind but we knew it would come yet and we hung in there."

He said the organisers could not have found better facilities than East London which offered top amenities although they realised this was not the ideal time of year to hold this championship.

"We had no option because of the full calendar of sailing events while we had a willing sponsor who was very keen to do something this year."

The women's events were dominated by Western Province with Maleen Hoekstra who took first in the wave performance event, followed by Anne Gadd in second and Marianne de Jager in third. Marianne de Jager won the course racing discipline, followed by Anne Gadd in second and Maleen Hoekstra in third.

There were no overall results for the women due to insufficient time to complete all three events.

## Wave win for Ivan

EAST LONDON — One of Natal's favoured competitors, Ivan van Vuuren, a surfer who began boardsailing to make the best of both windy and calm conditions, has taken the individual title in the wave

## Pretoria agrees to open trading

**Dispatch Correspondent**  
JOHANNESBURG — In the face of bitter opposition from right wing Nationalist councillors, the Pretoria City Council on Monday night agreed to inform the Department of Constitutional Development and Planning it had no objection to free trading in a large section of the central business district.

The decision was taken after a torrid de-

bate and accusations from Herstigte National Party and Conservative Party councillors that the Nationalist oriented Federation of Ratepayers had reneged on their election undertaking to stand by apartheid.

The council also agreed to inform the department it would not object to "open" UIP Warner cinemas in Menlin and Ster Kinékor cinemas in the city.

2/7/86 (30) 00

35 00 2/7/86

# Govt says yes to deregulation

PRETORIA — The government has, in the main, accepted the recommendations of the President's Council's Committee for Economic Affairs for developing and deregulating small business, the Minister of Trade and Industry, Dr Dawie de Villiers, said in a statement released here today.

He said the committee sought to promote a healthy climate for the small business sector, in view of its important economic role.

The committee concentrated on the establishment of a framework for a more effective policy of small business development and deregulation.

The government was convinced the recommendations — which it had accepted and was implementing — would contribute towards expediting deregulation and promoting the economic development of small business and the developing communities, Dr De Villiers said.

The chairman of the committee, Dr Francois Jacobsz, said he was "particularly pleased" by the government's reaction to the report.

The government has accepted all but one of the recommendations.

"Even the recommendation that was not accepted has been amended in such a manner that it can still achieve the goals we set in the report."

He said he foresaw no problem with the implementation of the recommendations.

"I do not see that the economic upswing in South Africa will so easily come from the large industries. The small business sector is the one with the greatest potential," he said.

The Small Business Development Corporation (SBDC) has also welcomed the government's acceptance of the

principles of equality of business opportunity and of minimum control and standards.

The SBDC said the stimulation of entrepreneurship, especially in neglected areas, was now a responsibility of all government departments and authorities.

"We hope that government departments and other authorities will single-mindedly pursue deregulation." — Sapa

Sowetan  
3/7/86

# SUBURB WITH A DIFFERENCE

30

By SY MAKARINGE

PROTEA North, Soweto's newest elite township, is a suburb with a difference!

While posh black townships such as the Richman Acres in Diepkloof, Selection Park in Pinville and Dobsonville Extension are well known for their exclusivity and for their quiet and relaxed atmosphere, Protea North buzzes with activity right round the clock.

Drinking joints, regarded as taboo in the other middle-class townships, are scattered all over the fast-growing suburb. These are frequented by people from the surrounding townships and socialites from as far afield as the West Rand.

Merry-making in these shebeens goes on until dawn, especially during weekends. Patrons seem not to

worry about socialising on the carpets as most of the shebeens have not been furnished.

The "sphaza" business, an old township form of business which is gradually dying, has suddenly resurfaced in many of the plush homes.

Many home-owners who do not have cars have found better use for their garages by operating sphaza shops or hiring them out to businessmen from the townships.

This is, partly, not surprising as the new complex has no shopping centre yet. But it is also widely believed that these residents are running a backyard business to supplement their income to pay the high bonds.

hard to find: Most of the inhabitants are young and single professional people.

There is an unfurled story about a newly married couple. Word is that both own separate houses.

Protea North hit the headlines earlier this year when the Soweto City Council named the streets after councillors and Cabinet Ministers.

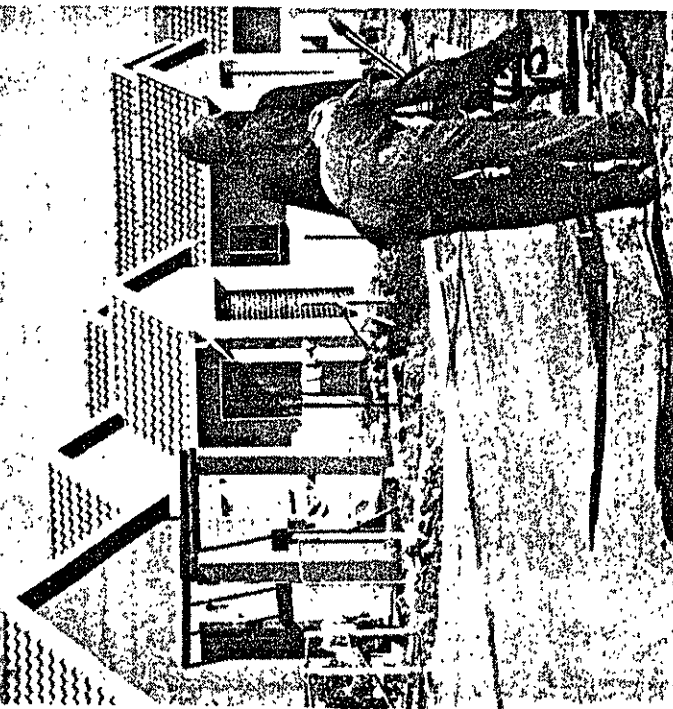
However, some of the streets have been named after the jailed leader of the banned African National Congress, Nelson Mandela, founder of the banned Pan Africanist Congress, Robert Mangaliso Sobukwe, Zimbabwean Prime Minister, Mr. Robert Mugabe, Bishop Desmond Tutu, Anglican Archbishop-elect Cape Town, and many other black leaders.

These attractive homes first gave hopeful work-seekers the impression that their owners were stinking rich and would probably need domestic workers and gardeners.

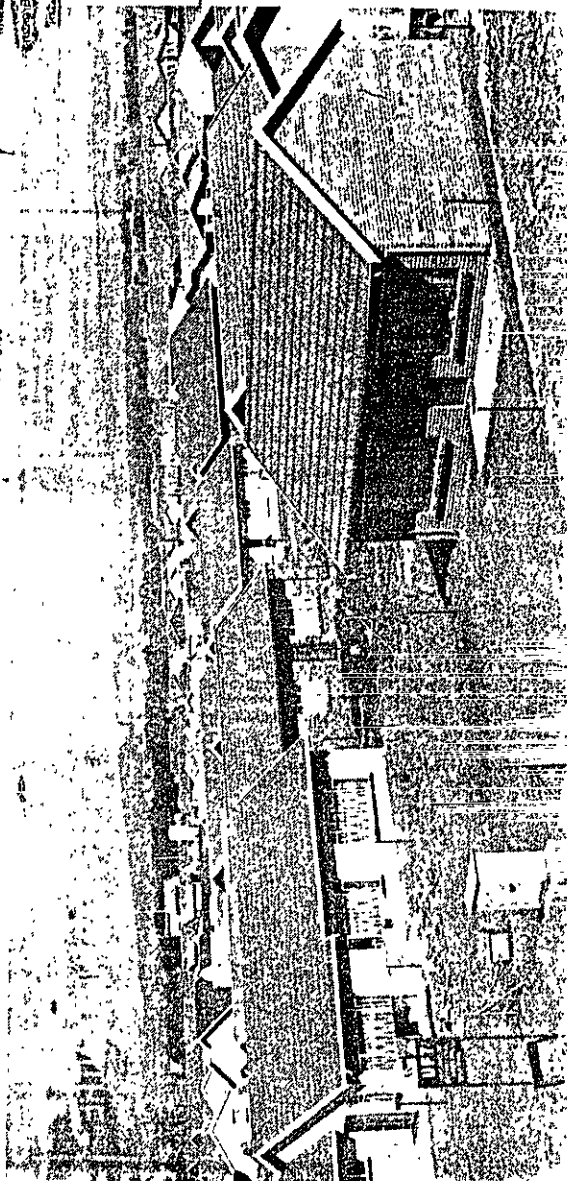
Their endless and fruitless trips to Protea North proved otherwise when only a handful of work-seekers were hired. It seems that owners of these plush homes prefer to do their own cooking, washing and gardening.

Delivery trucks from furniture shops are becoming a common sight as residents try to fill their empty houses.

But children either kicking a tennis ball around or riding on bicycles in the streets is evidently not common. The reason is not



CONTRACTORS are still hard at work putting the finishing touches to some of the houses.



# MP: Pretoria City Council delays reform

Own Correspondent

A Pretoria MP has called for the immediate opening of all cinemas and other facilities in the city to all race groups.

Reacting to the city council's recommendation that 12 out of 24 Pretoria cinemas should become multiracial Mr Boetie Abramjee, MP for Laudium, said today it was strange that only half the cinemas should be opened.

"As the capital city, we should set an example," he said.

As for the city council's recommendation that only part of the central business district (CBD) be opened to traders of all races, with certain conditions, Mr Abramjee said the entire CBD should be opened.

He called on the city council to move fast towards reform, as reform was inevitable.

"Delaying tactics and restrictions can only cause further friction and polarisation," Mr Abramjee said.



Although financing agreements still have to be signed, this week's announcement by the Credit Guarantee Insurance Corporation (CGIC), that it has underwritten the contract, removes one of the last stumbling-blocks before the project finally gets off the ground.

The Industrial Development Corporation (IDC) will provide the export credit on capital goods and services, based on CGIC's underwriting of the R23,5m contract, but the balance of a total contract — said to be worth some R30m — will have to come from other sources.

Developing company is Johannesburg-based Tekton Building Systems, which formed the consortium of architects, quantity surveyors, consulting engineers, interior designers and marketing consultants that put the project together.

Holding company Nouvelle Socotel is jointly owned by London-based Landmark Holdings, the Comoran government, the French Unispar group, and Tekton, says Tekton MD Abe Cassim. Landmark will operate the hotels.

LTA will start this month with ground-work operations on the large 150-room beach hotel at Galawa, on the north coast of the main island, Grand Comore — one of the three islands of the Comores Republic. Completion date is set for November 1987.

The project also includes a 20-room hotel on Anjouan — known as the perfume island — at the site of an old Arab town, Domoni; and a small hotel for scuba divers on Moheli, which will be developed in conjunction with a new marine life park. The 25-room Itsandra hotel near the capital, Moroni, will also be refurbished, while the provision of general tourism infrastructure is included in the project.

With the Comores possessing little infrastructure, virtually all building inputs — with the exception of labour and a limited amount of material — will be shipped from SA. It is estimated that about 50% of the contract value will be in the form of supplies from SA.

The Comoran currency is linked to the French franc. But, says LTA Construction MD Ian Robinson, both LTA and the suppliers will be paid in SA in rands to eliminate possible foreign exchange risks.

Robinson describes the contract as a major fillip for the depressed local building industry and says he sees the possibility of further work on the islands.

The logistics of the operation will tax LTA's ingenuity. Apart from the shipping of all inputs from SA, building blocks will have to be manufactured on the islands. Construction will take place on three separate islands, with telex the only means of communication.

"As there is no natural harbour, all equipment must be transhipped to barges and run up on the beach," says Robinson. "We had the same problem when we extended the Ilha do Sol runway in West Africa several years ago — so we're used to it."

Although there are regular monthly sail-

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LTA Construction (Natal) has been assigned to handle the project. Robinson says that as LTA negotiated the contract, and put certain guarantees to cover the financial package, "profitability will be geared to the success of the venture." ■

4/7/86  
RADIO'S FLW MAIL

## Big switch-on

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Radio stores tell the *FM* that the sales increase started about six months ago, but since the State of Emergency sales began rising rapidly. Also boosting purchases was an April BBC advertisement which appeared in five South African newspapers.

The advertisement encouraged the public to "switch to shortwave for BBC news." The campaign, organised in London, was part of the BBC's drive to stimulate listenership. "We decided to advertise in SA because the R/£ situation allowed us a lot of space at very little payment," says a BBC external services spokesman, Richard McCarthy.

Although similar advertisements have been placed in other countries where the BBC feels there are potential listeners, this was its first try in SA. "The campaign was a huge success," McCarthy says. "We had 5 000 letters requiring additional information and 600 from *FM* readers alone," he adds.

Responses are still pouring into the BBC's London offices. Says Tedexex Sony salesman Brian Irwin: "Many South Africans listen to the BBC to get alternative news coverage about their own country. Over the past six months our sales have doubled."

National Panasonic manager of audio and consumer products Stan Maserow says the demand to hear international news broadcasts was complemented by the many sports fans wanting to tune in to the World Cup and Wimbledon matches.

Stax appliance store has also noted a definite increase in buyers of shortwave radios. "Two days ago we received 20 shortwave radios — there are only two left," says a salesman.

Although prices of the 11-odd different makes of imported shortwave radios have risen dramatically — in some cases about 55% — customers are not put off. The most popular choice size is the 29-band (for the best sound), which sells in the R600-R5 000 range. Most customers prefer the cheaper versions. ■

FLW MAIL 9/7/86  
30

## Breathing time

New perks tax scales coming into operation from September 1 could push up new car sales by as much as 1 000 a month, say industry sources.

This will bring much-needed relief to the beleaguered motor industry. Some sources estimate that current perks tax scales have already cost the industry about 10 000 jobs, while yielding only R10m in additional tax revenue. So it's hardly surprising that the sector welcomes the change.

Generally, the industry believes that the new system will prove a stabilising factor on the "buy down" trend, with Leyland, for instance, hoping for significantly increased sales in its upmarket Jaguar range.

The downmarket shift is underlined by market analyst Econometrix's Tony Twine. "In the medium-sized to top executive car ranges, market share fell from 46% in early 1985 to 36% now. There will probably be a shift back upmarket with the new rules," he says, pointing out that a R65 000 car in 1988 would have a deemed tax value of R800/month, which is now reduced to R320/month.

Toyota marketing director Brand Pretorius says company car fleet sales — making up some 60% of new passenger vehicle sales — faltered significantly over the past six months.

From January to May, total car sales were 16,12% down on the 83 187 sold in the same period last year.

"Companies and employees resisted replacing cars, not so much because of perks tax in operation till now, but because of increases due over the next three years," Pretorius adds.

Under the current system, perks tax payable between now and 1989 would have increased by 150%, as the taxable amount rose from 40% to 100%.

Faced with this threat, many companies changed their car replacement policies, lifting the distance travelled by cars before replacement from 80 000 km to as high as 150 000 km, while car use before replacement was extended from two or three years to five years.

"The new rules will lead to adjustments in company repurchasing policies," says Pretorius.

Theo Swart, MD of the McCarthy Group's motor trading operations, SA's largest vehicle retail group, says: "Besides stimulating vehicle sales in the short term, the new schedules may even start creating jobs within the retail sector of the industry in the medium term."

He reckons the concessions are the most significant granted to the hard-hit motor industry in more than three years. And although the legislation will be effective only from September 1, Swart expects the certainty introduced by the move to increase car sales almost immediately. ■

Although financing agreements still have to be signed, this week's announcement by the Credit Guarantee Insurance Corporation (CGIC), that it has underwritten the contract, removes one of the last stumbling-blocks before the project finally gets off the ground.

The Industrial Development Corporation (IDC) will provide the export credit on capital goods and services, based on CGIC's underwriting of the R23,5m contract, but the balance of a total contract — said to be worth some R30m — will have to come from other sources.

Developing company is Johannesburg-based Tekton Building Systems, which formed the consortium of architects, quantity surveyors, consulting engineers, interior designers and marketing consultants that put the project together.

Holding company Nouvelle Socotel is jointly owned by London-based Landmark Holdings, the Comoran government, the French Unispar group, and Tekton, says Tekton MD Abe Cassim. Landmark will operate the hotels.

LTA will start this month with ground-work operations on the large 150-room beach hotel at Galawa, on the north coast of the main island, Grand Comore — one of the three islands of the Comores Republic. Completion date is set for November 1987.

The project also includes a 20-room hotel on Anjouan — known as the perfume island — at the site of an old Arab town, Domoni; and a small hotel for scuba divers on Moheli, which will be developed in conjunction with a new marine life park. The 25-room Itsandra hotel near the capital, Moroni, will also be refurbished, while the provision of general tourism infrastructure is included in the project.

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4/7/86  
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FLW MAIL 9/7/86 30 30 30  
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RGOS: 4/07/86

# Small business exempt from new wage-fixing

Labour Reporter

THE Government is pressing ahead with its relaxation of regulations for small businesses.

The latest wage determination for the security industry exempts small businesses from its provisions.

A small business is defined as one employing fewer than 15 people.

## UNION ATTACK

The new determination, the first since 1984, is effective from July 14.

The agreement has been attacked by the Transport and General Workers' Union and the Transport Workers' Union of South Africa (Twusa).

In a statement Twusa said it

was appalled at the low actual and percentage increases granted.

"Even with the increase the minimum wages set are still below the subsistence level," the union said.

But it was gratified that some improvements had been made, the vindication of a long struggle for more human conditions in the industry.

The determination awarded 12 percent increases, some concessions on overtime pay and a reduction in working hours.

The new Industrial Council for the electrical contracting and servicing industry in the Western Cape has also been gazetted.

This is effective from July 1 to June 30 1987.

CHY

The NUM was scheduled to meet the chamber on Wednesday to convey its members' response to the employers' offer. But, given the history of these negotiations and the differences between the chamber's offer and NUM's demands, it seemed inevitable that NUM would declare a dispute.

Last week, in what it termed its final offer, the chamber offered to increase the minimum wage rates of workers in the lowest job categories by 20%, and by 15% for the highest categories. It also offered to reduce the number of hours worked each fortnight by two hours, gave guarantees about job security for union members, and offered to improve the present provisions for maternity leave and the death benefit scheme. In response to NUM demands for paid holidays on May Day and June 16, the chamber proposed approaching government to appoint a commission of inquiry into the matter. If this does not happen by next February, the chamber has undertaken to negotiate the issue directly with the union.

These conditions were implemented on chamber mines on July 1 with the union's blessing. But NUM has been at pains to stress that this in no way implies an acceptance of the offer.

According to its press officer, Marcel Golding, NUM is prepared to accept the offer on working conditions and has dropped its demands relating to annual leave, shift allowances and paternity leave. The critical consideration, however, is wages. Although NUM has dropped its original demand for a 45% wage increase to 30%, there is still a wide gap between that and the chamber's offer. This week the union issued a seven-page document outlining the reasons why it believes the mining industry can easily afford 30% increases.

NUM general secretary Cyril Ramaphosa, widely regarded as the best negotiator in the emerging union movement, has not been present at the talks since the declaration of the State of Emergency. It is understood that Ramaphosa was in Europe this week. Naturally, his absence has placed the union at a disadvantage, although there are signs that he has still been guiding the NUM's negotiating team from a distance.

Talk in mining circles early this week was that if NUM does declare a dispute, and the chamber's offer is indeed final, there could be a repeat of the events of last year, when employer unity crumbled and some mining houses made higher offers than others. Earlier this year NUM resolved not to accept a split offer. But if this does occur it will be a difficult dilemma for the union to resolve.

FIN MAIL 4/7/86  
STRIKES 30  
**Emergency pressure**

Strikes at about 100 retail outlets over the detention of leaders of the Commercial, Catering and Allied Workers' Union (Ccawusa) are over. But they demonstrated

how employers can get caught in the cross-fire during times of civil strife, and the difficulties of trying to settle strikes without the participation of top union representatives.

Although the retail sector has returned to normal, the chemical sector faces a rash of strikes over the same issue. According to reports, eight plants are affected. They involve members of both the Chemical Workers' Industrial Union, an affiliate of the Congress of SA Trade Unions (Cosatu), and the SA Chemical Workers' Union which is affiliated to the Council of Unions of SA.

A number of unionists, including two Ccawusa officials, were released from detention last week after serving 14-day terms under the emergency regulations. But in the last few days there have been further detentions of unionists, among them senior leaders of Cosatu, the National Union of Mineworkers and the Metal and Allied Workers' Union. Employers fear industrial action may spread to other sectors.

Rumours that Cosatu general secretary Jay Naidoo was among those detained proved false, but the detention of unionists (who may not be named) was the main item on the agenda of a special Central Executive Committee meeting to be held on Tuesday.

The return to work in the retail sector followed three meetings between employer representatives and government, and three lengthy and stormy negotiating sessions between employers and 14 representatives of the strikers.

The Ccawusa delegation was led by its president, Makhulu Ledwaba. He, however, was not able to be present at all the meetings. The other negotiators were mostly shop stewards inexperienced at dealing at top level. Hence the protracted nature of the talks.

The strike was clearly aimed at dumping the problem of the detentions in the lap of employers. Says Ledwaba: "Taxes from big business subsidise the State. They are obviously closer to government than we are, as evidenced by the fact that meetings were set up with (Law and Order Minister) Le Grange at such short notice." He adds: "The strike forced management to intervene with government, even though we didn't expect their meetings to achieve much."

Top retailers acknowledge that they may have some pull with government, but not as much as unions seem to believe. In this case Le Grange responded to management approaches cordially. But he was uncompromising on the question of law and order.

One management man involved sees business as having attempted to act as a mediator between government and the union. But, he says, "problems cannot always be resolved through mediation. Government and organised labour will eventually have to meet face to face."

The question that intrigues many is why the retailing sector was hit earlier and harder than any other. Employers give various explanations. One suggested that the labour movement chose to make the point in retailing because of its high public profile. An-

other believes it was a combination of two factors: that retail workers are more urbanised, politicised and better educated than their counterparts in other industries; and that the strikes were a product of the continuing internal conflict in Ccawusa's Johannesburg branch. These divisions, he argues, produced a less considered response to the emergency detentions than would otherwise have been the case.

Ledwaba rejects these explanations. Indeed, he says, internal differences were set aside in order to deal with the detentions. He also argues that if the question of public profile were the issue, the mining industry would have been the ideal arena. Ledwaba's explanation is that the union's shop steward council structures allow for quick decision-making, in contrast to some other unions where consultations at various levels are required before final decisions can be taken.

Meanwhile, the Federated Chamber of Industries (FCI) met this week to consider its approach to union detentions. The FM understands that the issue was hotly debated. It appears that those in favour of a low-key approach won out in the end in contrast to the high profile stance the Premier Group and AECI have adopted.

F IN MAIL 4/7/86  
KWANDEBELE

### Statelet of siege

A curfew plus an order that "no person may play, loiter or aimlessly remain on any public road" has been imposed on the residents of KwaNdebele, partially house-arresting them.

The estimated 120 000 residents of Moutse, which was incorporated into KwaNdebele in January, are also governed by the new restrictions. Lebowa's attempt to reverse the incorporation of Moutse into KwaNdebele failed in the Pretoria Supreme Court recently. Lebowa argued that Pretoria failed (technically) to excise Moutse from Lebowa as it had amended the wrong proclamation. Last week, however, Mr Justice van Dyk ruled that the Department of Constitutional Development and Planning had amended the correct proclamation so ending Lebowa's jurisdiction over Moutse, which is now officially part of KwaNdebele.

The additional restrictions on KwaNdebele residents were imposed in terms of the State of Emergency by an order of the KwaNdebele police commissioner, Brigadier Christiaan van Nierkerk.

The curfew confines residents to their homes between 9 pm and 5 am, unless they are en route to work; many residents commute to jobs in Pretoria and on the Reef and some begin their daily journey as early as 3 am.

Among other restrictions, non-residents are prohibited from entering the homeland and only those with a job or home in KwaNdebele may stay in the area. School pupils

Continued on page 38

## sunrise finance

# Pick 'n Pay will be flying high again Ackerman

By Peter Farley  
Investment Editor

Have the wheels come off re-tailing high-flyer Pick 'n Pay? One would hardly think so, but a savage re-rating by investors on the JSE has seen the company's share price fall by more than 35 percent in the past three months.

Hardly the sort of performance one would expect for a company that is used to being rated alongside the market's bluest chips.

Chairman Mr Raymond Ackerman says, however, he sees enormous growth for Pick 'n Pay over the next five years and has never been concerned about ratings accorded the company in the stock market. "I just concentrate on running the company."

Recently published results for the year to end-February showed that earnings had increased by only six percent. But, of more concern, was the deterioration in the company's five-year compound growth record.

This has now slipped to a paltry, by Pick 'n Pay's standards at least, 12 percent, from a peak of over 40 percent in 1977. And many analysts now feel that the best days are behind the retail chain.

Nevertheless, Mr Ackerman says that with three new hypermarkets and five superstores opening this year the potential for growth is still extremely good. But he admits that this year will continue to be as difficult as the past 12 months and

does not see any spectacular resurgence in earnings until the economy improves.

In recent months, however, a number of negative factors have emerged, including the seeming halt to growth prospects in Australia and the growing vulnerability of the company to strike action.

Although not as exposed to consumer boycotts as some of its retailing competitors, with its consumer profile firmly entrenched in the A/B income groups, the recent strike showed how susceptible Pick 'n Pay can be to a union dispute.

### Disputes

But Mr Ackerman points out that because management stood up to the union it showed that it was not prepared to be a soft target. He said that as the chain was not singled out for strike action during the recent demonstrations against the detention of union leaders, it proves his point.

On Australia, he says that the potential has not died and that the first store should be contributing to profits by the middle of next year. This would be six months ahead of schedule.

And while the second planned store in Melbourne has been cancelled because of union pressure, he said that plans are now under way for another follow-up store elsewhere in the country. He is going there next month to finalise planning details.

But the stock market still seems pretty disenchanted with

Pick 'n Pay's immediate prospects. After reaching an all-time high of 5 100c at the end of March, the price has slumped back to 3 300c, with a large parcel of stock for sale still overhanging the market even at that level.

During the same period the industrial index has shown little movement, after recovering from a slight dip, while the retail and wholesale index has slipped only 17 percent. This would have shown an increase had not Pick 'n Pay counted for more than a third of the weighting in this sectoral index.

Nevertheless, Mr Ackerman says that the current price still offers a PE ratio of 18:1 and is in line with the ratings accorded mature retail chains in both the UK and US.

And stockmarket analysts, who have recommended selling the shares down to this level, also now believe that the fall may have been overdone. As one pointed out: "Pick 'n Pay has one of the best management structures in the country and easily the best in the retail sector. There is little doubt that earnings will eventually bounce back."

Analysts' expectations for Pick'n Pay this year range from a static earnings position to growth of between 12 and 15 percent. Mr Ackerman will not be drawn on specific forecasts, but remains extremely positive about the long-term.

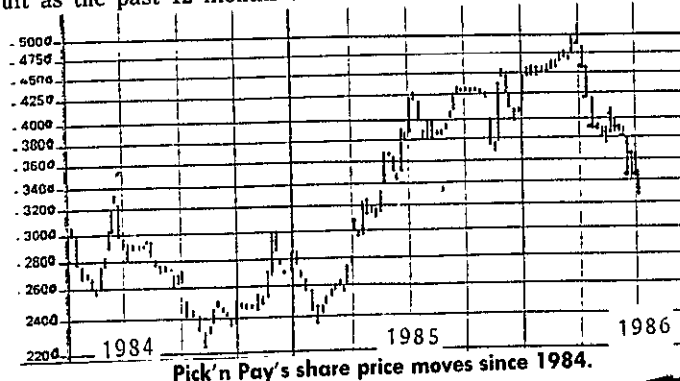
In the end, however, Pick'n Pay must remain a strong hedge against inflation and the share price will undoubtedly recover some of the lost ground during the second half of the year.

As Mr Ackerman points out, "We are now the biggest retailer in the country, having just passed OK's turnover for the first time. We cannot be expected to continue performing magic with 20 percent-plus growth every year.

"But our long term target is to get growth back to the 15 percent mark, and I believe this can be achieved."



Ray Ackerman . . . now tops in the country.



## MANAGEMENT AND MANPOWER



# Deregulation: less red tape

GOVERNMENT'S green light for deregulating small business should lead to the creation of employment and free the informal sector from a maze of restrictive measures — but it will not be a quick-fix solution to unemployment.

While business leaders generally have welcomed government's acceptance of the President Council's Committee for Economic Affairs proposals for developing and deregulating business, they warn it will not be plain sailing.

In particular, a source closely connected to small business development says government and local authority bureaucrats will have to change their attitude to deregulation if the plan is

## SMALL BUSINESS

to have any chance of success

The Minister of Administration and Economic Advisory Services, Eil Louw, will be responsible for government's deregulation policy and the monitoring of that policy.

Within his department the task falls to the Office for Privatisation and Deregulation. Chief director Jim-

my Vermaak told *Business Day* all government departments and other regulatory institutions will consider regulations that could restrict economic activity, and effect the necessary changes themselves.

He concedes this task could take up to three years and says he "trusts" the Temporary Removal of Restrictions and Economic Activity Bill currently before Parliament will be passed in August.

PETER WALLINGTON

The Bill will give the state president the power to deregulate by proclamation, a measure the Small Business Development Corporation (SBDC) believes is an indispensable component of the deregulation package.

The Associated Chambers of Commerce (Assocom), the Federated Chamber of Industries (FCI) and the SBDC have also said it is essential for the private sector to be consulted, and Vermaak says it will be.

Assocom chief executive Raymond Parsons says the deregulation process would "facilitate the access of businessmen of all races to the private enterprise system and thus give such groups a bigger stake in the system to uphold and defend."

He noted that the steps should lead to the creation of more employment opportunities. "Experience elsewhere has shown that small firms in deregulated sectors are employing an increasing percentage of the total workforce."

The manager of the Standard Bank's small business development and advisory department, Roy Polkinghorne, says the proposed small business credit guarantee fund presently being investigated by the Department of Finance is of particular importance from a banking point of view.

"If implemented, this should engender confidence in the banks to promote far more widespread lending through their branch networks to prospective small businessmen who can demonstrate viability but lack security."

The head of special interests at the SBDC, Johan Naude, cautions that problems could occur at local authority level where he believes deregulation would be much more difficult to monitor.

It is at this level of authority that the SBDC has noted numerous examples of local authorities being obstructionists, although he notes in these cases the officials have acted according to laid-down regulations.

He points out that by-laws which are appropriate in a city like Johannesburg might be a hindrance in less developed areas like Soweto.

There are numerous anomalies that have to be corrected, he says, citing a number of examples:

□ The recently amended Transvaal Shop Hours Ordinance extended shopping hours in the province but dis-

criminated against hawkers.

"Hawkers are only allowed to sell ice cream, milk and flowers on Sundays. When we took the issue up with the TPA, it said the Prinsloo Commission in 1962 had found the concept of hawking to be defunct, and that the activities of hawkers should be restricted as far as possible."

□ A panelbeater in Soweto was summonsed because he did not have a licence. Naude says he could not afford to buy a spraybooth, a prerequisite for a licence, but nevertheless was providing a service that satisfied his customers.

□ A Dobsonville general dealer has run foul of the local authorities for practising without a licence in his backyard. He had been applying for a site and licence for four years but was constantly told no sites were available.

In each of these cases unemployed people had sought to generate their own income only to knock their heads against a bureaucratic wall.

But Vermaak says the deregulation measures aim to remove unnecessary constraints, set realistic standards for business and allow for flexibility so that different needs are applied to developed and underdeveloped areas.

CMB-Twits  
8/7/83  
30

# Nafcoc congress starts in City

## Political Staff

SOMETHING had to be done very quickly to put the South African economy on course again, the president of the Western Province Chamber of Commerce, Mr O S Mama, said yesterday.

Welcoming 1 500 delegates to the annual congress of the National African Federated Chamber of Commerce (Nafcoc) in the City, Mr Mama said little had changed economically since the organization met in Cape Town three years ago.

He said that for some time the country had been burdened with high unemployment, especially among blacks, and inflation was still high.

"Company profits are falling and more are being liquidated and, because of political uncertainties within the country and raids into neighbouring countries, the rand has taken a knock and this continued decline in the rand exchange rate shows that South Africa is still experiencing a sustained outflow of foreign capital — all these contribute towards the country's instability.

"Something must be done very quickly to put our economic boat on course again.

"One is heartened by initiatives on negotiation with hope of peaceful settlement to our problems," Mr Mama said.

The actions of concerned business leaders for their role in seeking a solution to South Africa's problems should be commended.

Business still had a role in promoting economic and social stability and in this context, Nafcoc had an important role to play in influencing events, he said.

● Some members of Nafcoc had been jailed under the state of emergency and were unable to attend the congress, the president of Nafcoc, Dr Sam Motsuenyane, said yesterday.



CAPL 7/15 8/7/86

# Sanlam boss slapped down

30

Political Staff

DR Fred du Plessis, the chairman of Sanlam, was slapped down yesterday by Dr Sam Motsuenyane, the president of Nafcoc, after he urged black businessmen to learn from the history of Afrikaners in business.

Dr Du Plessis, who opened the annual congress of National African Federated Chamber of Commerce (Nafcoc), said the "first lesson to be learned from our history is that political power does not make it any easier to advance in business — this is in almost all respects is a fallacy".

Afrikaners obtained a position of power in 1924 until 1929 but "if I look at the advancement of Afrikaner business it is clear that very little came to the Afrikaner from politics".

But Dr Motsuenyane, who spoke immediately after Dr Du Plessis, said there were important differences between the history of the Afrikaner and the black man.

"The Afrikaner has never been deprived of the right of the vote in his own country," he said to loud applause from the 1 500 delegates.

"Another distinct difference is that the Afrikaners never had Bantu education," he said.

The Afrikaners had never been exposed to lower standards as the blacks had been.

"We had job reservation for a long time. Black people could not aspire to positions of responsibility in this country — until recent history."

## 'Never have peace'

Black people were also paid low wages so that they could not build resources to make a meaningful contribution.

"Until we get (to Parliament) and make our contribution we can never have peace in this country."

Afrikaners and black people did not seem able to get together to obtain a safe country across the differences between them.

"We do not believe black people can stay out politics where the Afrikaners have always been."

In his speech, Dr Du Plessis said he believed it was relevant to learn from Afrikaner history.

"The Afrikaner can look back not because he was privileged to receive State grants but because he was capable of putting himself forward and fighting for his economic position."

The most important lesson was that the Afrikaner people had mobilized their capital and he urged black people to do likewise.



# 12-year decline in economy, initiative stifled — bank chief

## Staff Reporter

THE South African economy had been going backwards for the past 12 years because of the interplay between the forces of discrimination and bureaucracy, the managing director of Barclays Bank, Mr Chris Ball, said today.

He told delegates to the annual conference of the National African Federation of Chambers of Commerce and Industry (Nafcoc) at the Good Hope Centre that he was frustrated by the lack of imagination and lateral thinking in South African society.

### "Irrational"

"The rigidity in our community during the past 40 years and determination to enforce a futile concept, come what may, have constrained our initiative.

"To be an intellectual has meant either to be ostracised or banished and it is a great tragedy that society has been deprived of the rich contributions of people like Breytenbach and his counterparts in the black community".

Mr Ball said he considered the detention of executives of the National

Education Crisis Committee as "irrational" and he did not understand the arrest of people such as Zwelakhe Sisulu.

He said the welfare of South Africa would require business to define and limit the role of Government so that people could be free to use their energies productively.

"Economic analysis in South Africa is generally dull, narrow and incomplete — certainly it is hardly appropriate as a contribution towards our future."

Mr Ball said the environmental history of black businessmen had given them little opportunity to develop the technical and commercial skills of their white counterparts.

"Secondly, the lack of wealth in the black sector means that there is not the availability of financial resources among the peer group of would-be black businessmen to meet their needs on an informal basis.

"There has also been a communication problem in that the available funds have been in the sector with alternative languages and behavioural norms."

# Later shopping hours draw mixed reaction

By Jackie Unwin

Just how successful are extended shopping hours? Retailers, after two months, say it is still too early to tell but it does not appear to be a total success story.

Retailers' reaction is mixed. Some say the measure is inflationary because turnover has not increased while overheads have — and the cold weather has not encouraged evening trade.

However, others report increased trade and more consumers are expected to take advantage of longer hours during the summer and over Christmas.

Mr Peter Rose, chairman of the Hillbrow Traders' Association, said: "The extended shopping hours will take time to show success but will eventually prove to be beneficial to all parties."

## THREE-MONTH TRIAL

"They give the shopper time to be selective. There will be greater competition between shopping areas and this, I hope, will keep prices down."

"Traders who are feeling the pinch in the economic situation can trade when people want them to trade."

Mr Rose felt it would have been better to have launched extended shopping hours during summer for a three-month trial. This would have allowed shopkeepers time to solve such problems as staff transport.

"However, we have received feedback that shops which are keeping extended hours are enjoying increased turnover."

A number did not open at night at the moment because of the cold.

"The major shops have increased turnover, especially on Saturday afternoons. Friday evening trade is improving as people are getting used to it," Mr Rose said. "In summer, Hillbrow should take off as more and more shops stay open."

He said extended hours helped the employment situation as major companies organised shift work, providing jobs for part-time people, students and pensioners.

There had been criticism from unions but he felt this should be regarded in "realistic terms".

## 'NOT OVERWHELMING'

Some shops could go insolvent and extended shopping hours could help prevent this, he explained.

It was not beneficial to the unions or their members for shops to be forced to close.

Mr Richard Cohen, a director of Pick 'n Pay, said: "The response to extended hours has not been overwhelming."

"People have to get used to the idea. It has proved more successful at some stores than others."

He felt warmer weather might improve the popularity of evening shopping.

Mr Vic Hammond, managing director of Edgars, said: "I don't see any fireworks for our group. In the big shopping centres we are doing more business on Saturday but less on Friday and Monday."

Turnover is up in the Westgate store but down in surrounding branches.

"It is just proving more convenient for the consumer, but hasn't meant there is any more money in people's pockets."

## NOT INSURMOUNTABLE

It also costs more money to stay open longer — and who pays eventually? The consumer.

"There has been some inconvenience for staff, but no insurmountable problems."

He would have preferred a system such as that in Germany where there was late shopping on the first Saturday of every month only.

"I would have rather have flexi-shopping than longer shopping hours," he said.

Mr Steve Kurland, managing director of Dion, said: "Saturday afternoon shopping is highly successful, though the late-night shopping is not as popular."

"I think this will definitely improve at the end of the year."

"The exercise is cost-effective and I think extended shopping hours are here to stay."

Mr Ken Coote, of OK Bazaars, said: "Extended hours are better in shopping centres than CBDs, with the exception of Hillbrow."

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# Nafcoc to reconsider opposition to disinvestment

NAFCOC is to reconsider its opposition to disinvestment from SA.

This was announced yesterday by Sam Motsueyane, after he had reported that many black organizations who were in favour of conditional investment 12 months ago were no longer committed to this.

"They are now instead advocating for total disinvestment and the application of sanctions against SA.

"This sudden change of attitude on the part of many black organizations in SA followed a year of unabating con-

flict and violence in the country," he said.

Nafcoc had for many years supported a policy of "conditional investment" in which it opposed investment which was geared to benefiting the white community at the expense of the black community and Nafcoc would not support any investment that did not benefit the black community.

Nafcoc was encountering increasing pressure to align itself more with other black organizations who had already declared themselves to be in favour of disinvest-

ment.

"I believe that the time is ripe for Nafcoc to review its long standing policy on international investment," Motsueyane said.

This review would be best done at the next summit conference of Nafcoc regions which would probably be held in October.

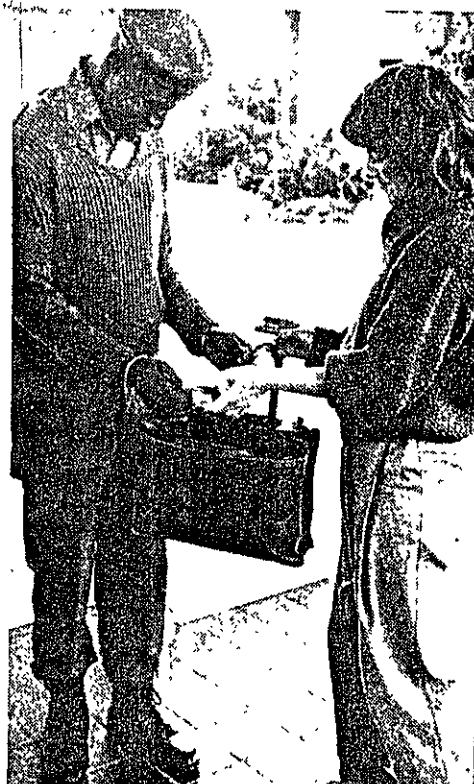
## Nafcoc proposals

A DRAMATIC summit meeting between black business leaders and the Minister of Foreign Affairs, Pik Botha, was ignored by President P W Botha when he made his Rubicon speech last year.

This was disclosed yesterday by Sam Motsueyane, the president of the National African Federated Chamber of Commerce.

The summit took place on a Sunday, August 11, at short notice following an urgent request by Nafcoc to present President Botha or Pik Botha a list of "concrete proposals which if implemented within a reasonably short period would free the country from the threats of constant internal instability and as well as from the claws of international sanctions."

But in spite of "an atmosphere of complete frankness," Motsueyane said, "none of the Nafcoc proposals were given any special attention by the State President".



Security guards checking bags at OK Bazaars, the Rand Afrikaans University and Edgars yesterday. ● Pictures by Ruwan Boshoff.

# Shopping centres tighten security

By Hannes de Wet

Recent bomb attacks have prompted several shopping centres and supermarkets on the Reef to improve security arrangements.

Handbags and parcels are being searched, car parks patrolled and rubbish bins are being removed.

"I would rather see a littered shop floor than the chaos of an explosion," said Mr Gordon Hoult, general manager of Pick 'n Pay supermarkets in the Southern Transvaal.

He said Pick 'n Pay was removing bins from its shops and car parks.

Other supermarket chains agreed that shopping centres had become obvious targets for bomb attacks and that tighter security was essential.

Mr DT Houston, a director of OK Bazaars, said: "I cannot give too much detail about the steps we have taken as that would be counter-productive but we are searching all the bigger parcels entering our stores as well as customers' handbags.

"Refuse bins inside stores have been filled with sand. Only the top part of the bins has been kept empty for refuse. Bins with a hollow inside structure have been removed."

Mr Buddy Anderson, general manager (loss control) at Checkers, said: "We have taken several measures to step up security. We have also found that the managements of the big centres in which

our shops are housed have put in extra security.

"We have increased the number of security personnel and parcels and handbags are being searched.

"In our Natal stores we use metal detectors at entrances. We also have zonal searches of refuse bins during the day. All bins are regularly checked for unusual objects."

Mr Hoult, of Pick 'n Pay, believed people should be searched at shopping centre entrances, not at individual shops.

"What still worries me is that the entrances of some centres are not controlled at night. I can think of some centres where I would not go to watch a movie or to have dinner," Mr Hoult said.

Mr Dave Kavanagh, manager of Eastgate shopping centre, said: "We are very aware of the situation and are phasing in more stringent measures for screening the public entering our centre. This involves, among other things, searching customers and installing electronic equipment.

"Apart from that, car parks are regularly patrolled and refuse bins regularly emptied.

"These measures are not in force during the evening but we are working towards that. As our manpower is increased and equipment procured we will be able to be more stringent in our security measures.

"Most of the bigger individual shops inside the centre have their own security systems and this results in a duplication of measures such as the searching of handbags."

## Assocom advises on ways to protect staff

Set up a security budget, assess all dangers which your staff are likely to face and install emergency procedures. This is the advice of the Associated Chambers of Commerce (Assocom) to businesses in a 21-page booklet on security.

The booklet points out that security measures may be regarded as a form of insurance and should not be taken lightly.

Bomb blasts, terrorist attacks, riots and industrial unrest are dealt with in some detail.

The booklet suggests:

- That a bomb threat be regarded as real until shown to be false.
- If a suspected bomb is detected, the security officer or management should be notified. They in turn should contact the police.
- Where an item could clearly be a real bomb, under no circumstances should any attempt be

made to render it harmless.

● To reduce the risk of terrorist attacks, staff must be trained to keep calm and to co-operate with their attacker as far as possible.

● If part of the premises is taken over by terrorists, management should be able to guide the police into the premises unobserved by their attackers.

● If there is a likelihood of a riot near a company's premises, management should make a contingency plan which must include proper communication between staff and management, evacuation routes and emergency supplies.

● A business should have a contingency plan for a time of industrial unrest, especially when the workforce is on strike.

● Management must take into consideration the very real problem of worker intimidation.

## Bins could be hiding bombs

What is the Johannesburg City Council going to do about the hundreds of refuse bins which could be ideal hiding places for bombs or limpet mines?

The council has been inundated by calls from residents insisting that rubbish bins near schools be removed.

A committee has been appointed to look into the matter. Recommendations on ways to minimise the risks presented by refuse bins will be handed to the management committee on July 16.

SAFA  
30

# Nafcoc chief eyes tough line



MOTSUENYANE

PRESSURE was mounting for the National African Federated Chamber of Commerce and Industry (Nafcoc) to align itself in favour of disinvestment and it was time it reviewed its policy, Nafcoc president Sam Motsuenyane said yesterday.

He was addressing about 2 000 delegates to Nafcoc's annual conference in Cape Town.

During discussions with the African National Congress (ANC) in May, he said, Nafcoc had indicated the extent to which it was bound by its existing policy of "conditional investment within the parameters of that policy".

"However, we said we were quite prepared to impose new demands on foreign investors.

"In principle, Nafcoc accepts selective economic pressure as a non-violent alternative for dismantling apartheid and a means of creating the political and economic climate neces-

sary for meaningful change," Motsuenyane said.

"At the time, the Nafcoc delegation had no mandate to support the withdrawal of foreign investments but the organisation is certainly encountering increasing pressure to align itself with other black organisations in favour of disinvestment," he added.

● See also Page 2

To counter inflation, there had to be a "radical departure from the extremely costly practice of differential services and under-utilising amenities in terms of racial or ethnic groups purely for political reasons."

He said that until blacks achieved an effective share of the political and economic power, government released political leaders and unbanned black political organisations, Nafcoc would

● To Page 2

# Nafcoc chief's tough line



From Page 1

not participate in any efforts to encourage new investments in the country.

The chances of eventual national unity will be severely limited if the existing rivalries among black leaders and organisations are not eliminated through communication and dialogue, Motsuenyane said.

SABC radio news said he told the congress that the fragmentation of the black communities diminished their

bargaining power for meaningful change in SA.

He said there had been a number of initiatives by the private sector to bring about suitable socio-economic changes and he singled out the Urban Foundation for its formulation of acceptable strategies for orderly urbanisation.

Many black leaders who had stood with his organisation a year ago on the question of investment were now advocating total disinvestment, Motsuenyane said. — Sapa.



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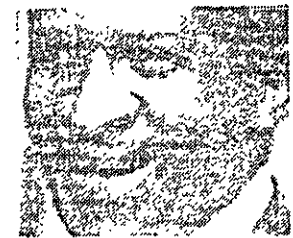
## Business leaders differ with Nafcoc on ANC's policy

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# Congress supports socialism — Relly



MR RELLY



DR MOTSEUNYANE

**Dispatch Correspondent**  
JOHANNESBURG — Several businessmen who held talks with the African National Congress (ANC) last year said yesterday they could not support the view of the National African Federated Chamber of Commerce (Nafcoc) that the ANC would support private enterprise.

The president of Nafcoc, Dr Sam Motseunyane, who recently met ANC representatives, told Nafcoc's annual conference this week that the ANC believed in a mixed economy, such as existed in South Africa at present, and encouraged the spirit of entrepreneurship.

But it was opposed to racial or monopoly capitalism, he said.

The chairman of Anglo American, Mr Gavin Relly, who led the business delegation to the ANC's headquarters in Lusaka, said on their return that the ANC's ideas for running the country "fell within the Marxist-socialist area".

He described the position of the two groups as very far apart.

Yesterday the executive director of the Anglo American Corporation and the chairman of LTA Construction, Mr Zach de Beer, said he had no grounds to be as optimistic about the ANC's economic plan as Nafcoc seemed to be.

Based on the meeting with the ANC and on documents and statements since then, he said there was no doubt the ANC supported a mixed economy.

"But this is, as I understand it, a mixed economy based upon the Freedom Charter of the 1950s.

"That document proposes the nationalisation of the banks, the mines and certain other major businesses. This would imply a wholly undesir-

able degree of government intervention in the economy," he said.

The executive head of the South Africa Foundation, Mr Peter Sorour, said the foundation understood that the ANC would initially nationalise large companies, with smaller companies participating in a scheme along the lines of a 50 per cent shareholding with the government.

The ANC appeared intent on a socialist economy "of some kind", he said. Business had always held that the ANC was more concerned with wealth distribution than wealth creation.

The editor of Leadership SA magazine, Mr Hugh Murray, said he had made contact with the ANC several times. The interpretation of the ANC line appeared to be dependent on whom one spoke to.

He said there was an element of hard-line Marxists to whom some of the Freedom Charter provisions were non-negotiable, while others took the view that a new South Africa should be based on a Zimbabwe model.

Meanwhile, Sapa reports that opposition MPs have expressed concern about an apparent hardening of attitudes among moderate black business leaders.

The MP for Durban Central and national chairman of the Progressive Federal Party, Mr Peter Gastrow, said serious note should be taken of the view taken by the Nafcoc leadership.

He was commenting on the rejection of the government's proposed National Statutory Council by Dr Motseunyane.

"Coming from a very moderate organisation, it is an indication of their strength of feeling against any attempt to co-opt black people without real power-sharing," he said.

bus D4

ANC will not support capitalism' 30 10/7/86

SEVERAL businessmen who visited the ANC last year said yesterday they could not support the National African Federated Chamber of Commerce's view that the ANC would promote private enterprise.

Nafcoc president Sam Motsuenyane, who recently met the ANC, told Nafcoc's annual conference this week the ANC believed in a mixed economy, like SA's present system, and encouraged the spirit of entrepreneurship.

The ANC was opposed to racial or monopoly capitalism, he said, adding that the ANC had been surprisingly accepting of most of Nafcoc's policies.

Anglo American executive director Zach de Beer said he had no grounds to be as hopeful about the ANC's economic plan as Nafcoc seemed to be.

Based on the meeting with the ANC and on documents and statements since then, he said there was no doubt

the ANC supported a mixed economy. "But this is, as I understand it, a mixed economy based upon the Freedom Charter of the 1950s."

SA Foundation head Peter Sorour said he understood the ANC would initially nationalise large companies, with smaller companies participating in a scheme along the lines of a 50% shareholding with government.

The ANC appeared intent on a socialist economy of some kind, he said, but business's major argument with the ANC had always been that it was more concerned with wealth distribution than with wealth creation.



## Business

# Samcor leads recovery in June new car sales

By **BOB KERNOHAN**  
Business Editor

**SPEARHEADED** by a determined surge by multi-product manufacturer Samcor, car sales increased by 14,3% in June — but the total for the year still looks set to plummet to its lowest for more than a decade.

Sales of all types of commercial vehicles were also up, by 7,7% in the case of light commercials.

Star performer for the month was Samcor — producers of Ford, Mazda and Mitsubishi cars and trucks — which knocked Toyota off the number

one pedestal it has sat on for so long.

Samcor's 4 009 sales pushed its car market share up to 25,4% — an increase of almost 10% compared to May and indication that the Pretoria-based manufacturer is determined to show that the merger of former Port Elizabeth manufacturer Ford and what was previously Amcar is working.

Ford's new Laser and Meteor models led the charge, with 1 124 sales during its first month on the market, with the Sierra also picking up volume, and both being

placed in the top five sales for the month.

But industry watchers cautioned that the new model sales probably included a carryover from launch month of May, so distorting the picture.

Despite the increases, Naamsa president, Mr Peter Searle, said that manufacturers would still face a long fight for survival.

He said sales for the first half of the year reflected the poor state of the economy and the lack of consumer confidence in short-term prospects.

"These figures on a seasonally adjusted basis

annualise at 256 000 total vehicle sales, which would be the lowest market since 1968.

"Although June sales reflect an encouraging increase of some 12% over May, June is traditionally 8% stronger than May, and new models were launched in June which gave a boost to the figures for the month.

"Light commercial sales have shown a small improvement during June, and could improve even further in the second half of the year.

"Sales of medium and heavy commercial vehicles are still de-

pressed, with the first six months' totals the lowest since the sixties.

"Total vehicle sales for 1986 are still far short of the numbers the industry requires in order to be profitable," said Mr Searle.

"The motor industry has always been a barometer of the state of South Africa's economy, and until we experience a revival in the economy and a GDP growth rate in excess of the 1% to 1,5% now being predicted for 1986, the struggle will be for market share in order for individual manufacturers to survive."

DD 20/01/86  
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# SBDC: we lent R100m in '85

**JOHANNESBURG** — The Small Business Development Corporation (SBDC) lent more money in the past financial year than in the previous four years.

to raise an additional R30 million. The SBDC's systems are ready to cope with the expansion, but we now need the funds to do so," said Dr Vosloo.

"Last year we lent more than R100 million, compared to a total of R70 million for the previous four years. This exceptional rise in lending can be ascribed to several factors, among them the availability of funds, the SBDC's ability to cope with expansion and the large need in the small business community," the managing director of the SBDC, Dr Ben Vosloo, said at the company's annual meeting in Johannesburg.

"It will be money well spent. Our clients have over the past five years already created more than 70 000 job opportunities." — Sapa

The SBDC also announced a rights issue, to raise more funds, in order to cope with rising demand.

"We hope that all our shareholders will agree to expand their present shareholding by 40 per cent. This will enable us

New car  
sales <sup>DA 27/86</sup>  
rise by <sup>(30)</sup>  
14,6 pc

**Dispatch Correspondent**

**JOHANNESBURG** —  
New model launches  
pulled last month's new  
car sales out of the dol-  
drums, according to the  
National Association of  
Automobile Manufactur-  
ers of South Africa  
(Naamsa).

But expectations that  
government's efforts to  
reactivate the economy  
and relief on fringe ben-  
efits taxes would also  
lift June's new vehicle  
sales did not material-  
ise.

Figures released by  
Naamsa yesterday  
showed a 14,6 per cent  
rise in June's new car  
sales to 15 769 units  
compared with the pre-  
vious June's.

Naamsa director Mr  
Nico Vermeulen said  
that any improvement  
should be viewed  
against the low level of  
sales during the first  
five months of 1986.

Samcor posted the  
strongest gains with the  
end-May launch of the  
Laser-Meteor nearly  
doubling the carmaker's  
sales to 4 009 units.

BMW, Nissan, General  
Motors and Renault  
showed marginal gains,  
while Mercedes-Benz's  
drop in sales to 1 231  
units (1 558) was largely  
due to labour disputes.

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# Rosholt: modify free enterprise

JOHANNESBURG — The free enterprise system in South Africa will have to be modified, the chairman of Barlow Rand, Mr Mike Rosholt, said last night.

"We must recognise that the central economic issue in future will inevitably be the process of income redistribution in favour of the lower income groups," he told a dinner for delegates to an international symposium at the University of the Witwatersrand. The topic of the symposium is "What Boundaries for Business?"

"That process of income redistribution will be easier to live with if it is voluntary rather than forced. Having said that, I cannot emphasise too strongly that at the same time we must strive relentlessly to preserve those aspects of our present system which remain valid and essential for the future well-being of the country.

"In particular we must ensure that income redistribution does not become capital distribution resulting in an inevitable diminution of the income which is to be shared. We must try to ensure that over a period we all become equally wealthy and not equally poor.

"We must aim at a situation in which our first world economy, based on increasing exports and import substitution, can finance itself and generate the wealth required to fund the third world sector."

The latter should deal as effectively as possible with the greatest single national problem, unemployment. It could do so "by investing pri-



Mr Rosholt ... central issue will be how to redistribute income.

marily in labour intensive industries such as agriculture and urbanisation."

Mr Rosholt said the modified system must be "seen as a catalyst for the redistribution of an increased national income, as being fully aware, as many of its adherents are, of its additional social responsibilities: as actively promoting power sharing rather than being an accomplice of racial oppression." Such a system had been correctly described by Professor Jill Nattrass at the University of Natal as "concerned capitalism".

Changing free enterprise in South Africa was essential because the country stood on the brink of power-sharing between the races, said Mr Rosholt. "In whatever form that occurs, the present balance in our economy between free enterprise and state socialism must tilt towards the latter."

The extent of that tilt would depend on how radicalised the new participants turned out to be and how powerful

their voice in the new dispensation. Unfortunately, "events and deprivation are hardening black attitudes to capitalism and free enterprise, and it is going to be difficult to reverse this trend."

This was especially so when "generally speaking, black trade unions have made it very clear that they are committed to class struggle and eventual economic control — their views ranging from mixed socialism at one end to Marxism at the other".

An aggravating factor, said Mr Rosholt, was the government's recent commitment to the virtues and benefits of free enterprise. "It would be better for the system if the government were to prove its commitment by discreet action rather than by public proclamation.

"The greater the latter, the stronger the black perception of the links between free enterprise and the current political system."

Mr Rosholt said it was clear that South Africa could not develop to the full extent of its great resources, human and material, without a political solution. Equally, no political solution would be workable without financial muscle.

"It is paradoxical that access to overseas funds should have been cut off at a time when partly of its own volition, but partly also because of judicious outside pressure, South Africa has introduced overdue reform processes and has raised black expectations, which can never be fully funded in the siege economy we now face." — Sapa

**Buthelezi's view P13.**

BUSINESS DAY, Friday, July 11 1986

MIK COLLINS

THE Transvaal Chamber of Industries (TCI) has once again called on government to charge or release union leaders.

In a special notice the TCI has encouraged members to lend support to families of detainees and has laid down guidelines for employers.

It says if an employer suspects a particular employee has been detained the local commissioner of police should be contacted. Should there be problems, the TCI will as-

# TCI repeats call to release or charge leaders

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It suggests that it would be good industrial relations practice for employers to:

- Try and obtain confirmation of the detention from the police and the relevant section under which the employee has been detained.
- Communicate clearly to affected workers that the employment relationship with detained workers will

not be affected by involuntary absence from work.

- Send reading matter to the detainee if the place of detention is known.
- Inquire from the detainee's family whether they require any assistance, financial or otherwise.

The TCI says documents relating to bona fide trade union matters can be distributed on company premises.

"Bona fide trade union meetings

can be held indoors, except in certain areas where certain organisations of groups are not allowed to have meetings in terms of orders by the commissioner of police.

"Currently this affects Cosatu in the Western Cape in six districts: Simonstown, Wynberg, Goodwood, Bellville and Knuts River.

"The chances of conducting peaceful meetings will be enhanced by

keeping the meetings as small as possible, and indoors.

"Outdoor meetings, whether on or outside company premises, may only be held with the authorisation of a local magistrate or the Minister of Law and Order."

On the subject of strikes, the TCI says the Minister of Law and Order has stated publicly that the security forces will not interfere.

WILL THE STRIKE LEADERS... HOWEVER, IT IS... WILL THE STRIKE LEADERS...

# ANC in favour of private property, says Motsuenyane

W. Mail 11/7/86

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THE National African Federated Chamber of Commerce (Nafcoc) was "enormously intrigued" to find the ANC accepted "to an astonishing degree" most Nafcoc policies and projects, the organisation's president, Dr Sam Motsuenyane, said this week.

And Nafcoc treasurer, M S P Kutumela, said the ANC had told them it "looked to Nafcoc to save the country economically" in a post-apartheid South Africa.

Motsuenyane also said the ANC had agreed that private ownership of property was to be allowed at all levels and the spirit of entrepreneurship encouraged.

He revealed this in an extensive reportback at Nafcoc's annual congress in Cape Town on discussions earlier this year between the ANC and Nafcoc.

In response to a question, Motsuenyane said the ANC believed in a mixed economy. At present South Africa was a mixed economy because some things were owned by the government and others by individuals.

The ANC was certainly opposed to the existing capitalist system in South Africa because of its nature. "They wanted nothing to do with racial capitalism — what is sometimes called monopoly capitalism."

"Mr Tambo actually said to me there is no way the ANC can impose a foreign system on South Africa. We have to evolve a system from within the country."

Anyone who nullified the ANC was not coming to terms with reality.

"That is why the government must talk to the ANC and must not try to influence them by remote control."

He said the two-day meeting with the ANC took place "in a friendly atmosphere of warmth and brotherly understanding".

Nafcoc was "applauded for its pioneering role in the development of black business ventures in South Africa."

"Black business was perceived as having a definite role in the liberation struggle of the black people for the very reason that its development up to now has been subject to the very constraints which handicap the black community generally," Motsuenyane said.

The two organisations discussed issues such as "the elimination of racialism in the economy, land distribution, privatisation of services, examination of the freehold land ownership system, full participation in the economy by all racial groups in the country with as little government interference as possible, freedom from arbitrary detentions, the elimination of discrimination in employment, the ending of residential apartheid, the restoration of basic freedoms to all citizens, movement away from economic dualism by a careful study of income-inequalities and contracts."

The country's best-known African businessman, Dr Sam Motsuenyane, flew to Lusaka for his own talks with the ANC — and says he was surprised to hear Oliver Tambo applaud black business ventures.

BARRY STREEK reports from Cape Town

"These are relevant issues which any government after apartheid has gone cannot ignore."

It was regarded as important that bridges be built to ensure solidarity especially among the underprivileged in order to enable them to overcome any further exploitation and manipulation by others.

Increased dialogue, the de-emphasis of tribalism and the promotion of mixed schools was also agreed upon.

"Nafcoc's role was perceived as being complimentary and not in opposition to that of other black organisations whose objectives are the creation of a democratic and non-racial society in South Africa."

"This being the case, Nafcoc would be expected to co-operate with other organisations insofar as the following national issues are concerned: observance of national commemorations, the formulation of joint strategies to promote dialogue, the formulation of a common agenda for dismantling apartheid and co-operation on key economic issues," Motsuenyane said.

The two organisations agreed the homeland policy was "a device for assuring continuous supply of cheap labour while avoiding the granting of full political, civil, economic and social rights to black workers" and the homelands "as presently structured had no chance of permanent survival or future at all".

They had also agreed it was "in the country's best interest that the spirit of entrepreneurship be nurtured, encouraged and not crushed" and that "private ownership was to be allowed at all levels".

Privatisation was to be allowed with limited interference by the state in a mixed economy managed by skilled persons.

They agreed that "fair distribution of land among the people who work on it, to ensure a greater spread of wealth in the country" and that positive discrimination or affirmative action might have to be sanctioned to bridge the economic backlog, after centuries of discriminatory policies."

"Desirable economic policies must seek to remedy existing social problems such as poverty, inadequate housing for the poor, and generally aim at the upgrading of the living standards of all people."

"The so-called free enterprise system in South Africa is not free at all, the system has resulted in the concentration of wealth in the hands of a few corporations in the country, which is neither desirable nor morally defensible."

"Racial barriers are an obstacle to the attainment of economic freedom in the country," he said.

Motsuenyane was applauded when he said that against the background of a mounting outcry both at home and abroad for the initiation of "serious discussions, with credible black leaders leading towards the creation of a new social order in which all South African will have freedom to share fully and equally, it has become quite imperative that the South African government speak directly to the ANC."

"The fact that the ANC has in its membership communists should really not deter the government from instituting essential negotiations with that organisation which could in the end bring the much-needed stability, peace and a new sense of direction into the socio-economic life of the country," he said.

WEEKLY MAIL

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# Hawkers' runners to be banned from CBD

Dispatch Reporter  
EAST LONDON —  
Hawkers' runners — children who sell goods on behalf of hawkers and who have been accused of harassing people outside supermarkets by forcing their goods on reluctant buyers — are to be banned from the central business district (CBD) here from Monday.

But licensed hawkers will be allowed to move about the CBD to sell their goods.

This is the gist of an agreement hammered out at a meeting in the city hall yesterday between a delegation from the city council and more than 100 hawkers.

The hawkers agreed that any children found hawking in the CBD could be arrested and charged.

The suggestion to act against the runners came from the chairman of the hawkers' committee, Mrs Evelyn Matyeshana and her deputy, Mrs Monica Mbubi, after the meeting heard that the runners were "out of control".

The chairman of the meeting, Mr Donald Card, warned that the council did not want solutions to cause problems for the hawkers, but if the total ban was acceptable to the hawkers, the city council would "clap hands".

The meeting started with a plea from Mr Card that the council did not want any confrontation with the hawkers but that the hawkers themselves had to advise the council on how to sort out the problems.

The problems included:

- Blocking of entrances to supermarkets by runners;
- Obstruction on pavements by hawkers displaying their goods; and
- Littering.

Mr Card said he had inspected the entrance to a supermarket in Caxton Street last Friday at 5.15 pm and found 38 runners "harassing" a couple who were trying to get out of the supermarket with their child.

because they respected the right of the hawkers to try to earn a living.

"But we are inundated by complaints from people and when there is a complaint the police have to act. You must tell us how we can solve this problem because they are your runners and you are ultimately responsible for their control," he told the hawkers.

Mrs Matyeshana said the hawkers' committee had discussed the problems, and elderly hawkers had said they could not move around to sell and needed the children to help them.

Another hawker, Mrs Joyce George, said she agreed with the solution to ban children from the CBD but asked for the decision to be implemented in a month's time.

Mrs Mbubi suggested that the runners be banned but that elderly hawkers be allowed to move around and sell in the CBD.

She was backed by Mrs Thelma Moshoesh, who said elderly hawkers had more manners and would obey the laws.

Mr Card said the suggestions would be tried for a month, starting from tomorrow, but explained he still had to report to the city council. The system would have to be approved by the council.

Mrs Matyeshana asked that the hawkers be given until Monday to withdraw their runners. She said they had employed them for the week and should be allowed to make money to pay them at the end of the week. The suggestion was accepted.

"The goods were being pushed under the noses of the couple by at least 19 runners who were constantly being told by the couple that they did not want any of the goods. I heard the husband shout to his wife to be careful of her purse," Mr Card said.

He said this was the type of complaint being received. He reiterated that it was illegal to sell in the CBD but that the council and the police had turned a blind eye.

DD. 11/7/86

# Nafcoc tied to peace, says Motsuenyane

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CAPE TOWN — The National African Federated Chambers of Commerce (Nafcoc) was still bound to bringing about peace in South Africa, the president of the organisation, Dr Sam Motsuenyane, said yesterday.

At the end of his organisation's annual congress here, he said South Africans should recognise Nafcoc as a "real and potential" power in the black community.

He said Nafcoc would not change its stance on the proposed National Statutory Council until the government had

shown it was prepared to accept some of Nafcoc's demands.

These included the release of political prisoners and negotiations with banned organisations such as the African National Congress.

He called on the government to remove all obstacles to black development, especially in the allocation of land.

He thanked the private sector for its efforts to "broaden" the future for black business.

The conference resolved that until the government dismantled

apartheid, released political prisoners and started negotiations with the ANC, violence would remain the order of the day.

Other decisions taken included a call for Nafcoc to review its stand on investment and sanctions, a call for a single education system for all, and for the international community to help bring about an end to detention without trial.

The conference also called for a wide range of issues concerning problems in black education to be addressed.  
— Sapa



Cape Times 11/7/66 (30) (11)

# Call on govt for equal opportunities scheme

Political Staff

THE annual congress of the National African Federated Chamber of Commerce heard calls yesterday for affirmative action programmes to benefit black business.

And Nafcoc president Dr Sam Motsuenyane said the government should institute an equal opportunities programme, as had been done in the United States, so that blacks could obtain government contracts.

"How much would blacks benefit if the government passed legislation to give at least 30 to 40 percent of contracts to black people?" he asked.

The call for affirmative action programmes was made by the legal group at the congress.

Positive action was needed to reverse the

damage done by iniquitous laws, Mr J Thema said on behalf of the group.

Dr Motsuenyane said Nafcoc's code committee was already investigating affirmative action and it was hoped that its report would be ready by October when positive recommendations would be made.

The congress yesterday called for the scrapping of the 1913 Land Act and the removal of all racial restrictions on the ownership of land.

● Nafcoc wants black councillors serving on Cape Town City Council when it next meets in the City.

Dr Motsuenyane said yesterday in his closing speech at the organization's annual congress that "when we next come to Cape Town we hope there will be councillors who are not white".

FIN MAIL

NAFCOC CONGRESS A

11/7/86 (30) ~~31~~  
**Divergent views**

Business has obviously not been too good lately, but it's hard to imagine a more difficult scenario than that experienced by aspiring black entrepreneurs.

Not only are the odds stacked against success, even a modicum of it can mean a dangerous backlash from an increasingly polarised community. Sensitivity shows everywhere, as Sanlam chief Fred du Plessis found at the National African Federated Chamber of Commerce and Industry (Nafcoc) conference in Cape Town this week.

Angry delegates felt his address was both patronising and condescending, and made their views strongly evident. Nafcoc undoubtedly has a capitalist ethos, but it is evidently not modelled on precedent here.

Du Plessis had urged black businessmen to learn from the history of Afrikaners, maintaining that the first lesson is that "political power does not make it any easier to advance in business. The Afrikaner can look back not

because he was privileged to receive State grants, but because he was capable of putting himself forward and fighting for his economic position."

Essentially, the Afrikaner had succeeded in mobilising capital; blacks would have to do the same.

The message went down like a lead balloon.

Nafcoc president Sam Motsuenyane responded immediately, opining that there were important differences between the histories of the two peoples.

The Afrikaner, for example, had never been "deprived of the right of the vote in his own country," he said to loud applause. Differences he cited included black education, lower standards, job reservation, impediments to responsibility and lower wages.

"We do not believe black people can stay out of politics where the Afrikaner has always been," he said, adding there would never be peace in SA until blacks could make a contribution in parliament.

Du Plessis tells the *FM* his basic message was that it was relevant to learn from Afrikaner history; he was surprised at the unfavourable response. "I think it was rather unfair," he notes. "After all, I began by saying that it would be wrong to say history repeats itself."

He accepts, however, that there could be a difference of opinion on his belief that Afrikaners have not gained much from politics as far as business is concerned. "What I was saying is that every government should treat everybody on the same basis — that there is not much to be gained technically from politics."

Really? ■

FIN MAIL 11/7/86

ALEXANDRA - ~~30~~ ~~30~~ ~~30~~

### Private sector acts

The Alexandra Development Fund (ADF), a group of concerned businessmen, has announced details of an ambitious housing plan for Alexandra township north of Johannesburg. Now it is asking the other members of the private sector for support.

Chief patron of the ADF is business supremo Albert Wessels. The chairman of the executive committee is Chris Aitken, a prominent accountant and general secretary of the Presbyterian Church of SA. Other members include Toyota MD Colin Adcock, Altech's Neill Davies, Blue Circle's Trevor Coulson and Charles Lipp of Barlow Rand. Bill Yeowart of Nedbank, the SA Perm's Miles Flynn and Llewelyn Mehlomakulu of Barclays are the trustees. Jo Dunstan and

Financial Mail July 11 1986

Ian Bernhardt, of Ian Bernhardt and Associates, form the secretariat. Attorney Oscar Abraham is the ADF's legal adviser and Bill Smith of Arthur Andersen is its auditor.

Alexandra has had a particularly turbulent history. It was one of the few black urban areas where residents held freehold rights until the mid-Sixties. The National Party then withdrew these rights in line with the philosophy that blacks were "temporary sojourners" in white urban areas.

For much of the Seventies it appeared the township was to be "removed" entirely, a decision reversed only in 1979. Now, of course, along with other black townships, freehold rights are to be restored. But the history of insecurity has had serious effects on the morale and living standards of Alexandra's inhabitants. There is an extremely underdeveloped infrastructure, and living conditions are shabby — a perfect recipe for instability.

The ADF's initial focus is to upgrade existing structures, and build new ones, in a two-block area in Alexandra's south-eastern section occupied by 117 families.

What makes the project unique is, firstly, that the new housing will be accessible to all the residents, whatever their present financial standing. And, secondly, the project is being carried out in the closest consultation with the residents and Alexandra's civic leaders. The residents have elected four representatives to liaise with the ADF. In addi-



**Albert Wessels ... upgrading Alexandra**

tion, Alexandra Civic Association member Mac Lekota represents the community as a whole. It is through the participation of their representatives that residents have been satisfied that the project is not merely talk by a group of "do-gooders" which will never be translated into action.

Architect Jo Noero has, in consultation with residents, designed four different types of structures which will cost between R3 000 and R9 000 to erect. The most expensive will require bond repayments of only about R80 a month, after a 20% deposit.

For those residents who cannot afford the initial deposit, a plan is being mooted whereby it can be accumulated through monthly payments over a few years. Other packages are being devised for those residents — the unemployed, for example — who at present cannot afford even that. The reason for these considerations is that the ADF is determined

that present residents of the blocks should not be displaced.

The authorities have assured the fund that water and electricity will be made available for the homes. And, in another significant breakthrough, the ADF has acquired the services of Lesotho-based alternative sanitation specialist Jim McLoy, who has developed a system suitable for the area. At present, Alexandra inhabitants have to make do with a "bucket system" — a source of great resentment.

To complete this initial programme, R900 000 is required. Says Dunstan: "The upgrading of existing housing stock, the introduction of an alternative sanitation scheme, the strong element of community participation, and the modest price range all make this scheme a sound investment. We hope this pilot project will be seen as part of the solution to the vast housing problem that exists not only in Alexandra but throughout the country." ■

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# Nafcoc is 'firm' on NSC plan

By BARRY STREEK  
Political Staff

THE National African Federated Chamber of Commerce (Nafcoc) is prepared to talk to the government about the proposed National Statutory Council but it will not change its decision, its president, Dr Sam Motsuenyane, said yesterday.

He said this after Nafcoc yesterday postponed taking a formal decision to boycott the new NSC until its meeting in October, when it also reviews its policies on disinvestment.

But Dr Motsuenyane, who earlier this week announced Nafcoc's decision not to serve on the NSC, said in an interview that this did not change the organization's position on the council.

"We are willing to talk to the government but we will not change our stance until the government has shown a willingness to accept our demands," he said.

These demands included the release of Mr Nelson Mandela and other political prisoners, the unbanning of the ANC and the PAC and government negotiations with credible black leaders.

## Leaves door open for negotiation

The Nafcoc move leaves the door open for negotiation with the government on the proposed council, but its unequivocal pre-conditions make it seem unlikely that any compromise is possible.

The government has not yet commented about the Nafcoc decision to boycott the new body but it has been widely regarded as a setback for President P W Botha's plans to involve "moderate" black leaders in the council.

"Until and unless black people are represented on other levels of government we will not participate — and we made this very clear to Pik Botha."

Nafcoc was not being negative in making its demands, but it would not engage in anything that could be "shot down tomorrow".

"There is a very strong feeling that Nafcoc should play a positive role in the development of a political climate in this country," Dr. Motsuenyane said.

DD 11/7/86

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## Stores step up security awareness

**Dispatch Reporter**

**EAST LONDON** — Department stores and supermarkets here are becoming increasingly security conscious and most have stepped up their security measures in an attempt to combat the recent spate of bombings that have hit cities countrywide.

The majority of store managers questioned said that over the past few months they had implemented spot parcel and handbag checks, posted more security guards inside the stores as well as in parking lots, and had also embarked on intensive staff awareness programmes.

The store manager of a national supermarket chain here, Mr D. Ricketts, said staff were being trained to recognise explosive devices and were being made aware of potentially dangerous situations.

Mr T. Lawrence, the branch manager of an Oxford Street departmental store, said the store had not had to change its security system much, but it had constant patrols by security guards who were trained to be on the lookout for any potentially suspicious or dangerous situations.

The manager of an outfitters, also in Oxford

Street, Mr C. van der Merwe, said the store's plate glass windows had been covered with a plastic filament, and in the event of a bomb exploding the chances of the glass splintering and causing injuries would be lessened.

He said the store's security guards had also been made more aware of security procedures and carried out parcel and handbag checks, as well as regular evacuation drills.

The manager of another large departmental store in Oxford Street, Mr K. Levey, said the store had recently been fitted out with security glass. Staff had also been warned to be on the alert for any strange or suspicious looking parcels or objects left unattended in the store. Periodic security checks were also made of the perimeter of the store in rubbish bins and on pavements.

The security manager of a departmental store, also in the city centre, Mr T. Pollock, said staff awareness programmes had been implemented over the past few months.

"Obviously we have stepped up our security to a degree, but have not yet resorted to searching handbags or parcels," he said.

DD 11/7/86 (36)

**BUSINESS**

# Hopes lifted by car sales

JOHANNESBURG —Improved passenger car sales in June could be the start of the long-awaited upswing in the depressed industry, according to Toyota's marketing director, Mr Brand Pretorius.

Passenger car sales of 15 769 units last month were 14,70 per cent up on May and up by 1,92 per cent on June last year.

"In my opinion the market has bottomed out and we believe that the monthly sales average will start improving marginally," Mr Pretorius said. "We have therefore revised our passenger vehicle sales forecast for 1986 from a low 170 000 to 176 000 and possibly 180 000 units. A major reason given for the brighter June figures is public perception of greater political stability and some return of economic confidence triggered by the government's recent stimulatory package."

Another reason, said Mr Pretorius, was the stimulation of the market by the launch of new models and aggressive sales campaigns, high discounts and price reductions on certain models.

"June traditionally is a good month," he added. "It is a pre-holiday month and also the end of the financial year for many companies."

The upward trend in passenger car sales was echoed in the Naamsa figures for the commercial vehicle market which recorded an 8,5 per cent increase on May.

Figures for the first six months of this year, however, still paint a picture of a generally depressed market, where January-to-June passenger car sales were still 13,3 per cent below the first half of 1985, itself a depressed year.

For the first six months of this year, Toyota led the passenger car field with a market share of 26,8 per cent, followed by Samcor with 20,5 per cent (Samcor Ford 10,3 and Samcor MMI 10,2), Volkswagen 17,3, Mercedes Benz-Honda 9,7, Nissan 8,1, BMW 7,6 and GM 7,1.

Six months into 1986, the light commercial market is still 8,8 per cent behind the 1985 figures at this time, Toyota heading the pack with a 39,5 per cent share of the market, Nissan in second place with 22,3 per cent Samcor with 19,4 per cent (Ford 10,5 and MMI 8,9), GM with 11 per cent and VW with 7,4.

The medium commercial market at the end of June also lagged 7,2 per cent behind 1985. The combined sales of Ford

(8,3 per cent) and MMI (24,1 per cent) gave Samcor top spot with 32,5 per cent, with Toyota taking 29,9 per cent, GM 19,1 and Nissan 10,3.

Most heavily depressed of all categories was again the heavy truck sector, where sales lagged 32,8 per cent behind January-June last year. Mercedes Benz held 34,9 per cent of the market, Toyota 15,8, Nissan 12,6 and GM 9,7.

Totalling passenger and commercial sales for the year so far, Toyota emerges in first position with 38 738 units, representing 30,2 per cent of the market. Next is Samcor with 25 656 units and 20 per cent (made up of Ford 10,1 per cent and MMI 9,9), VW with 17 501 units (13,7) and Nissan 15 818 (12,3).

In June, Samcor benefited from three model launches and increased passenger car sales to sell 4 009 units, for a market share of 25,4 per cent. Ford sales of 2 335 units accounted for 14,8 per cent of their market share, with MMI sales of 1 674 making up the balance of 10,6 per cent.

Toyota sales of 3 867 represented 24,5 per cent of the passenger car market in June. Next came VW with 2 575 units (16,3 per cent), Mercedes Benz-Honda 1 323 (8,4) and GM 1 289 (8,2).

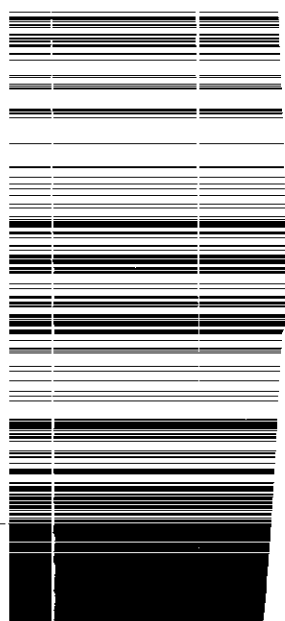
In the individual car sales rankings for June, the Toyota Corolla held on to its top spot with sales of 2 666 units (16,9 per cent) followed by Golf/Jetta 2 218 (14,1) Toyota Cressida 1 200 (7,6), Laser/Meteor 1 124 (7,1) and Sierra 1 088 (6,9).

Light commercial rankings for June were: Toyota 2 484 units (36,1 per cent), Nissan 1 542 (22,4), Samcor 1 362 (19,8) — made up of Ford 10,5 per cent and MMI 9,3 per cent — GM 977 (14,2) and VW 483 (7,0).

Medium commercial rankings for June were Samcor 143 units (36,6 per cent) — Ford contributing 23 per cent and MMI 13,6 per cent — Toyota 110 units (28,1), GM 69 (17,6), Nissan 48 (12,3) and Mercedes Benz 21 (5,4).

Heavy commercial rankings were Mercedes Benz 192 units (32,3 per cent), Nissan/Magnis 119 (20,0), Toyota/Hino 100 (16,8), MAN 40 (6,7) and Leyland 32 (5,4).

Toyota led the overall passenger and commercial sales rankings in June, its sales of 6 561 units representing 27,8 per cent of the market, followed by Samcor's 5 557 units (23,5 per cent) — made up of Ford 3 155 (13,3) and MMI 2 402 (10,2) — VW 3 058 (12,9), Nissan 2 936 (12,4) and GM 2 369 (10 per cent).



# Politics and beauty at Nafcoc conference

# Black business is big business

W/E ARGUS 12/7/86

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By DALE LAUTENBACH  
Weekend Argus Reporter  
A PRETTY woman in a glittery silver dress said she owned a dry-cleaning business in Butterworth . . .

She dreamed of running a fashion boutique in East London.

A man in a pinstripe suit was in "the advertising game".

"But I'm really a politician at heart," he said. "I'm just biting my time."

The people who travelled from all over South Africa to attend the 22nd Annual Conference of the National African Federation of Chambers of Commerce (Nafcoc) this week were there in spite of two very bad years, in the words of their obviously popular president, Dr Sam Motsuenyane.

## "Absent"

They were there from their 18 different regions in spite of the state of emergency and in spite of the fact that a number of members were forcibly . . . "absent".

Peak attendance at the conference — for the presidential address on Tuesday — was estimated at between 1 200 and 1 500. But other events on the programme too were well attended.

Delegates and local members of the public thronged to the closing celebration, the Miss Nafcoc Beauty Contest. Many came in black tie and evening glam and though it might seem an unlikely event, on the face of it, to be held annually by a chamber of commerce, it symbolised many of the contradictions which characterise and are absorbed by the Nafcoc body corporate.

Who would have guessed, as the bright young beauties floated into the floodlights wearing sheeny metallics and butterfly chiffons, that they represented only half the usual number of regional finalists because political instability had made competitions in many of the regions impossible this year?

## Harder line

Who would have guessed, as the crowd roared at the MC's throaty jokes, that the concerns voiced throughout the conference and reflected in its resolutions, were those which turned a cold shoulder on the State President's plan for a National Statutory Council; were those which would now be considering a harder line on sanctions and disinvestment?

And just when it seemed the Government was inflating its waterwings, hoping to take to the apparently safe shallows of black business and a moderate black middle class . . .

The conference delegates and attendants were there for a variety of reasons and while many mouthed the maxim that business people have a firm political responsibility, they could be drawn little further on the state of the nation. They were really interested mainly, it seemed, in learning new skills to better their businesses . . . from one-roomed shoe-repair stores to supermarkets and general dealers . . . dotted around the country.

Speaking for his little stake, one man said he was there simply because: "I love Nafcoc."

## Unbanning

Others did not even make the connection between their business concerns and the very theme of the conference: *Black Business — A Factor in determining the Political Future of South Africa*

mandated to review policy on disinvestment and relationships with Government-related institutions.

"Stop futile attempts to reform apartheid," resolved Nafcoc, calling for negotiation with acceptable leaders

## Exclusion

"And this is not new, Nafcoc is not more politicised than ever before," said national co-ordinator Mr Gabriel Mokgoko. "You must remember that Nafcoc was founded in protest in 1964 — founded in protest against exclusion, non-participation and apartheid legislation. This year's resolutions are just a development of the things for which we have been calling all along, those cornerstones like citizenship and land rights. We are an independent organisation and not pushed around by anyone."

Three Johannesburg businessmen — an attorney, an advertising executive and a management consultant — waged ideological battle over a lunch-time beer.

"I think Nafcoc has a balanced view of what the South Africa of the future should look like with a non-racial economic structure," said Mr Martin Sebesho. "I think it is an important catalyst for change now, I think it is rising to the political challenges and I'd describe it as realistic rather than moderate."

"Political circumstances are forcing Nafcoc to change," said Mr Jabu Sibiya.

"It's fruitless to address economic issues because politics in this country dictate to everything," said Mr JT Moleya. "The youth is turning more and more towards socialism — no one has given them a real alternative. And black business is moving into an area of direct conflict with the youth."

They speak of unemployment, of highly qualified young men without jobs.

They are men of business, they represent capital and admit to saying "Hi comrade!" in the townships in order that they may pass safely. But on the bottom line they claim to identify just as much with the "struggle" as do those radical comrades.

They fire their ideas in turn and all at once: "Yes, black business could do a lot more. The youth represent the momentum of the struggle but they don't have a long-term strategy."

## On fence

"There's no ray of hope for the kids in Soweto whether they go to school or not. Business has not shown them the benefits of going to school. Blacks today want total change."

"The youth doesn't want to go into the CBD. They want to go into Parliament."

There is frustration and impatience: "Nafcoc is on the fence. It should take a stronger political



Dr Sam Motsuenyane

stand."

And don't imagine, they say, that there is a clear-cut and reliable line between black middle-class capitalism and the struggle. They are hesitant to describe themselves as middle class.

Another grin: "Let's just say I'm evolving affirmatively in an effort to effect change in my little way. I don't have to carry an AK47."

"We don't feel excluded from the struggle."

"We're all fighting in our different fashion."

Those cornerstone issues of citizenship and land rights — the essential human dignity of which Dr Motsuenyane spoke more than once — were not obfuscated in the minds of the delegates by concessions like the opening up of CBD's

"It's the riddle of the tortoise and the hare," said Mr Sebesho. "You open the CBDs but the standards remain the same. How can blacks enter that competitive market disadvantaged as they are in terms of experience and capital?"

"We need more training so that blacks can compete in the market place on an equal footing. Opening the CBDs should go hand in hand with a fund to facilitate the acquisition of technical skills and knowledge among the emerging black entrepreneurs."

"Perhaps there should be affirmative action on the part of town councils in a deliberate effort to have blacks come into the CBDs and the industrial areas."

"We don't want to come into the CBDs if we cannot even own land there," said Mr Abram Nappo of Lebowa. He said let the people buy land, buy farms. "Nafcoc should encourage people to create employment which means an improvement in lifestyle and in turn a greater stability. And land ownership makes for greater patriotism."

## Influence

"De-regulate business, remove the constraints. Given the chance, the black business community could offer a non-violent solution. We can influence events."

Mr M S Mokumo, cattle breeder and businessman, presented a paper on agriculture to the conference "Open up farming land," he said "For every one job opportunity in commerce and industry, five could be created in agriculture."

Nafcoc, he believed, had a powerful political responsibility to shoulder "It's strength is that it can set up lines of communication. It is an economic body and its methods are negotiation. I don't believe it is too moderate. Using other methods would not work. We mustn't destroy what we want to keep. We're not going to pretend we don't need whites and white expertise. Open the market and let us compete and show our worth."





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### Unbanning

Others did not even make the connection between their business concerns and the very theme of the conference: *Black Business — A Factor in determining the Political Future of South Africa*. One woman from Natal sprang spoke of her supermarket, that she would like to move into the newly opened CBD to avoid the "unrest problems." She was here to discuss business, she said, not politics, and she left in a cloud of White Linen.

But at the end of the day the resolutions passed by this multi-faceted group of people with their various concerns called firstly for the urgent unbanning of exiles and all political organisations, for the release of all political detainees and for meaningful negotiation with the African National Congress. The Nafcoc summit to be held in October was resoundingly

... this year's resolutions are just a development of the things for which we have been calling all along, those cornerstones like citizenship and land rights. We are an independent organisation and not pushed around by anyone."

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"It's the riddle of the tortoise and the hare," said Mr Sebesho. "You open the CBDs but the standards remain the same. How can blacks enter that competitive market disadvantaged as they are in terms of experience and capital?"

"We need more training so that blacks can compete in the market place on an equal footing. Opening the CBDs should go hand in hand with a fund to facilitate the acquisition of technical skills and knowledge among the emerging black entrepreneurs."

"Perhaps there should be affirmative action on the part of town councils in a deliberate effort to have blacks come into the CBDs and the industrial areas."

"We don't want to come into the CBDs if we cannot even own land there," said Mr Abram Napo of Lebowa. He said let the people buy land, buy farms. "Nafcoc should encourage people to create employment which means an improvement in lifestyle and in turn a greater stability. And land ownership makes for greater patriotism."

### Influence

"De-regulate business, remove the constraints. Given the chance, the black business community could offer a non-violent solution. We can influence events."

Mr M S Mokumo, cattle breeder and businessman, presented a paper on agriculture to the conference. "Open up farming land," he said. "For every one job opportunity in commerce and industry, five could be created in agriculture."

Nafcoc, he believed, had a powerful political responsibility to shoulder. "It's strength is that it can set up lines of communication. It is an economic body and its methods are negotiation. I don't believe it is too moderate. Using other methods would not work. We mustn't destroy what we want to keep. We're not going to pretend we don't need whites and white expertise. Open the market and let us compete and show our worth."

In summary Dr Motsuenyane, who dashed off after his final address to catch a plane for London, reminded the delegates of the challenges they face, of the homework to be done.

"The actual and potential power of Nafcoc in the community must be recognised. We must take an active role in the political life of this country to restore peace and the human dignity of the black man. We challenge the Government to remove all barriers which impede black development. We cannot advance economically while stultified by discrimination."



Picture: DANA LE ROUX, Weekend Argus

The lighter side of the Nafcoc conference in Sea Point included a fashion show featuring top models, from left, Cynthia Malgas, Pat Mfihlo and Henrieta Mazana.

## Nafcoc resolution pays tribute to women

By DALE LAUTENBACH  
Weekend Argus Reporter

A SPECIAL resolution passed at the 22nd Annual Conference of the National African Federation of Chambers of Commerce (Nafcoc) paid tribute to women emerging into meaningful roles within the organisation.

One speaker (a man) described women as "facilitators of change" and called for their inclusion in the organisation at all levels — from grassroots to national.

"Let's have a national woman

speaker at next year's conference," was the call.

"I think women have a key role in the future. They'll drag us kicking and screaming into the 21st century," said Nafcoc national co-ordinator, Mr Gabriel Mokgoko.

He said the large numbers of women at the conference this year was not an unusual sight and neither could one assume that they were present only in their capacity as wives.

"Many of them are the minds behind the businesses, whether

they run them alone or with their husbands," he said.

He spoke of some possible reasons why women have taken on this entrepreneurial role so confidently and said that although it was a speculative thought, the effects of migrant labour over the years offered a logical explanation.

### Shrewd managers

Left often with the "business" of family (and any housewife would testify that running a family is

business all right) these women have had to become shrewd managers of money and resources.

And this is expertise they have put to commercial use in supermarkets, general dealers, chemists, dry-cleaning businesses and a host of other enterprises.

Mr Mokgoko said women were natural to take over the running of events like the annual Nafcoc beauty contests and the fashion shows but when challenged, he admitted their role could be much broader and more serious.

"There are already women on the committee of the scholarship fund. Their main concern is the future of their children and I can see women bringing to the fore some issues which men might take lightly."

"Many mothers have seen their children leave the country ... this is a major concern for women in all the regions. Once they're in leadership positions, their voices will be heard and these are issues close to their hearts which will be raised," he said.



# Fewer cars repossessed — bank men

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12/7/86 W/EP Post

By SHIRLEY PRESSLY  
THE economy must be improving slightly if the rate of repossession of cars bought on hire purchase and lease agreements can be regarded as a barometer.

Two major finance banks this week told Weekend Post that they were not experiencing an increase in the rate of repossessed vehicles.

Barclays Western Bank (Wesbank) managing director Mr Peter Thompson said that compared with a year ago the level of repossessed vehicles had come down and was steadily improving each month.

"But it is still too high," he said.

Mr Thompson said the decrease in repossessed vehicles, coupled with trends reflected by commercial banks and savings banks that people were saving more, indicated that the market was easing.

He said the rate in repossessed vehicles had decreased in the past three to four months compared with the previous year.

The figure for June was very much better than that for May.

He said in the "good old days" back in 1984 there had been very few executive and luxury cars repossessed.

The number of luxury vehicles repossessed had increased sharply compared with the boom times.

About 40% to 50% of the vehicles repossessed were cases where the owners had handed over their keys voluntarily, saying they could not afford the repayments.

Some had leases or hire purchases which had run for 24 to 30 months.

In these cases attempts were made to try to make a financial arrangement with the car owner, but in some cases there was no alternative and the car had to be repossessed.

Mr Thompson said in the good times the only reason for repossession was poor credit evaluation and dishonesty.

But in times of an economic recession there were many cases where credit-worthy people and firms

which had been in existence for many years could not meet their commitments.

Private people could submit quotes for repossessed cars. These were auctioned twice a month in different parts of the country.

About 70% of the cars went to dealers and the balance to private buyers. He said many private people probably preferred to buy from retailers because the cars were sold "voetstoots" by the bank.

Santambank's chief public relations officer, Mr Retief Uys, said from Johannesburg: "We place a high premium on looking after the needs and welfare of our clients."

Even with the big dip in the economy the bank had not noticed an increase in the number of repossessions.

He did not see any change in the rate of repossessions for executive-type cars, probably because the bank was not heavily into the market of supplying these.



By KIN BENTLEY

THE Small Business Development Corporation (SBDC) is to open a full-time office in Kwazakele, Port Elizabeth, at the beginning of next month.

This forms part of a new SBDC drive into black development and will be the corporation's first fully manned office in the PE townships.

Announcing this yesterday, Mr Willie Fouché, the SBDC's Eastern Cape manager, special projects, said the office would be housed at the Kwazakele Industrial Park, which at the moment had no clerical

# Kwazakele plan marks new SBDC thrust

facilities.

He said two additional Xhosa-speaking business advisers (the PE office already has two) would work from the new office, which would also have a full-time secretary.

The office would be more easily accessible to potential African entrepreneurs.

All inquiries could be directed through this office, which would also use the pool of retired businessmen in the SBDC's mentor advisory programme.

facilities.

Meanwhile, an informal sector knitting and crocheting business, started recently by a group of enterprising women in PE's Soweto shanty township, appears to be thriving.

But the consumer boycott is apparently hampering them in getting equipment into their workshop, located in the heart of Soweto.

Weekend Post reported a month ago how Mrs Nico-

lette Qalinge launched her innovative project in which she involved a group of previously unemployed women in knitting and crocheting, in an attempt to keep the wolf from the door.

SBDC business adviser Mr Clifford Ntsulwana visited Mrs Qalinge's group yesterday and spoke to her about the opportunities for development offered at the SBDC's Lindsay Road hive of industries in the city.

Vacancies still exist at the hive for entrepreneurs in the clothing industry.

Mrs Qalinge told him, however, that at the moment the women did not feel the need to move to the hive, because their present workshop was close to their market and they had a steady flow of orders for their entirely hand-made goods.

Following written appeals to Ford and General Motors Mrs Qalinge, who

had been unemployed since 1981, received materials which enabled her to construct a fairly large workshop in Soweto, where about 10 women currently work.

Mr Ntsulwana said the women expressed concern, however, at not being able to bring donations of machines and other articles into Soweto because of the boycott.

Mr Fouché hoped that once the SBDC's office was

fully operational, township entrepreneurs would make use of the advice and loans the corporation had to offer.

Apart from the more formal hive set-up, the SBDC is also involved in assisting totally informal backyard industries, such as Mrs Qalinge's, should they require it.

Mrs Qalinge also has plans to start a creche in Soweto.

## Big firms worst of slow payers

# Cash crisis for small business

By Lynn Smerczak

HUNDREDS of small businesses face a cash-flow crisis as bad debts and slow payments by debtors increase.

Worst slow payers, say businessmen, are big companies — even for small amounts.

Computer suppliers, small manufacturers, contractors, public relations and advertising companies are faced with problems.

One promotions consultant has written off R4 000 in bad debt — half owed by a large corporation. A manufacturer of computer furniture has learnt the hard way and now demands cash on delivery — at great cost to the order book.

### Economy harmed

Michael Katz, a supporter of small business, says: "Small firms and people in the informal sector have legal rights. They should charge interest and include it in the amount they claim in court."

"However, many small concerns cannot afford to challenge the big companies in court."

Professor Katz says many small businesses rely on a major client. If the client goes under or does not pay, the supplier may have to borrow to pay staff — or close shop.

This is harming the economy.

When the time comes to hand over a debt, businessmen should ask for a lawyers' estimate of costs before going to court.

Jan Prinsloo, general manager (Transvaal and Free State) of the Small Business Development Corporation (SBDC) says: "The trend is

becoming critical. Bad debt and slow payment are one of the most serious problems facing the fledgling small business sector."

The SBDC will soon start a "legal clinic" to help small businesses.

Dr Prinsloo says: "It is time business — large and small — developed a sense of responsibility and recognised the need to pay on time. Cash management is a crucial skill in managing a business."

Ken Mills, managing director of Credit Management Learning Systems, says money management expertise is essential.

"Everyone is quick to blame debtors. I argue that the credit granters are as much to blame. You have to open credit lines to get into the position of having money owed to you."

"What is the point of a full order book, if you don't get paid? A company accustomed to paying after 90 days will not change for you — and you have to plan for this."

Small businessmen, however, balk at the idea of openly checking the pedigree of big customers, or asking for money.

Mr Mills finds this strange. "Why be ashamed to ask for what is yours? Many people in business are only interested in making sales and seem to have forgotten the profit motive."

Mr Mills says discussion with a debtor can often be more productive than threats. Other means of keeping afloat if customers cannot pay is to take cessions and guarantees, or ask for guarantors.

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# Winter sales up

JOHANNESBURG — Winter clothing sales have been encouragingly good at retail level, according to Mr Mike Getz, president of the National Clothing Federation of SA.

"Figures are well up on the 1985 season which was an exceptionally poor one. This soft base as well as better stock levels and cooler weather during June, motivated sales increases. Although these reached levels of 18 to 20 per cent, on the whole there was a decline in unit sales. However, profitability at retail has been good with winter inventories cleared," Mr Getz said.

Inventories generally had fallen considerably and there were short-

ages in some areas. Restocking would be necessary with an increase of unit off-take projected at around 10 per cent.

Demand for knitwear from local sources had shown an increase largely because of import replacement with the rand at current levels as well as a fashion change, which normally generated extra business.

Fabrics remained in short supply with the position of knits and related yarns being particularly acute. An absence of improvement or any deterioration in this area could inhibit the first positive indications from the market in almost two years, he said. — Sapa

30 0014/7/86

THE rash of black consumer boycotts of "white" trading districts over the past year has presented a major challenge to SA's business community.

The challenge has had to be addressed on two fronts. Firstly, how should organised commerce address itself to boycott organisers at the regional level?

Secondly, what can the individual trader do to ensure he does not join the long line of bankruptcies — particularly in the event of a draw-out and concerted campaign?

These have become national questions. The first such boycott was launched in Port Elizabeth exactly one year ago today. And the rest of the Eastern Cape — East London as well as numerous small towns — followed soon after. The idea continued to spread. Pietermaritzburg, Durban, Pretoria, Cape Town and various towns and cities on the Witwatersrand and in the Vaal area, also felt the pinch.

Some boycotts hurt less than others — reflecting the uneven levels of community organisation in different towns. Generally (although there are notable exceptions), those in the Eastern Cape have been the most effective.

Most have, at this stage, been called off. But while Port Elizabeth and East London were given a brief respite, the boycotts were reimposed and remain in force to this day. The two cities have lived under siege for eight of the last 12

# There are ways to cope with consumer boycotts

months. A few small Eastern Cape towns are also currently affected, as are various Northern Transvaal towns.

The aim of the consumer boycott tactic is twofold: the political mobilisation of communities, and to back up demands for the resolution of civic and national political grievances. The rationale is that business has the latent ability (and, once squeezed hard enough, the will) to force both local and central government to make concessions.

In the view of some protagonists, business and government are, in fact, two sides of the same coin, and government will be forced to act to protect business interests.

Organised commerce has taken up the challenge basically in one of two ways reflecting, in many respects, the differing white attitudes toward the resolution of political conflict in SA as a whole.

Some employer groups recognised the legitimacy of most of the griev-

ALAN FINE

ances and set in motion a process of negotiation with boycott leaders. Although they felt national political grievances (like the presence of security forces in the townships and the release of political prisoners) were not within their areas of competence, they saw inherent value in the process of talking and acting as "middlemen" between black communities and the authorities.

Indeed, many local grievances were resolved. The East London Chamber of Commerce, for example, assisted in resolving grievances over matters like access to the city hall for black organisations, unsatisfactory bus schedules and harassment of street hawkers. But now, says director Jock Allison, since the remaining issues are political, there seems no point in continuing talks.

The Port Elizabeth chamber, however, is still committed to further developing the relationship it has established with local community leaders. Chamber director Tony Gilson has said the primary aim of these talks is to discuss — and make every effort to resolve — the social, political and economic grievances of the region's black inhabitants. He sees the boycott merely as a symptom of SA's political conflict.

In contrast, other businessmen have refused to consider talking to boycott leaders, deciding instead to sit it out. Their solutions were, at best, piecemeal and of temporary value. The Pretoria branch of the Atterkammer Sakekammer typifies this approach.

When a boycott was called last December, it adopted a hostile view. It resolved that, as a matter of principle, it should not negotiate with the organisers.

Johan Mulder, who was chairman of the Atterkammer Sakekammer at the time, gives two reasons for this approach. Firstly, he believes it wrong to negotiate "with a gun" at your head. "While we are prepared to talk to anyone, we were not prepared to start from a position of weakness," he says.

Secondly, he argues that the Pretoria boycott was enforced almost wholly through intimidation — it was not a phenomenon of voluntary mass action. Therefore, why talk to people without community support?

Instead, the sakekammer suggested black employees should be encouraged to make their Christmas purchases themselves and to take precautions against intimidation. It advised members to acquire from employees information about the boycott, and to camouflage packaging.

Although there is the widely-publicised exception of Port Alfred — where negotiations have led to a revolutionary improvement in black/white relationships — neither approach has been decisive in achieving the goal of ending the boycotts.

But Gilson refutes any suggestion that his efforts have been a total failure. He argues that while they have not succeeded in ending the boycott, they will prove decisive in the longer term. "The simple fact that we have recognised the existence of black community leaders, and are talking to them, means we are creating a healthy cli-

mate for future negotiation between black and white in the region," he says. Of course, this process has been severely hindered by the two states of emergency, with leaders being detained or going into hiding.

There is clearly no magical solution for businessmen facing concerted and long-term boycott action. Most major chain store groups have survived because they are able to carry the losses of affected branches. But many small businessmen have been put out of business.

Allison and Gilson concur that the key to survival in East London and Port Elizabeth, among traders who previously relied largely on black custom, has been the rethinking of marketing strategies. The survivors have shifted their focus toward white customers.

This could include, for example, moving from a mainly "black" part of town to an area frequented more by white shoppers and then, perhaps, catering for more expensive tastes.

It would seem that, through over-exposure, the boycott weapon is beginning to lose some of its bite in the Eastern Cape. But, as Gilson points out, this is cold comfort to those traders who have already gone to the wall.

THIS weekly feature, published every Tuesday, focuses on trends in management, training and industrial relations, with specific attention to the "how-to" and "how-does".

Management & Manpower will be looking at recruitment, personnel management, small business, marketing, advertising, merchandising and retailing — among other things.

Among the topics to be covered in future issues:

- Quality circles — do they work in SA?
- Why you should increase your advertising during a recession.
- Making PR work for you.
- The battle for the consumer's rand.
- Management profile — how top MDs do their jobs.
- Using the computer to stretch your managerial resources.
- Making it all worthwhile — incentive packages for senior executives.

Cape Times 15/7/86

# 'A black boss no different'

By AUDREY D'ANGELO

ALTHOUGH she believes she is the only white woman executive working for black employers in SA at present, Ornella Trinco expects this to be commonplace in years to come.

She pointed out, in an interview, that an increasing number of black people were opening their own businesses.

Existing black-owned businesses were expanding and needed skills in short supply in this country.

"Now that they can move into the central business districts it will be easier for black firms to employ white people.

"For a black firm to have only black employees would be to perpetuate apartheid."

Trinco, who was in Cape Town last week for the annual conference of the National African Federated Chambers of Commerce (Nafcoc), has been managing editor of the magazine African Business for six years and says working under a black MD is no different from working for a white one.

When she joined she was employed by a white publishing group who ran the magazine under a management contract.

Three years ago the contract expired and the black owners asked Trinco to stay on.

"There are only seven people in the company and we are a very close-linked team.

"Two of the others, the financial manager and the advertising manager, are white but there is absolutely no discrimination.

# Stores tighten their security

Business Day Reporter

LARGE retail stores have tightened their security in a bid to ensure the safety of customers and staff in view of recent bombings at centres throughout SA. Several Johannesburg stores have stepped up security measures with the introduction of spot parcel, handbag and briefcase checks.

Woolworths operations department manager Greg Noble said staff were completely security conscious. He said Woolworths staff went on regular training sessions and knew what to look out for.

A Checkers spokesman said the group employed a reputable outside security firm to man the store's doors. He added that a big problem was public apathy and that people should be more aware of the "danger of shopping in these troubled times".

Security firms have reported an increase in inquiries for their services. The spokesman of one security firm said: "Security used to be regarded as an expense. Now people regard it as a saving of company expenses and human life."

A police spokesman confirmed that regular meetings were being held between the police and store managers to discuss security.

Police had advised store managers on a "plan of action" in the event of a bomb blast or another emergency situation.

Police put out a statement on July 8, calling on Cape Town housewives to leave their children at home when going shopping — to avoid unnecessary risk to children.

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## FORCE OF FREE ENTERPRISE

# More CBDs to open to all this week?

## Dispatch Correspondent

CAPE TOWN — More central business districts are expected to be opened to all race groups at the end of this week.

However, there is no indication yet as to which of the 80 applications from city and town councils around the country will be processed by then.

Up to now 14 CBDs have been opened to businessmen of all races and it is expected that about a dozen more will be opened at the end of the week. More are expected to be processed in the next few weeks.

Already open are Durban, Johannesburg, Cape Town, Howick, Delmas, Potchefstroom, Witbank, Volksrust, Colenso, Port Shepstone, King William's Town, Ottery (Cape) and Nelspruit.

Pretoria is understood to be one of the few major centres which have not applied to open their CBD.

The government appears to be speeding up the opening of the CBDs amid much speculation that further cracks are about to appear in the Group Areas Act.

It has been suggested that city and town councils will soon be able to apply for the opening of certain residential areas in much the same way as they have applied for the opening of CBDs.

The President's Council, which has been investigating the Group Areas Act, is expected to report to the government within a few weeks.



## Local business gloomy at factory closure

DURBAN — A cloud hangs over business at Richards Bay and Empangeni after the announcement that the Triomf factory will close.

Yesterday firms of liquidators were seeking support from Triomf creditors before the appointment of a provisional liquidator by the Supreme Court.

Several sectors of the regional economy in this Zululand area will be affected when the large exporting factory closes — mainly engineering suppliers, fabricators and erectors.

One of five main industries in the area, Triomf employs 1100 people, owns about 100 houses for white staff, and provides a vast amount of business for hundreds of small supply and engineering service companies.

A manager of one supply firm said his main concern was the effect on property prices and

rent levels if the company sold off its staff houses.

When Triomf laid off staff last year, rents were under pressure as more homes came onto the market — already over-supplied.

Then the company took on staff again, and the position reversed.

The town clerk of Richards Bay, Mr Theo Tolmay, said he still had a "slight hope" the Triomf plant would continue to operate. — Sapa

## Small business benefit from sales tax bill

D 16/2/86  
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JOHANNESBURG — A provision of the 1986 Sales Tax Amendment Bill will raise the turnover exemption for small businesses to R50 000 annually from R10 000.

Businesses with annual turnover of less than R50 000 now will be unable to register as a vendor, and will pay the GST directly on all purchases. These businesses, however, will not charge the tax to its customers.

Ernst & Whinney partner Roger Bramwell

said the change, meant to ease the administrative burden for Inland Revenue, would affect small businesses operating out of individuals' homes.

"A lot of these businesses probably have not been registered anyway," Bramwell said.

The amendment bill also gives the Finance Minister new authority to override existing provisions of the Sales Tax Bill to deny vendor exemptions in counteracting abuses found in collecting the GST.

The provision extends the trend toward increasing ministerial discretion found in the 1986 Income Tax Bill. "This is just another area where Government is going outside Parliament," Bramwell said.

Another provision of the amendment limits to five years the period for which the Commissioner of Inland Revenue can issue demands for delinquent sales tax and penalties.

Previously, the commissioner could collect tax revenue from as far back as

July 3, 1978 -- the date the GST was introduced.—DDC

16/7/86 SUSAN VAN ZYL

# Anglovaal to sponsor Nafcoc's industrial award

A NATIONAL industrial award, sponsored by the Anglovaal group, is to be presented annually by the National African Chamber of Commerce (Nafcoc).

Nafcoc will present the award to its branch which has done the most to promote the development of black industrial business.

This is the first industrial award since industrial companies were included in Nafcoc for the first time nearly two years ago.

So far the organisation has only had awards for companies involved

SUSAN VAN ZYL

The idea for the award was originated by the director of the Anglovaal Group Business Development Trust, Hennie Bornman.

The floating trophy — known as the Anglovaal/Nafcoc trophy — was

handed to the chairman of Nafcoc, Sam Moitsuanyane, by the chairman of the Anglovaal Group Business Development Trust, Wells Ntuli.

An independent committee has been established to judge the regions and branches. In addition to the trophy, the win-

ning region will receive R500 and the branch that emerges as overall winner will receive R1 000.

The trophy itself has a base of indigenous Boekenhout wood which symbolises growth from within S.A.

On this base are two silver coggs. The larger of the two representing the bigger, more formal industrial sector, while the small cog represents the informal or small industrial sector.

The linkage between these two coggs symbolises the inter-action between the two sectors.

## Riko story 'not twisted'

Paradise? Award denied

# Wholesale-trade sales still sliding

WEDNESDAY  
16/7/85  
30  
Economics Reporters

WHOLESALE-TRADE sales are still sliding with little hope of a significant turnabout soon, according to economists.

They were commenting on the latest figures issued by Central Statistical Services in Pretoria yesterday which show wholesale-trade sales fell in real terms by 10,7% in the first six months of this year, compared with the same period last year.

In the second quarter of the year, value of sales at constant 1980 prices was R7,3bn, compared with R8,02bn for the second quarter last year — a decline of 9%.

At current prices the increase for the period was 4,3%.

Volkas chief economist At Engelbrecht said it was obvious that retailers had cut back sharply on stocks. "Inventories have fallen to a record low level. We believe, however, they have hit the bottom and can only stabilise or improve."

Even if final demand is sluggish

in taking off, a mere stabilisation of inventory levels will mean a pick-up for not only the wholesale trade, but the manufacturing sector as well.

However, consumer demand as measured by retail-trade sales for the three months to the end of July decreased in real terms by 6,3% at constant 1980 prices, indicating further pressure on the retail sector and a softening of demand for retail inventories, which could in due course impact negatively on wholesale sales volumes.

Sales fell from R4,035bn to R3,781bn. At current prices sales increased by 8,3% from R7,401bn for the three months in 1985 to R8,017bn.

Expected real retail sales for July this year showed a decrease of 7,3%, compared with July last year, and a seasonally adjusted decrease of 2,2% compared with June.

# Have the wheels come off retailing high-flyer Pick 'n Pay?

From PETER FARLEY

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**JOHANNESBURG.** — Have the wheels come off retailing high-flyer Pick 'n Pay? One would hardly think so, but a savage re-rating by investors on the JSE has seen the company's share price fall by more than 35 percent in the past three months.

Hardly the sort of performance one would expect for a company that is used to being rated alongside the market's bluest chips.

The chairman, Mr. Raymond Ackerman, says, however, he sees enormous growth for Pick 'n Pay over the next five years and has never been concerned about ratings accorded the company in the stock market. "I just concentrate on running the company."

Recently published results for the year to end-February showed that earnings had increased by only six percent. But, of more concern, was the deterioration in the company's five-year compound growth record.

This has now slipped to a paltry — by Pick 'n Pay's standards, at least — 12 percent from a peak of more than 40 percent in 1977. Many analysts now feel that the best

days are behind the retail chain.

Nevertheless, Mr Ackerman says that with three new hypermarkets and five super-stores opening this year the potential for growth is still extremely good. But he admits that this year will continue to be as difficult as the past 12 months and does not see any spectacular resurgence in earnings until the economy improves.

In recent months, however, a number of negative factors have emerged, including the seeming halt to growth prospects in Australia and the growing vulnerability of the company to strike action.

Although not as exposed to consumer boycotts as some of its retailing competitors, with its consumer profile firmly entrenched in the A-B income groups, the recent strike showed how susceptible Pick 'n Pay can be to a union dispute.

But Mr Ackerman points out that because management stood up to the union it showed that it was not prepared to be a soft target. He said that as the chain was not singled out for strike action during the recent demon-

strations against the detention of union leaders, it proves his point.

On Australia, he says that the potential has not died and that the first store should be contributing to profits by the middle of next year. This would be six months ahead of schedule.

While the second planned store in Melbourne has been cancelled because of union pressure, plans are now under way for another follow-up store elsewhere in the country. He is going there next month to finalise planning details.

But the stock market still seems pretty disenchanted with Pick 'n Pay's immediate prospects. After reaching an all-time high of 5100c at the end of March, the price has slumped back to 3300c, with a large parcel of stock for sale still overhanging the market even at that level.

During the same period the industrial index has shown little movement, after recovering from a slight dip, while the retail and wholesale index has slipped only 17 percent. This would have shown an increase had not Pick 'n Pay counted for more than a third of

the weighting in this sectoral index.

Nevertheless, Mr Ackerman says that the current price still offers a PE ratio of 18:1 and is in line with the ratings accorded mature retail chains in both Britain and the United States.

Stock market analysts, who have recommended selling the shares down to this level, also now believe that the fall may have been overdone. As one pointed out: "Pick 'n Pay has one of the best management structures in the country and easily the best in the retail sector. There is little doubt that earnings will eventually bounce back."

Analysts' expectations for Pick 'n Pay this year range from a static earnings position to growth of between 12 and 15 percent. Mr Ackerman will not be drawn on specific forecasts, but remains extremely positive about the long-term.

In the end, however, Pick 'n Pay must remain a strong hedge against inflation and the share price will undoubtedly recover some of the lost ground during the second half of the year.

# Supermarkets freeze prices

By Jackie Unwin

Three major supermarkets say they are freezing their house brand product prices until next year. A fourth is considering doing the same.

This could also put pressure on the manufacturers of branded products not to increase their prices drastically, retailers believe.

First off the mark in the highly competitive retail trade was the OK which announced yesterday a price freeze on 121 house brand products until January 16.

It claims that by the end of the year its products will be at least 18 percent lower than the national brands.

Asked by *The Star* for reac-

tion, Mr Richard Cohen, director of Pick 'n Pay, said: "We are planning a price freeze until next year right across the board on our no-name brands."

"There will be a total freeze in hypers and supermarkets," Checkers says it is also freezing its prices on all its house brands until the end of the year.

Mr John Williams, group merchandise director said: "But I must reserve the right on Government controlled products — if they go up, we will hold prices for as long as we can but will have no option but to put them up in the long term."

He said Checkers had been considering this move "for some time" but the decision had been "accelerated" because of the op-

position strategy. OK Bazaars claims it will fix its prices on a wide range of products.

Mr Gordon Hood, managing director of the chain, said: "Apart from holding the price of goods such as canned fruit, jams, meat and vegetables, tomato sauce, rice and tea bags, pasta, oil and frozen fish, we will, on an ongoing basis, be offering certain products at prices lower than those fixed today."

"We are acutely aware that inflation and unemployment has had a devastating effect on our traditional customers."

"Last year they were battered by a series of price increases and it seems inevitable that the pattern will be repeated."

Trading 17/07/80

## areas probe

30 Pietermaritzburg Bureau

THE investigations committee of the Group Areas Board will investigate the possibility of establishing free trading areas at two Natal towns later this month.

A reliable source said the three-man board would investigate the possibility of creating free trading areas at Eshowe and Pinetown on July 28 and 29.

The Regional Representative of the Department of Constitutional Development was unavailable for comment yesterday.

## 3 retail chains freeze prices

DD  
17/7/86  
30

CAPE TOWN — Three of the country's major retail chains have decided to freeze prices of almost all their in-house products until at least the end of the year — and a fourth is considering a similar move.

Yesterday Pick 'n Pay, OK Bazaars and Checkers all announced the freeze — in an effort to protect hard-hit consumers from the effects of spiralling food prices — and Spar said it was looking into the matter.

Mr Raymond Murray, Pick 'n Pay general manager in charge of peri-

shables, said with immediate effect prices of the chain's no name brands would be frozen.

Mr Gordon Hood, managing director of the OK, announced a similar price freeze on 121 Pot O'Gold products until January 16, 1987.

"We are acutely aware that inflation and unemployment has had a devastating effect on our customers," he said.

Mr Brian Sacks, of Checkers, said Checkers would hold the prices of its yellow brand items till the end of the year.

— DDC



1/27/86 (30)

FCN MAN

# JUNE VEHICLE SALES

## CARS

	1985 Jan-Jun	% of Market	1986 Jan-Jun	% of Market	1986 Jun	% of Market
<b>Samcor MMI &amp; Ford</b>	<b>20 137</b>	<b>20,41</b>	<b>17 495</b>	<b>20,45</b>	<b>4 009</b>	<b>25,42</b>
Mazda 323	3 912	3,97	4 550	5,32	952	6,04
Mazda 626	3 495	3,54	2 935	3,43	722	4,58
Peugeot (All makes)	1 264	1,28	337	0,39	—	—
Tredia	1 397	1,42	882	1,03	—	—
Escort	4 082	4,14	3 200	3,74	88	0,56
Laser/Meteor	—	—	1 124	1,31	1 124	7,13
Granada	402	0,41	210	0,25	35	0,22
Sierra	5 549	5,62	4 257	4,98	1 088	6,90
<b>Toyota</b>	<b>23 431</b>	<b>23,75</b>	<b>22 946</b>	<b>26,82</b>	<b>3 867</b>	<b>24,52</b>
Corolla	15 676	15,89	15 161	17,72	2 666	16,91
Cressida	7 659	7,76	7 710	9,01	1 200	7,61
Other	96	0,10	75	0,09	1	0,01
<b>VW</b>	<b>14 177</b>	<b>14,37</b>	<b>14 797</b>	<b>17,30</b>	<b>2 575</b>	<b>16,33</b>
Golf/Jetta	10 191	10,33	12 669	14,81	2 218	14,07
Passat	2 894	2,93	1 345	1,57	235	1,49
Audi	1 092	1,11	783	0,92	122	0,77
<b>Mercedes-Benz</b>	<b>10 659</b>	<b>10,80</b>	<b>8 302</b>	<b>9,71</b>	<b>1 323</b>	<b>8,39</b>
Honda	5 534	5,61	4 181	4,89	672	4,26
Mercedes-Benz	4 997	5,07	4 107	4,80	650	4,12
Other	128	0,13	14	0,02	1	0,01
<b>GM</b>	<b>8 641</b>	<b>8,76</b>	<b>6 106</b>	<b>7,14</b>	<b>1 289</b>	<b>8,17</b>
Opel Rekord/ Commodore/Senator	2 792	2,83	1 920	2,24	455	2,89
Opel Ascona	1 440	1,46	256	0,30	27	0,17
Opel Kadett	4 408	4,47	3 930	4,59	807	5,12
Other	1	0,00	—	—	—	—
<b>Nissan</b>	<b>7 041</b>	<b>7,14</b>	<b>6 934</b>	<b>8,11</b>	<b>1 227</b>	<b>7,78</b>
Skyline	1 917	1,94	2 257	2,64	374	2,37
Langley/Pulsar	4 815	4,88	4 266	4,99	825	5,23
Laurel	259	0,26	387	0,45	28	0,18
280 ZX	5	0,01	11	0,01	—	—
Other	44	0,05	13	0,02	—	—
<b>BMW</b>	<b>6 287</b>	<b>6,37</b>	<b>6 534</b>	<b>7,64</b>	<b>1 211</b>	<b>7,68</b>
5 Series	955	0,97	956	1,12	219	1,39
7 Series	609	0,62	424	0,50	64	0,41
3 Series	4 708	4,77	5 137	6,01	927	5,88
Other	15	0,02	17	0,02	1	0,00
<b>Renault</b>	<b>4 911</b>	<b>4,98</b>	<b>2 387</b>	<b>2,79</b>	<b>261</b>	<b>1,66</b>
Renault 5	688	0,70	1	0,00	—	—
Renault 9/11	4 190	4,25	2 370	2,77	261	1,66
Other	33	0,03	16	0,02	—	—
<b>Other</b>	<b>90</b>	<b>0,09</b>	<b>42</b>	<b>0,05</b>	<b>7</b>	<b>0,04</b>
Jaguar	52	0,05	13	0,02	3	0,02
Range Rover	13	0,01	8	0,01	1	0,01
Mini	1	0,00	2	0,00	—	—
Lancia	20	0,02	19	0,02	3	0,02
<b>Jun total</b>	<b>15 769</b>	<b>(1,92% up on 15 472* last year)</b>				
<b>Jan-Jun total</b>	<b>85 543</b>	<b>(13,29% down on 98 659* last year)</b>				
<b>May total</b>	<b>13 754</b>					

## LIGHT COMMERCIALS (Up to 5 000 kg)

	1985 Jan-Jun	% of Market	1986 Jan-Jun	% of Market	1986 Jun	% of Market
<b>Toyota</b>	<b>16 203</b>	<b>40,20</b>	<b>14 539</b>	<b>39,54</b>	<b>2 484</b>	<b>36,11</b>
Nissan	7 704	19,11	8 204	22,31	1 542	22,41
<b>Samcor MMI &amp; Ford</b>	<b>7 022</b>	<b>17,42</b>	<b>7 139</b>	<b>19,42</b>	<b>1 362</b>	<b>19,80</b>
GM	5 976	14,83	4 040	10,99	977	14,20
VW	2 572	6,38	2 704	7,35	483	7,02
Leyland	330	0,82	138	0,38	32	0,47
Mercedes-Benz	56	0,14	6	0,02	—	—
<b>Jun total</b>	<b>6 880</b>	<b>(2,63% up on 6 704* last year)</b>				
<b>Jan-Jun total</b>	<b>36 770</b>	<b>(8,77% down on 40 306* last year)</b>				
<b>May total</b>	<b>6 388</b>					

## MEDIUM COMMERCIALS (5 001 kg to 7 500 kg)

	1985 Jan-Jun	% of Market	1986 Jan-Jun	% of Market	1986 Jun	% of Market
<b>Samcor MMI &amp; Ford</b>	<b>954</b>	<b>37,71</b>	<b>763</b>	<b>32,50</b>	<b>143</b>	<b>36,57</b>
Toyota	525	20,75	702	29,90	110	28,13
GM	414	16,36	375	15,97	69	17,65
Nissan	364	14,39	316	13,46	48	12,28
Mercedes-Benz	272	10,75	192	8,18	21	5,37
<b>Jun total</b>	<b>391</b>	<b>(13,11% down on 450* last year)</b>				
<b>Jan-Jun total</b>	<b>2 348</b>	<b>(7,19% down on 2 530* last year)</b>				
<b>May total</b>	<b>336</b>					

## HEAVY COMMERCIALS (7 501 kg and over)

	1985 Jan-Jun	% of Market	1986 Jan-Jun	% of Market	1986 Jun	% of Market
<b>Mercedes-Benz</b>	<b>1 655</b>	<b>31,99</b>	<b>1 214</b>	<b>34,93</b>	<b>192</b>	<b>32,27</b>
Magnis/Nissan	588	11,37	437	12,57	119	20,00
Toyota	624	12,06	551	15,85	100	16,81
<b>Samcor MMI &amp; Ford</b>	<b>490</b>	<b>9,47</b>	<b>259</b>	<b>7,45</b>	<b>43</b>	<b>7,23</b>
GM	383	7,40	221	6,36	40	6,72
MAN	586	11,33	338	9,72	34	5,71
Leyland	345	6,67	259	7,45	32	5,38
ERF	172	3,32	94	2,70	17	2,86
Malcomess-Scania	77	1,49	83	2,39	16	2,69
Foden	24	0,46	9	0,26	1	0,17
Hestair	25	0,48	6	0,17	1	0,17
Int Harvester	116	2,24	5	0,14	—	—
<b>Jun total</b>	<b>595</b>	<b>(25,25% down on 796* last year)</b>				
<b>Jan-Jun total</b>	<b>3 476</b>	<b>(32,82% down on 5 174* last year)</b>				
<b>May total</b>	<b>526</b>					

\* — Includes models withdrawn from the SA market

# Pick 'n Pay puts freeze on hirings

A HEAVILY over-staffed Pick 'n Pay has frozen hirings and slashed by 50% plans to open new supermarkets and hypermarkets for the next few years.

Future growth would focus on the black market because the chain had reached saturation in the up-market segment, director Peter Dove said yesterday.

The freeze on employment came in the wake of realisation that the chain was over-staffed by 20% — or 4 000 employees — Dove told a trade marketing conference in Bryanston.

We are seriously over-staffed and

BEULAH BROWN

over-managed. Over the next few years we will utilise existing staff to man new stores in order to reach the best employment utilisation figure.

"After opening stores at an alarming rate in the past, several have become too labour-intensive."

Dove said deteriorating industrial relations were causing concern within the company.

"We now find that management has to spend three days of the week on labour disputes with unions."

Pick 'n Pay faced an estimated extra

R16m on its annual wage bill after the seven-day strike in May led to a 20% wage hike.

Major changes were planned in the location of new stores.

"In terms of turnover, the sophisticated market has already reached saturation. Future development lies within the black market.

"We have become too fancy as an up-market company and we will cut it out."

The survival of both manufacturers and retailers depended on recognition of the importance of the under-developed market, he said.

18/7/86 FIN MAIL

# THE PRESIDENT AND THE FCI

~~Botha~~ 30

Despite attempts at government-business *toenadering* at the Carlton and Good Hope conferences a few years ago, their views and interests in the political sphere have understandably often diverged.

A most graphic illustration of this comes in a remarkable letter (a copy of which was sent anonymously to the *FM*) from the State President to the Federated Chamber of Industries (FCI) last month.

In it, President P W Botha gives the chamber a strong dressing-down as a result of an FCI press statement on June 12. The FCI had said, among other things, that it "strongly disapproves of the declaration of the State of Emergency and the further detention of trade union and community leaders." It "dissociate(d) itself from the strategy of political repression and economic isolationism to which the SA government is apparently committed."

Botha fired off a reply from Tuynhuis to FCI president John Wilson the next day. It reads:

"There is no reason for the government to recommit itself and the country to the politics of conciliation and negotiations as you have requested.

"If you have taken the trouble of studying my address in Parliament and message to the South African nation yesterday (the day the emergency came into effect), you would have known that I have reiterated the government's commitment

to reform.

"Kindly do not trouble me with your points of view if you are not prepared to take the trouble of familiarising yourself with mine.

"Your assessment of the government's position is quite ridiculous.

"Unless you too come to grips with the realities of the security situation in this country and act accordingly, you are bound to pay a heavy price. This is not a threat — it is a considered warning.

"Instead of criticising the government in the most irresponsible fashion you should be helping it. That is your duty as a South African.

"I assure you that I have a very clear picture of the dangers with which we have to contend. I have a moral and statutory duty to combat these dangers with all the powers at the disposal of the State.

"Take my word for it that I know that I am doing what is in the interest of my country and its citizens — including members of the FCI.

"I enclose a copy of my address to the nation of 12 June. You will be well advised to recommend to your members to heed the words that I have spoken with particularly the business community in mind." (Signed P W Botha, State President.)

Wilson (who asked the *FM* not to publish this private correspondence) replied in somewhat more statesmanlike tones,

pointing out that FCI decisions "are not lightly taken and that any press statements that we make are considered against the background of what is best for the socio-economic and political future of SA."

He also noted the FCI's concerted attempts at countering the disinvestment campaign and general vilification of SA. Wilson also said in his reply that FCI members fully recognised the President's duty to safeguard the State and its people, and appreciated the magnitude of this task. "We merely differ as to the methods employed.

"As you know," Wilson's letter continues, "the FCI believes that a negotiated solution for our country's problems is vital if a viable economy is to be sustained. In fact, I would suggest this is more than an FCI view. It is an aim towards which every individual in the private sector who recognises a duty towards his country strives.

"It is our very real fear that the polarisation which must follow the declaration of the State of Emergency and the detention of black leaders will significantly retard, if not kill, the negotiating process." The letter ends by commending Botha's leadership in the reform process and his commitment to universally accepted democratic principles, and says the FCI would be pleased to meet the president if he wished.

P-E consults on various aspects to about 4 000 companies in SA. Consulting assignments are predominantly in the senior- or middle-management areas, although supervisory and foreman levels now also receive attention.

Because of ethical problems involved with advertising, P-E will continue as an autonomous unit. While P-E has a staff of about 80 people, PW currently employs about 20 in its management consulting division.

"We concentrate on financial and data processing consulting — areas that will be complementary to P-E's services," says Patterson.

Contrary to some beliefs, the takeover was not one of necessity, says Westcott. "Although we experienced a business slowdown in 1984-1985 when we closed down our computer consulting division, we have experienced a real average growth rate of 15% a year since 1980," he adds.

P-E's client base has also changed with the difficult economy. "The manufacturing sector was hard hit, so we have grown into the quasi-government, financial institution, retail and service sectors," he says. ■

*FIN MAIL 18/7/86*

## DEPARTMENT STORES

### Changing face

The department store image of catering for rich old ladies with tinted hair is gradually fading away. Well-known stores such as Stuttafords, Garlicks, John Orr and Gretermans are undergoing major changes to stay alive in the aggressive retail market.

The Seventies saw the rapid rise of chain stores like Dion. Department stores countrywide had to change their image and

launched promotional discount drives while some even tried to compete head on with the chains for mass market. In the process they began losing direction and sales.

During this period attractive shopping centres also sprang up in the suburbs and customers no longer needed to shop downtown. Department stores bore the brunt of this competitive squeeze four years ago — John Orr were forced to close eight branches, including their city centre store, while Stuttafords moved from the Johannesburg CBD to Sandton.

"Our stores were no longer viable, they were in bad locations and the emergence of chain stores forced rationalisation moves," says John Orr chairman Nick Labuschagne. With four stores left, Labuschagne still sees a place in the market for the department store.

Other managers agree. "Department stores will have to get a specific direction which had been lacking in the past. Despite our higher priced merchandise, customers still like top-quality goods, helpful service and shopping under one roof in an amiable situation," says Garlicks Rosebank MD Charles Dagnall.

Department stores can continue catering solely for the top end of the market because of their location in affluent suburbs or shopping centres. After the scare of four years ago, managers decided to continue servicing the older generation, but with a constant emphasis on fashion and attractive layout to encourage the younger generation as well.

"A change of image became the key phrase," says Gretermans MD Kevin Smith. "Emphasis is on adaptation and innovation to move with the times. For instance, instead of rows of shelves displaying goods, these are now attractively spread out.



### Department stores ... a new image

"Historically, department stores haven't moved with the times. Many thought that keeping their faithful customers meant keeping the same image," he adds.

Since Gretermans started introducing more contemporary merchandise and design, their sales increased dramatically. In the six months to December 1985 group sales turnover jumped 68%.

In April 1985, Gretermans — part of the Kirsh group — took over Stuttafords Sandton City. The deal was funded out of company profits. The Stuttafords branch accordingly showed a profit of R420 000 in 1985, compared with 1984's loss of R200 000.

With the emphasis on fashion, the customer base at department stores is also getting younger. For example, market research conducted by Gretermans has shown that, five years ago, 60% of their customers were over 60. But two years ago more than half their customers were under 50.

"Obviously our long-standing customers are important and we do not want to lose them at any cost. But our average female customer now is the 35-year-old woman and cosmetics — because of the exclusive range — are best sellers in our stores," says Dagnall. ■

# Joshua Doore back to its roots in search of pride

By Kerry Clarke

**FURNITURE** whizz David Sussman has taken the ailing Joshua Doore hypermarket chain into his care, and is administering strong medicine to hasten the convalescence.

The chain has been put together with his successful Price 'n Pride stores, and subject to shareholder approval, the two will be listed through the Consure cash shell which will change its name to Joshua Doore (JD). The listing on the Johannesburg Stock Exchange furniture sector will begin on August 18.

Predictions are that the new group will turn in earnings of 5,4c a share in the year to June 1987, dividends covered at least three times by earnings. The group is expected to increase turnover from R94,9-million in the year just ended to R110-million in the 12 months to June 1987.

## Expansion cost

The JSE furniture sector does not offer much guidance as to possible PE or yield of the new listing as so many companies in it are losing money. But analysts' expectations, taking into account the current price of Consure and the offer being made



David Sussman ... JD born again

to minority shareholders by New Bernica which acquired 79,9% of Consure's issued share capital, set a listing price of at least 70c.

New Bernica has offered minority shareholders 35,6c a share as well as 33,5c in capital reduction.

After the issue of new shares to acquire the JD and Price 'n Pride businesses, ownership of the enlarged Consure will be divided among Kirsh Trading Group (68,9%), management (13,5%), New Bernica (9%) and Lifegro (2,5%).

Founded in 1973, JD expanded from six to 19 stores in five years — at the price of profits. Profits fell from R4-million in 1983 to R1-million in the year to June 1985. Until March 1986 it was only breaking even.

## Model

Mr Sussman founded Price 'n Pride in 1983 after he left his post of assistant general manager at JD. It achieved profits of R66 000 before tax on sales of R2-million in the 11 months to June 1984, and R508 000 on turnover of R6-million in 1985.

Price 'n Pride made pre-tax profits for the year to April 1986 of more than R700 000.

By returning JD to its historic trading performance, Mr Sussman believes the group can look at taxed profit growth of about 25% a year in the five years to 1991.

He says his Price 'n Pride group was modelled on the way JD used to be run, and his intention is to return it to its original form.

He has gone to work by cutting overheads, which had grown unacceptably large, a management team that lacked good communication at store level adding to that cost.

Mr Sussman has visited all the group's stores, with only two exceptions, at least four times since April.

Attention is being paid to stock turn. JD turned stock nine to 10 times a year in its early days. But it has dropped to about four times a year. Price 'n Pride maintains a 14 times stock turn, but Mr Sussman's aim for JD is about seven times. He hopes to achieve it within the next year.

Interest-bearing debt has been eliminated from the group as JD's interest-bearing loan account from KTG has been capitalised. Expansion will be determined by cash flow. Expectations are that JD will have money in the bank by June 1987.

## Fixed costs

Price 'n Pride has four shops and will open others at Pietersburg next week and Rustenburg a month later.

The intention is to open Price 'n Pride stores close to JD outlets, using JD management, credit control and warehousing structure to enable Price 'n Pride to develop into a national chain without increasing fixed costs inordinately.

Mr Sussman says management has compelling reasons to ensure the group is placed on a sound footing because management/New Bernica/Lifegro consortium has an option until the end of March 1989 to acquire sufficient shares from KTG to raise its stake in the group from 25% to 50,1%.

BUSINESS

COMPANIES

*Handwritten: 21/7/86 30*

# Joshua Doore aims at R3,7-m profit

A NEW management team expects to swing the Joshua Doore furniture chain of 19 stores from a marginal operation to a profit-earner of R3,7 million (5,4c a share) in the year ending June 1987.

The company also aims to grow at an average of 25 percent a year in the five years through to 1991, according to documents sent to shareholders of Consure today.

Details are given of Consure's acquisition of both the Joshua Doore and Price n Pride furniture chains.

Consure is to change its name to Joshua Doore and be listed in the furniture sector of the JSE as from Monday Au-

gust 18 under the abbreviation Joshua.

Mr David Sussman, who founded Price n Pride in July 1983 and became managing director of the enlarged Joshua Doore in April this year, said particular importance is being paid to eliminating the high level of borrowings which Joshua Doore incurred in developing from six stores to 19 in the five years to 1985.

The circular shows how a rush for growth strained Joshua Doore, which was founded in 1973. Turnover moved up from R34 million in the year to June 1981 to a peak of R86 million in 1984, but declined to R74,6 million in 1985.

Profits peaked a year earlier, in 1983, at R4 million then fell to R1 million in the year ended June 1985.

"We are confident that profits after tax will rise by an average of 25 percent a year compound over the five years from 1987 to 1991," says Mr Sussman.

After the issue of new shares to acquire the Joshua Doore and Price n Pride businesses, the ownership of the enlarged Consure will be: Kirsh trading group, via its wholly-owned Rusfurn subsidiary, 68,9 percent; management 13,5 percent; New Bernic 9 percent; Lifegro, 2,5 percent.

Tom Hood

# Good news from Joshua Doore . . .

21/7/86  
30  
MICK COLLINS

A VIBRANT management team will swing Joshua Doore from a marginal position to a healthy profit of R3,7m after tax in the year ending June 1987.

This came out in documents posted to shareholders of Consure at the weekend in connection with the acquisition of both the Joshua Doore and Price 'n Pride furniture chains.

Subject to shareholder approval, Consure will change its name to Joshua Doore and be listed under the furniture sector of the Johannesburg Stock Exchange as from August 18.

MD David Sussman told *Business Day* that particular importance was paid to eliminating the high level of borrowings which Joshua Doore incurred in developing from six to 19 stores in the five years to 1985.

"We were determined that Price 'n Pride would never get into debt, and so sold a block of Price 'n Pride shares to the New Bernica investment company to finance expansion rather than borrow money.

"The same debt-free policy is being applied to the enlarged Joshua Doore. We expect the merged company to be in a positive cash flow as from December 1986 and to have money in the bank by June 1987."

The circular shows how a rush for growth strained Joshua Doore. Turnover moved up from R34,1m in the year to June 1981 to a peak of R86,2m in 1984, but fell to R74,6m in 1985.

Profits peaked a year earlier, in 1983, at R4m then fell to R1m in the year ended June 1985.

'Only with black co-operation'

Bus DAY

# Pick 'n Pay is <sup>21/7/80</sup> 30 poised to go into the black market

DIANNA GAMES

ALTHOUGH plans were under way for moves into the black market, Pick 'n Pay would only do that in collaboration with blacks, Pick 'n Pay chairman Raymond Ackerman said.

And Ackerman said that while there was a great need for supermarkets in black areas, Pick 'n Pay did not want to be the vehicle to push black entrepreneurs out of business.

Citing the examples of the Mitchell's Plain supermarket in Cape Town where the coloureds in the area hold 51% of the equity, and Bisho in the Ciskei where the government invited Pick 'n Pay to take part, he said future expansion would be along those lines.

It was hoped the formula could be used in other black areas, and that a new supermarket in Mmabatho, Boputhatswana, was on the cards for next year, at the invitation of the people there.

Ackerman said Pick 'n Pay was considering another way into the black market which, although well under way, could not yet be revealed.

He said its policy had never been to play out the matter in terms of black and white consumers but to construct "suburban stores" with large parking areas to serve a car-owning population of any race.

In Durban and Cape Town, the stores had attracted a massive coloured and Indian clientele.

Ackerman said Pick 'n Pay was now

the country's biggest retailer, outstripping OK Bazaars in total turnover.

Last year's turnover was R2,25bn and this year it should be about R2,5bn.

Turnover was not as high as it could be, but was still 10%-11% up on last year, and business for the year so far was "much better than I could have predicted a few months ago".

That was despite the hard knock Pick 'n Pay had taken with the strike earlier this year.

Ackerman said Pick 'n Pay had decided to cut down on its expansion to prevent the risk of over-trading the market, but that did not mean the chain, which has 80 supermarkets and 12 hypermarkets countrywide, was in trouble.

He said: "Instead of eight new stores a year, we are now opening four because the country is over-stored in the white areas. And we will not be employing additional staff for these stores, but moving some of our existing staff into our new stores."

But he stressed no people would be retrenched.

Ackerman said: "If we are going to have to pay higher wages in response to more union demands — there is only one way to do it and that is to open more stores with existing people."

"We have to be more efficient in order to ensure our survival."



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business

# Call to cut red tape stifling small firms

**Business Editor**  
**INFLUENTIAL** insurance company Sanlam today put its weight behind calls to cut red tape stifling small businesses.

Calls for cuts in personal taxation and action to reduce the inflation rate were also contained in the organisation's latest economic report, which gave an "unofficial" estimate that 2 million — 18% — of South Africans were unemployed or underemployed.

Summing up current prospects, the insurance company said: "In view of the proportions unemployment in South Africa is now assuming and the serious socio-political consequences this has for the country, there is an urgent need for a much faster growth rate than that of the past five years."

But, cautioned the report, this was unlikely in 1986 when only "marginal" growth was expected, although this would probably accelerate next year.

Giving what it called a "profile of impoverishment", the report said that taking into account inflation and an increase in the population of about 2,5% a year, real personal disposable income had dropped by almost 1% a year over the past six years — "and that is without GST, which has increased by 36% per annum in this time".

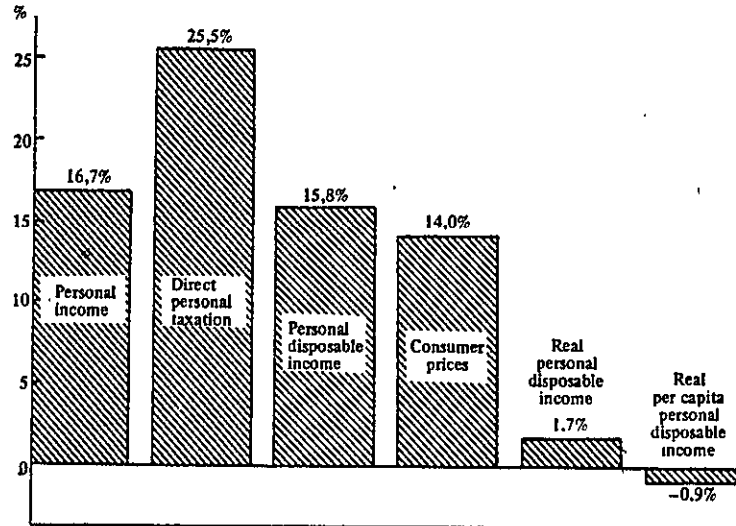
But the report said increasing salaries and wages was not the solution to the problem, as such increases without a corresponding increase in productivity could raise inflation.

"We believe it to be essential that the tax burden of individuals be reduced and the inflation rate lowered drastically.

"Consumers' willing-

ness to spend depends largely on their sentiment — that is their confidence in the future economic and political situation.

It urged that the Government speed up the process of repealing laws hampering the growth of small business by accepting the recommendations made by the President's Council Committee on deregulation.



**South Africa's "profile of impoverishment"** ... a graph prepared by Sanlam using figures from Central Statistical Services and the Reserve Bank illustrates how, from 1980 to 1985, real personal income per capita has dropped by almost 1% a year, excluding the effects of general sales tax.

BUS. DAY 2/27/86

~~2/27/86~~

30

# The personal touch pays off for Checkers' MD Weil

RUMOUR has it that Clive Weil, who has one of the best-known faces in SA as a result of his amiable hard-sell on behalf of Checkers Stores in TV ads, has become a heart-throb of the Southern Suburbs.

If so, it's a remarkable tribute to the success of the personal-touch advertising, which Checkers has initiated in emulation of Chrysler's Lee Iacocca and Remington's Victor Kiam in the US. Weil is the first South African MD to go on the box.

But the advertising campaign is only a part, albeit an important one, of the overall strategy which Weil has set in motion since he became MD of the supermarket chain a short 14-months ago.

That strategy identified seven priorities: become single-minded; change the trading policy; improve the external image; improve the internal image; reduce shrinkage; control expenses; and tighten the financial ratios.

Before the priority programme could be tackled, the group needed a strong injection of capital — which it got when Sanlam put more than R100m into holding company Kimer.

A heavily over-gear'd Checkers had difficulty competing on price. "When interest rates exceed 20%, a net difference in gearing of R100m-R200m compared with your competitors makes a big difference," says Weil.

The need to get rid of superfluous activities and focus on supermarketing was immediately apparent. "It was difficult to define what the core business was. We had a huge exposure to property. We were in shopfitting, the video business, the photo business. We had investments in delis, two department stores and The Cake Shop in Cape Town. It was a mish-mash," Weil says.

"While they were small businesses, they were extraordinarily difficult to administer. Clearly we wanted to be a major player in the supermarket game, but it takes time, money and effort to extricate yourself from those businesses. But we are now a single-minded supermarket operation."

Checkers' property interests have become a free-standing division within the Kirsh Trading Group, and the department stores are one of four divisions of the new-look Checkers SA.

An essential part of the re-launch of Checkers was a change in its trading policy. Market research showed that Checkers was more expensive than its competitors, notably Pick n Pay. With a greater number of stores, mostly in suburban locations, Checkers' one big plus was its perceived convenience.

## MANAGEMENT

TONY KOENDERMAN

Weil decided to slash margins in anticipation of increased sales. "But you can't do that by just taking 2.5% off every product you sell. You had to find those products which send the strongest signals."

Weil and his management team defined a list of "KVYS" — known value items most valued by customers. "These are the products which give the customer a warm glow when she finds them at discounted prices. We defined hundreds of KVYS and put them under a microscope. These are the vehicles we use to reduce our margins."

"We had to communicate the fact that we were cheaper and in a way that did not suggest we had been ripping people off in the past," Weil notes. Of the five advertising agencies which pitched for the account, two suggested using the CE as spokesman for the company.

The agency, Kuper Hands, believed Weil's personality was right for the company's positioning: warm, approachable, human, honest and believable. Credibility was seen to be critical. Checkers was going up against Pick n Pay, among others,

a company which had the high ground. "The central communications problem was that we had a cynical, sceptical consumer," says Kuper Hands MD Laurance Kuper.

To strengthen his credibility, Weil's spiel was careful not to overclaim. Checkers did not claim to have the lowest prices. It conceded that the opposition would be cheaper on some items, and Checkers would be best on others, but that "trolley-for-trolley, you shouldn't pay more."

"Research has shown that only 4% of the audience has any doubts about credibility. Most advertising carries a much higher percentage of doubt," says Kuper. Closely tied with the external image campaign was an internal motivation and morale programme.

Priority No. 5 was expense control. Checkers decided to cut expenses without major retrenchment — and saved R24m/year. "The usual way to turn a company around is to go in with a hatchet," says Weil. "But nothing is more demotivating. You can't afford to do that in a service business."

Shrinkage is a closely related problem, as 75% of this is staff-related and thus closely linked to motivation and morale. Shrinkage has been brought down from

2% of turnover (costing the company R30m/year) to around a more acceptable 1% — although Weil fears the recent strike will exacerbate the position.

Finally, financial ratios had to be improved. The critical one was gearing. "We are a cash business. If you improve stock turns and hold creditors, this should be a self-financing business. But we had a bad name with suppliers. We had to enjoy the right credit terms and get stock turns right," says Weil.

"Stock turn was improved by promoting the right merchandise with our KVYS — almost a self-correcting stock management system. We are now totally self-financing and will move into a position of cash generation."

Weil was reluctant to disclose too much about how well Checkers was doing, for fear once more of raising expectations too high. But after "bleeding through every pore" during the second half of 1985, he said there had been a notable improvement in 1986.

"We are budgeting to be profitable this financial year. There are still many clouds around, with boycotts and strikes threatening. Margins are still uncomfortably low, but we are budgeting for sales of more than R2bn this year and I think we can make a profit of R6m-R10m."

# Selling is still pretty tough

THE long-suffering wholesale and retail sectors must continue to pull in their belts.

Retail sales this month are expected to show a 7,3% decrease, in real terms, on July 1985.

Preliminary government figures show sales this month, at current values, are likely to total R2,69bn, compared with an expected R2,72bn last month and R2,49bn in July 1985.

DAVID FURLONGER

One of the few markets showing an improvement is that for motor vehicles and accessories.

In the wholesale sector, total sales in June, excluding diamonds, are expected to total R4,89bn, compared with R4,79bn in June 1985.

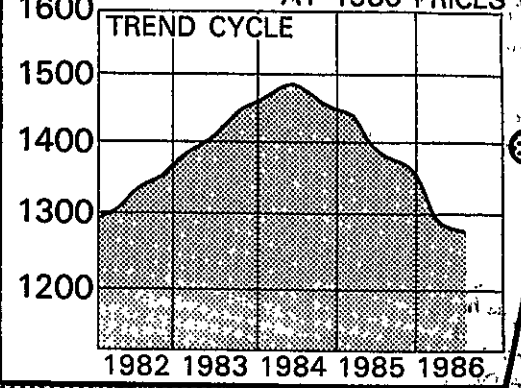
At constant 1980 prices, these figures translate to R2,43bn and R2,71bn.

Total wholesale trade sales for the first six months of this year were 10,7% lower in real terms than for the corresponding 1985 period.

## RETAIL SALES

R million

AT 1980 PRICES



**AVIS Weather**

Walrus Bay 12/20

Windhoek 04/24

Pietersburg 03/22

# Pick 'n Pay's aims explained

23/10/85 STAR 30

Pick 'n Pay is implementing long-range plans to cope with tough economic conditions — including curbing planned expansion and increasing staff productivity.

Chairman Mr Raymond Ackerman denied reports that the chain had frozen hiring of staff because it was 20 percent overstaffed.

South African stores were overstaffed only if compared with Pick 'n Pay's Australian hypermarket, which operated under First World conditions, he said.

"Our staff expertise is not the same as in Australia.

"To meet these standards we are intensifying training programmes to increase productivity and will train existing staff to take over new stores. This is also essential if we are to meet union demands of increased

wages," Mr Ackerman said.

Pick 'n Pay had planned and budgeted for wage increases and aimed to absorb more labour rather than add to current unemployment by retrenchment, he said.

Cuts in the number of new stores had been planned as far back as three years ago, he said. This year, one hypermarket and three supermarkets will be opened compared to eight new stores in 1985.

The company was also well aware it had saturated the sophisticated sector of the market and of the enormous openings in the black market, but would approach these with caution.

"I only want to go in where I am wanted, with a partner if possible. There is terrific unease about white capital taking over black business," Mr Ackerman said.

# Back-yard operators apply for help

23/7/86  
30

## Mercury Reporter

THE Small Business Development Corporation in Durban has received a flood of applications for assistance from businessmen running small 'back-yard' operations.

The SBDC has opened an entrepreneurial training and development centre at Phoenix Industrial Park to help the small businessman and yesterday its managing director, Dr W B Vosloo, showed industrialists and businessmen how the centre operated.

About 14 trades, ranging from woodwork, motor repairs, garment manufacturing and metal work, are being carried out at the centre by individually-owned businesses.

Dr Vosloo said the entrepreneurship training and development programme was one of the SBDC's key programmes.

'It's already proving a great success in giving the small manufacturer who lacks suitable plant and premises what he needs to get himself established,' he said.

The training centre is based at 60 Hunslet Road, Phoenix Industrial Park.

## Rajbansi demands site sale funds for stadium

Mercury Reporter

THE Chief Minister in the House of Delegates, Mr Amichand Rajbansi, said yesterday that he would demand that funds from the sale of trading sites in Phoenix and Chatsworth be used on developing a sports stadium in Chatsworth.

This is likely to trigger a new row between the House of Delegates and the Durban City Council over the land sale.

Commenting on the council's decision to sell shopping sites in the two areas to the House of Delegates for development, Mr Rajbansi said the House would request that the cheque which it would hand to the council for phase one be used on the sports stadium project.

The council has to consider the moral aspect. In Chatsworth it did not receive any ministerial consent for bulk development and if the council felt so strongly about bulk development then why did they advertise the sale of this trading sites individually in the first place?

Secondly, in respect of Phoenix, the sites were not put up for tender in public at all. In both cases tenders were invited individually and the tenderers were told that the tenders had lapsed through no fault of their own.

### Resettlement

Nevertheless, the House of Delegates has a greater responsibility than the city council in housing schemes such as Phoenix and Chatsworth that are financed from State funds.

We administer the provisions of the Community Development Act where we not only have a legal responsibility but a moral and social responsibility. We do not regard the development by large individuals to be repugnant.

Nevertheless we have to provide for resettlement cases. We have to provide for the total requirements of the people of the area.

We are going to consider bulk development in both Phoenix and Chatsworth in a manner where there could be joint partnership with the individual and the bulk tenderers which the council appeared to be reluctant to do.

We believe that this joint venture between the small man and the giant is possible and therefore it was better for the people if the House of Delegates acquired the sites.

The House will move heaven and earth to ensure bulk development while at the same time fulfilling its total responsibility which, because of legal limitations, the council will not be able to do, he added.

## Durr urges profit sharing <sup>DD 231786</sup> (30)

PORT ELIZABETH — South Africa's third world community should be able to taste the fruits of free enterprise in the form of profits rather than wages, the Deputy Minister of Finance and of Trade and Industry, Mr Kent Durr, said here yesterday.

Addressing the Port Elizabeth President's Club, he said there was vast scope for business to contribute to the reform process.

"If our third world people are to be fully integrated into the free enterprise system they must be encour-

aged to taste its fruits in the purest form."

He said this could be achieved by giving workers rewards accruing to initiative and enterprise.

"To be blunt, I am referring to profit rather than wages."

An intermediate step in this direction would be the granting of share options, a step which appeared to have merit and to be particularly suited to the current exigencies of South Africa.

He said the Small Business Development Corporation and allied bodies were doing a "great job". — Sapa

# Rajbansi welcomes plan for R20 m retail mall

30 N/M 24/7/86

**Mercury Reporter**  
PICK 'n Pay chief Mr Raymond Ackerman's plan to invest R20 million in building a shopping centre in Chatsworth with Indians holding a majority share was last night welcomed by Mr Amichand Rajbansi, chairman of the Ministers' Council in the House of Delegates.  
Mr Rajbansi said he had indicated that the House of Delegates would 'move heaven and earth' to have bulk development of trad-

ing sites in Chatsworth and Phoenix.  
'Those who tendered for bulk development, including the supermarket giants, Pick 'n Pay and Checkers, as well as individual tenderers, will be called in for discussions shortly.  
'We hope to achieve a partnership between the bulk and the individual tenderers with sufficient small shops to cater for the overall needs of the community so that the people can be assured that in all

likelihood there will be bulk development with the possibility of a giant chain-store in Chatsworth.  
Mr Rajbansi said he did not believe that the opening of a giant store in Chatsworth would seriously affect existing small traders.  
'A recent survey revealed that 70% of the people of Chatsworth do not shop in Chatsworth. I think that the overflow will be beneficial to the small shops. It will result in a revival of keen business spirit in the Chatsworth area.  
'In respect of Phoenix no bulk tenders were made, but Checkers did tender for some individual sites. We will be having discussions with Checkers and the individual tenderers for a joint exercise.  
'One can be assured that in Chatsworth there will be a giant chain and possibly in Phoenix as well,' he said.  
Mr Ackerman said in a report that he would like to trade in Chatsworth but would come only if he was wanted.  
If he was allowed to enter the Indian township he planned to build a shopping mall of which the community would be proud.  
The complex he would like to see was a shopping mall that would house a Pick 'n Pay supermarket with satellite stores run by Indian traders.

# S A jamming Bop TV, says Mangope

280 N/M 24/7/86

**MMBATHO**—President Lucas Mangope of Bophuthatswana has attacked the South African Government for 'jamming' the signals of his country's television service, Bop TV.  
The SABC has denied the allegation, saying the M-Net signal has been overriding Bop TV spillage.  
Mr Mangope said in statement released by the Bophuthatswana Government yesterday: 'South Africa has been doing everything in its power to keep the people from learning by silencing the truth'

He termed the jamming 'cowardly'.  
'What kind of government is it that fears the truth? What kind of government is it that doesn't want any message except its own propaganda seen or heard by its people?  
'The South African system of tough management has taken on a new form. It is currently using electronic "jamming" equipment to prevent its people from watching television programmes from Bophuthatswana,' he said.  
The SABC's manager for

Residents



# ULTIMATUM ON COMPLEX

## Break it down by Tuesday - order

TOP East Rand boxing promoter and businessman Mr Marcus "Bob Arum" Nkosi, has been ordered to demolish his R1,5-million business complex in KwaThema by next Tuesday, July 29.

This decision was taken by the management committee of the KwaThema Town Council at a special meeting held this week.

This is the second time within the past seven months that Mr Nkosi has been ordered to demolish his business complex. The first was last December and at the time, Mr Nkosi informed the council that he was not going to demolish the building.

Yesterday, the mayor of KwaThema, Mr Sam Ngema, said the council had already informed Mr Nkosi about its decision.

He said when Mr Nkosi applied for the site four years ago, he indicated that he was going to build a hotel.

"We were surprised when he decided to build a bottlestore, tavern and a fried chicken outlet instead of the hotel", Mr Ngema said.

Mr Nkosi yesterday said the council has not informed him about the

By MZIKAYISE EDOM

latest development and its recent decision. "I cannot comment at this stage until I have been approached by the council," he said.

Mr Ngema said if Mr Nkosi refuses to demolish the buildings, the council will meet next Tuesday afternoon to decide on what steps to take. "If it comes to a push the council will demolish the building on its own. We have given Mr Nkosi enough time since last December to build a hotel but it seems he is not prepared to do this", Mr Ngema said.

Alternatively, Mr Ngema said, Mr Nkosi can reapply to the council to have his present trade licence changed to suit his existing businesses but, the council will have to decide on this.

Added Mr Ngema: "But there is a slim chance that this plan will succeed".



MAYOR Sam Ngema.



BUSINESSMAN Marcus Nkosi.



30

# Nafcoc meets Sir Geoff

A DELEGATION from Nafcoc led by its president, Dr Sam Mofokeng, met British Foreign Secretary, Sir Geoffrey Howe, yesterday in Pretoria.

Nafcoc told him he would like to see an urgent reversal of the trend towards repression in South Africa to a creation of greater freedom for all.

Nafcoc told Sir Geoffrey this could only come about if:

- Nelson Mandela and all political prisoners were released;
- The ANC and PAC were unbanned; and
- The Government began serious negotiations to formulate a new constitution.

Nafcoc told Sir Geoffrey that the South African Government was aware of these demands from all major black organisations in the country but was apparently reluctant to accede to them.

Nafcoc told Sir Geoffrey they believed the intention of sanctions was to expose the white community to the "problem" of blacks suffering which blacks had to bear for a long time.

"Sanctions are seen by many blacks as the last peaceful option which can be applied to bring about the ultimate dismantlement of the apartheid system in the country," said Nafcoc.

"Against this background, Nafcoc's policy has been based on conditional investment which implied that investment in the country had to have a moral responsibility and take account of upgrading skills as well as improving the general level of living of blacks."

Nafcoc informed Sir Geoffrey that its policy on foreign investment was likely to change dramatically at its summit meeting in October if the Government of South Africa was seen to be taking bold strides towards implementing the preconditions already stated.

257/86  
Howe  
meets  
Nafcoc  
chief

JOHANNESBURG

The British Foreign Secretary, Sir Geoffrey Howe, met the chairman of the National African Federated Chambers of Commerce (Nafcoc), Mr Sam Motsuenyane, in Pretoria early yesterday before moving to the British Consul-General's official residence in Johannesburg for the rest of his scheduled meetings.

Among those he met at the residence were the chairman of the Britain South Africa Trade Association (Sabrita), Mr Murray Hofmeyr, and the retired former chief of Anglo-American, Mr Harry Oppenheimer.

After nearly an hour with Sir Geoffrey, Mr Oppenheimer emphasised he had merely "exchanged perceptions" and had given the British emissary no advice.

The leader of the Progressive Federal Party, Mr Colin Eglin, and fellow MP, Mrs Helen Suzman, who saw Sir Geoffrey next, said afterwards every opportunity to get peaceful negotiations in South Africa going should be grasped.

Mrs Suzman said it was a pity Sir Geoffrey had not yet had the opportunity of meeting "other black leaders".

Before leaving for Lusaka, Sir Geoffrey had a working luncheon with senior South African businessmen, among them Mr Gavin Relly, Mr Owen Horwood, Mr Tony Bloom, Mr Chris Ball and Mr Conrad Strauss.

When Sir Geoffrey starts his next round of talks on Tuesday, a number of cabinet ministers will be on his agenda. — Sapa

# Asian heads Kaffrarian businessmen

Weekend Post  
Correspondent

EAST LONDON — The new president of the King William's Town-based Kaffrarian Chamber of Commerce is a local greengrocer, Mr Jack Patel.

Mr Patel, who is 42, is believed to be one of the first black businessmen to head a chamber of commerce affiliated to Assocom.

He is the only member of his chamber who is not white and was vice-president for two years.

Mr Patel, a businessman, sees his new position as a challenge, and says it came timeously, coinciding with the opening of central business districts to all groups.

King William's Town was one of the first towns to be granted permission to open its CBD.

Mr Patel said the move came much too late.

"Instead of coming with

a big bang, it came with a fizzle.

"What with the recession and boycotts, people are wary to move into town.

"Only 12 licences have been granted to blacks in King William's Town so far."

Mr Patel said when he started in business in the town 10 years ago, he took over the store of a family friend, Mr Gordon Morar, under whose name he continues to trade.

"In those days, the only way to have a shop was to take over a licence that was issued before the Group

Areas Act was passed, or otherwise through the nominee system.

Mr Patel grew up in Aliwal North and studied medicine in Natal.

"In those days there was job reservation and people said study medicine or nothing."

But his studies were interrupted when his father

became ill and he had to return home to manage the family business."

On political issues, he is firmly moderate. "What we need is not revolution, but peaceful change to everyone's benefit."

He is opposed to boycotts, although "I understand the reasons for them".

"We are all affected by the Group Areas Act."

"For instance, my little daughter of six has to go to school in East London, 60 kilometres away, because she is not acceptable in the schools here.

"But boycotts won't solve our problems, although they do highlight what's wrong in society."

Mr Patel feels the pace of change should be accelerated. "One urges the Government to speed up the process of reform so that we can get on with the process of living.

"Business can only thrive if there is stability."

W. E. D. C. O. K.  
30  
26/7/86

F, JULY 26, 1986

W/E Post  
Lower <sup>26/7/86</sup>  
prices <sup>(30)</sup>  
to boost  
car sales

Weekend Post Reporter

SOME dealers in new cars are offering big discounts in the hope of generating business for their service and parts departments.

The public affairs manager for General Motors, Mr Mike Killeen, said in an interview that dealers were prepared to take a minimum profit on new cars.

"A dealer who is operating service and parts departments can generate business by getting more cars on the road," he said.

Discounts of up to R4 000 are being advertised.

Some cars "with fewer than 500 kilometres on the clock" are for sale at a discount of about 10%.

This ploy, Mr Killeen said, appeared to be a "demo scheme" whereby a dealer deliberately ran up a little distance on new cars and advertised them as "demonstration models".

A spokesman for a company dealing in new cars said: "We're not discounting. We're selling old stock at the prices going before prices went up on July 1. When stocks run out we'll sell at the normal price."

One salesman said he disliked discounts because it threatened to "chop my salary in half".

# Black business warns Howe

By Michael Tissongs

The delegation of black businessmen which met European Community president Sir Geoffrey Howe yesterday said they told him they supported "conditional investment", but warned that they would support sanctions if the South African Government did not meet widely accepted pre-conditions for change.

The National African Federated Chamber of Commerce (Nafcoc) said these conditions included the release of political prisoners and the unbanning of the African National Congress, the Pan Africanist Congress and other banned organisations.

Nafcoc also said in a statement that the Government should "begin serious negotiations to formulate a new constitution which will include all South Africans".

Nafcoc's policy has been based on conditional investment which implied that investment in the country had to have moral responsibility and take account of upgrading skills as well as improving the general level of blacks.

"We informed Sir Geoffrey that Nafcoc's policy on foreign investment was likely to change dramatically at its summit meeting in October if the Government was not seen to be taking bold strides towards implementing the pre-conditions already stated and endorsed by three successive conferences.

## SANCTIONS

"In the event that the Government refused to be persuaded through international diplomacy the only other option would be sanctions. And Nafcoc would in fact support sanctions at that stage.

The chamber told Sir Geoffrey a number of Nafcoc members were in detention.

"Sir Geoffrey was made aware that his mission may be the last European-initiated mission to try to bring about peaceful negotiations in South Africa.

"He was told that if his mission failed, no other mission like his or the Eminent Persons Group would have a chance of success."

30 28/1/86

## Advice for blacks in business

Mercury Reporter

THE Black Management Forum, an organisation to cater for and look after the interests and aspirations of blacks in management, has been formally launched in Durban.

Several managers in the corporate world and those who run their own businesses said the formation of the BMF stemmed from their shared belief that blacks in management had peculiar problems.

The chairman of the BMF, Mr Don Mkhwanazi, said their primary aim was to identify blacks with good management ability and provide theoretical and practical training.

He said his organisation wanted to promote the progress of members on the basis of ability and would be outspoken in its criticism of companies that did not employ equal opportunity practices.

D.D. 29/07/86

# Sawmills: no proper records say auditors

## Dispatch Reporter

UMTATA — Figures in the Ethwa and Etyeni sawmills' financial reports of 1983 and 1984 were subject to suspicion as there were many deficiencies.

This view was expressed by independent accountants and auditors from Aiken and Carter when the judicial commission of inquiry into the conduct and the affairs of the Department of Commerce, Industry and Tourism resumed its hearing here yesterday.

Mr Stuart Morris and Mr Ronald Tweedle, who had already given evidence before the commission but were recalled, said Ethwa and Etyeni sawmills did not keep proper records of their operations.

Mr Morris and Mr Tweedle told the commission, which has sat for 25 days, that they experienced problems during their investigations as there were no proper records of wages, salaries, incentives and concessions at both sawmills.

They said there was also no list of workers and no prepared wage and salary registers, as prescribed by the Brown manual of the Decentralisation Board.

They said they had found that labourers and workers at Ethwa and Etyeni sawmills had been treated as a single entity for the purpose of claiming salaries, wages and incentives.

There was also no differentiation about those who worked in the forest and those at the production plant.

Mr Morris and Mr Tweedle also told the commission that they discovered that there was virtually no strict financial control at the sawmills.

The commission, which is chaired by the Chief Justice, Mr Justice Van Reenen, is investigating the possible misuse of Transkei state funds totalling R120 million.

In their joint report to the commission, Mr Morris and Mr Tweedle said they had noticed that there was no breakdown of operations in order to show whether there were weekly or monthly shifts during the operations at Ethwa and Etyeni sawmills.

Ethwa, when making claims, did not use some of the forms as stipulated by the Transkei Industries Board when claiming for wage concessions from the Department of Commerce.

They said there were occasions where some of these claims had been queried by officials from the Transkei Development Corporation (TDC), but these went through for payment.

Ethwa, and Etyeni, said Mr Morris and Mr Tweedle, also received unauthorised claims for their transport.

The commission continues today.



# Frasers set to sustain surge in earnings

By Peter Parley

Black retailer Frasers looks set to sustain its first half earnings surge after announcing a near doubling of the final dividend to 7c a share from 4c.

Though earnings are not disclosed at this stage — the dividend is always announced early — it seems likely that figures for the year to end-September will at least match the 60 percent rise notched up in the first six months.

The backbone of the recession-defying trend, already anticipated by investors who have pushed the shares up to the 600c mark from a 170c low last year, is the buoyant mining industry. A large number of the chain's outlets are located on mine properties and have benefited from the repatriation of food and clothing by migrant workers.

BUILDING



HOOD  
Gordon Hood, MD, OK Bazaars' chief executive, is seen in a candid-camera spot.

29/7/86 "THE VITAL VIEWPOINT"

SUNDAY 30

# TV shows that OK Bazaars is not Hood-winking on prices

TELEVISION viewers met yet another potential supermarket superstar last night when OK Bazaars MD Gordon Hood did a 60-second candid-camera spot. Hidden cameras showed him chatting to customers in the first of a series of a huge ad campaign.

The OK boss now joins the ranks of chief executives in particular retail bosses — who believe consumers like to deal with the top man. The ad campaign, launched by the Grey

MICK COLLINS

Perspectives agency, is seen as a move to counter publicity drives by Checkers' "big man" Clive Well, high-profile Pick 'n Pay boss Raymond Ackerman and Downtown's Tony Factor, who has been appearing regularly on Bop-TV.

An OK spokesman said the ads, filmed by concealed cameras, reflected consumers' comments about their shopping needs and problems. Customer permission

was received before screening. He said: "This week we've slashed R2m off food prices and toiletries. We are serious about keeping down prices and inflation."

Retail chain Downtown, which recently completed an ad contract with Bop-TV, has found the personality of boss Tony Factor an effective selling tool over the years.

Factor said last night: "They've cot-

toned on about 25 years too late. I have proved during the past 25 years that people want to buy from people, not shops. Checkers' chief executive, supermarket boss, Lionel Blakeman said the TV campaign which pushed his MD Clive Well into millions of homes had been a resounding success.

He said: "It's obviously worked. Our turnover is up considerably." He declined to say what percentage of market share Checkers had gained.

Edited by Heather Ross

<sup>BUD DAY</sup>  
29/3/80  
Self-censorship halted

BOOKS/Heather Ross

TONY BLOOM, MD of the Premier Group which owns various book stores, has said the nervous self-censoring of books the CNA was believed to have practised after the imposition of the current state of emergency has been stopped.

Apparently certain branches pulled some unbanned books off their shelves for fear that police would find them subversive.

James Loman, CNA MD was not available for comment but apparently among these books was prize-winning photographer Peter Magubane's "Fruit of Fear" and Louise Kretschmar's "The Voice of Black Theology in South Africa".

But they are all back on the shelves now. "It's been changed," said Bloom. "I do not know how widely it was done as I have just come back from overseas, but we had a meeting last week and the policy of the CNA is that we will not act as self-censors."

"We obey the censorship laws and if the police require us to remove a book we do so. Only in certain respects do we act as self-censors. If a book is blatantly pornographic or tells you how to make molotov cocktails we don't stock it."

Bloom will meet representatives of the newly formed Anti-Censorship Action Committee next week, at their request, to discuss the new censorship provisions. The committee was formed by people deeply concerned about the rising level of censorship and who see self-censorship as one of the major dangers.

Among these are author Nadine Gordimer and publisher Mike Kirkwood. The committee will meet in September to erect the machinery to monitor censorship and take action, if necessary.

DD 29/07/86

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# Parking concessions to be reviewed?

**Dispatch Reporter**  
EAST LONDON — A decision on parking concessions designed to revitalise commercial activity in the central business district will be taken when the city council hears the views of the East London Chamber of Commerce.

This emerged at the monthly meeting of the city council last night when Mr Robbie de Lange (Snr) rose to object to the "chaotic conditions" on Saturday morning because of the free parking concession.

The city council offered parking concessions a few months ago

to promote trade in the CBD which had been badly affected by the consumer boycott. Free parking is offered in the CBD from 3.15 pm daily and all day on Saturday.

Mr De Lange said he was approached by four people on Saturday as he himself was busy looking for parking.

"They wanted to know what the heck was going on," he said.

He appealed to the deputy mayor, Mr Ivan Zulman, to take note that the privilege was being abused and that businesses in the CBD were actually losing money.

According to the minutes from the action committee, Mr Zulman said the calls to end the free parking concession would result in a loss of trading. Trade had increased since the free parking concession, he said.

According to the minutes, a parking survey by the traffic department had shown that there was a considerable drop in the use of municipal off-street parking areas on Saturdays and in the afternoons and an increase of vehicles being parked in the same metered parking bay in the CBD for the whole afternoon.

The survey showed that there were also large shopping centres in the suburbs which were being heavily patronised by shoppers who could not find parking in the CBD.

According to the minutes, Mr Vossie Bezuidenhout, supported by Mr Neville Randall, called for the free parking concessions to be withdrawn at the end of July.

Last night the mayor, Mr Joe Yazbek, said nothing could be done about the matter until the council had heard the views of the chamber of commerce.

DD 29/01/86

# Rebirth of SA as nation signals hope says Wiese

Business Editor

EAST LONDON — The fact that South Africa had finally accepted its third world characteristics meant that solutions to its problems could be sought against the right background, the executive chairman of the Pepkor group of companies, Mr Christo Wiese, said yesterday.

Mr Wiese was the guest speaker at the annual meeting of the Border Metropolitan Development Corporation (Bomedco).

"What gives hope is that we have finally accepted that we are an African nation," he said. "In many respects, as a nation, we are reborn. This creates its own dynamics, its own challenges and opportunities.

"Now that we have come to accept this fundamental fact — that we are a third world nation with simply a first world veneer — we will be able to seek solutions to our problems against the right background."

Mr Wiese said South Africa had reached a critical stage in its development. There were those who felt time had run out while others saw the dawn of a new era.

"There is also a division between those who believe the new South Africa can be created from the ashes of outmoded political ideology and those who believe it will be created from the ashes of the country as a whole.

"If we are going to build a secure future, indeed any future, then we will have to address this basic division in our society and the full realisation of having embarked upon a path of reform. The art of reform is order amid change and change amid order."

South Africa's ability over the past few years to withstand the simultaneous disasters of a declining gold price, drought, a rampant dollar and the worst political turmoil in its history were indications of its ability to overcome adversity.

South Africa was committed to a new political dispensation. "Considering the complex nature of our society, I believe the principles contained in our new constitution are superb and compare favourably with any other Western democracy. What does now remain is the full practical implementation of these proposals in a manner that meets the aspirations of all groups in South Africa.

"We are well on the way to solving our problems. For too long we have deluded ourselves about the extent and nature of the problems facing us but I am heartened by the new resolve that our society has in tackling the real issues with honesty and sincerity."

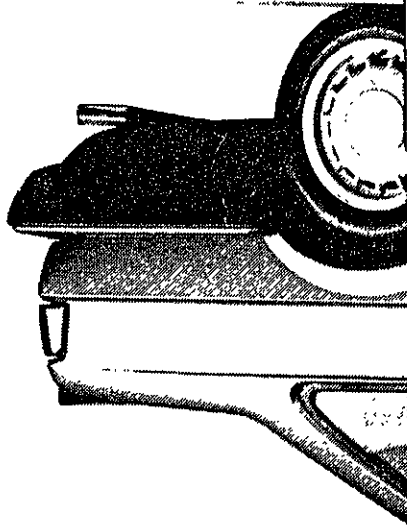
Another positive pointer to the future was the fact that as more people gained education and skills, the economy would grow. What had been achieved up to now was by a "mere handful" of entrepreneurs and skilled manpower.

A burgeoning consumer market also offered a golden opportunity to raise production and marketing skills to new heights.

Mr Wiese said South African businessmen had learned some hard lessons and developed a new understanding of the risks of today.

"In these times of recession, strife and turmoil, I believe we as South Africans need to resolve that we can build a better South Africa. We are ultimately a nation of survivors and dreamers. We are the children of great nations and cultures — the war-

LVY & MATHER, RIGHTFORD SEARLE-TRIPP & MAKIN P4907/E



Passat CLi. Volkswagen?

might keep you too relaxed, be driven. engine powers the car smoothly just fractionally Flat out, Passat CLi has a top on and performance brake and firmly under the driver's the new fuel injected critical. nt on record to say that derrated car on the road. e mud to a shoe". He called et. dded to Passat's already g, what is Sarel's opinion d. ore.

Exc. 17/07/86  
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# Small business opening muddle

Pietermaritzburg  
Bureau

THE official opening of the Small Business Development Corporation's Entrepreneurial Training Development Workshop in Woodlands Road here yesterday had to be postponed owing to a 'muddle-up in dates', according to Mr J Schorn, project co-ordinator at the workshop.

The workshop, which allows budding entrepreneurs to work on a small scale with as few regulations as possible has, since its creation, not received a good response from people in the capital.

This, Mr Schorn said, was the result of a lack of publicity and support for the project.

The workshop, in the old Circle Line building in Woodlands Road, is split up into 20m<sup>2</sup> to 25m<sup>2</sup> working areas.

They are let to would-be businessmen at low rentals, with no licences being necessary to operate from the premises, some of which

are already equipped with machinery.

'We are trying to de-regulate it as much as possible,' Mr Schorn said.

He added that once entrepreneurs had proved their ability, 'chances are that they will receive financial assistance from the SBDC'.

# R30m heads for small business

JOHANNESBURG—Most of the major shareholders of the Small Business Development Corporation indicated support for an increase of 40% in the capital they have subscribed at a small business convention here yesterday.

Managing director Dr Ben Vosloo said: 'We hope that all our shareholders will agree to expand their present shareholding by 40%. This will enable us to raise an additional R30m. The SBDC's systems are ready to cope with the ex-

pansion, but, we need now the funds to do so. It will be money well spent.'

Announcing his support, Dr Anton Rupert, chairman of the SBDC and Rembrandt Group said: 'We regard this as an opportunity to mobilise and to utilise the best talents of all the members of our society towards a better future for us all.'

Dr Vosloo explained that the need for their services had expanded rapidly over the past five years and the additional share capital will be used to satisfy the growing demand.

SBDC funds had created more than 71 000 job opportunities over the past five years. He said the cost of job creation was much lower than that of big business.

'Last year we lent more than R100m, compared to R70m for the previous four years. This exceptional rise in lending can be ascribed to several factors, among which the availability of funds, the SBDC's ability to cope with expansion and the large need in the small business community,' Dr Vosloo said. (Sapa)

CALL TIME 30/11/86

# Support for SBDC rights

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## ISSUE

JOHANNESBURG. — The Small Business Development Corporation (SBDC) lent more money in the past financial year than in the previous four years.

"Last year we lent more than R100m, compared to a total of R70m for the previous four years.

"This exceptional rise in lending can be ascribed to several factors, among which the availability of funds, the SBDC's ability to cope with expansion and the large need in the small business community," Dr Ben Vosloo, MD of

the SBDC said at the company's annual general meeting here yesterday.

The SBDC also announced a rights issue, to raise more funds, in order to cope with rising demand.

"We hope that all our shareholders will agree to expand their present shareholding by 40%. This will enable us to raise an additional R30m.

"The SBDC's systems are ready to cope with the expansion, but we need now the funds to do

so," said Dr Vosloo, adding that "it will be money well spent."

"Our clients have over the past five years already created more than 70 000 job opportunities. It should be noted too that their cost of job creation is much lower than that of big business."

The chairman of the SBDC, Dr Anton Rupert, announced that he will advise his Rembrandt board of directors to take up the rights issue. Other SBDC shareholders have also already announced that they will participate in the rights issue. — Sapa



# Apartheid 'out in CBD living areas'

Municipal Reporter

Apartheid is on the way out in residential areas of the central business district after the recent opening of the CBD to trading by all races.

City Council recommendations are being drawn up to allow "at least two other races" to live in the city centre, but this excludes Berea, Yeoville, Braamfontein and Hillbrow.

This announcement was made at last night's council meeting by the chairman of the management committee, Mr. Francois Oberholzer, who said with about 20 000 "non-whites" already living in the central "white" city areas, racial barriers had broken down.

Mr. Jan Burger, chairman of the housing committee, said the council was negotiating to obtain more land for housing.

● See Page 3.

# Jo'burg wants others to live in CBD

**Post Correspondent**  
JOHANNESBURG — The Johannesburg City Council Management Committee wants to open the city's central business district (CBD) to residential occupation by coloured people and Indians, the council heard at its monthly meeting last night.

The chairman of the committee, Mr Francois Oberholzer, said: "The

time has come for us to start talking about the central area.

"I don't think there will be any political difficulty or reaction to this," he said.

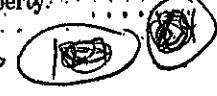
"We can save the Government R16 to R20 million in the provision of new houses for coloureds and Indians if we allowed these groups to shift into the CBD. These are the

realities of the situation."

Mr Oberholzer said the CBD was already residentially "multi-racial" with an estimated 20 000 coloureds and Indians living there.

"It doesn't make sense to allow a person to own and trade at a property, but not to live in the residential components of that property."

30 Everlast 30/7/86



# Assocom, Howe agree in part — Ridgway

By DENISE BOUTALL  
THE objectives for the future of South Africa held by the European Community countries represented by the British Foreign Secretary, Sir Geoffrey Howe, and Assocom are identical.

This is the view of Assocom president Mr Rocky Ridgway, who, together with the Assocom director and two representatives of the Federated Chamber of Industries, met Sir Geoffrey on Sunday.

"We all want to ensure that SA survives as a free country where all people can have a say without communist domination — but we do differ in our method," Mr Ridgway said today.

He had also pointed out to Sir Geoffrey that it was vital to alleviate the very serious unemployment problems in Port Elizabeth where the level of politicisation was amongst the highest in the country and warned him against steps that would

increase polarisation in the region.

The talks were highly informative he had found Sir Geoffrey a person who was eager to learn as much as possible and reluctant to put his own views until he had had discussions with as many people as possible.

He contrasted the British Foreign Secretary's approach with the that of the co-chairman of the Eminent Person Group, Mr Malcolm Fraser, who he had found intolerant of any views that did not coincide with his own.

Mr Ridgway said he had put Assocom's views on a number of issues to Sir Geoffrey. These included the removal of discrimination against blacks in politics, the scrapping of the Group Areas Act, the creation of one educational system for all races and that the private sector was prepared to mediate and negotiate to bring various groups together.

"We also made it clear

that we felt that Government was committed to reform and that that process of reform would be retarded by sanctions."

Asked to comment on State President P W Botha's response to Mr Howe's visit, he said one of the few encouraging things he said was that he had had an exceptionally good response to the invitation to people to join the National Statutory Council.

Mr Ridgway hoped an announcement on the NSC would be made soon. "It is vital that we move ahead with reform far faster than we have over the last year."

Asked what Assocom would be doing to hasten reform, Mr Ridgway said the organisation would continue on all possible occasions to press for the removal of social and commercial discrimination against blacks and would continue to stress the urgent need for a new constitution.

*See page 30*  
*30*

# CBD's role in promoting city growth defined

**Dispatch Reporter**  
EAST LONDON — The role of the central business district as a circulating agent for the wealth of the region had to be maintained, a member of the Johannesburg CBD Association, Mr Tony Trowbridge, said here last night.

Mr Trowbridge was guest speaker at the inaugural meeting of the East London Central Business District Association which aims at promoting and developing the CBD.

Mr Trowbridge said: "Fundamentally when we talk of a CBD, we are talking about the heart of a city — 'sommer a pump', as one surgeon put it. It is a pump that needs priming occasionally with human initiative and effort if it is to maintain its role as the circulating agent for not only its own, but the wealth of the region."

He rejected the idea that the CBD association was a "pressure group" and defined it as an agency for identifying problems that affected the well-being of the city.

"But most of all it embarks on programmes for implementing solutions. It is recorded somewhere that there are some 800 pressure and special interest groups in South Africa whose primary objective it seems to be more in telling others what they should be doing — particularly government — rather than in deciding and doing what they could and should be doing themselves."

Mr Trowbridge outlined the major role associations could play by bridging the gap between private enterprise and municipalities.

"Municipalities have an incredible job. Councillors are run off their feet and the municipali-

ties face competition from private enterprise for the brains in their organisation.

"CBD associations fill the gap between expertise equity."

Mr Trowbridge cautioned that the association should not be seen as a retailer group.

"The strength of our association in Johannesburg is that its members are composed of representatives not only of city centre traders, but of all the leading planning professions of town and regional planning, architects, surveyors, civil and traffic engineers and lawyers.

"Also represented are leading property institutions, banks, chambers of commerce, industry and the sakekamer, trade unions and the universities," he said.

"Our metropolitan and traffic committee has become one of the most active and effective sections. It is currently engaged in setting up a vital all-day seminar of interested owners, profession and municipal officials to provide input on the many current planning proposals of the city."

Mr Trowbridge said East London should give

attention to the balance between city and suburban shopping centres.

"Suburban major centres have many advantages. Considerable parking space, trolleys for transporting goods, weather control, security systems and the co-ordination of promotional activities under one developer."

He said promotional work was a special function of the CBD association and they had succeeded in Johannesburg by making the CBD a "fun place".

Mr Trowbridge said he had challenged the urban-rural development debate which had argued that all small communities must die and big cities must grow.

"In the face of growing evidence from the most industrialised nations there is a reverse trend and an awareness that there is an interdependence between cities and rural areas which has been neglected to the detriment of both."

He said research had shown that the wealth of towns and cities increased when surrounding rural and small communities were assisted in their growth.

# Call to increase EL's internal development

EAST LONDON — The question of internal development for the city and the cutting of dependence on government and outside investment was raised at the meeting here last night to launch the East London Central Business District Association.

The guest speaker, Mr Tony Trowbridge, was backed by retired local businessman, Mr R. L. Harry, for his observation on the merits of internal growth.

Mr Harry said there was little manufacture in the city which was fast becoming a city of commercial agents.

He underlined his point by calling the owner of a men's outfitters here, Mr Tony Bryant, to say whether there was anything which he sold in his shop that had been manufactured in East London.

Mr Bryant said there was none and Mr Harry quoted figures to show how major business concerns all exported cash out of the city to their head offices in the major cities "and East London got very little out of the rand spent".

He told Mr Trowbridge the city would stagnate and die if it did not start generating its

own wealth through manufacture.

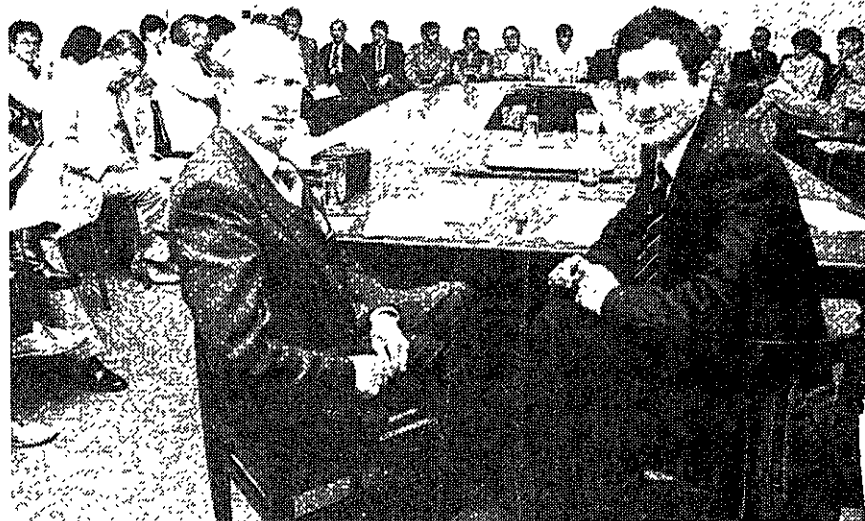
Earlier in his speech, Mr Trowbridge said new strategies were required that would lead to a programme for regional economic self sufficiency which would focus on utilising and adding value to the resources of the region.

The strategy would have to develop skills within the region and consume the products of the region. Such a strategy was being worked out in the Eastern Lowveld between the private and the public sectors from the realisation that in effect municipal government was "first tier" government.

"In these depressed times what has not been realised is that Nelspruit has in fact had a six per cent growth pattern over the past six years for which there were very good reasons.

"The people there not only followed the principles of local production, but also realised the benefits of investing locally made profits in their region.

"What is now being realised is that a significant proportion of central taxation should also be circulated in the region as should a proportion of institutional funds generated within the region."



The guest speaker at last night's meeting to launch the East London Central Business District Association, Mr Tony Trowbridge, left, with the convener, Mr Gwyn Bassingthwaite.

# Enlarged stores sector sets a cracking pace

MERVYN HARRIS

THE retailers and wholesalers sector has been among the liveliest on the JSE's industrial board.

The recent name change broadened its base by allowing the inclusion of a diverse range of new companies. These include wholesalers Cashbuild, motor spares dealer Midas and direct selling organisation Housewares.

The newcomers have undoubtedly added vigour and spice to the sector, with Cashbuild continuing to improve on its recent spectacular debut. However, it is the big guns — the high-profile retailers — who dominate the sector.

The seven large supermarket chains and department stores constitute some 80% of the sector index weighting, which is determined according to market capitalisation.

Only operating companies are taken into account — which means that pyramid, holding and foreign companies have no bearing on the index. The companies accounting for four-fifths of the index (with their respective weightings in brackets) are:

Pick 'n Pay (25,4%), Woolworth A and ordinary (19,4%), Edgars (11,5%), Score (8,8%), Foschini (8,7%), and Clicks and OK Bazaars, each with 8,1%.

This helps explain the softer trend of the sector index in contrast to the JSE industrial index, which has been hitting new highs.

The fall of the retailers and wholesalers index since reaching a high of 1 281,6 points on March 25 this year has coincided with the decline in Pick 'n Pay's share price

from its peak of R51 on that date to its recent low of R33.

However, analysts generally consider the sharp fall in Pick 'n Pay's price was overdone. The price recovered to trade yesterday at R36, lifting the sector index, which currently stands at 1 072,7.

Among the big guns, Score is the most highly rated, with a dividend yield of 1,1% at yesterday's closing price of R14, against the sector's daily moving average of 5,2%.

But it concedes the top spot to Jazz, which has danced through acquisitions to scale a peak of 350c in May. Although the price has since fallen back to the current level of 275c, the share still clearly leads the sector rating with a dividend yield of 0,6% and a PE ratio of 64.

Hot on their heels are several new entrants. Fast moving into line is Cashbuild, which raced to a peak of 400c this week. This puts the shares on a yield of 1,2% and a PE ratio of 36,6.

Housewares is not far behind on a yield of 1,5% at its current price of 170c. Another new entrant, Midas, after briefly trading below its issue price of 270c, has spurred ahead to hit a recent high of 360c. Profit-taking has trimmed the price to 340c, giving a yield of 2,9%.

However, the oldtimers are not letting newcomers make all the running. Clicks has remained stable at a price of 800c, giving it a favourable yield of 1,8%. Waltons, SA's biggest commercial stationer, has consolidated its position as one of the JSE's top performers.

Waltons eased 25c yesterday to R12, raising the dividend yield from 1,9% to 2%.

The high rating of Jazz and Cashbuild reflects the resurgence of shares in the Kirsh group since its revamp by new controlling shareholders Sanlam. The impetus has also been notable in the current rerating of Metro which, at the current price of 620c, is on a yield of 2,5%.

Frasers shares have advanced more than 10% this year and at yesterday's price of 575c is on a yield of 3,1%. The group this week announced a rise in the interim payout from 3c to 7c, but the increase partly reflects a decision to reduce the disparity between interims and finals.

Foschini, at its current price of R188, has the distinction of being the most expensive share in the sector, followed by Edgars at R115. Foschini is on a yield of 4,3%, while Edgars is at 3,9% with PEs of 11,4 and 14,2, respectively.

Some of the laggards in the sector, such as Pepkor, should reap the benefits of an upturn and can be regarded as recovery stocks.

Grand Bazaars is being transformed by new owners Score.

With some of the low yielders over-priced at their current levels — Cashbuild and Jazz fall into this category — investors will now have to tread a wary path.

They should, however, be alive to opportunities once the economy shows signs of an upturn. Two shares which stand out in this regard are Pick 'n Pay and OK Bazaars.

# Edgars moves down market

Business Day Reporter

EDGARS is to open five pilot stores in December to launch its Express chain aimed at the bottom end of the clothing market.

Chief executive Vic Hammond said yesterday the stores were sited on leased properties in Springs, Roodeport, Pretoria and Johannesburg.

The move is Edgars' second down-market entry after shedding its loss-making Ackermans chain in 1984.

"Express stores will have an average floor space of 3 500m<sup>2</sup> and be situated in high-traffic areas. Township trading may be considered on a franchise basis at a later stage," Hammond said.

Although he declined to disclose the initial investment, the leased properties are believed to have been costed at about R12/m<sup>2</sup>.

The move conforms with what Hammond sees as a sharp polarisation between the affluent and poor segments of the market. He conceded there would be a degree of conflict with Pep Stores, but said Express was to "concentrate on a limited assortment of outer-wear".

# Set inter-dependence goal with labour — Nel

Business Editor

EAST LONDON — The business community had a fundamental role to play in setting a goal and a vision for the centrist, moderate group of people in the country, the project leader of the recent Project Free Enterprise study. Mr Christo Nel said here last night.

Mr Nel, the personal assistant to the executive director of the Federated Chamber of Industries, was the guest speaker at the annual dinner of the Border Chamber of Industries.

Outlining research which had shown declining productivity in South Africa and worker perceptions that they had no stake in the current economic situation, Mr Nel said South Africa found itself on a "downward sweep" of old dispensations in which efforts to launch new initiatives had proved counter-productive.

Business had a bridge-building role to play in a situation where current infrastructures were no longer flexible enough to attract the support of moderates. "It is probably only business at this stage that has the ability and dynamics to set a vision and strive for it," he said. There were no longer any safe options — "only dangerous and more dangerous ones" at a time of rapidly changing circumstances in which the "future is not what it used to be."

Mr Nel said the business community had a major task in communicating with and educating a white work force which formed an "uneducated electorate". That work force had not developed an ability to debate issues and form opinions and a layer of middle management was blocking black advancement.

Management in many cases had not yet accepted that workers, like shareholders, were part of the business community's electorate and that it had to "position itself in terms of labour."

Labour represented the "real voice of frustrations and aspirations" and the business community, which had years of experience in dealing with these issues, had to make a "quantum leap" in establishing a relationship of inter-dependence with labour. It had to become involved in the development of local options and in negotiating issues such as observance of May Day and the June 16 anniversary.

Mr Nel said there would have to be a redistribution of benefits, not in the sense of redistributing poverty, but in the sense of becoming involved in issues such as housing and education.

There would have to be greater worker involvement in decision making and business would have to implement systems to monitor the progress of black advancement. Preferential treatment — "call it reverse discrimination or what you will" — would have to be applied to counter the lack of equal opportunities.

Another major issue facing the business community was the need to consolidate opinion and speak with a more unified voice on the various initiatives for change launched by different business organisations.

"We need to communicate. We must have the willingness and the courage to talk with anybody and everybody, including those who are a pain in the neck," Mr Nel said.

"Only action has meaning in times of distress and action is vision put into practice."

Picture page 2  
See also page 13.

## OTHER PEOPLE

# A new man in the middle of the bridge

The boycott-hit East London Chamber of Commerce has chosen an Indian trader as their new president. But Jack Patel has no illusions that he can end the strife. FRANZ KRÜGER reports

JACK PATEL, an East London greengrocer who is new president of the local Chamber of Commerce, is believed to be one of the first blacks to head an affiliate of the Association of Chambers of Commerce (Assocom).

Anxious to avoid controversy, Patel says he sees his role as a bridge builder. As an Indian, "not white, and not black", he says, he will try to strike a "happy medium".

Patel, the only member of the Kaffrarian Chamber of Commerce who is not white, was elected president after serving as vice-president for two years.

His election is timely, he says, as it coincides with the opening of central business districts (CBDs) to all races. The King William's Town CBD was one of the first to be opened, but Patel says it happened much too late.

"Instead of coming with a big bang, it came with a fizzle. With the recession, and boycotts, people are wary."

He does not feel that he will have much advantage over his white colleagues when it comes to handling boycott negotiations. "But I understand the reasons for the boycott. We are all affected by the Group Areas Act.

"For instance, my six-and-a-half-year old daughter has to go to school 60km away in East London, because she is not acceptable in schools here.

"But on the other hand, I don't agree with boycotts. They won't solve our problems, although they do highlight what's wrong in society."

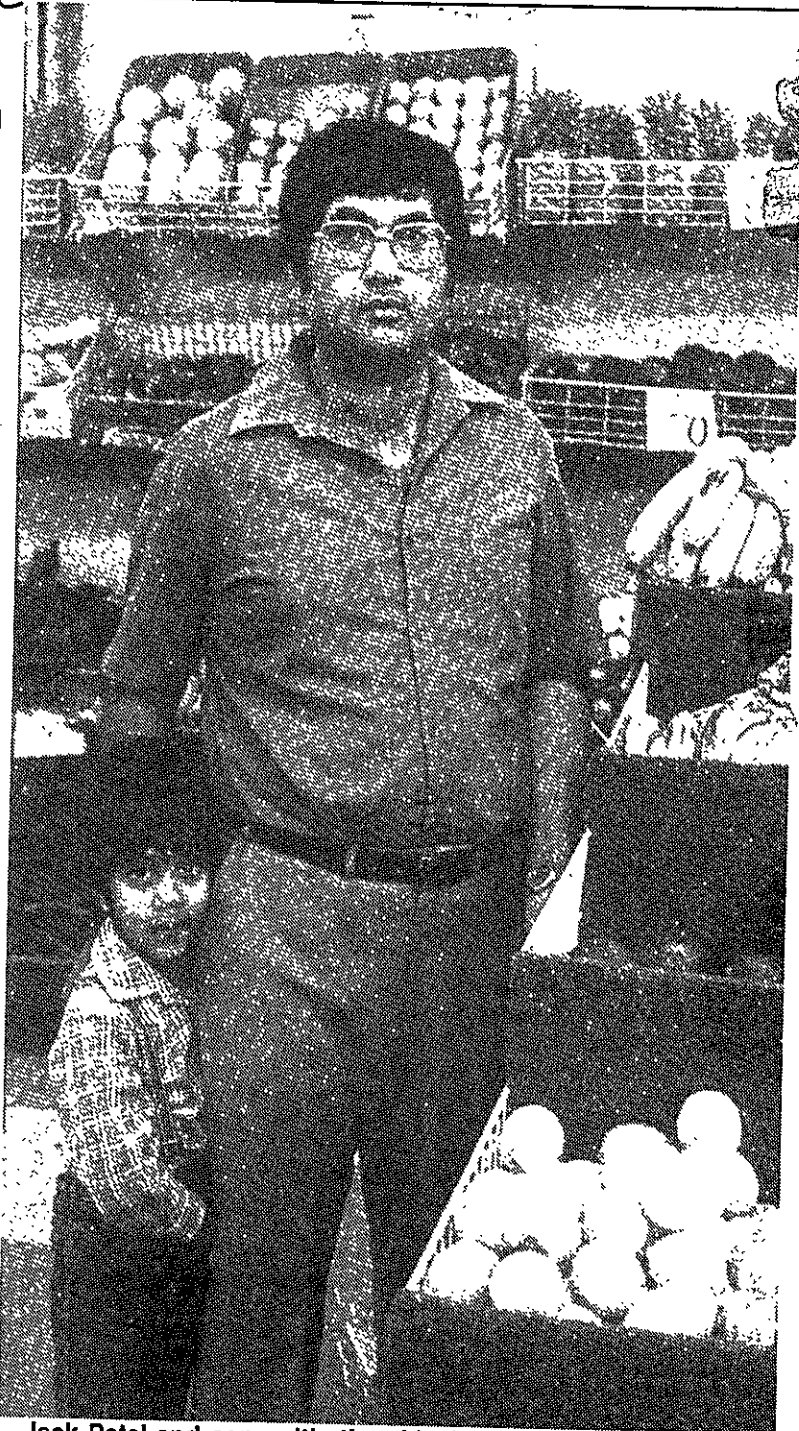
Patel was not involved in the chamber's boycott committee which, in the first boycott, couldn't find representatives of the boycotters to talk to. "In the second, which has not officially ended yet, we decided to lie low as the grievances are out of our hands."

A third-generation South African, Patel is the grandson of a Cape Town fruit packer who arrived here early this century to look for work. After a few years he collected his family from India and settled in Aliwal North, selling fruit from a barrow. The family fortune grew from there until Jack Patel took over the King William's Town fruiterer's shop of a family friend, Gordon Morar, 10 years ago.

The shop, decorated with a string of awards won from the Deciduous Fruit Board for its displays, still bears Morar's name. "The licence was in that name and we couldn't change it because of the Group Areas Act. Usually, people with licences from before the Act was passed are left alone."

Patel recently opened flower and gift shops in the town, as well as in Bisho, the nearby capital of Ciskei.

Although Patel is firmly moderate



Jack Patel and son ... it's time black traders got involved in their own destinies

Picture: FRANZ KRÜGER

— "What we need is not revolution but peaceful change to everyone's benefit" — he feels the tricameral system should be scrapped.

"At first I thought it could work, but history has shown that it is not what we need. It hasn't improved interracial relationships, and its biggest flaw is that there is no black participation.

"The time has come to scrap it and

do something else. Business can only thrive if there is stability. One urges the government to speed up the process of reform so we can get on with living."

One of Patel's priorities is to boost black involvement in the chamber. "It's time black traders got more involved in their own destinies, in this case in general business activities."



FIN MAIL 11/1/86

MOSES MAUBANE ~~30~~ 30

## Looking at priorities

Moses Maubane, former MD of African Bank, is a man in limbo. His career is on hold while the Commercial Branch investigates the bank's foreign exchange dealings. Since his suspension, together with eight colleagues, on May 22, Maubane has relinquished his directorships of the SA Perm, Johnson & Johnson and Premier Group Holdings.

"I made the decision to step down of my own volition," he said from his home in Atteridgeville, near Pretoria, where he lives with his wife and three children. Maubane, who acquired diplomas in accountancy and bookkeeping in the early Sixties, has worked under constant pressure ever since — as freelance writer, secretary, sales



**Maubane**

supervisor, accountant, university lecturer, Nafcoc executive and banker. Now he has nothing to do but attend to his personal concerns until investigations are concluded.

What has he been doing with his time? "I've been praying," he said. A committed Christian Scientist, he has fallen back on his faith in previous life crises. He described the interlude as "opportunity to reassess life's priorities. One of the things you have to learn to is love your enemies."

The officer in charge, Brigadier Nollie Hulme, tells the *FM* it is difficult to predict how long investigations will take because documentation constantly has to be referred to auditors. He expects, however, that it will be at least another few months. ■

# Traders' market gets the go-ahead

BUSINESS

30

11/18/86

### Municipal Reporter

CONSTRUCTION will go ahead on a small traders' market on the ground next to the Hunter's Retreat Hotel in Cape Road.

The scheme was approved by the Port Elizabeth City Council yesterday.

The market, which will be developed by Mr A. Christodoulou, will provide a number of indoor and outdoor stalls for the sale of fresh produce, handcrafts, flowers and clothing. It could be operating by the end of the year.

● The City Council will urge the Cape Province Municipal Association to ask the Administrator to extend the discretionary powers of councils to grant rebates on rateable property of a specific class, including land and improvements occupied by newly established industries.

A motion to this effect, which was supported by most members of the council, followed a suggestion by Mr Rick McKiever.

At the council's monthly meeting yesterday, Mr Frans Marais expressed doubts over the proposal.

He said he had reservations about whether the rebate would attract new industries to Port Elizabeth, and urged that land be provided free for new industries, with refunds payable later.

He asked that the matter be referred back, but later withdrew it.

According to the Town Clerk, Mr Paul Botha, the council already has the power to grant rebates to industry as a group, but not to a particular class within the group.

● Rural electricity consumers will pay more for their power from September 1. The 15% surcharge on the tariff has been increased to 17,5%.

● The council has approved the deproclamation of Old Main Road 16 from Kleinskool to Redhouse. It has been incorporated into the Zwide residential area.

The new connecting road has been proclaimed as Main Road 16.

DD 118186

# Businessmen told dialogue must continue

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**Dispatch  
Correspondent**  
PORT ELIZABETH — A call to the government to unban and begin negotiations with the African National Congress (ANC) and to release political prisoners was made here yesterday by the president of the Federated Chamber of Industries, Mr John Wilson.

He said at the mid-year meeting of the Midland Chamber of Industries that South Africans could not allow the country's future to flounder on the words "renounce violence".

"A negotiated future in a non-racial South Africa will put us in a position to tackle the problems of jobs, education, housing and the redistribution of wealth.

"The negotiated future of South Africa will cost money which only a thriving economy with an intact infrastructure and a healthy national export effort can afford," he said.

South Africans of all races and political persuasions would have to learn, perhaps through sacrifice, to live in an equal, fair and just society. This would be better than violence, bitterness, repressive laws, sanctions, disinvestment, hatred and bloodshed.

Sanctions and boycotts were not encouraged or relished by the business world, Mr Wil-

son said. Business would, however, stand together to tackle the new challenges of survival in a hostile world and at the same time continue to work for a free and non-racial society.

South Africa needed Marshall Aid — the plan which put Europe back on its feet after World War 2, he said.



MR WILSON

"South Africa's needs for the upliftment of its people after 40 dehumanising years of repressive legislation are as great as they were in Europe. Imagine an international programme to help build a new South Africa instead of punishment."

Emphasising the urgency of resolving the conflict through negotiation with all shades of political opinion, Mr

Wilson said this called for open dialogue. Restrictions on free expression of opinion should be lifted urgently.

Meanwhile, part of an "agenda" for the development of the Port Elizabeth-Uitenhage area was presented at the meeting yesterday by the president of the Midland Chamber of Industries (MCI), Mr Bill Oddy.

He outlined three items for the agenda, concerning an acceptable system of local government, a joint action plan to create jobs by diversifying into new markets and a housing-town planning agency to create a new city.

Mr Oddy said the MCI was directing its strengths and resources at launching initiatives for an ambitious regional reconstruction programme based on economic development as well as social and political enhancement for all in the area.

The first key element, he said, was to overcome violence and instability and an acceptable system of local government would achieve this. In this regard the MCI had implemented an "initiative of dialogue".

Talks with a cross-section of black spokesmen convinced the MCI that while differences existed on certain issues, there were also issues of agreement.

\*\* 10/26 2000

# MCI chief suggests plan for E Cape

Business Editor

A WIDE-RANGING plan for the "regional reconstruction" of the Eastern Cape was proposed last night by Mr Bill Oddy, president of the Midland Chamber of Industries (MCI).

Calling the plan an "agenda for the future", Mr Oddy told the mid-year meeting of the organisation that this should comprise three elements:

- A new form of local government, which would play a role in overcoming violence and instability.

- A joint action plan, which would create more jobs through expanding the existing industrial base by diversifying into new markets.

- The creation of a new housing and town planning agency, which would be responsible for the creation of a totally new city adjoining Port Elizabeth and Uitenhage.

Mr Oddy said the MCI had implemented a dialogue with black leaders to discuss a new form of local government, but this had been hindered by the state of emergency.

He hoped the emergency would soon be lifted so that the proposals could be debated within the black community and further consultations held

and a joint recommendation put forward on a new structure.

On the joint action plan, he said the MCI was already liaising closely with the City Engineer's Department, on opportunities presented by the Mossel Bay off-shore gas find.

The MCI was also prepared to play a "catalyst role" to bring about the creation of the new housing and town planning agency — comprising elected members of the black community of PE and Uitenhage and the existing planning authorities — to develop a "new city".

Mr Oddy appealed to the Congress of South African Trade Unions (Cosatu) to seek the "path of co-operation and dialogue" to halt work stoppages, which could "destroy PE-Uitenhage" as an industrial base.

"This plea should not be interpreted as a threat, but rather as an invitation to talk and build a PE-Uitenhage that will be able to provide jobs for the people of this area," he said. That surely should be our common goal.

He said stoppages without prior consultation were "unacceptable to industry".

# SBDC hopes to get cash from the private sector

MOST shareholders of the Small Business Development Corporation, which has an authorised share capital of R200m, have indicated support for a 40% rights issue to be taken up over five years.

It is hoped the move, announced at the SBDC annual general meeting this week, will raise an extra R30m from the private sector to cope with a massive increase in demand from small businessmen.

A total of R30m was made available to the SBDC recently by the public sector, a sum made contingent upon the private sector making an equal amount available.

SBDC chairman and Rembrandt Group head Anton Rupert said he aimed to propose that Rembrandt invest more than R2m in share capital in the SBDC over the next five years.

Small business was the most cost-effective means of generating jobs, and the SBDC was at present pursu-

DIANNA GAMES

ing a variety of programmes aimed specifically at restoring confidence in the economy by stimulating output and job creation, he said.

SBDC MD Ben Vosloo said the corporation had lent more than R100m in 1985/86, compared with a total of R70m in the four years since its inception. The SBDC had created more than 71 000 job opportunities in the past five years.

The 1986 annual report says net income after taxation amounted to R12,467m for the company and R12,501m for the group, which includes its various subsidiaries. The amounts include a R5m capital grant received from the State.

It says the poor economic climate has caused several of the SBDC's clients to fail, resulting in a bad-debt write-off of R3,447m.

for market share. The price freeze affects house brand groceries, toiletries and confectionery (GTC).

A shrinking retail market, beset by high inflation, unemployment and consumer boycotts, is putting the screws on supermarkets and suppliers alike.

Major GTC retailers are chary of disclosing market shares, but estimates average out at: Pick 'n Pay, 40%; Checkers 30%; OK Bazaars 20% and Spar 10%. These major retailers have almost 70% of the total GTC market.

OK lost share in the last year, while Checkers and Spar made gains, but overall sales increases over the past year ran at 14% — below inflation.

At first glance, this looks good for the consumer — competition being so fierce that none of the “big three” supermarket chains dare break its promise to freeze prices on house and no-name brands until January.

And OK Bazaars' announcement this week that it would commit a further R2m to price cuts on branded goods will no doubt touch off a further price war.

But Spar executive director Sidney Matus dismisses high profile promises to the consumer as “just more promotions.” He says they have no real meaning for the consumer — all major retailers budget to cut profits and even take losses on advertised “specials.”

However, adds Matus, these campaigns can bring about rapid consumer loyalty shifts and thus market gains or losses.

*FIN MAIL 1/8/86*  
SUPERMARKETS **30** ~~24~~

## The knives are out

Massive price freeze and cost cutting campaigns announced this week by major supermarket chains are evidence of a bloody fight

Nevertheless, as the chains scramble for every leverage, there will no doubt be further campaigns, as well as more pressure on suppliers — including those of branded goods. To up their popularity ratings — and therefore market share — supermarkets like to be seen to be aggressive in their dealings with suppliers, whom they portray as bogymen.

Says Pick 'n Pay chairman Raymond Ackerman: “Without pressure from the supermarkets, many suppliers raise their prices, capitalising on the fact that the public is used to inflation.”

And here lies the rub — do retailers really have the power to lessen inflation's impact? Or are price freezes and “big daddy” advertising campaigns just ways to increase market share?

Ackerman says there is no need for the consumer to be cynical: the price freeze is a genuine attempt to help the public.

Hood says the freeze is costing the OK about R100 000 a month in addition to the R2m off the bottom line — which he hopes to recoup with an increase in turnover.

Assistant marketing director of Checkers Brian Sacks says the price-frozen brands are not loss leaders. He believes that his company has struck a good deal with suppliers, so the freeze will cost it nothing.

Matus says the price freeze should increase the trend towards house brands, which already account for 14% of the market.

But new Housewives League President Lyn Morris is afraid suppliers may stop manufacturing rather than doing so at a loss, which could lead to house brands disappearing from the shelves, to the ultimate detriment of consumers.

So what is the position of these supposedly



Consumers ... time to smile?

rapacious suppliers? Despite the retailers' claims, they will also have problems keeping prices down.

Chet Chemicals sales director Mervyn Kessler, responsible for most no-name chemicals, says Chet cannot guarantee supplying at constant prices.

“Many of our strategic chemicals are provided by one supplier, often Shell or AECI. It is very difficult to challenge them when they hold a monopoly position — it would be different if there were free competition.”

Fedfood's GM marketing Neville Isemonger says many products are controlled by agricultural boards so his company can-

not guarantee fixed prices to supermarkets. It will also be difficult to control the price of imported products, in particular additives which often changed prices daily, he says.

What about branded products? A Colgate-Palmolive spokesman says although suppliers may be hit by raw material price increases and the poor exchange rate, “60% of our business comes from the big three supermarket chains. Any one of them could kill a new brand if they disliked the price and refused to buy the product.” ■

will translate very soon into action.

There has been much speculation about the prospect, particularly as Pepkor desperately needs final repairs to its forex-damaged balance sheet. Imprudent currency dealings cost R25,9m last year, on top of R20,2m the previous year. Determined moves have already been made to restore the balance sheet, with R54,6m raised in a rights issue last year, and a further R20m from the private placement of red pref shares.

Even as the capital was raised, however, forex losses mounted. At the February year-end the debt:equity ratio remained an unhealthy 110%. Burgeoning debt pushed the interest bill up to R39,8m (R23,1m). The listing of two highly successful divisions should restore the balance sheet to structural health, and eliminate the crippling interest bill.

#### Operationally strong

Operationally, Pepkor is exceptionally strong. Where many competitors in the retail clothing market have buckled, its operating profits rose 6% last year, despite a sharp fall in black consumer spending.

The group is benefiting from a strong tendency in the black market to trade downwards in times of recession, directly into Pep Stores' market. The group cannot easily be challenged in this cheapest market sector, although Edgars recently announced it would attempt to do so with a newly formed chain called Express.

The injection of new management, and impending re-organisation, may be exactly what investors — who have strongly supported the share price — have been waiting for.

Neville Glaser

FIN MAIL  
PEPKOR 16/8/86. (30)

### New listings

In an interview this week (see "People"), Pepkor MD-designate Arnold Louw mapped out his plans. These include reorganising the group in line with new priorities, selling off peripheral operations that do not fit its basic retailing image, and raising funds through listing two key divisions — the Pep Stores/Ackermans chain, including its vertically integrated factories, and the Shoprite supermarket chain.

Although Louw emphasises that no listings application has yet been made, there seems little reason to doubt that the intention



Pepkor's Louw . . . mapping out plans

# Down PE's street of empty shops

ON a weekday afternoon, Score Supersavers on Port Elizabeth's Main Street would hum with activity. People would tap the beds to check their firmness, sit at the dining room suites and discuss hire purchase schemes with Patrick Rundle, the manager.

But that was before April, when the city's 350 000 black residents grew tired of waiting for the government's military forces to withdraw from their neighbourhoods and their community representatives to be released from jail.

That's when they organised a consumer boycott of white-owned shops, aimed at crippling the town's white economy.

Today, Rundle sits alone in a rear corner of his completely empty shop, tinkering with a computer. "I don't understand what the boycott's all about," he says. "All I know is we've had to lay off staff, because there are just no customers. We cater for the black community." Looking up the empty aisles, he sighs. "That's my profits you're looking at."

**30** **WEEKLY MAIL**  
I don't understand this boycott', says the manager of the empty supermarket on Port Elizabeth's Main Street. **VIVIENNE WALT reports**

The lower end of Main Street, which runs into the black townships, feels like a ghost area. In a city which survives on the motor industry, thousands of factory workers have long provided these white shopkeepers with a healthy livelihood. Now, one after the other, managers, reporting "about an 85 percent drop in trade," according to one, hang closing-down sale signs on their windows.

Already, the four-month boycott is the longest the city has experienced, and the State of Emergency has ensured its continuation for the time being.

"The whole town's died," says Tony Gibson, a men's clothing store manager, who is closing his store in October. "Before the boycott, on an afternoon like this, you'd see a lot of customers in here." Two black men enter the store, but insist they are earnings.

With such headline attitudes from whites, Port Elizabeth's blacks claim the only way to reach the white community is by hitting their earnings.

"We think business will eventually put more pressure on the government, if we continue the boycott," said a 19-year-old student activist in Walmer township. "But it's taking a very long time."

The insistence by mayor Ben Olivier that there is no political crisis is perhaps one reason why the boycott is taking so long to force negotiations. "There's nothing wrong with Port Elizabeth," says Olivier in an interview at his chambers. "The salvation of South Africa isn't mixing the races — it's staying out of the communists' hands. The only thing wrong is that the blacks are all killing each other."

After a year of negotiating with top government officials in an effort to end the boycotts, Chamber of Commerce director Tony Gilson strongly disagrees. "The Emergency's made our efforts all but impossible," he says. "We don't have a change of government yet, so our negotiations have not borne fruit, and very likely won't for a long time."

More than the worsening violence in the black areas and the jailing of hundreds of activists, the boycott has shaken Port Elizabeth's conservative whites out of their isolation from the battles raging just a few kilometres from their suburban homes. But the gap between such awareness and a change of political heart is still wide. In this town, old attitudes die hard.

"You can never trust blacks," said Con de Willié, who runs a clothing store which aims at the black trade, and has had "a 50 to 60 percent fall" in business. "I've got nothing against them, but if you give them a finger, they want the whole hand."

With such headline attitudes from whites, Port Elizabeth's blacks claim the only way to reach the white community is by hitting their earnings.



August 1986.

# Files, photos seized in raid on Ccawusa

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THE Pretoria branch of the Commercial Catering and Allied Workers Union of South Africa was raided on Wednesday morning and several files and photographs seized, the union has claimed.

The raid, which lasted about an hour, was condemned by the union, which reiterated its commitment and determination to fight for the general interests of the working class.

In a statement sent to the *Sowetan* yesterday, the union said: "This raid as well as the continuous and systematic harassment of our officials and members leads us to conclude that the authorities are bent on weakening our union."

"In this they will not succeed," the statement added.

## Dispute

The Brushes and Cleaners Workers Union will hold its general meeting at Lekton House on Saturday.

Meanwhile, the dispute between the union and Nels Dairy has entered a new phase.

Twenty workers who were living on company premises have been evicted.

This comes after the company dismissed 750 workers who were arrested at the company's premises on June 18 and detained for two weeks.

## Wages

Top on the agenda will be wages and salaries.

A spokesman for the union said the union was comprised of the most underpaid workers in the country and this meeting was crucial.

All members are urged to attend.

This article has been censored in terms of the emergency regulations.

# More price increases on the way, say retailers

By Jackie Unwin

Consumers must brace themselves for more price increases at supermarkets, warn retailers.

There will be increases of between 8 and 12 percent over a broad spectrum of products.

Mr Richard Cohen, director of Pick 'n Pay, said: "Although the inflation index has dropped in June it has only been a temporary situation which came about as the rand recovered in the middle of the year."

"The pressure of the rand dropping again and other costs going up has caused another round of increases.

"If there are increases early in the year suppliers usually come back after eight to nine months for a second."

The canning industry is increasing prices on a variety of products from canned vegetables to canned jams, although it will manage to hold prices on some items.

Increases are envisaged in paper goods and disposable nappies. Toiletries, canned fish and biscuits will rise in price.

These increases will hit the consumer towards September.

Mr Cohen said coffee prices would have to be eased up because replacement costs were "horrific". He said the replacement value of coffee now selling at under R6 was R7,50. Coffee has been hit by the exchange rate and the failure of the crop in Brazil.

Mr Cohen said the inflation rate was the scourge of this country.

## Delay increases

"How the housewife and the fixed salaried person are coming out I don't know."

His company had bought in bulk and would defer the price increases as long as possible.

An OK Bazaars spokesman said it would negotiate for the best prices and had bought stock in advance to enable it to hold prices.

Its managing director, Mr Gordon Hood, had promised R2 million to be used to cut prices over the next few months. Some of this would be used on staving off some of the impending price increases.

Checkers has also been buying-in wherever possible. Mr Brian Sacks, grocery buying director, said: "There is a huge discrepancy between the prices on the shelf today in relation to what the manufacturers' prices are because of our ability to buy in and hold prices down."

All three supermarket giants, Pick 'n Pay, the OK Bazaars and Checkers, have pledged to freeze the prices of some of their house brand products until the end of 1986.

# Shopkeepers 'had chance to have their say'

Municipal Reporter

RETAILERS' complaints about the Marine Parade West Street pedestrian mall in Durban have been dismissed by a councillor and a contractor as making mountains out of a few ren-

ovation and construction molehills.

Chairman of the Planning Committee Don Smith said there were many opportunities as long as two years ago for shopowners in the area to make their views felt instead of decrying the lack of consultation only once work had begun.

Reacting to complaints that a flurry of work on the project was followed by nothing, Basil Read contracts manager Hennie Delport explained, 'we have to go ahead of ourselves all the time, looking for the electricity cables, water mains and sewer lines.

'In a couple of weeks we come back into the area and start putting in new drains and we've got to know beforehand if there is anything in the way so that there won't be any delay.

## Round-the-clock

'We can't lay the drains and pave the area immediately afterwards because we work in teams. Every team, when done in that area, moves on to another area of the beachfront to do the same job.'

Mr Delport said drains would be laid and paving started on West Street within the next month. All construction should be finished by the end of November.

The suggestion of one shopkeeper to speed construction by employing round-the-clock labour was dismissed by Mr Delport.

'To work round the clock we would have to pay double wages, and the quality of work the corporation requires would be very hard to achieve in night lighting.

'It could even be dangerous — and it would certainly be noisy.'

Mr Delport asked that anyone with a complaint telephone him at 372566.

# SBDC is seeking an extra R50-million

W/C 9/16/85  
2/8/86 (30)

From Malcolm Fothergill

JOHANNESBURG.— The Small Business Development Corporation is to go to the money market soon. It will aim to raise money — probably R50-million by issuing small business bonds.

The Government has already agreed to the bonds in principle but details are still being worked out.

SBDC managing director Dr Ben Vosloo says the only issue still to be resolved is the level of Government subsidy the SBDC will need before it can go to the market.

"We estimate we can pro-

duce a net return of about 8 percent. That's too low to raise capital on the market so we need a subsidy for the remaining portion.

"We are thinking of two- or five-year money."

The SBDC's move to the money market will be in addition to its attempt during the week to raise R30-million extra capital from its original investors, who were asked to put in amounts equivalent to 40 percent of their original shareholdings.

The state of play at the moment is that R20-million has been pledged over the next five

years and the SBDC is confident of reaching its target once the board decision has been circulated to all shareholders.

Earlier this year the Minister of Finance, Mr Barend du Plessis, said the Government would be prepared to pump R30-million into the SBDC if the private sector would raise an equal amount.

One of the new ventures the corporation needs money for is a series of small business clinics which will be set up all over the country.

The first, halfway between Johannesburg and Soweto, will be opened soon.

# Apartheid by any other business colour

SUN 7/11/65  
2/1/66

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By RENE DU PREEZ

THE Administrator of the Cape will make a final ruling later this month on the decision taken by a coloured local authority to deny a man a business licence because he is an Indian.

Mr Hidayat Ismail, of Ravensmead, Cape Town, applied in May for a licence to open a pharmacy in Lotus River, Cape Town.

But because he is an Indian wanting to trade in a coloured area Mr Ismail first had to obtain a permit from the Department of Constitutional Development and Planning.

## Granted

This permit was duly granted, along with approval from the Divisional Council for his licence application.

But when Mr Ismail's licence application was referred to the Grassy Park management committee for approval — the standard procedure — they rejected his application.

The grounds? "Because he is of the Indian race group."

Sunday Times  
MAGAZINE

BRUCE'S

ROAD

AHEAD



1985 Late in 1986

# Supermarkets angry over co-op price rise

(30) BUS DAY 4/11/86

SUPERMARKET chiefs reacted angrily at the weekend to reports that a major Cape co-operative plans to increase the price of canned goods from August 25.

The increases, between 4% and 7%, come at a time when retailers have promised consumers to freeze prices until 1987.

Explaining the increases, Langeberg Co-Op CE Carel Strassen said: "Since prices were last increased in February, other costs have escalated, necessitating further adjustments. The majority of the products affected are normal

MICK COLLINS

annual seasonal price adjustments."

He said the overall weighted-average increase on an annual basis, including the rise announced in February, was 11.7%.

"This is well below the national food price inflation level."

Products affected include jams, vegetables, salads, sauces and fruits.

Pick 'n Pay GM Gordon Hault said: "We will fight them tooth and nail. They will have to come and negotiate with us. We never, as part of policy, accept

either telex or letter confirmation of price rises."

Checkers group merchandise director John Williams said prices to the consumer had been frozen.

"We reject these increases. Our buyers have been instructed to negotiate."

OK marketing director Ralph Horwitz said his company had been advised of the increases.

"We have not seen any price lists yet. Despite any attempt by suppliers to up prices, we have promised to freeze and reduce prices until January 17 1987, and this we will do."

RWD DAY  
F/8/86

# Small firms are making headway

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MICK COLLINS

SMALL BUSINESS is showing signs of development, says Trade and Industries Minister Dawie de Villiers.

Speaking at the Hill Samuel R100 000 Centenary Awards in Johannesburg yesterday, he said recent figures showed that more than 52 000 job opportunities had been created.

"In addition, a further 32 000 existing job opportunities were retained as a result of requested intervention by the Small Business Development Corporation in viable, but struggling companies."

He said legislation restricting small business was under review and minimum standards and controls would soon be incorporated into all relevant laws.

"In order to meet this challenge more effectively, the Temporary Removal of Restrictions on Economic Activities Bill has been placed before Parliament.

"This Bill will empower the State President to suspend or replace over-regulative statutory measures on the recommendation of the Competition Board."

De Villiers said the fact that the economic system could be exploited to the detriment of some of the participants, particularly workers, was being widely used to discredit the free enterprise system.



● DE VILLIERS

DD 6/8/86 (30)

## New measures may give SA time, says Assocom

JOHANNESBURG — The Association of Chambers of Commerce of South Africa remains opposed to the further sanctions on South Africa as proposed by the Commonwealth meeting in London.

In a statement Assocom said although not unexpected, they regarded the proposed sanctions as counterproductive and potentially harmful to economic growth and employment in South and Southern Africa.

"The selection of the economic measures on South African exports also seems to favour certain trading countries with whom South Africa competes.

"If the proposed measures do eventually affect South Africa's foreign exchange earnings, then the return to normality which South Africa is seeking in its foreign debt arrangements may well be delayed," said the statement.

Assocom "nonetheless

also sees the Commonwealth decision on sanctions as fraught with loopholes. "There is a strong voluntary element in the proposals and international co-operation is far from assured.

"Previous experience of sanctions suggests that the technique of slowly applying pressure over time will give South Africa the opportunity to adjust — to find alternative outlets or suppliers, and to build new alliances," the statement said. — Sapa



# Free ANC leader 'in interests of stability'

By Michael Tissing

The Government does not benefit by keeping African National Congress leader Nelson Mandela in jail, the president of the National African Federated Chamber of Commerce (Nafcoc), Dr Sam Motsuenyane, said yesterday.

Dr Motsuenyane told a meeting of the Public Relations Institute of South Africa in Johannesburg that, in the interests of national stability and justice, Mandela should be released.

"The Government says it is willing to release him if he renounces violence. There should be no conditions placed on his release. He has served his term and, if he comes out, there are laws which apply to everyone.

"There is no need for the Government to insist that he renounces violence. We would like to see him released unconditionally."

Dr Motsuenyane said black businessmen wanted stability in the country so that the free enterprise system could take root in the townships.

"At a conference we had, we asked the Government to lift the state of emergency because we did not see anything good in it. The Government cannot achieve stability by putting more pressure on black people and denying them the right to express legitimate grievances.

## 'Reforms inadequate'

"We also appeal to the Government to remove all discriminatory legislation such as the Black Urban Areas Act, the Group Areas Act, the Population Registration Act and other laws which make the lives of black people miserable.

"Bad laws cannot be reformed — they must be scrapped. The reforms the Government is engaging in are not having an impact because they are inadequate."

"Social and residential restrictions must be lifted. It is ridiculous opening up the central business district to blacks then refusing to let

them to live near work.

"It is lack of movement on behalf of the Government that is going to make Nafcoc become more and more politicised.

The black businessman is going to become more and more involved in pressure for change. We live where our businesses are going up in flames and can not remain aloof from what is happening around us."

Dr Motsuenyane also urged the private sector to become more involved in promoting free enterprise among blacks by contributing to efforts in which Nafcoc was involved.

# Witness weeps at Pta murder trial

ONE of the three former national servicemen accused of murder, allegedly told his colleagues: "Ek het die kaffir met sy eie kierie gedonder", after they attacked a group of blacks inside a shack, the Pretoria Supreme Court was told yesterday.

Mr Deon Smit (24), of Pretoria West; Mr Glen Willy Pretorius (19), of Vereeniging and Mr Arthur Phillip Venter (19), of Tsumeb in Namibia, have pleaded not guilty to murdering Mr Mboyiselo Jeremia Mcolo (49), and to charges of attempted murder, assault with intent to do

grievous bodily harm and of driving a South African Defence Force vehicle without permission.

Mr Cornelius Johannes Smit, a State witness and former colleague of the accused, said he saw the three men assaulting a group of black men inside a cardboard shack near the Pretoria Station on May 15 or 16 last year. Mr Smit and Mr Pretorius hit them with sticks and Mr Venter hit one of them with a small drum on the chest, he said.

Mr Smit, the witness, later broke down and wept, minutes after Mr

Justice J. J. Smit warned him that he ran the risk of being arrested. Mr Smit admitted under cross-examination that part of his earlier evidence was false.

The court heard that the accused drove away but returned to remove handcuffs on one of the men who had run away with their money after he promised to sell them liquor. After chasing one of the men, Mr Venter came back and told them: "Ek het die kaffir met sy eie kierie gedonder", Mr Cornelius Smit said.

# Furniture Fair set for DCM listing

6/8/86

Bursday  
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FURNITURE FAIR, a retailer for the middle-to-lower-income group in the Western Cape, is expected to list its 7,5-million shares on the Development Capital Market on August 27.

The listing of the entire issued share capital is subject to the success of a private placing which opens today and closes on August 19. The placing price is 40c a share.

After the listing, the public will hold 10% of the equity, management 30% and the consortium which originally financed the retailing operation 60%.

MD Ivan Hammerschlag says the consortium consists of friends rather than high-profile business people. These investors originally put R1,7m into Furniture Fair on loan account, which has now been converted into share capital.

The company began trading in 1984 when Hammerschlag, who had been MD of JSE-listed furniture retailer Montays, decided to carve a niche in the Western Cape market. He says the opening of Furniture Fair's first store in April 1984

PRISCILLA WHYTE

met with immediate success despite the recession.

About 75% of sales are by instalment credit and 25% cash. There are about 7 500 instalment sales customers. Furniture Fair provides its own finance for instalment sales.

In the 1986 financial year, turnover was R5,7m and taxed profit of R322 000 was made. Cash on hand and at the bank amounted to R238 000 (R41 000). The debtors' book increased 35% to R3,7m and creditors rose to R1,4m (R976 000).

A third store, to be opened in October, is expected to lift sales to R7m, in the 1987 financial year, and taxed profits to R420 000. This is equal to earnings of 5,6c (4,29c), giving a prospective earnings yield of 14% on the offer price.

Dividend policy is to cover earnings twice.

Management intends increasing the number of retail stores, over the next two years, to six in the Western Cape. Thereafter, nationwide expansion is envisaged.

companies

6/8/86  
SMAK  
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By Jackie Unwin

## Price hikes expected soon, warn retailers

Despite the raging supermarket war and promises of low prices, retailers have warned of price rises soon to hit the consumer.

Langeberg Co-op has announced it will increase the price of its canned goods from August 25.

The increases, which affect canned jams, vegetables, salads, sauces and fruits, vary between four and seven percent.

Mr Carel Stassen, chief executive of the Co-op, said the last rise was in February and the total of both increases is 11 percent — far below the inflation rate.

"The cost of cans has gone up by 14 percent and rail price increases over the past 18 months have been tremendous," he said.

"Agricultural products generally increase even higher than the inflation rate because of the cost of the input, which is mainly imported."

"We normally have increases twice a year because of the seasonality of the product."

Retailers have warned of

other pending increases of between eight and 12 percent on paper goods and disposable nappies, toiletries, canned fish, biscuits and coffee. These have been caused by the drop in the rand and increases in costs.

Coffee prices will also rise due to the Brazil coffee crop's failure and the exchange rate.

A Consumer Council spokesman said: "Now more than ever consumers must be discerning

when they buy groceries."

"They must compare prices. We are monitoring prices on a weekly basis and suggest consumers do the same."

Mr Richard Cohen, director of Pick 'n Pay advised consumers not to buy by brand name, but to compare and buy the best value.

OK Bazaars intends using some of the promised R2 million to be used to cut prices to stave off some pending increases.

Checkers has also stockpiled and will hold down prices as long as possible.

All three supermarket giants have pledged to freeze prices on some of their house brand products for six months.

# Failed US envoy to lead traders to SA

CHARLOTTE, North Carolina — A black businessman who withdrew as a candidate for US Ambassador to South Africa after his business dealings were questioned will lead a group there to unite black entrepreneurs in both countries.

Mr Robert Brown told the *Charlotte Observer*: "We'll be setting up ways to establish ventures with black businessmen in South Africa and help them get control of businesses in their own communities."

The public relations executive also planned to

7/8/86 STBL (30) accompany Mrs Coretta Scott King, widow of civil rights leader Dr Martin Luther King, to meet Frontline state officials to discuss apartheid and attend the September 7 installation of Bishop Desmond Tutu as Archbishop of Cape Town.

They also hoped to meet Mrs Winnie Mandela and Mr Oliver Tambo, ANC president.

Mr Brown said four or five black businesspeople would be with him on the two-week trip to Cape Town, Johannesburg and Durban.

# Blacks get a break in the business world

By Claire Robertson

Commerce students are helping big business to help itself out of the management crisis.

According to the Institute of Manpower Research, there is a need for some 3 700 black, coloured and Indian managers every year.

Only 300 moved into executive positions every year for the last 20 years.

The International Association of Students in Economics and Management feels the problem lies not in business failing to recognise black talent, but in not being exposed to it.

This year AISEC is giving top priority to its Vacation Employment Scheme whereby "disadvantaged students" (mainly, but not only, black) are given the opportunity to learn management skills first-hand, and companies are offered the pick of the crop of up-and-coming executives.

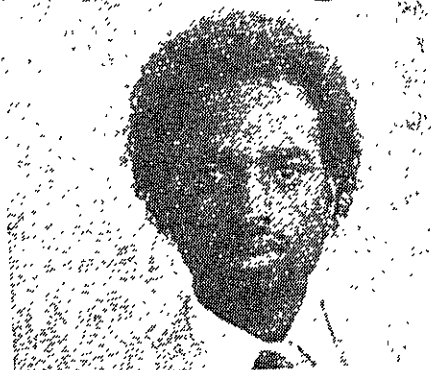
## DIFFICULTIES

"Admittedly black students and graduates are disadvantaged by background and lack of experience in the real business world," AISEC says in its annual report.

"However, when one considers the enormous social and economic difficulties faced, simply their ability to remain at university indicates they are people of superior talent and determination."

AISEC screens potential vacation employees, from disciplines as diverse as marketing and computer sciences, to ensure compatibility with a company's individual requirements. Then it is up to the employee.

The firm concerned is asked to either give the student a "vac job" in the



Mr Experience Nkanbinde... his vacation job with a computer firm set him on the path of his chosen career.

Christmas break, or offer a bursary, pay his or her way in the international VES exchange programme, or offer to send the student on an AISEC leadership development programme.

The VES pilot programme managed to place 43 students in vacation jobs last year. A minimum target of 450 jobs in the December holiday period has been set for this year.

AISEC member Mr Experience Nkanbinde (24) of Zola North in Soweto was one of those placed last year, and one of VES's many success stories.

In November he joined the accounting section of the computer firm Honeywell, in Crown Mines.

After his two-and-a-half month stint his boss offered him a permanent job there once he had completed his B Comm at Vista University.

The firm has also offered to help with his studies, and Mr Nkanbinde, who plans to be a chartered accountant, may take another part-time job there before he graduates.

7/8/76 STM 30

# SBDC calls for aid for West Bank firm

Only Stop 30

**Dispatch Reporter**  
EAST LONDON — The Small Business Development Corporation (SBDC) office here has urged the municipality to try to accommodate a West Bank firm, which has been given 30 days' notice to stop trading because of its failure to comply with on-site parking regulations.

The owner of a tractor spare parts wholesale outlet in Hood Street, Mr Des Naude, has lost a year-long battle after the owner of the building, Mr Bill Stuart, was told that the city council had refused to grant a waiver for on-site parking.

Mr Naude said if the matter could not be sorted out, he would pack up and go to Ciskei which "is crying out for business."

The senior business adviser of the SBDC here, Mr Peter Strümpher, said in a letter to the town clerk, Mr Les Kumm, that it would be a sad loss if a business had to close down and move elsewhere simply because the municipality was not prepared to look at a specific situation on merit and applied existing laws which might be outdated "or unfairly applicable."

"It is an urgent request from this office to reconsider your decision and to make a real effort to assist Mr Naude wherever possible.

"By doing so we may just maintain a young and growing business as well as the very much needed job opportunities in the present depressed economic times," Mr Strümpher wrote.

Earlier in the letter he referred to the municipality's stand on deregulation and said his organisation supported an effective deregulation programme and would be prepared to assist wherever possible.

"The municipality has shown its willingness to attend to the various municipal laws and by-laws and to deregulate as far as possible or necessary.

"This office is of the opinion that if the municipality could attend to the matter of Mr Des Naude in a satisfactory way for both parties concerned, a lot can be gained by the municipality to set them in many ways on the deregulation way," Mr Strümpher wrote.

He confirmed that his office had been contacted by Mr Naude for "any possible assistance in the matter".

# US businessman seeks links with SA blacks

CHARLOTTE, North Carolina — Mr Robert Brown, the US businessman who withdrew his candidacy as US ambassador to South Africa, is to try and establish contact with black businessmen here.

He will lead a delegation to help set up ties between black entrepreneurs in both countries.

"What we'll be doing is

setting up ways... black businessmen can establish joint ventures with black businessmen in SA and help them get control of businesses in their own communities and assist them in establishing business ties with major corporations in SA," he said.

The public relations executive also said he planned to accompany Mrs Coretta Scott King,

widow of civil rights leader Martin Luther King, to meet high-ranking officials of countries bordering SA.

Mrs King and Mr Brown will attend the September 7 inauguration of Bishop Desmond Tutu as Archbishop of Cape Town.

Mr Brown, 51, said yesterday he hoped he and

Mrs King could meet Winnie Mandela, wife of jailed African National Congress leader Nelson Mandela, and Oliver Tambo, the ANC's current president.

Mr Brown was thrust into the national spotlight in July when his name was leaked as a potential candidate to be ambassador to South Africa. — Sapa-AP

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Post Reporter

BUSINESSMEN in Port Elizabeth should stop complaining, try to correct the Eastern Cape's negative image, and study and use all possible opportunities available to them.

This was the message delivered to the Afrikaanse Sakekamer yesterday by Prof. Charles Wait, co-ordinator of the East Cape Strategic Development Team (ECSDT).

Businessmen, he said, should try to correct the region's negative image.

"For example, we should not see the unemployed people as a problem, but rather argue that we have a large supply of skilled and experienced workers."

On the question of opportunities, he said it was incredible that Port Elizabeth manufacturers still did not know what their possible share in the Mossel Bay off-shore gas project could be.

Prof Wait, who is Dean of the Faculty of Economic Sciences at the University of Port Elizabeth, outlined the composition of the 22-man committee and emphasised that it was more than "just another committee" because it had executive powers.

Four sub-committees dealing with relations, upgrading, industrial strategy and the consolidation of Berlin had already started work, he told the meeting.

market.

# Post-apartheid aid call

THE West has a moral duty to provide massive aid to a post-apartheid SA, says Durban Chamber of Commerce president Bruce Forssman.

He urges the West to put together something similar to the Marshall Plan under which SA would receive substantial amounts of foreign aid to fund a major upliftment programme.

It would cover education, housing and social amenities subject to the implementation of an agreed political reform process.

In an editorial in the chamber's *Information Digest* he says the aid was necessary to provide an economic base on which reform and democracy could survive.

"Without an economic base the best intentioned reform will fail because SA

does not have the resources to satisfy the expectations and aspirations of its people."

Without the aid, which could run into billions of rands, he says there would be a drift towards authoritarian socialism and a further weakening of the economy.

"America and Britain have an obligation to SA, which I see as a fledgling democracy in a Third World situation, because they are insisting on democratic reforms."

These countries have already accepted their responsibilities to assist other Third World countries but, he says, SA has an advantage because it has a First World component in its society which will see the aid used to best advantage.

MICK COLLINS

# States 'seek gain from bans'

SOME of the steps taken against SA were designed to promote the economic interests of countries such as Australia and Canada, the Afrikaanse Handelsinstituut (AHI) said yesterday.

AHI president Christie Kuun said economic growth to encourage reform initiatives was necessary for SA.

The AHI, therefore, deplored the steps taken by the Commonwealth mini-summit in London earlier this week.

"It is clear that some of these steps were taken to promote the economic interests of other countries, such as Canada and Australia, and that strategic minerals of which SA is the major supplier are not affected at the moment," he said.

The situation indicated that economic

and strategic realities would prove to be of more importance than sentiment.

Although SA was in a very strong position to impose sanctions on neighbouring states, the AHI believed economic realities would force these neighbours to adopt a more realistic attitude.

Should they obstinately continue to create difficulties, however, the AHI would support the government if it took appropriate action, after consultation with the private sector, to safeguard SA's interests.

Sanctions would not force SA to its knees, though they could lead to a lowering of living standards.

Kuun said the AHI appreciated British Prime Minister Margaret Thatcher's position on the issue.

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82.80	historical cost basis
22.00	dividend yield

market.

# Post-apartheid aid call

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THE Eastern Cape, once the hub of SA's thriving motor car manufacturing industry, has been severely hit by the economic recession which started towards the end of 1983.

Lower economic activity and worsening levels of unemployment resulted in the area becoming a powder keg of unrest.

It was towards the end of 1984 the Small Business Development Corporation (SBDC) realised that not only was innovative action needed to create employment in the area, but steps were necessary to assist infant enterprises in making the transition from the informal sector to the more formal one.

It had one overriding aim: job creation through the energy of the smaller entrepreneur.

First steps were taken in January 1985, when the SBDC set up a task-force in PE with the brief to research and arrive at a practical solution to the problem of unemployment and assisting infant entrepreneurs.

The SA Motor Corporation (Samcor), on the verge of closing down a factory in PE, gladly offered to help.

The task-force, consisting of SBDC and Samcor staffers, as well as representatives from the local authorities, Department of Manpower, the Urban Foundation, local universities such as the University of PE and Vista University, and representatives from as far afield as Uitenhage, swung into action.

The result of their work stands today as the "Hive of Industries".

# Hive of industries in the Eastern Cape

It is an innovative concept, using existing excess industrial capacity to provide working space to skilled would-be entrepreneurs. Capital, equipment rental, management skills and marketing know-how are the added components to enable the entrepreneurs to set themselves up in small businesses.

By necessity, the task-force acted fast. The Hive was seen as a business proposition; no charity was allowed.

A proper business plan was drawn up using R100 000 in share capital from Samcor. The SBDC team established the project. They made use of numerous Samcor retrenchees and other unemployed to alter the premises of the former Hawker-Siddeley factory in Korsten Industrial Area.

Wire mesh divisions split the area into working space. This caters on the one hand for wood-related businesses such as carpentry and furniture manufacturing, as well as light engineering-related businesses such as welding, blacksmiths, tool and die-makers. The complex also provides for service industries such as screen printers.

In practice, potential entrepreneurs with a marketable skill, approach the SBDC for a small loan of up to R5 000. If, on evaluation, the entrepreneur is thought to possess the level of technical skill needed to compete in the more formal sector, and after he has been assisted in drawing up a simple business plan, the loan is advanced.

With capital in hand and cheap access to working space available for rental periods as short as a day, a week or a month, the entrepreneur can purchase a basic tool kit and use the SBDC's bulk-buying facilities for raw material, available to all Hive entrepreneurs.

The SBDC has provided staff for technical and management back-up. Modern equipment such as lathes and spraybooths — and secretarial services — are available for hire on an hourly basis.

There are already 23 entrepreneurs running their businesses from the Hive, with a waiting list of 168. So far 112 people are employed at the Hive.

This month, the Hive is moving to bigger premises.

One of the rewards of this programme lies in the cost of job creation — in total R1 260/job. This compares well with the SBDC average of R4 000/job, and an industrial minimum of R30 000.

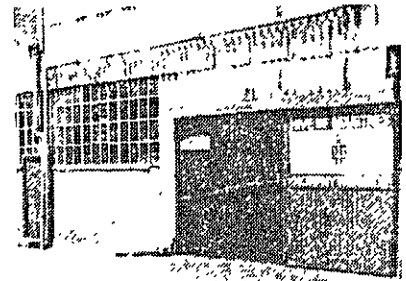
Equipment worth R250 000 donated by Samcor made the project viable, and it is running at a small profit already.

Statistics at the SBDC show that inquiries from people waiting to start businesses has increased by 60% over the last year. Unfortunately, many of these are not successful because they don't have the facilities and assistance to gain entry to the free market system.

This enterprise also provides people with the opportunity to accept assistance in a dignified manner.

The project is successful because of all-round commitment and the financial support from Samcor. The SBDC aims at establishing more similar projects, but the impetus from big business is essential.

□ Francois Baird is SBDC manager of liaison and information services.



□ HIVE of Industries, home of 23 small Eastern Cape industries.



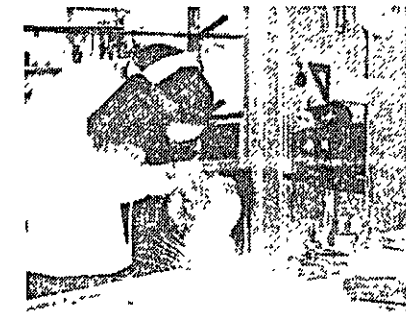
□ COMPANIES can rent equipment for various types of industries.



□ INDUSTRIES range from carpentry to smelting and welding.



□ NEARLY 170 new businesses are on the Hive's waiting list.



□ EQUIPMENT worth more than R250 000 was donated by Samcor.

Handwritten notes in a vertical column on the left side of the page, including circled numbers and signatures.

# EL consumer boycott ends

8/8/80 WCPDA (30)

By KEITH ROSS

EAST LONDON — The eight-month-old consumer boycott in East London was called off today after a meeting of the Boycott Committee decided this week that black shoppers could return to the city.

The committee issued pamphlets at railway stations this morning, announcing an end to the boycott which has caused many small businesses to

close.

Blacks interviewed in the city said they had been told they could shop freely from today.

Their expected return to the city was greeted with relief by the chairman of the Chamber of Commerce's Retail Committee, Mr Keith Levey.

Mr Levey said he too had been told by blacks that they would be free to shop where they liked.

"We are extremely

pleased that the boycott is now over.

"Unfortunately, there are so few people we can talk to, that it was difficult to get an official announcement."

Mr Levey said many shopkeepers in East London had been forced to reorganise their businesses to cope with the boycott.

"Many of those who have survived are not catering for blacks as much

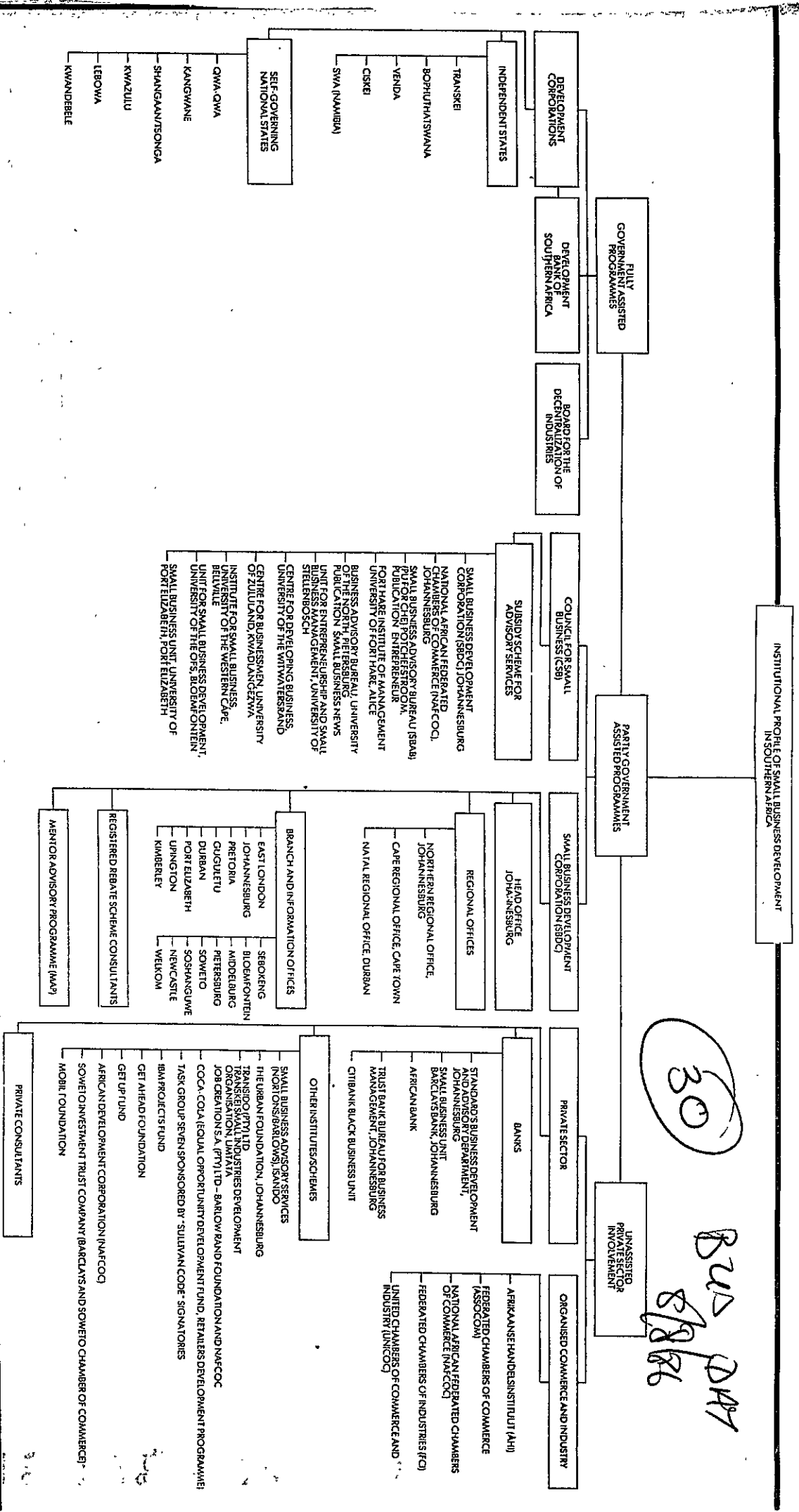
as they used to.

"Now that the boycott seems to be over, they will see black business as extra money in their pockets."

Mr Levey said he would do all in his power to foster good relations with black shoppers.

"Unfortunately, many of their demands are politically orientated and there is little we can do to meet them," he said.

# Small business development in SA — a network of promotion



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BUS DAY

THE thrust to promote small business in SA has led to an ever-growing network of organisations and schemes. Most corporate, social responsibility programmes incorporate some involvement in the growing small business sector.

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# New sense of urgency in the CBD

Something old...

Something new...

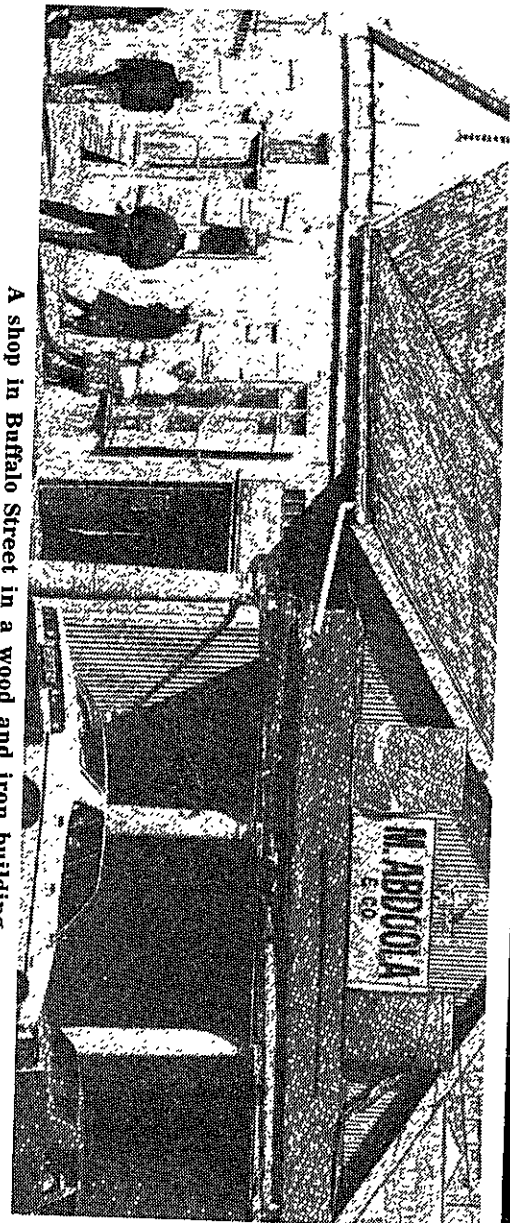
Attention is being turned to East London's economic heartland — the central business district.

Diagnostic charts of the "pump" that circulates the city's wealth highlight the ailments — the dominance of the deepening recession; the loss of clientele to the highly competitive suburban shopping complexes; security considerations aggravated by a debilitating consumer boycott; and the dropping pulse rate that is registering a fall in economic activity.

But three things have happened which businessmen say have arrived like a breath of fresh air:

The formation of the East London Central Business District Association which aims to revitalize and promote development of the area; a five-month study by a consortium of town planners who will investigate the CBD and prepare a master plan for its development; the scheduled dropping of racial trading barriers which is expected to overcome the problem of a dual economy based on colour.

The talk by Johannesburg CBD specialist Tony Trowbridge, and the foresight of city councillor Gwyn Bassingthwaite are among



A shop in Buffalo Street in a wood and iron building.

the most innovative manoeuvres to have nudged the CBD back into life.

Mr Bassingthwaite took up the challenge with a blunt get-off-your-butt message to businessmen. He told them not to blame everything on the recession and on the consumer boycott.

His message had the desired effect.

Mr Trowbridge is essentially an apostle of American writer Jane Jacobs who propounds the concept of internal growth and development in her book, *Cities and the Wealth of Nations*.

"Take control of your economy," is his message and he tells of a programme underway with the acronym, Progress (programme for regional economic self-sufficiency).

He cites the example of dying cities which cottoned on to self stimulation and backs it up with research which shows that a town with 30 000 people can become 80 per cent self sufficient.

He tells of a little town in Mississippi with a population of 20 000 which was dying. One day a newspaperman sat in a pub discussing the

situation with a friend.

"They started to question why people with money were investing it on the stock exchange. Why was all the money being sent out of the town? They formed a

years despite the recession.

His argument of the symbiotic relationships between core cities such as East London and peripheral communities — Beacon Bay and Gomu-

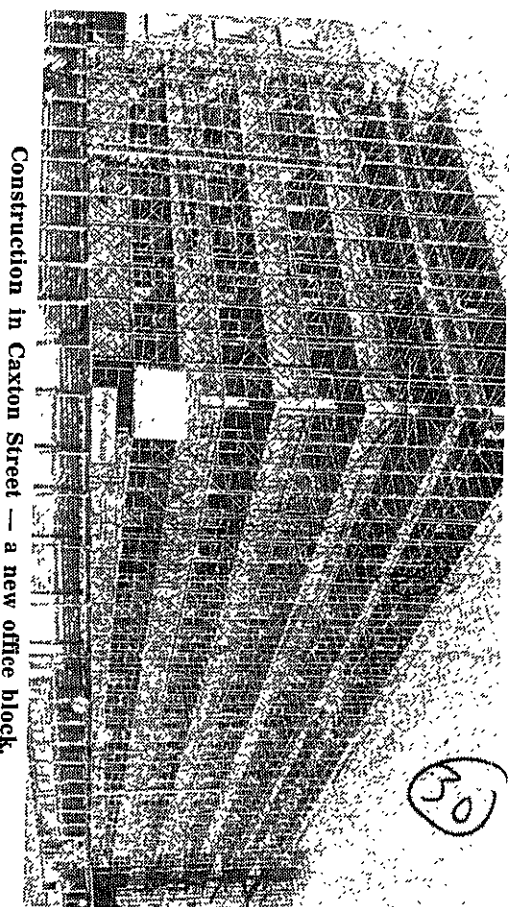
## By MATTHEW MOONEYVA :: Local Affairs Reporter

local industrial development fund and have never looked back.

Such self-generating growth is not only confined to America, he argues, but is unfolding in the Transvaal Lowveld where the little town of Nelspruit has achieved a six per cent growth pattern over the past six

years despite the recession.

His argument of the symbiotic relationships between core cities such as East London and peripheral communities — Beacon Bay and Gomu-



Construction in Caxton Street — a new office block.

alised nations there is a reverse trend and an awareness that there is an interdependence between cities and rural areas which has been neglected to the detriment of both."

Research shows that area to area and that the best solution is for local experts to be roped into the associations to plan and see what can be done.

The East London town planning consortium's offer of a master plan for the CBD dovetails well with this thinking. It is looking at plans on the periphery of the CBD which it says will have a dramatic effect including expansion.

It is researching population distribution and private transportation, pedestrian movement, municipal services, urban development, housing and tourism.

the wealth of towns and cities increases when its peripheral areas are helped to grow.

The general problems of CBDs such as clientele accessibility and traffic problems are also close to Mr Trowbridge's heart and he feels that problems differ from

But the question of opening up the CBD appears to be trapped in government red tape. Says the mayor, Mr Joe Yazbek: "We have been told that all the work has been done to open the CBD but as a city council we have had no official confirmation. Neither has there been a public announcement."

"We are still waiting and we hope we can get on with making the CBD non-racial — something which should have been done long ago. In fact it should never have been a white trading area in the first place."

The heart of the city may be revitalised yet.

FIN/MLC  
 SECURITY 6/8/85

**Safety first**

The spate of terrorist bombings in SA has created an awareness of the need for good security and access control among landlords, shoppers and shopkeepers.  
 Retailers are now demanding that security

in their centres be upgraded. Some who are planning to relocate will consider premises only where access is controlled and where bomb-proof windows have been installed.

One chain reckons it is now paying more attention to security than to stock shrinkage.

There has also been a significant change of attitude among shoppers over security searches. Only a few months ago any request to reveal the contents of parcels or handbags to a security guard was often resented. The mood has changed and, judging from an FM straw poll, most now accept that it is being done for their own safety.

Jeremy Frere, director of projects and development for Fidelity Guards, one of SA's biggest security firms, says storekeepers who want to stay in business will have to control who and what goes into their shops.

"Shoppers will shun stores with no security within a day of the first bomb going off and causing serious casualties," he says.

Frere stresses the need for an awareness of what security is about. Guards must be trained to know what they are looking for and must be relieved every few hours to maintain alertness. And while the flow of customers into a shop should not be slowed down because of over-zealous searching, it should also not be possible for anyone to slip past a guard.

Security guards must be fully supported by management, says Frere. "There should be a no-exception rule. Everyone, including

the MD, must be searched when he goes into a shop." He also points out that it is not good security to make people surrender their hand luggage before entering a shop — particularly if it is placed on a shelf without being examined.

Some shopping centre landlords are also introducing security measures, and others are giving the proposal serious consideration.

Sanlam Properties, owners of the Amanzimtoti shopping centre, where a limpet mine killed five people during the Christmas season last year, has been inspecting hand luggage in its Natal centres since then, says Niel Krige, assistant GM, property. "We are expanding that to other centres, and taking other precautions as well," says Krige.

**Safety glass**

"By the end of September, the windows in all our shopping centres (more than 50) will either be safety glass or covered with safety film, which proved itself in the Amanzimtoti blast. Had it not been for the safety film on the centre's windows, the death toll could have been higher."

Sanlam is also installing access control in its office blocks and solid metal refuse bins are being replaced with mesh-wire bins, or filled nearly to the brim with sand.

Taffy Hewson, OK director in charge of security, says: "We started stopping and searching all people coming into our stores in

built-up and troubled areas a long time ago."

Searches, he says, are purely for security reasons and not aimed at stock shrinkage. Staff are also trained to recognise explosive devices and undergo regular refresher courses.

"Comment from those who shop in our stores has been favourable. People say they feel secure in our stores," he says.

Hewson is concerned by the number of people who carry firearms, but because there is no safe way of keeping firearms while the owners do their shopping, the OK allows them through.

Pick 'n Pay has been security conscious in all its stores for a long time, says René de Wet, director in charge of security. The group also checks hand luggage at the entrances of shopping centres it either owns or has a headlease over. In other instances, it is trying to persuade landlords to do checks at all centre entrances.

"We also do a security sweep of all our stores every 30 minutes. We check everything, look for parcels left lying around and empty all refuse bins regularly."

The major shopping centre landlords, such as Anglo American Property Services (Ampros) and Rapp & Maister have yet to install security checks at their centre entrances. Ampros, for example, "is very concerned and is looking at the problem," according to Joe Hallis, leasing director. "But we haven't started searching bags yet."



# City takes lead in opening CBD

By Winnie Graham

Johannesburg is leading the way in opening its Central Business District to people of all races.

Mr Neil Krige, the head of Sanlam's property division, said this week Johannesburg headed the field in the integration of its CBD. People were moving in quietly, without fuss or fanfare.

Three of Sanlam's office block properties in good positions had

9/8/86 STAK  
a mix of tenants which included black professionals and a white clientele.

"They are taking office space in buildings which are in good shape and where the address is good," he added. "We have been pleased to have let offices to blacks in Anstey's Building and at another office block on the corner of Commissioner and Sauer streets."

Mr Krige said he believed the

30  
vacancy rate in office blocks had "stabilised" and could be improving.

Because his company had one of the largest property portfolios, it had embarked on an intensive in-house marketing campaign to keep tenants who could have been "poached" when rental renewals were reviewed.

"We have kept tenants without undercutting the market," he added.

# Business welcomes end of boycott

**Dispatch Reporter**  
EAST LONDON — The eight-month-old consumer boycott of businesses here has been called off, according to a member of the boycott committee who contacted the Daily Dispatch.

The president of the East London Chamber of Commerce, Mr Nico Cloete, yesterday welcomed the announcement.

Pamphlets sourced to the boycott committee announcing the end of the boycott were distrib-

uted at some railway stations yesterday.

"We naturally welcome any move of this nature. The fact that it's happened should lead to more meaningful dialogue and understanding and hopefully iron out differences of opinion," Mr Cloete said.

"We've always said that we are bound to our original undertaking in the issue, acting as a mediator between the consumer and the authorities. We want to play this role as best we can," he added.

# Blacks starting to ignore boycott in PE

WGPDA

9/21/88

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## Weekend Post Reporters

MORE blacks are ignoring the consumer boycott in Port Elizabeth.

While the numbers using white shops are still small, shopkeepers report a gradual, but open, drift back.

Black shoppers covered on East London today for a buying spree after the eight-month consumer boycott was lifted yesterday.

Retailers in the city reported huge turnouts of blacks from early in the morning.

They turned out in thousands to stock up on food supplies, new clothes and furniture.

In Port Elizabeth yesterday a survey showed that 4% of customers going through the checkouts at Pick 'n Pay Hypermarket at Hunters Retreat were black, the manager, Mr Fred Pearl, said today.

"I have been getting black shoppers here for more than a month — and openly.

"Where they are coming from is the question. They may be farm workers and we have a lot of live-in domestics in Bridgemeade and Rowallan Park.

"At the weekends there have been black shoppers at this store. They are not shopping by the trolleyload, but they are here in noticeable numbers."

Mr Johan Spies, manager of Checkers, Greenacres, said: "Traditionally, blacks don't shop at Greenacres in any numbers. They amount to 1% of our trade, but these people have never left us. Those with cars are still coming in."

Mr Cyril Septoo, manager of Checkers, Constantia Centre, said: "Blacks are coming in in small numbers, but quite boldly. I was told the boycott had

been called off last week, but nothing transpired."

Another North End shopkeeper said: "Black shoppers have been coming in and out of shops with bags. They don't adopt a 'look over the shoulder' stance any more, but are walking in and buying what they need.

"The boycott seems to be fragmentating. They are trickling back boldly."

Mr Irvin Hanbury, manager of an OK Bazaars store in East London, said: "The turnout has been tremendous — too good to describe.

"They are coming back in their thousands. You can hardly move on the floor this morning. It is total chaos."

The chairman of the East London Chamber of Commerce's retail committee, Mr Ken Levey, said some people were probably still unaware the boycott had been called off.

He said pamphlets issued by the Boycott Committee were being distributed over the weekend to ensure the news reached all black residents in East London.

He said that, during the boycott, many shops had changed their marketing strategies.

Some had moved to white areas while others had closed down.

"Most of the demands by the Boycott Committee were met. Local problems such as improvement of living conditions in the townships are now being tackled. We have made money available for this."

Another problem was dissatisfaction among blacks with local administration in the black areas. The business community was doing what it could to influence things for the better.

# CBD delimitation criteria published

CAPE TOWN — Criteria for the delimitation of industrial and central business district areas under regional services councils were set out in yesterday's provincial gazette.

The provincial administration's assistant director of local government, Mr Gideon van Wyk, said whatever was declared an industrial or business zone would be excluded from the calculation of voting powers.

Each local area would be represented on the RSC in proportion to the amount of services it consumed, he said. It

was fair to exclude the business and industrial areas, which were large users of services, as people from various "local areas" shopped or worked there.

The provincial gazette said land zoned or used for industrial purposes should be delimited industrial.

Central business districts were those "dependent on the support of different population groups and communities".

CBDs would be delimited in such a way that they would not be "scattered" over various sites. — Sapa

~~2/2/86~~ 30

DD9/8/86

# Pepkor chairman rules out rescue

W/E ARGUS 9/18/86 30

By TOM HOOD

GROUP sales by Pepkor since the February year-end are slightly more than 20 percent ahead of a year ago and margins have been maintained, says chairman Mr Christo Wiese.

Speaking at the annual meeting at Parow, he said he disagreed with a newspaper analyst that Pepkor was highly overgeared with a debt-equity ratio of 110 percent and might now have to be "rescued".

Since 1982, when it stood at 118 percent, the ratio had gone up to 123 percent in 1984.

"We have lived with a high debt-equity ratio for five years but that doesn't mean we want it to continue.

"Our plan is to bring it down to 75 percent. We are in the process of a major restructuring which is aimed at reducing debt.

"That will be rectified in the next two weeks as we an-

nounce the restructurings when it is finalised. Our borrowings are too high and we are in the process of putting that right."

But it was untrue to suggest that borrowings were more than R240 million — a figure that included a "R25 million loan".

That so-called loan, said Mr Wiese, was tied to a matching investment by which would be repaid on December 31, 1993.

The analyst had described R54 million of debentures as borrowings, but Pepkor regarded them as capital.

There was no mechanism for repaying them and they would compulsorily be converted into ordinary shares.

To compare Pepkor with other retail businesses was misleading because Pepgro was essentially a cash business and therefore could live with a somewhat higher gearing than other companies could.

In the past financial year Pep Stores achieved a growth in sales which was two and a half times the national average and profit margins on these sales were maintained. Operating profit for the group increased by 14 percent.

Results for this year would be substantially better than last year's because the group had no foreign exchange losses to contend with, Mr Wiese predicted.

Replying to a shareholder yesterday, who questioned the policy of exporting at a loss, he said the group expected to achieve export sales of R20 million this year, though still at a loss.

In his annual review Mr Wiese said an aggressive effort to expand the export base boosted export sales from R1,5 million to R8,7 million.

"However, establishing a foothold in foreign markets is a slow process and involves heavy expenditure on research,

marketing and product development. As a result of these set-up costs we suffered a loss of R3 million on exports for the year.

"We believe that developing exports is the correct long-term strategy not only for us as a group but also for the country as a whole.

"As the clothing industry is highly labour intensive, the Government should urgently adopt a more aggressive export incentive programme. This would assist the competitive edge of exporters as well as create much-needed job opportunities for presently unemployed people."

Pepkor's main subsidiaries are Pep Stores and Ackermans in clothing, Shoprite and Hyperette in food, Pep Manufacturing producing clothing and textiles, Budget Footwear, House of Monatic, producing men's and women's fashion wear and Cravateur, producing fashion ties.

nday, August 11, 1986

# Commerce calls for Labour Day holiday

Finance Editor

**MTUNZINI**—It was, in a way, the bicycle congress. Should, congress delegates were to be asked, bicycles be more firmly regulated and every rider required to hold a bicycle licence or would private free enterprise be allowed to pedal where it liked?

Representatives of Natal's commerce gathered here for Assocom's regional congress at the weekend.

They heard talks on privatisation and de-regulation and on tourism. And they were to debate the abolition of minimum wages, making Labour Day a statutory holiday and requiring cyclists to pass an examination.

The bicycle debate did not start because the Ladysmith Chamber of Commerce withdrew its resolution.

Perhaps it was timely in terms of the early talks about privatisation (defined as when business takes over the activities of municipalities and govern-

ment) and de-regulation: the removal of the many rules that govern business life.

Delegates were told that privatisation was best thought of from the bottom up. It was of little use considering putting Iscor and Escom into business but of considerable merit to look at commerce bidding for a municipal rubbish removal project.

They heard that municipalities are heavily over-regulated; also that in recent interviews the State President was to give, in the laws on the matter, a three-year deadline to private enterprise to indicate what rules should be scrapped.

The comment that put the debate into perspective came from Johannesburg's management committee chairman, Mr J P Oberholzer, who opposed privatisation of municipal services because of the em-

ployment they provided which was paid for by 'allocating money from elsewhere'.

The thought that ratepayers subsidise poor labour practises galvanised delegates into support for privatisation.

The Zululand Chamber of Commerce was all for persuading government to abandon the concept of minimum wages as prescribed in Industrial Council agreements.

But it was not a simple matter, and setting aside prescribed wages would lead to exploitation or in some situations higher wages were being paid because of the lack of skills.

Labour Day was one issue which might have landed on next year's agenda but for Durban Metropolitan Chamber of Commerce's demand for rapid action so that labour hassles would not be repeated next year.

The holiday had to be on,

May 1 and should be swapped for Founders Day.

Dr John Vincent, of the Natal Parks Board, put up the dilemma between conservation and tourism: if the infrastructure was left to commerce to develop one would get the 'intensely focussed and somewhat selfish' Sun City schemes; but government did not always have the money to develop rapidly enough to meet the needs of tourists.

Post Business

30

# Signs of recovery in July vehicle sales

## Latest sales figures

Manufacturer*	Units	-% change on -		Year to date		
		%mkt	Jun '86	Jul '85	Units	%mkt
Toyota	(2) 4 000	23,8	+3,4	-4,1	26 946	26,3
Samcor*	(1) 3 604	21,5	-10,1	-6,8	21 099	20,6
VW	(3) 3 462	20,6	+34,4	+52,1	18 259	17,8
GM	(5) 1 934	11,5	+50,0	+18,5	8 040	7,9
M Benz	(4) 1 460	8,7	+10,3	-8,5	9 762	9,5
BMW	(7) 1 234	7,3	+1,9	+11,8	7 769	7,6
Nissan	(6) 1 073	6,4	-12,5	+22,1	8 007	7,8
Renault	—	—	261	—	2 387	2,3
Other	11	0,1	+57,1	N/C	53	0,1
*Samcor Ford	1 901	11,3	-18,6	+6,4	10 692	10,4
Samcor MMI	1 703	10,2	+1,7	-18,2	10 407	10,2
<b>Top five models</b>	<b>Industry totals</b>					
Golf/Jetta	2 994	For July '86	16 778			
Corolla	2 752	For June '86	15 769	:change +6,4%		
Kadett	1 408	For July '85	17 656	:change -5,0%		
Cressida	1 246	For year to date	102 321			
Laser/Metr	1 138	Comparable in '85	116 315	:change -12,0		

\* Indicating ranking in previous month.

### LIGHT COMMERCIAL SALES

Manufacturer*	Units	-% change on -		Year to date		
		%mkt	Jun '86	July '85	Units	%mkt
Toyota	(1) 2 817	37,8	+13,4	-2,2	17 356	39,2
Nissan	(2) 1 541	20,7	-0,1	-6,2	9 745	22,0
*Samcor	(3) 1 401	18,8	+2,9	+18,6	8 541	19,3
GM	(4) 1 051	14,1	+7,6	+2,1	5 091	11,5
VW	(5) 613	8,2	+26,9	+37,1	3 317	7,5
Leyland	(6) 25	0,3	-21,2	-63,2	163	0,4
M Benz	(7) 1	—	—	-75,0	7	—
*Samcor Ford	689	9,2	+5,1	-2,5	4 540	10,3
Samcor MMI	712	9,6	+10,7	+50,2	4 001	9,0
<b>Industry totals</b>						
For July '86	7 449		For July '85	7 258	:change +2,6%	
For June '86	6 881	:change +8,2%	For year to date	44 220	:change -7,5%	

\* Indicating ranking in previous month.

### MEDIUM COMMERCIAL SALES

Manufacturer*	Units	-% change on -		Year to date		
		%mkt	Jun '86	Jul '85	Units	%mkt
*Samcor	(1) 164	42,6	+15,5	-4,1	926	33,9
Toyota	(2) 118	30,7	+7,3	+81,5	820	30,0
GM	(3) 44	11,4	-36,2	-40,5	492	18,0
Nissan	(4) 37	9,6	-22,9	-63	280	10,2
M Benz	(5) 22	5,7	+4,8	-33,3	214	7,8
*Samcor Ford	107	27,8	+20,2	+1 428,0	302	11,1
Samcor MMI	57	14,8	+7,5	-65,2	624	28,8
<b>Industry totals</b>						
For July '86	385		For July '85	443	:change -13,1%	
For June '86	390	:change -1,3%	For year to date	2 732	:change -8,1%	

\* Indicating ranking in previous month.

### HEAVY COMMERCIAL SALES

Manufacturer*	Units	-% change on -		Year to date		
		%mkt	Jun '86	Jul '85	Units	%mkt
M Benz	(1) 192	35,3	N/C	-35,8	1 406	35,0
Toyota	(3) 90	16,6	-10%	-7,2	641	15,9
Magnis	(2) 78	14,2	-34,4	-11,4	515	12,8
GM	(6) 64	11,8	+88,2	-34,7	402	10,0
Leyland	(7) 39	7,2	+21,9	-40,9	298	7,4
Man	(5) 38	7,0	-5,0	-2,6	259	6,4
*Samcor	(4) 17	3,1	-60,5	-74,2	276	6,8
Erf	(8) 12	2,2	-29,4	-62,5	106	2,6
Malcomess	(9) 5	0,9	-68,7	-73,7	88	2,2
Hestair	(10) 4	0,7	+300,0	-33,3	12	0,3
Fodens	(10) 3	0,5	+200,0	N/C	12	0,3
Int Harv	(12) 1	0,2	—	-95,0	6	0,1
*Samcor Ford	13	2,4	+18,2	-65,8	109	2,7
*Samcor MMI	4	0,7	-87,5	-85,7	167	4,1
<b>Industry totals</b>						
For July '86	543		For July '85	867	:change -37,4%	
For June '86	596	:change -8,9%	For year to date	4 019	:change -33,5%	

\* Indicating ranking in previous month.

### RANKING & CAPE'S SHARE\*

SA mfrs	East Cape manufacturers				Total	Share (%)
	Ex-Ec	VWSA	GM SA	MERC		
Cars	66 260	18 259	8 040	9 762	36 061	35,2
Light Comm	35 805	8 317	5 091	7	8 415	19,0
Medium Comm	2 026	—	492	214	706	25,8
Heavy Comm	2 211	—	402	1 406	1 808	45,0
<b>Total</b>	<b>106 302</b>	<b>21 576</b>	<b>14 025</b>	<b>11 389</b>	<b>46 990</b>	<b>30,6</b>
% market	69,4	14,1	9,1	7,4	—	—

\* Aggregate for year to date

#### Business Editor

VEHICLE sales continued to show signs of recovery in July, giving renewed hope that they could be on the verge of shaking themselves out of the doldrums.

Passenger car sales in July showed an upturn of 6,4% over June with a total of 16 778 sales (15 769), National Association of Automobile Manufacturers of SA (Naamsa) figures show.

But in comparison to July last year the sales of 17 656 sales last year, they were 4,9% down.

Sales of light commercial vehicles also recorded encouraging gains last month over June, showing an improvement of 8,2% to 7 449 units.

But sales of medium and heavy trucks and buses remained depressed, being 543 units — 8,7% — down on June's 595.

New car sales reflected a decline of 12% compared with the corresponding January-July period last year — 102 321 as against 116 315 last year.

Naamsa director Mr

Two highly significant factors are revealed in the latest Naamsa statistics.

One is extremely heartening news for the Eastern Cape — Volkswagen's Golf/Jettas have replaced the Toyota Corolla as South Africa's top sellers after months of domination by the Japanese-sourced model.

The second is that Renault have disappeared from the sales charts. The French company closed its manufacturing operations last year, but continued to sell vehicles as dealers ran down stocks.

But in July it recorded no sales, so reducing what had been previously eight manufacturers — and at one time 13 — to seven in a rationalised market.

Nico Vermeulen said new car and light commercial vehicle sales were expected to continue to benefit from recent official measures to stimulate the economy as well as lower interest rates.

"As a result, consumer sentiment could improve further and, in particular, new car sales are likely to gain some additional momentum during the last four months of the year as the new basis of valuation of company-owned cars, for purposes of fringe benefit taxation, is officially implemented."

Naamsa expects that new car sales will fluctuate between 15 500 and

17 500 units a month during the remainder of the year.

Sales of light commercial vehicles were also expected to record further "modest improvements", but no "significant improvement" was expected in sales of the industry's truck and bus sector.

Mr Vermeulen said the continuing recovery in new car sales could be attributed to a combination of factors.

These included pent-up replacement demand, the positive influence of recent new model introductions, aggressive marketing and sales campaigns

#### ial Bonus

Quarterly Bulletin in 1986 will receive a  
le issues of Quarterly Bulletins, at no extra

Durban  
12/08/86 Mercury  
man pays  
R5 400 for  
case of wine

Mercury Reporter

A PRIVATE wine collector from Durban, Mr Malcolm Scott, has successfully tendered for a case of red wine so rare that it costs close on R75 a glass or R15 a swallow.

At R5 400 a case of R450 a bottle, the 1966 Alto Cabernet Sauvignon, fetched one of the highest prices paid for a case of wine in South Africa in the latest tender of Bergkelder wines.

Bergkelder spokesman Sally Simson said the 1966 Cabernet was made by Mr Piet du Toit, father of rugby Springbok Hempies du Toit, as an experiment, and without the knowledge of the estate owner, Advocate Broeksma.

He secretly matured two vats, of which 500 cases were eventually put on the market in 1972 for R27,40 a case.

Mrs Simson said only 5 000 l of the wine was made and Mr Scott's case was one of the last two available. The other went to a Johannesburg liquor store.

Altogether 2 844 cases of 36 different wines were offered in terms of the tender scheme this year and it was over-subscribed by 433%.

The biggest demand was for the 1980 Meerlust Cabernet.



## Relief as boycott nears end

PORT ELIZABETH—Businessmen in the Eastern Cape are heaving sighs of relief — the black consumer boycott in East London is over and seems to be nearing an end in Port Elizabeth.

Owners and managers of shops here have said more and more blacks are openly

buying at white shops, complaining of exorbitant prices in black shops.

It was also said that the organisers of the boycott were finding it difficult to enforce.

East London retailers have enjoyed a flood of black customers since the boycott there was called off

last week.

The Port Elizabeth boycott, in support of various political demands, started in July last year, was lifted in November and reintroduced last April.

Although no date for it to end has been mooted, dealers hope it will be September 1. — (Sapa)

rates of R25-R40/m<sup>2</sup>. In the centres Incity is syndicating, for example, the rate varies from R9-R15/m<sup>2</sup> depending on location.

And because these are convenience shopping centres, as opposed to destination shopping points such as Eastgate or Sandton City, they generally are well supported by a natural catchment of local residents always popping in to buy their immediate needs. ■

OPEN CBD

## Up in downtown

Property values in Johannesburg's CBD could improve if the city council gets government approval to allow coloureds and Indians to live there legally. Not only that: the market believes this could wipe out the flat surplus through additional leasing as well as individual apartment sales.

The industry is optimistic that the application will succeed, as it is backed by Francois Oberholzer, chairman of Johannesburg's management committee. In practice it would be little more than ratification of a situation that has existed for years.

Oberholzer's rationale is essentially economic. By his estimates, the move could save government some R20m, a figure based on the cost of building alternative accommodation. A recent survey by the council, not yet complete, identified at least 750 vacant flats in the area.

The application, however, is for coloureds and Indians only: "About 22 000 coloured and Indian people already live in the CBD. What's the point of duplicating that accommodation elsewhere?" Oberholzer asks.

He admits that the CBD is no longer a white area. Whites who don't like coloureds and Indians as neighbours can relocate elsewhere, he says.



Johannesburg CBD ... black by night

## GUIDELINES

Richard Ellis has arranged the sub-lease of 174 m<sup>2</sup> in 2 Pybus Road, Sandton, to City Lodge Hotels for a head office at R15/m<sup>2</sup>, escalating at 9%/year, for 30 months.

RMS-Syfreys has found tenants for more than 7 500 m<sup>2</sup> of industrial, warehousing and factory space in the past two weeks.

The deals include 1 500 m<sup>2</sup> of factory and office space in Greenfield Park, Isando, leased to Flenders Hemmelwerk — a manufacturer and distributor of gearbox and power transmission casings — for five years at a rental of R4,25/m<sup>2</sup> gross, escalating at 10%/year.

The former Intercity Motor Spares premises in Watkins Street, Denver Ext 4, consisting of 1 600 m<sup>2</sup> of warehousing and office accommodation, owned by Rufus & Joubert, was let to Infast Tools and a subsidiary, Cog Mechanical Engineering, for five years at R4,50/m<sup>2</sup>.

Old Mutual Properties (OMP) has let another 1 100 m<sup>2</sup> in Hermanstad Industrial

Park, Pretoria. Metro Cash & Carry added 700 m<sup>2</sup> to its existing 12 700 m<sup>2</sup> and Copalcor took 310 m<sup>2</sup> for three years at R6,50/m<sup>2</sup> gross, escalating at 10%/year. This makes the park 87% let.

Anglo American Property Services (Ampros) let more than 8 000 m<sup>2</sup> of office space in Johannesburg during July, reducing vacancies in its 384 000 m<sup>2</sup> office portfolio in Johannesburg to about 11%, or 43 000 m<sup>2</sup>. The vacancy rate stood at 13,28% (51 000 m<sup>2</sup>) in June.

About half this space was let in Barnib House, where Saan has been a big taker, at rentals of about R12/m<sup>2</sup> escalating at 10%/year. These deals bring occupancy of the building up to 99%.

Landmark has let an 800 m<sup>2</sup> floor at 94 President Street to Drake College for five years for an initial R5/m<sup>2</sup> net. Commercial manager, Nick Hill, says that Landmark will itself move into the top two floors of the building.

"There are no longer barriers to prevent people of other races trading and owning property in the centre of Johannesburg, so why should there be barriers to prevent their living there as well? It makes no sense to allow people to earn their living in one place — in this case, the CBD — but to force them to live elsewhere."

Errol Friedmann, joint MD of J H Isaacs (JHI), which manages more flats in the CBD than any other firm, is "elated" by the idea: "It's lovely. It will give prices of property there a tremendous boost.

"It's creeping integration, and makes

sense. It is ridiculous to think that there is plenty of accommodation standing empty, while people who can afford to buy or lease it are barred because of pigmentation."

Friedmann puts the figure of empty CBD flats at around 1 000. Any move to open the CBD residentially could "put a roof over some 4 000 heads."

In his experience, there has been little, if any, racial friction when coloureds and Indians move into blocks previously occupied by whites only.

"Obviously some don't conform, but generally they are good tenants," he says. "They don't cause problems, do not cause or become involved in disturbances, and are prompt with their rent."

Ebrahim Kharsany, MD of the Corporate Group of Companies, says, "many (coloureds and Indians) have not bothered to comply with the law and have bought in the CBD. But many who want to buy have shied away because of possible legal repercussions."

He agrees that if Oberholzer's action is successful "it will push up property prices. People will want to live in, and preferably buy, the flats over their shops," he says. But he criticises Oberholzer for ignoring Africans in his application and "going the way of the tricameral debacle".

"The whole of the CBD is already grey. Blacks patronise it heavily and many live in it," he says.

Oberholzer, however, implies that the initiative to allow blacks to live in the CBD as well must come from the Group Areas Board: "They will have to investigate and see if they want to take it further and allow all races, including blacks, to live in the CBD." ■

No. 143, 1986

**INSTELLING VAN 'N VRYHANDELSGEBIED KRAGTENS DIE BEPALINGS VAN ARTIKEL 19 VAN DIE WET OP GROEPSGEBIEDE, 1966, TE MALMESBURY, DISTRIK MALMESBURY, PROVINSIE DIE KAAP DIE GOEIE HOOP**

Kragtens artikel 19 (1) van die Wet op Groepsgebiede, 1966 (Wet 36 van 1966), verklaar ek hierby dat, vanaf die datum van die publikasie van hierdie Proklamasie, die bepalinge van artikels 26 (1), 27, 35, 37 en 40 van genoemde Wet nie van toepassing is nie ten opsigte van enige gebou, grond of perseel in die gebied omskryf in die Bylae hiervan, onderworpe aan die voorwaarde dat die gebou, grond of perseel slegs vir handels-, kommersiële, professionele of godsdienstige en opvoedkundige doeleindes geokkupeer of gebruik mag word ingevolge 'n dorpsaanlegskema wat kragtens die een of ander wet in dié gebied in werking of bindend is.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Pretoria, op hede die Eerste dag van Augustus Eenduisend Negehoonderd Ses-en-tagtig.

P. W. BOTHA,  
Staatspresident.

Op las van die Staatspresident-in-Kabinet:

J. C. HEUNIS,  
Minister van die Kabinet.

**BYLAE**

**ARTIKEL 19-VRYHANDELSGEBIED**

Begin by die punt waar die suidooswaartse verlenging van die noordoostelike grens van Erf 1829, Malmesbury, die middel van Voortrekkerweg kruis; daarvandaan suidwaarts met die middel van genoemde Voortrekkerweg en die middel van Bokomoweg en Tuinstraat langs tot by die punt waar die middel van genoemde Tuinstraat die noordwaartse verlenging van genoemde noordoostelike grens van Erf 1829 kruis; daarvandaan suidooswaarts met genoemde verlenging en noordoostelike grens van Erf 1829 langs tot by die punt waar genoemde suidooswaartse verlenging van die noordoostelike grens van Erf 1829 die middel van genoemde Voortrekkerweg kruis, die beginpunt.

No. 144, 1986

**UMGENI-WATERRAAD, DISTRIKTE DURBAN, PINETOWN, INANDA, CAMPERDOWN, PIETERMARITZBURG, LIONSRIVIER, LOWER TUGELA EN NDWEDWE, NATAL.—UITBREIDING VAN VOORSIENINGSGEBIED**

Kragtens die bevoegdheid my verleen by artikel 108 (2) van die Waterwet, 1956 (Wet 54 van 1956), verklaar ek hierby dat met ingang van die datum van publikasie hiervan, die grense van die gebied van die Umgeni-waterraad gewysig word soos dit omskryf word in die Aanhangsel hiervan, wat die volgende distrikte of gedeeltes daarvan addisioneel sal insluit: Umbumbulu, Richmond, Mpendhle, Umvoti, New Hanover, Mapumulo, Chatsworth en Umlazi.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Pretoria, op hede die Eerste dag van Augustus Eenduisend Negehoonderd Ses-en-tagtig.

P. W. BOTHA,  
Staatspresident.

Op las van die Staatspresident-in-Kabinet:

J. J. G. WENTZEL,  
Minister van die Kabinet.

No. 143, 1986 GOVT 9/12

15/8/86. 30

**ESTABLISHMENT OF A FREE TRADING AREA IN TERMS OF SECTION 19 OF THE GROUP AREAS ACT, 1966, AT MALMESBURY, DISTRICT OF MALMESBURY, PROVINCE OF THE CAPE OF GOOD HOPE**

Under section 19 (1) of the Group Areas Act, 1966 (Act 36 of 1966), I hereby declare that, as from the date of publication of this Proclamation, the provisions of sections 26 (1), 27, 35, 37 and 40 of the said Act shall not be applicable in respect of any building, land or premises in the area defined in the Schedule hereto, subject to the condition that such building, land or premises may only be occupied or used for trading, commercial, professional or religious and educational purposes in terms of a town planning scheme which is in operation or binding under any law in that area.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this First day of August, One thousand Nine hundred and Eighty-six.

P. W. BOTHA,  
State President.

By Order of the State President-in-Cabinet:

J. C. HEUNIS,  
Minister of the Cabinet.

**SCHEDULE**

**SECTION 19 FREE TRADING AREA**

Beginning at the point where the prolongation south-eastwards of the north-eastern boundary of Erf 1829, Malmesbury, intersects the middle of Voortrekker Road; thence southwards along the middle of the said Voortrekker Road and the middle of Bokomo Road and Tuin Street to the point where the middle of the said Tuin Street intersects the prolongation north-westwards of the said north-eastern boundary of Erf 1829; thence south-eastwards along the said prolongation and north-eastern boundary of Erf 1829 to the point where the said prolongation south-eastwards of the north-eastern boundary of Erf 1829 intersects the middle of the said Voortrekker Road, the point of beginning.

No. 144, 1986

**UMGENI WATER BOARD, DISTRICTS OF DURBAN, PINETOWN, INANDA, CAMPERDOWN, PIETERMARITZBURG, LIONS RIVER, LOWER TUGELA AND NDWEDWE, NATAL.—EXTENSION OF AREA OF SUPPLY**

Under and by virtue of the powers vested in me by section 108 (2) of the Water Act, 1956 (Act 54 of 1956), I hereby declare that, as from the date of publication hereof, the boundaries of the area of the Umgeni Water Board are altered as defined in the Annexure hereto, which will include the following districts or portions thereof additionally: Umbumbulu, Richmond, Mpendhle, Umvoti, New Hanover, Mapumulo, Chatsworth and Umlazi.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this First day of August, One thousand Nine hundred and Eighty-six.

P. W. BOTHA,  
State President.

By Order of the State President-in-Cabinet:

J. J. G. WENTZEL,  
Minister of the Cabinet.

# Changing direction?



Sam Motsuenyane is President of the National African Chamber of Commerce (Nafcoc). In a significant policy shift, Nafcoc recently resolved not to participate on the National

Council, decided to review its policy of conditional investment, and has become more outspoken against government. Nafcoc met the ANC in May.

**FM: Would you say Nafcoc has shifted direction?**

**Motsuenyane:** Our position has not changed, but is changing as a result of polarisation. We want to bring pressure to speed the pace of reform as the situation appears dangerous.

**Are these not reluctant moves to accommodate pressure from mass organisations such as Cosatu, UDF, and Azapo and gain credibility among blacks who view Nafcoc's relationship with government and white business with suspicion?**

These are moves in terms of our perception about the future, which we think will influence this future. Nafcoc is not a political organisation, but a developmental one that looks at what will create stability and justice. Nafcoc corresponds with Cosatu and a meeting is pending. We have had conferences where the UDF participated. We are all pushing for a climate of freedom. Nafcoc is trying to bring blacks together to find consensus.

**Do you support sanctions?**

We are under no illusion that whatever change there has been, is because of pressure. Sanctions are a measure of last resort, whose positive impact cannot be seen imme-

diately. They will have a negative impact on the economy, but will open opportunities for self-searching while government will be compelled to come to grips with real issues and challenges.

**But will government not react the other way and dig in?**

It could, but that would be stupid, and to the detriment of all, including government and the Afrikaners.

**Are blacks prepared to make the sacrifice?**

Not only blacks must make a sacrifice. Blacks have concluded that whites have not suffered enough to pressure government sufficiently. More pressure on whites may cause them to rebel. Whites must become more concerned.

Business should be ready to defy government. If it does not, it will mistakenly be perceived as wanting to maintain the status quo. In any event, in money terms, white workers stand to lose more than blacks.

**So you disagree with Thatcher and Reagan that sanctions are immoral?**

They are soft pedalling on a vital issue and can afford to do this as much as whites, sitting in comfort.

**What is your relationship with government?**

We are saying different things. Government is moving too slowly. To prove it is no longer committed to apartheid and white economic domination, all discriminatory laws, such as the Group Areas Act, Separate Amenities Act, and Land Act, should be phased out. These contradict the free enterprise system and would hurt no-one if abolished. Also, government should speak to the ANC and release all political prisoners.

**What about white business?**

It hasn't done enough and has been comfortable for too long. Whites have woken up too late to the need to establish blacks as part of the free enterprise system; without their

involvement, it has no future.

**But there is growing disenchantment with the free enterprise system.**

Blacks would rather demolish the system and bring in another, because it is seen as discriminatory. The wealth monopolised by white business and the exclusion of blacks puts blacks off free enterprise. Young blacks feel apartheid and free enterprise are synonymous.

But black culture is not that socialist. The tribal system recognises the ability of individuals and tolerates wealthy people because we can give them more daughters. The ANC recognises this culture cannot be destroyed. **Can you convince them otherwise?**

It will take some doing. Only the abolition of discriminatory laws will turn minds around and create new hope.

**In talks with the ANC, did differences about a future economic system emerge?**

What emerged is remarkably different from the propaganda generated against the ANC.

It supports a mixed economy rather than a purely socialist or Communist system. Nafcoc agrees with a mixed economy as there are strategic industries which cannot be run by the private sector. The ANC lauded our pioneering work.

**Where did you differ from the ANC?**

The agenda was structured to exclude sensitive issues.

We would perhaps differ on the methods of obtaining freedom, not the aims.

**What about nationalisation?**

We did not really discuss this; we spoke more on the mixed economy. The ANC mentioned land redistribution — with which we agree. Blacks have not shared in the wealth of SA so I can't say "no" to nationalisation, but resist it at a level where individual rights are impeded. Flexibility is needed.

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Fin Mail 15/8/86

## Clubbing together

Retailers' efforts to maintain market share in the ongoing "Store Wars" (*FM* August 8) show no signs of letting up. In one area, Johannesburg's Victory Park, two majors — Checkers and Spar — have banded together to stop Pick 'n Pay (P 'n P) from establishing a major new centre including a hyperstore.

Retail International (RI) director, Joe Bentel, who was to have developed the centre, says, however, plans have only been set back — not scrapped.

Members of Beaconsfield Club, which was

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to have sold its premises to RI for the development, have opted to keep the club — thanks to a major donation and ongoing sponsorship by Checkers and Spar.

RI's plans met stiff opposition from local residents when it was learned (*Property*, March 21) that RI planned to rescue the financially strapped club by buying and redeveloping it as a shopping complex.

The R3,5m RI is purported to have offered for the site would have enabled the club to pay its debts and use the balance to develop more modern facilities on a 2,5 ha site in Bedford Road, off Hendrik Verwoerd Drive, which the Randburg Council had offered it.

The plans were opposed by both Checkers and Spar, since the highly visible new generation P 'n P — on a prime site served by two major arterial roads feeding the CBD — would have meant stiff competition.

So, says Checkers MD Clive Weil, "together with Spar, we opted to give the club help in both cash and kind." This includes help with administration and providing the club with additional members to improve revenue.

Weil admits that his group and Spar "had a commercial interest in the fact that the club was being sold for the ground to be redeveloped as a shopping centre. We have stores nearby which would have been severely affected by a P 'n P hyperstore. Residents were also concerned, and the council was considering taking the club over and operating it as a municipal club."

P 'n P joint MD Hugh Herman is still keen to get a store in the area. "The plans, though, were only in the embryonic stage," he says.

Bentel hopes that the matter is not closed. He believes the club would do better to relocate to newer and more spacious premises — which it could have, with the cash injection. ■

# Granbaz to tackle the food giants

By TOM HOOD

BIG changes being made in the Grand Bazaars chain of supermarkets should pull it out of the red in a few months, predicts Mr Carlos dos Santos, managing director of Score Food Holdings, the new owners.

"The figures are looking better already," he said this week.

And the man Score has moved to Cape Town to engineer the turnaround is Mr Michael Palmer, the new deputy managing director of Granbaz.

He has already started changing the emphasis inside stores and is looking for sites for new ones in the Western and Eastern Cape and Transvaal.

## NEW CAPITAL

The old-established Cape company is due to become a wholly owned subsidiary of Score next week and it will change its name to Grand Supermarkets.

Several million rands of new capital will be pumped in by Score to help a major restructuring.

The capital injection will go into expansion and refurbishment of stores, fixtures and fittings.

Mr Palmer, 20 years in the supermarket business, was Transvaal regional director for a large supermarket chain before he joined Score and at one time was previously operations director in the Cape for another company.

Since moving into the hot seat two months ago ago he has decided on a major re-training of staff aimed at raising productivity, courtesy to customers and friendly service.



Mr Michael Palmer . . . fighting force.

The stores themselves are being tidied up and improved layouts are being done. Greater emphasis is being placed on fruit and vegetables.

Stores will also be stocked to suit different customer profiles and buying patterns of areas — a shop in the middle of industrial Epping served a different market from a supermarket in Sea Point.

"Competition is fierce in the Cape and we expect it could get tougher. But we didn't buy Grand Bazaars simply to keep it as it is. We want to be a fighting force and increase our market share," says Mr Palmer.

The recession and gloomy economic forecasts have not deterred Mr Palmer from planning the opening of new stores.

Nor is he over-worried by the oversupply of retail shopping in some areas.

"If we wait too long we will get left behind," he says simply. "We go for C and D income group and we are looking at all possible areas for expansion."

"If suburbs or towns are expanding one must assess the situation and think positively, and if it is viable then we go in."

## WINE LICENCES

The Grand group has wine licences — obtained just before the takeover and where it was suitable, Score would apply for licences for more supermarkets.

"Wine turnover is significant but not enormous. It is on the shelves to make shopping easier for the consumer. We carry

improve controls and give us the necessary day-to-day information needed to run an efficient and effective retail operation."

The new management is looking at all areas of expense.

"Cost controls are being enforced and all costs are being scrutinised. With low margins, cost controls are essential."

## SANCTIONS

Mr Palmer said suppliers' prices were still going up and though the company tried to maintain retail prices it could not do so for long because margins were so low.

"About 99 percent of our merchandise is locally produced so that if sanctions come they ought not to make much difference."

Imported foods would still be available, but they would be more expensive.

The old-established Grand Bazaars business was started in Parow by cousins Manual and Max Sachar opening a supermarket.

## LOSSES

Sales increased to R161 million in the 12 months ending February 28 but a soaring interest bill of R3,1 million wiped out profits and the company ended with a R195 000 loss. Shareholders received only 85c a share in dividends.

The three months to May 31 produced further losses of R773 000.

But a notice to shareholders said a programme of stock reduction had slashed R2 million off stock levels, listed as R21,7 million in the balance sheet.

In its best year, 1984, Grand had a net profit of R2,8 million and paid dividends of 725c a share.

The listing of Grand's shares on the Johannesburg Stock Exchange is due to be terminated next Friday after Supreme Court approval of Score's takeover offer to shareholders.

(DPA) W/E Post 16/8/86  
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## EL chamber welcomes boycott lift and pledges to press for change

Weekend Post Reporter

THE East London Chamber of Commerce is still committed to press for change and will keep up pressure to achieve it, a spokesman told Weekend Post.

Mr Keith Levey, chairman of the retail committee, said the chamber was delighted that the eight-month-old consumer boycott had been lifted.

While the reasons for the boycott being lifted were not clear, it was possible that the organisers had recognised that the chamber was still committed to press for change.

In recent months there had been little negotiation between the chamber and members of the boycott committee or leaders of community-based organisations.

He said the chamber had met the demands put to it some months ago and which mostly concerned local issues.

One of the them sought to stop the removal of people from Duncan Village.

"A lot of them were political demands which we

could not meet," he said.

Mr Levey said it was difficult to say what had prompted the lifting of the boycott because contact in recent months had been far less than in the past.

He said some black shoppers were still wary about shopping in town but he could see that people were no longer sneaking into the shops, afraid of being caught.

Mr Levey said he would not say that black shoppers were "flocking" to the shops mainly because of high unemployment and shortage of money.

Mr Tony Gilson, director of the Port Elizabeth Chamber of Commerce, said the East London chamber did not have a magic wand.

"It just happened," said Mr Gilson.

He said talking to any community-based organisation was not easy in PE and it was difficult to make contact.

Mr Gilson said he would be loathe to say that the boycott in PE showed signs of lifting because the last thing he wanted to do was raise false hopes.

"We'll just have to wait and see," he added.

# CARTE BLANCHE



SUNTIMES  
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**R**etailing in South Africa has seldom been more fascinating.

The three major food chains are on the brink of a price war and the trading background is changing fast.

It is a moot point whether the present balance of power will continue, but it is no easy matter to back a winner.

First the megatrends. In 1965, whites took 70% of disposable income in SA. By 1985 their share had declined to 55% of a much bigger cake. By 2000 the white share of the cake will be down to less than half.

The all-important size of the cake by then depends on many things, from the gold price to socio-political dispensations still to be worked out.

The size of the cake will ultimately determine how many full bellies there are — and how many contenders remain in retailing by 2000.

But for the present the white market is virtually saturated. Unless they can increase their share of the white market at others' expense, retailers looking for growth in the next decade or so will have to turn increasingly to the black market.

If Third World urbanisation trends are valid in SA, the scrapping of influx control and the erosion of group areas mean that blacks will be concentrated in CBDs and whites in the suburbs.

The drift from rural to urban areas means less reliance on the land and more turnover for food retailers.

A final megatrend will be heightened political consciousness among black consumers. They will prefer to deal with black-owned stores — provided the shops offer competitive prices.

**A**mong the major retailers, Pick 'n Pay still has the edge. It is overwhelmingly food based, which is reassuring in a low-growth scenario — but unless it can increase exposure to the black market, it may find its lead threatened.

Raymond Ackerman's shops are nearly all in white suburban locations, but he says he does not think about race in his strategy. Pick 'n Pay has successful shops in Mitchells Plain and Bisho and opens soon in Mmabatho. It has long sought black partners, but they have been reluctant.

OK has always derived a large part of turnover from the black market. With a strong CBD presence, it is well positioned for the megatrends described here. OK has a bigger portion of non-food lines, which makes profits far more cyclical than Pick 'n Pay's. In a low-growth scenario OK will probably lag, but in an upturn it could leave

by David  
Carte,  
BUSINESS  
TIMES  
Editor

## Black spells magic as food giants battle

the others standing.

Checkers appears to believe in specialisation for the black market. It is handing more and more of its black shops over to its aggressive cousin in Tradegro, Jazz Stores, whose arm's-length ally Blackchain also means business in the black market.

Checkers has thrown untold millions at gaining market share. Clive Weil says it is working and increased volumes will mean improved rebates from suppliers. He contends Checkers has more to gain from improving efficiency than Pick 'n Pay, which he concedes is the slickest.

Mr Ackerman does not dispute that Checkers has improved its market share to everyone's discomfort. But he says profits, not market share, are the name of the game. While Checkers aims to break even this year, Pick 'n Pay is looking to improve on last year's pre-tax profit of R66-million. It hopes to do this on low turnover growth and in spite of an expensive strike and lower interest receipts on its cash holdings.

Mr Ackerman believes his financial strength and the fact that he does more turnover than the others with half the number of stores will tell into the foreseeable future. The final placings will be determined by economic growth and politics.



# Joshua Doore does better <sup>SM</sup> 30 18/8/86 than forecast

## Finance Staff

Joshua Doore, which was listed on the JSE today, showed a six percent increase on its pro forma earnings forecast of R600 000 after tax for the year ending June 1986.

Joshua Doore has been under the control of furniture retailer Price'n Pride since the end of March, and according to the new MD, Mr David Sussman, "both chains each contributed to profits in the three months ended June and both are ahead of budget in the first weeks of the new financial year."

"Provided there is no deterioration in present economic or socio-political conditions, we should achieve the forecast profit of R3,7 million for the year to June 1987, which would yield earnings of 5,4c a share," Mr Sussman added.

Dividend policy is to declare an interim in March next year and a final in September, with the total capital payout covered at least three times.

While turnover for the 1985/86 financial year increased slightly to R21 million, Mr Sussman said the results were "of little more than academic interest, because of the total capital reconstruction that accompanied the injection of 19 Joshua Doore and four Price'n Pride stores."

Tradegro, via its wholly-owned Rusfurn subsidiary, currently owns 68,9 percent of Joshua Doore, with the management-New Bernica-Lifegro consortium having an option until the end of March 1989 to acquire shares from Rusfurn to raise its stake from 25 percent to 50,1 percent.

**PRETORIA**

**INDUSTRY**

**A Business Day Survey**

## Chamber's role is to protect interests of industrialists

THE Northern Transvaal Chamber of Industries (NTCI), established in January 1930, covers the area from Midrand to Messina and from Rustenburg to Tzaneen.

The offices of the chamber are in the showgrounds in Pretoria West.

Its objectives are to promote and protect the interests of industrialists in its area of jurisdiction. To achieve this, the chamber offers a comprehensive service to members.

Services include a weekly information bulletin on a wide range of subjects.

The bulletin is accompanied by a tender bulletin, while regular executive newsletters inform members of important policy issues and developments in various fields such as economics, exports, customs and excise, taxation, labour, and industrial planning.

More important, the NTCI is geared to help members with individual problems relating to government in its broader sense, including organising interviews with government officials.

The NTCI has established industrialists' associations in various areas including Rosslyn, Waltloo/Silverton, Brits and Rustenburg.

These associations deal with matters of a more local nature.

The chamber is represented on a variety of public bodies, including the State Tender Board, National Occupational Safety Association (Nosa), Pretoria Town Planning Advisory Committee and the Vaal River Catchment Association.

The chamber acts as secretaries to a number of national organisations. Among these are the Bophuthatswana Chamber of Industries and Mines, the Pharmaceutical and Chemical Manufacturers' Association, the Proprietary Association of South Africa, the SA Chocolate and Sweets Manufacturers' Association, the SA Medical Industries Manufacturers Association and the SA Veterinary Council.

# Retailers dispel the myth of a recession-proof city

PRETORIA's retail industry — often assumed to be almost immune to recession because of the stability provided by its large population of public servants — is not unaffected by a downturn.

The experience of retailers dispels some of the old myths. For one thing — says regional director of the north-east Transvaal division of Checkers, Attie Smal — the white population on Pretoria's west side is mainly blue-collar workers because of the concentration of heavy industry like Iscor.

Public servants predominate real-ly only in the eastern suburbs. Pretoria North also tends to provide industrial employment.

And Checkers' experience in supermarkets corresponds to this pattern. Trading in the west and north it has in areas like the Witwatersrand.

GM of Garlicks Pretoria, Stewart Bennie, confirms the city has not

*PRETORIA is often assumed to be a recession-proof city because of its large population of public servants. But this is not the case, reports ROBIN FRIEDLAND.*

been recession-proof by any means. Since the introduction of perks tax, public servants have been "quite hard-hit through reductions in housing subsidies and other restrictions", he says.

What of the sensitive issue of the shift in buying power from the CBD to the large suburban regional shopping centres? Bennie concedes this "has been a trend worldwide and certainly throughout SA."

He notes in particular the development of Menlyn Park (which has drawn shoppers away from the CBD) and more recently Verwoerdburgstad and Wonderpark on the northern side. There is also another regional centre being mooted in the Waterkloof area near Muckleneuk.

Recently retailers formed a CBD association. "The association is fairly retail-orientated and the intention is to do our utmost to enhance the CBD and to create a pleasant shopping environment," Bennie says.

Another point in the ongoing struggle between the CBD and the regional centres is that CBD traders are at a disadvantage as far as extended shopping hours are concerned. These extended hours seem to be working fairly well in shopping centres, but are difficult in the CBD. Garlicks plans to conduct a survey on this.

Garlicks itself remains very much a CBD trader, although it has a relatively small store at Sunnypark, just outside the city centre. Next year will mark the store's 100th year of operations in Pretoria.

An important factor in the Pretoria CBD is the black shopper. Bennie notes the city has a low black population, but points out that numbers swell if account is taken of those

from nearby homelands. "Pretoria merchants only realised the extent to which they rely on black shoppers during the boycott last December and during another boycott early this year."

But Bennie concedes the CBD has probably lost turnover to the regional centres if the effects of trade cycles and inflation are washed out of figures.

Northern Transvaal regional Pick'n Pay GM, Nick Els, runs a group largely suburb-orientated although it is represented at the eastern end of the CBD at the corner of Du Toit and Church Streets, in Arcadia.

This outlet relies on black shoppers for an estimated 80% of turnover, and Els acknowledges that turnover last Christmas was adversely affected by the boycott. He is also concerned that removal of the Bloed Street taxi rank under any future redevelopment scheme would affect the Arcadia store adversely.

Checkers' Smal says his group is

unrepresented in Pretoria's centre, and although it is doing "pretty well" at its existing suburban locations, it would be interested in a big scheme for redeveloping the CBD.

Smal notes fierce competition at some suburban locations, from Pick'n Pay (especially at Wonderpark and Lynnwood) and from OK's Hyperamas.

One retail phenomenon peculiar to Pretoria is the co-operative, organised Buy-Aid associations. Cash operations find this class of business unprofitable: it involves paying heavy commissions (up to 6%), extended credit terms, apart from complicated formalities for affiliation.

Smal complains even more strongly about the commission and formalities connected with Buy-Aids. He says it is necessary to instal extra fill programmes to cope with the special credit terms, and this adds more to the costs of dealing with the scheme.

18/8/86

# Delegation has high-level talks

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By DIRK VAN ZYL  
Political Correspondent

CAPE TOWN — An Association of Chambers of Commerce (Assocom) delegation met the Minister of Trade and Industry, Dr Dawie de Villiers, here today to discuss the general state of the economy and particularly the possible effects of the looming extended sanctions against South Africa.

Later this week Assocom leaders, together with those of other business organisations including, it is understood, the Afrikaanse Handelsinstituut (AHI), are to have similar talks with the State President, Mr P W Botha.

The effect of sanctions will feature high on the agenda.

In an interview here today, Assocom's president, Mr Rocky Ridgway,

confirmed that he would be among business leaders who would be having discussions with Mr Botha.

Mr Ridgway said he would also be seeing a number of other Cabinet Ministers this week and said he had today, with a small Assocom delegation including the organisation's executive director, Mr Raymond Parsons, seen Dr De Villiers.

"I came away with the feeling that he had a very pragmatic approach," Mr Ridgway said.

He added that he was "not talking to anyone" about his pending meeting with President Botha — with whom he has had a number of previous discussions, both as president and deputy president of Assocom ("I haven't kept count") — not even

wanting to confirm that it could be tomorrow. The discussion would be about "the economy in general".

On sanctions, Mr Ridgway said a distinction should be drawn between the effect on the SA economy and the issue of sanctions-busting.

He had "no knowledge whatsoever" about the latter, he added, and dismissed as "the biggest lot of nonsense" reports that this would be the focus of the discussions.

He said that in the present times he and Assocom "frequently" met Ministers to discuss the economic situation.

On the pending meeting with President Botha he added: "I would be hesitant to dramatise. The effect could be far less dramatic than some of the more dramatic members of the public think."

# Ban issued as Cape squatters plan re-entry to razed land

Dispatch Correspondent

CAPE TOWN — A new order forbidding entry to Cape Town's razed squatter camps has been issued by the divisional commissioner of police — two days after squatter leaders told government officials they would return to the areas today, regardless of the consequences.

The cleared areas of KTC, Nyanga Bush, Nyanga Extension and Portland Cement squatter camps are included in the order, issued on Saturday, which forbids entry without the written permission of Brigadier Chris Swartz.

The new order, similar to a previous order withdrawn after a Rand Supreme Court ruling that divisional commissioners were not empowered to issue orders in terms of emergency regulations, follows a statement by squatter leaders that they intended reclaiming their land today.

At a heated meeting on Thursday with the regional director of the Department of Constitutional Development, Mr Timo Bezuidenhoud, squatter leaders said they would return to their land and rebuild the shacks destroyed in "witdoek" attacks that claimed at least 44 lives.

Mr Bezuidenhoud refused to ask police to remove the barbed wire surrounding the entire area. The squatters said they would take legal action if the government tried to prevent their return.

## President on holiday

POINT MUGU — President Ronald Reagan yesterday began a 23-day holiday in California after arriving at Point Mugu Naval Air Station.

He will spend most of his stay at his mountain-top ranch near Santa Barbara. — Sapa-RNS

AREA 9 Albany, DALL  
Retief!

# Buyers of costly exotic cars aren't feeling the pinch

N/M 19/8/86

Mercury Reporter (30)

DURBAN'S exotic-car market has not suffered severely in spite of the slump in the economy, dealers said yesterday.

Ellwyn Davies of Wessex Executive Car Sales, a company which deals in exotic used cars which carry higher price tags, said he had done more business in the past five weeks than in 15 months in his old premises only a few metres away.

'Everyone said we were crazy to come to this place, but we did what Paul Getty said . . . we looked around saw what everyone else was doing and did the opposite,' said Mr Davies.

He explained that selling exclusive cars was not the same as selling the run of the mill stock where everyone was fighting in the same market.

He had, for example, the only used white Porsche 928S in town: 'The people with money are not worried about the economy.'

Mr Davies said inquiries from as far afield as Swellendam were coming in, adding that his shop was on the main city route from the wealthier northern suburbs.

A Durban Porsche spokesman agreed, pointing out that the cars they dealt with were investments.

'You buy it today, enjoy it and then sell it and are sure to get your money back,' he said.

Used cars on his floor ranged in price from R40 000 to R260 000 for a handmade Aston Martin Lagonda.

The spokesman said his biggest problem was getting the right stock, aggravated by the poor exchange rate.

'It's nice to know that one is profitable even in these tough times,' he said.

# No decision yet on free trade area in the city

By DENISE BOUTALL

THE Government has still not made a final decision on free trade areas for Port Elizabeth.

The uncertainty continues four months after a Group Areas inquiry and 18 months after the Minister of Constitutional Development and Planning, Mr Chris Heunis, announced that all the main CBDs in South Africa were to be opened "without delay".

A spokesman for the PE Town Clerk's department said yesterday that the council had proposed the entire municipal area be proclaimed a free trade area.

In response, the Government had pro-

posed that four new free trade areas — the CBD, a portion of North End, Newton Park and Greenacres — be added to the two existing free trade areas around Cotterill Street in Korsten and Pinchin Lane near the CBD.

A spokesman for the department in Pretoria said the committee which investigated the issue locally had reported to the Group Areas Board which in turn had formulated its recommendation to the Minister for decision.

At the moment, the surveyors were preparing a description of all the proposed free trade areas. Once this was completed, Mr Heunis would decide on the issue.

(30)

20/8/86 Eve Peat

(1)

## Clicks clocks up record

20 CHRIS CAIRNCROSS

CLICKS STORES has taken the slump in its stride with pre-tax profits for the year to June climbing 11,1% to a record R13,5m.

Group turnover shot up by 17,9% to R183m.

The result is an earnings growth of 11,7% to 34,72c a share.

It has also led to the total dividend being increased by 11,2% to 15,85c (14,25c) a share, the final dividend amounting to 9,5c (8,25c) a share. Dividend cover remains at 2,2 times earnings.

Much of this performance occurred in the second half when sales grew by 24,2% to R88,5m and pre-tax profits by 16,5% to R6,09m.

Chairman Jack Goldin attributes the strong growth in sales to an aggressive stores expansion programme.



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# FCI re-evaluating role and structure

THE Federated Chamber of Industries (FCI) has launched an urgent investigation into the financial plight of its associated organisations and the need to re-evaluate their role and financial structure.

An FCI spokesman told *Business Day* that the national umbrella body for organised industry had appointed a committee to investigate the problems of its national, regional and sectoral organisations.

"Organised industry has recognised that it has problems and this will be an open-ended investigation with no pre-conditions," he said.

Over the past few years, the financial bases of most regional chambers, especially of the Transvaal and the Cape chambers, which represent almost 80% of organised industry, have been seriously eroded — mainly by the effects of the recession and changes in the needs of member industries.

While insolvencies have dramatically reduced their membership, increased rationalisation and retrenchment within the economy has shrunk a major source of income from subscriptions. This is because subscription fees are based entirely on the size of a chamber member's staff complement.

LESLEY LAMBERT

As their income has dwindled, costs have grown in line with an increasing demand by members for more sophisticated services and expertise. For the past couple of years, the costs of the two major chambers have outweighed their income and they have had to rely heavily on reserves — which have dropped to dangerous levels as a result.

The FCI's reserves have all but dried up. However, stringent measures, including higher subscription fees and rationalisation within the chamber, appear to have pulled the organisation out of the trough and it has been running at a small profit since May, according to FCI president Tony Ewer.

Most of the chambers have had to increase subscriptions substantially this year to fill the income gap left by the loss of members who have either gone insolvent, joined a conglomerate and fallen under its membership or withdrawn voluntarily.

The increase in subscriptions has introduced a new problem. Many members are resisting the move and, according to CE of the Cape Chamber Colin

● To Page 2 →

20/8/86 BUDDAY

# FCI launches investigation

McCarthy, a number of his members are threatening to resign because they refuse to pay more.

"The chamber movement is having to take a long, hard look at itself," McCarthy says.

The role of the regional chambers is being reduced by the increased conglomeration of industries which no longer need external administration and secretarial services, he says.

It is also being affected by perceptions that the FCI, which has assumed a more pro-active political role, represents members' ideas at a national level.

Commentators say that the survival of the regional chambers depends on the demand for their services. Unless industry sees a role for the chambers they may have to be amalgamated or gradually phased out.

A substantial percentage of the regional chambers' income is contributed to the FCI, while the rest is spent on

overheads. The fixed nature of its spending makes it very difficult to reduce costs.

The Midrand Chamber of Industry, based in Port Elizabeth, is one of the few to have weathered the difficulties. Executive director Brian Matthews attributes this to the increased demand for services by battling industrialists in the area, and a five-year plan, introduced four years ago, to diversify its financial base.

It has reduced the number of its members and increased its fee-earning management and secretarial activities. Thus, it has managed to reduce the impact of the recession.

The Northern Transvaal Chamber has also remained relatively healthy as a result of additional income it receives from administration of the Pretoria exhibition.

← ● From Page 1

# Last Indian trader leaves Pageview

S.M. 20/8/88 30

By Shirley Woodgate, Municipal Reporter

Only a stone's throw from Johannesburg's central business district which has been thrown open to trading by all races, butcher Mr Baba Sahib is packing up and moving out of Pageview.

Ironically, only now has the last remaining Indian trader in Pageview finally thrown in the towel and bowed to pressure that started when the Group Areas Act was promulgated in the early '50s.

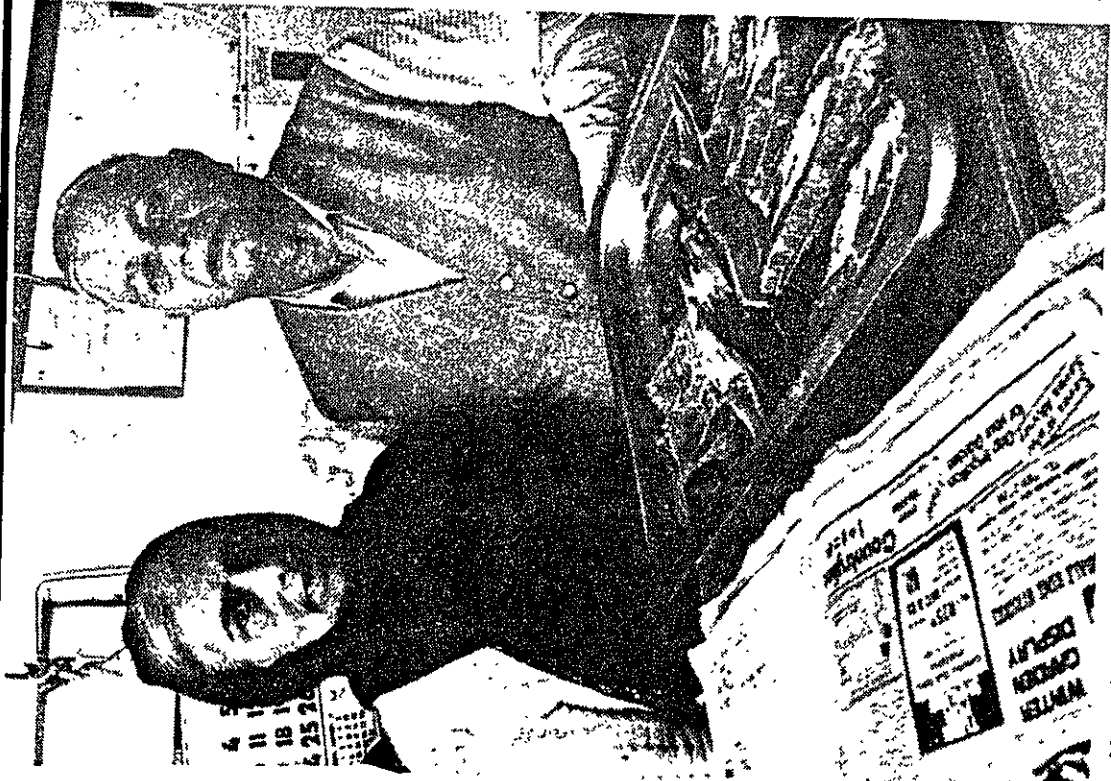
When he leaves his shop in 16th Street, to relocate to spanking new premises 35 km away in Lenasia, the old store will be bulldozed — as slowly the official vision of an all-white Pageview grinds into shape.

Mr Sahib heads one of the hundreds of Indian families who lived and worked in harmony in multi-racial suburbs during the decades from the turn of the century.

In Pageview, heartbreak, court cases and financial suffering marked the removal of thousands of Indian shopkeepers and residents who were relocated to the nearby Oriental Plaza and to Lenasia.

Mr Baba Sahib refused premises in the Plaza as he felt he was too old to survive in the highly competitive climate. He appealed to the Department of Community Development for a site in the CBD, but the permit was not granted.

Instead the department locked him out of his shop and he was forced to get a Supreme Court order to get into his own premises.



Mr Baba Sahib and his wife Khairunisa — kicked out of Pageview by the Group Areas Act — leaving a lifetime of memories buried under the debris of their shop.

● Picture by Etienne Rothbart.

20/8/82  
STAK

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## Two years to beat full sanctions <sup>(30)</sup> — Ackerman

Businessmen have two years to fight the imposition of mandatory sanctions against South Africa, Mr Raymond Ackerman has warned.

Speaking at the opening of the Lonehill Shopping Centre in Sandton last night, Pick 'n Pay chief Mr Ackerman said businessmen had the power both internally and externally to prevent punitive economic measures against South Africa.

"The first stage of sanctions is already upon us, but we still have the opportunity to fend off full mandatory sanctions, which could hit us in two years unless we do something about it now," he said.

Mr Ackerman suggested four ways in which businessmen could fight sanctions:

- "We must show confidence in the country by expanding business. If we are being squeezed from the outside, we have to pull together by continuing to promote business in the country."
- "Businesses must be run along non-racial lines by employing people of all race groups."
- "Businessmen have a role to play in telling their international counterparts about the changes taking place in South African business. They must persuade companies outside South Africa that continued reform in the country can only come about with increased investment."
- "Businessmen should continue to pound the Government to dismantle apartheid."

"The biggest curse we face is that apartheid is still legislated, and although we have enormous political problems in the country we still have the confidence of the business and industrial community.

"We must strive to help the Government to bring about reform."

# Reverse listing part of restructuring

IN THE first step of a major restructuring programme, Pepkor has announced a proposed reverse listing on the JSE of its Pep Stores/Ackermans retail chains.



The reverse listing will be done through Bearing Man Holdings (Bearman), whose operations and property interests will be acquired by Progo Industrial Holdings.

Pepkor executive chairman Christo Wiese said yesterday that the listing of Pep Stores via Bearman would set in motion the programme to restructure the Pepkor group financially and organisationally.

Based on the actual results of Pep Stores for the five months to July 1986, and on the directors' estimate of earnings for the sev-

LIZ ROUSE

en months to February 1987, the attributable income of the newly-constituted Bearman and its subsidiaries for the financial year to February 28 1987 is forecast to be R36,1m, equal to 79,2c a share based on 45,6-million shares in issue.

Merchant bankers Senbank said agreement had been reached between Pepkor and Bearman's controlling shareholders.

Under the agreement, Bearman will, after disposing of existing operations, acquire Pep Stores from Pepkor by issuing Bearman shares to Pepkor.

After its acquisition of Pep Stores, Bearman will be controlled by Pepkor.

Bearman's name will be changed to Pep Stores and the listing will be transferred to the

retailers and wholesalers sector.

Part of the Bearman shares received by Pepkor in terms of the acquisition will, in due course, be sold. The proceeds are to be used to reduce the Pepkor group's borrowings.

The transactions are subject to certain conditions and to approval by Bearman shareholders and the JSE.

As the proposed disposals and acquisition will change the nature and character of Bearman's business, a transmuted listing statement will be published.

Wiese said in addition to Pep Stores and Ackermans retail chains, the new company would include Pep Manufacturing.

Pep and Ackermans together already have 545 outlets, giving them the widest geographical coverage of any retail chain in Southern Africa. The combined sales of the Pep Stores/Acker-

mans group now exceeds R480m.

Pep Stores' dividend for the 1987 financial year is forecast to be 36c.

In his chairman's statement in the annual report in July, Wiese said Pepkor would consolidate its areas of operation.

The next step in the restructuring programme could be the listing of food retailer Shoprite.

Mercabank announced yesterday that Progo will reconstruct its share capital, acquire Bearman's interest in a property for more than R1m, acquire Bearman's remaining interests by issuing 45,1-million Progo shares and sell its interests in Merbuild.

Progo's estimated losses for the year to June are 53c a share.

Estimated taxed profit for the year to February 1987 is R2,8m, equal to 6c a share on 46,6-million shares in issue.

Service.

30 FIN MAIL 22/8/86

STORE WARS

# Back to basics

A new front has been opened in the retail war. Supermarket leader Pick 'n Pay (P'nP) is moving into the cash 'n carry wholesaling sector, which will give it even more clout in price negotiations with suppliers.

The move makes sense for the national chain because the wholesale market is one of the few buoyant trading areas in SA today. The formal sector alone, made up of major wholesalers, will be worth some R4 billion a year by the end of 1987, says market researcher A C Nielsen. The figure takes no account of the smaller, independent stores.

Confirmation of P'nP's move ends weeks of speculation about how chairman Raymond Ackerman would meet tougher competition from rivals Checkers and OK Bazaars (FM August 8) and counter possible losses incurred during the six-month consumer price freeze, an expensive strike and shrinking retail demand. One source had him establishing a chain of specialist food stores. But this, says marketing director Peter Dove, is out of the question, although the group is to open a food emporium in Natal



P'nP's Ackerman ... into a new arena

later this year.

GM of the new Pick 'n Pay wholesale operation is director Sean Summers. He says the division will initially establish new stores,

although "acquisitions are not out of the question."

The outlets will be sited in urban and peri-urban areas throughout the country and sales will be predominantly aimed at the black market. This makes sense with increasing black urbanisation and the establishment of small retailers in black areas. However, it doesn't cut out the traditional customers of wholesale outlets such as caterers, hoteliers and corner stores.

The operation will be financed by P'nP itself. The question which will be asked, of course, is why should the group be moving to wholesaling where mark-ups are even smaller than in retail. Summers' answer is that bigger volume sales will take up the slack.

Management of the cash 'n carry division will be drawn from the present P'nP team. Summers says the group believes it has people who can learn wholesaling if they do not already have the expertise.

Stock will consist mainly of groceries, toiletries and confectionery — the GTC items — in wholesale sizes and catering packs. There will also be a limited range of heavy-duty textiles and cleaning materials.

Another question that arises is how P'nP has dealt with manufacturers. The group's retail operation traditionally buys directly from suppliers, cutting out wholesalers. Will existing suppliers not see a wholesale operation, supplying other retailers, as a threat?

Says Summers: "Without exception, our suppliers have been delighted at the prospect. Wholesale operations solve their major problem — distribution to the 'mom and pop' stores, which is time-consuming and costly, and for which the customer ultimately pays."

## FM INVESTMENT CONFERENCE

Bob White will tell you that making cars is his business, not politics. But that hasn't prevented him stirring things up at the SA hustings over the past year or so.

His decision to get General Motors (GM) SA to stand up and be counted on the Port Elizabeth beach apartheid issue met with general approval abroad and, perhaps inevitably, mixed reaction at home.

White thus learned at an early stage of his SA posting that doing business in this country involves more than making and selling a product. Politics like it or not, are part of the game.

So when he addresses this year's FM Investment Conference over lunch on November 13, he will be in a good position to explain the kind of pressures foreign investors face.

However, his talk on *Business and its Place in SA Society* will draw on far more than the SA experience. White has been a GM man since 1955, the year in which he graduated with a Bachelor of Science degree in accounting from the University of Illinois. Later, in 1961, he completed the Program for Management Develop-



ment at the Harvard School of Business.

He has held several positions as treasurer of GM divisions in the US, South America, Germany, France and Britain.

He was Director of Forward Programs, based in London, and was appointed MD of the former GM Limited at Milton Keynes in England. He has held senior posts in the personnel field as well.

In July 1982 he was appointed executive assistant to the group executive in charge of GM Overseas Group and became MD of GM SA in July last year.

White is one of many impressive speakers lined up for this year's conference, which will be held at the Carlton Hotel on November 13 and 14.

Last year's conference was sold out, and prospective delegates are advised to book early. The all-in price is R550 per person, reduced to R500 for additional delegates from the same company.

For further details contact Yvonne Courtney, FM Promotions Department, PO Box 9959, Johannesburg, 2000; or phone (011) 710 2480.

The latter, of which Mercabank has 70%, reduced its net loss in 1985 to R7,4m compared with R12,3m the previous year and expects a return to profitability in the current year. Caress Diamonds is reducing operations by selling outlets to store managers and a strong reduction programme is being carried out. Offers of compromise for liquidated furniture company Kallenbach-Hendler are being finalised. *Kerry Clarke*

CLICKS *FIN MAIL 22/8/86 30*

## More expansion

Following a relatively sluggish interim performance, Clicks has reported a strong surge in its second half-year to lift its earnings for the year to end-June to 34,72c (31,08c). The final dividend was 9,5c, giving a total dividend of 15,85c (14,25c).

In the second-half, group turnover advanced by 24,2% to R88,5m (R71,25m), and after-tax profits by 19,2% to R3,19m (R2,67m), reflecting a growth rate that should go some way towards dispelling any notions analysts may have had that, like Pick 'n Pay, that Clicks had reached saturation in its markets.



**Clicks' Goldin ... an aggressive expansion**

Clicks is in a unique niche of the retail market, and while trading conditions remain "extremely difficult," chairman Jack Goldin says the group has managed to keep to a growth track through "aggressive store expansion."

In the year to end-June, Clicks maintained the momentum of its expansion programme, opening nine new branches, three in the western Cape, four in the Transvaal, and one each in the OFS and Natal, creating a trading base of 65 stores. "I believe the Clicks chain could certainly grow to 200 stores," says Goldin, "and we are well on our way to achieving that target." In 1987, he says, nine new stores could be opened.

Clicks shares have shown uncustomary weakness this year by falling from 950c to around 750c, before recovering ahead of the latest results to 800c. At this price, the share yields 2% on dividend, which is a better rating than Pick 'n Pay, which at R34,20 trades on a yield of 2,7%. *Neville Glaser*

*22/8/86 FIN MAIL*

## DE BEERS

### More to come

One thing is emphasised by the end-June interim profit figures released this week by De Beers: the massive rise in the share price seen this year — it has almost doubled since January — is in anticipation of what is to come over the next 18 months, rather than based on the now negligible 1,6% dividend yield. The market is realistically taking the view that with the diamond market back to normal, De Beers is looking forward to powerful earnings and dividend growth for some time.

The 34% surge in earnings excluding the share of retained profits of associates, and the 33% increase in the interim dividend may seem somewhat disappointing after the impressive growth at the December 1985 year end, and the June Central Selling Organisation (CSO) sales figures already reported. That view would, however, underestimate what should be in store later.

An outstanding aspect of De Beers' interim is the 41% leap in the diamond account, which climbed to R447m. Assuming that sales remain on track, and indications so far are propitious, the second half is likely to show better growth. The average 7,5% increase in the price of rough diamonds announced by De Beers earlier this year took effect on May 1, and, therefore, would have had only a limited impact on the interim.



**De Beers' Ogilvie Thompson ... repaying borrowings**

showed that debt was being repaid, and cash reserves were again being built up. This continued during the first half of 1986, when long and medium-term liabilities were pared by R240m to R740m, and R89m of pref shares were redeemed. Net current assets were reduced by R158m to R328m, so the overall improvement in funding amounted to R171m. This, combined with reductions in interest rates that apply to the portion of debt which is held in local currency, indicates further reductions in the interest bill.

What undid part of these gains for De Beers' earnings was the harsh jump in taxation and the State's share of profit under mining leases, which together soared by 72% to R218m. This figure presumably would not continue to increase at a much faster pace than profits.

The important element now is that retail

## DE BEERS ADVANCES

Six months to	June 30 '85	Dec 31 '85	June 30 '86
Diamond account (Rm) .....	318	822	447
Investment income (Rm) .....	127	88	161
Interest payable (Rm) .....	76	86	48
Pre-tax (Rm) .....	530	1 046	707
Taxed profit (Rm) .....	403	762	489
Earnings .....			
— excluding associates (c) .....	54	126	73
— including associates (c) .....	98	190	118
Dividends (c) .....	15	40	20

That aside, the normal pattern is that the margin on the diamond account is much wider in the second half of the year than at the interim. This year it was 16,5%, in line with the 16%-19% range since 1982; in the last three years the margin has varied from 33% to 35% in the second half, which is when the larger profit jump tends to come.

The same applies to investment income, which rose by 26,8% — there should be more to come. By far the largest contributors to De Beers' investment income are Anglo American, JCI, Minorco and Amic; other important ones are Ergo and WD Levels. Thanks partly to the rand, all but Amic will see further increases in profits, and much of the gains still have to flow through to De Beers, including the effects of the mid-year slide in the rand.

Also encouraging was the 76% drop in interest payable. The year-end balance sheet

sales remain strong. De Beers says indications are that the positive trend will continue in the second half. The fundamentally weak oil price, despite the recent Opec agreement, is likely to help. Indeed, the uptick in oil prices to around \$15 after the agreement should support economic growth. Current price trends remain low enough to keep a curb on inflation, but may have relieved some of the pressure on oil producers. Overall, it is too early yet to consider De Beers' share fully valued. *Andrew McNulty*

*FIN MAIL*

## KANHYM

### Slow turn

*22/8/86*

Kanhym has turned the corner in announcing its first profit since 1982, but the legacy of previous years' losses will linger on for ordi-

22/8/86  
DAILY DS

# Row over meat association's membership

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## Dispatch Reporter

EAST LONDON — A dispute between coloured meat retailers and the East London Meat Traders' Association has erupted over membership of the association.

Speaking on behalf of six coloured meat retailers, a Pefferville butcher, Mr C. J. Bherends, said coloured meat traders were not being admitted to the association.

This was disputed by both the secretary of the Industrial Council of the Meat Trade, Mr J. Nicholas, and the secretary of the Meat Traders' Association, Mr P. M. Kretzmann.

The issue was brought to a head after coloured retailers said they felt

meat marketing agents were keeping the support price of meat at the abattoir artificially high.

They did this by refusing to sell meat below a certain price.

Mr Bherends said he felt this practice was unreasonable, because the retailers he represented catered for the lower income groups, and they could not afford to compete against other retailers.

This grievance could not be aired because of the lack of representation on the Meat Traders' Association.

He said the traders he represented would like to elect one of their number to speak at the

association on their behalf.

However, Mr Nicholas said the association was open "to anyone in the magisterial limits of East London, regardless of their race, who is a wholesaler or retailer of meat".

He said all they had to do was apply to the secretary of the association for membership.

Mr Kretzmann said subscription fees for membership of the association were R140 per year, although these would possibly be increased at the next annual meeting to be held in November.

He added that the association had, as yet, received no application from coloureds to join.

FIN MAIL  
22/8/86  
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**PHILIPPE D'ABBADIE**

**Small is beautiful**

Small businessmen should be in line for a leg-up once Philippe d'Abbadie's SA Association of Entrepreneurs (SAAE) gets off the ground. D'Abbadie plans to launch the association in Durban later this month as a rallying point for small businessmen of all persuasions, who, he says, should benefit



**D'Abbadie ... launching an association to help small businessmen**

greatly from being able to speak with a united voice.

He envisages SAAE members exchanging information, business know-how, professional advice and generally assisting each other with the problems which small businessmen invariably have to cope with.

D'Abbadie's thesis is simply that big business is largely insensitive to the difficulties of the smaller operator, and organised commerce is not structured to help either. So there are few places the small businessman can turn to for reliable, impartial advice at an affordable level.

D'Abbadie's strong views on the subject come from his personal experiences in running a small accountancy practice in Durban. Originally from Mauritius, where, he says, "race was never a problem," he acquired his first black client some 14 years ago in rather unusual circumstances.

"The chap, a supermarket owner, had a cash-flow problem and came to me for advice.

"I managed to stave off his creditors, he got over the bad patch and went on to become very successful."

Since then, his black clientele has grown enormously and today accounts for around 40% of his business. As a result, D'Abbadie has seen first-hand the problems they experience and has made a point of going out of his way to help — frequently waiving his fees in the process.

He does not want to be cast in the role of the good Samaritan. But, he argues, if those with the wherewithal were more willing to assist emergent black businessmen, we would be further down the road towards establishing a viable black middle class than we are today — not to mention the salutary effect it would have on race relations.

D'Abbadie prefers to lead by example rather than pontificate. He recently formed a partnership with a black businessman with a view to running a chain of low-budget steak houses called the "Zulu Pot," where customers will be encouraged to grill their own steaks in order to keep costs down.

His first restaurant opens in Umlazi later this month and he plans to follow up shortly with other, multiracial outlets on the Durban beachfront and in central Johannesburg.

"As a rule, I don't like partnerships," says D'Abbadie, "which is why I have remained in business on my own for so long. But I have found the only way to help black businessmen develop is to be directly involved. Besides, my new partner also happens to be one of my oldest clients. We understand each other."

Ideally, D'Abbadie would like to see SAAE serving as a

sted and says the service the association plans to offer will induce many others to join. And, when things quieten down, he says he's looking forward to indulging his passion for the culinary arts by donning his chef's hat behind the grill at the "Zulu Pot." ■

are key determinants, he maintains there should be ample scope for small entrepreneurs to flourish. D'Abbadie reckons he'll sign up at least 2 000 SAAE members by the end of next year. He already has 60 businessmen inter-

melting pot for the exchange of ideas between small businessmen of all races from which other partnerships may grow. He says that in the 20 years he's been in practice he's never known tougher conditions. But in a recessionary market, where price and service



# Bureaucrats accused of deceiving public

30 STAR 23/8/86  
By Shirley Woodgate,  
Municipal Reporter

Johannesburg and Randburg officials have been accused of deliberately keeping the public in the dark about a new Cresta

CBD together with a new highway so that entrepreneurs and transport planners could get their plans to a point of no return.

Cresta's new CBD linked to the inevitable road widening will not only have radical effects on the adjoining suburbs but along the new corridor that would have to be created to Rosebank, said the Johannesburg Metropolitan Action Group (Jomag).

Mr Conrad Berge, the secretary of Jomag, said the anticipated business node and new four-lane highway had not been shown on official land-use plans in 1981/82.

## SECRET DOCUMENT

Subsequently the secret planning document which officials had denied — Jomet Transportation Concept 2000 — showed no business node but included the four-lane highway from Bolton Road in Rosebank, along Chester Road and cutting across the head of the Parkview golf course.

The widened street then followed a route along Gleneagles Road into Third Avenue in Linden, which linked up with Republic Road.

The single route would be a logical future extension of the new CBD that would be created if the office park was approved by the Randburg town council, Mr Berge said.

He said the accepted theory of land-use planning was to establish work places near to major residential spots.

# Pick 'n Pay sets sights on wholesaling

W/C NEWS  
23/9/86  
30

By TOM HOOD

THE R8 000 million-a-year wholesale market is about to be attacked by Pick 'n Pay, which hopes to get an early foothold in the growing cash-and-carry business.

The venture comes at a time when P and P is meeting tougher competition from Checkers and OK Bazaars and it could offset the costs of a price freeze and a strike.

P 'n P's foods director, Peter Dove, confirmed this week that P and P had decided to embark on a cash-and-carry venture. He said a general manager, Sean Summers, had been appointed to make a study of the market.

The investment needed

would be funded by P and P itself. This would be marginal at first but eventually would become "a very big operation."

New stores would be opened, although takeovers were also possible.

Mr Dove declined, however, to say when the cash and carry division would start trading or where the first stores would be located.

He said P 'n P's chief executive, Raymond Ackerman, might be able to give an indication by mid-September after his return from Australia.

It was intended to be a national operation, but the venture would not be country-wide

at first. The Cape was very heavily traded, but he saw scope there too.

## In urban areas

Most outlets would be in urban areas and sales would be aimed at the black market.

Stocks would be mainly groceries, toiletries, cleaning materials and confectionery in wholesale sizes and catering packs as well as some textiles.

Retail analysts see several advantages for P and P. The wholesale field is one of the few healthy markets in the country — several companies are doing well from it — and the new business would give P and P even more muscle in price negotiations with suppliers.

## Tougher competition

P and P, which normally buys retail stock direct from suppliers and cuts out wholesalers, believes its new operation will also help suppliers to solve delivery problems to small retailers, which is time-consuming and costly.

The company could find premises quickly to adapt to cash-and-carry outlets because of the nation-wide glut of warehouses and factory buildings left empty by the recession.

## Mass housing tenders urged

Property Editor

THE Government should award tenders for mass housing rather than spend millions on site-and-service schemes, says the Institute of Housing.

Dr Llewellyn Lewis, the institute's president, says the drive to privatise housing should be temporarily delayed if the country is to enjoy maximum economic benefit from the more than R2-billion allocated to housing over the past 12 months.

At least 60 percent of the

funds should go to house building with the balance going to site-and-service schemes.

Money spent on building of houses will stimulate the economy more efficiently if it passes through the hands of the construction and building supplies industries.

"Site and service schemes in which people build their own homes are important but is a slow process which will not have the stimulatory effect which is required for the building industry."

# Surprise as shop tills sing again

24/8/86.  
SUN TIMES  
30

RELATIVE social peace, a higher gold price and lower interest rates have given retail sales an encouraging boost in the past two months.

These are early days, but an increasing number of shopkeepers hope that the first stage of a consumer recovery has started.

Some, such as Edgars Vic Hammond, report a really strong surge in sales.

Mr Hammond says: "If I told you the percentage increase on last winter you would not believe me. We are having a really hot streak."

Sales to blacks have been strongest.

## Cautious

Shopkeepers believe that people who were frightened away from the shops are spending cash saved during boycotts.

They report that recovery started virtually on June 16.

An indication that consumer sales were reviving came from higher car sales in June and July. Other consumer durables are following suit.

Many retailers report a sudden surge in sales. Car and other durable sales were given a shove by easier hire-purchaser rules and lower rates.

## By David Southey

A sudden uptick late last year died by March — so most retailers are treating the present recovery cautiously.

Wooltru's public affairs manager, Robbie Stern, says recent sales have been better than expected. Mr Stern estimates that revenue is about 20% up on the same time a year ago.

## Low base

"We cannot pinpoint the reasons for this because overall confidence in the economy is still low. We are holding price increases well below the inflation rate. Factories report an upturn in orders."

Tedex financial controller Jackie Sifris says his group experienced a 30% improvement in turnover in the first six months of the year compared with the first half of 1985. He estimates the volume increase at 15% — admittedly off a low base last year when sales of electrical goods went through the floor.

He ascribes part of the upturn to the relaxation in HP regulations. But he thinks black buying is also responsible. Although sales of TV sets and videos

are down on last year, there has been a notable improvement in hi-fis, microwave ovens and other housewares.

Amrel managing director Stan Berger says his group has experienced a "definite upswing" in sales in the past few months, but sales were "very quiet for a long time".

Furniture is showing reasonable growth, but mainly from white buyers. He attributes the improvement partly to consumer fears of price increases.

Most of the recent growth in spending, however, seems to be in semi-durables and durables.

According to market research firm Neilsens, year-on-year growth in grocery sales is only about 14% — less than the inflation rate.

## Prices rise

Managing director Clive Weil says that although he is happy with the turnaround achieved by Checkers compared with last year, the group is not experiencing any dramatic improvements.

He ascribes most of the improvement to price increases. In some sectors, such as white goods and electrical equipment, prices have increased by 30%.

□ To Page 2

380

**THERE** is new hope for backyard operators and small businesses on the Reef.

Machinery and buildings have been made available at nominal rentals on the West Rand by the Small Business Development Corporation. The SBDC has also set up full-time legal and marketing consultancy services.

Consultancy clinics on the premises take the process a step further by providing raw materials at slightly more than cost-price.

The SBDC set up a similar project for the unemployed in Port Elizabeth more than a year ago and it was a great success, SBDC spokesman Francois Baird said. It motivated the Reef project — the corporation's biggest to date.

Through income from rents and hiring, the SBDC hopes to make the project pay for itself.

Altogether, the SBDC has 1 000 registered private sector consultants in various fields and provides a consult-

# Project provides hope for small businessmen

**DIANNA GAMES**

ing rebate of up to R750 to clients.

Three other new SBDC programmes are: the Small Business Aid Fund, the Small Business Start-up Fund and the Small Builders' Bridging Fund.

The Small Business Aid fund was launched in May 1985 as a lifeline for small businesses, providing funds only for those businesses unable to get finance from other sources. It provides short-term bridging finance to tide them over with loans of up to R50 000 for up to five years, at a low interest rate.

The Small Business Start-up Fund,

nearly 13 months old, is a financial package providing finance below the SBDC's normal minimum rate for people who want to start new businesses.

Amounts of up to R300 000 can be borrowed and repayments on capital can be delayed for about four years, depending on the type of business.

The SBDC is particularly sympathetic towards enterprises which create jobs, replace imports or have export potential.

The Small Builders' Bridging Fund has paid out nearly R14m in short-term loans so that builders can operate until they are paid for their work.

# Assocom rejects VAT

PAUL DRY

THE Association of Chambers of Commerce of SA (Assocom) has released a report on their submissions to the Margo Commission opposing the introduction of value added tax (VAT) in place of the present GST.



● DU PLESSIS  
This comes after comments by Finance Minister Barend du Plessis in favour of the abolition of GST.

The report, released in Cape Town, said Du Plessis seemed to have pre-empted the recommendations of the Margo Commission and announced publicly his preference for some form of value added tax (VAT) in place of the existing system of indirect tax. The

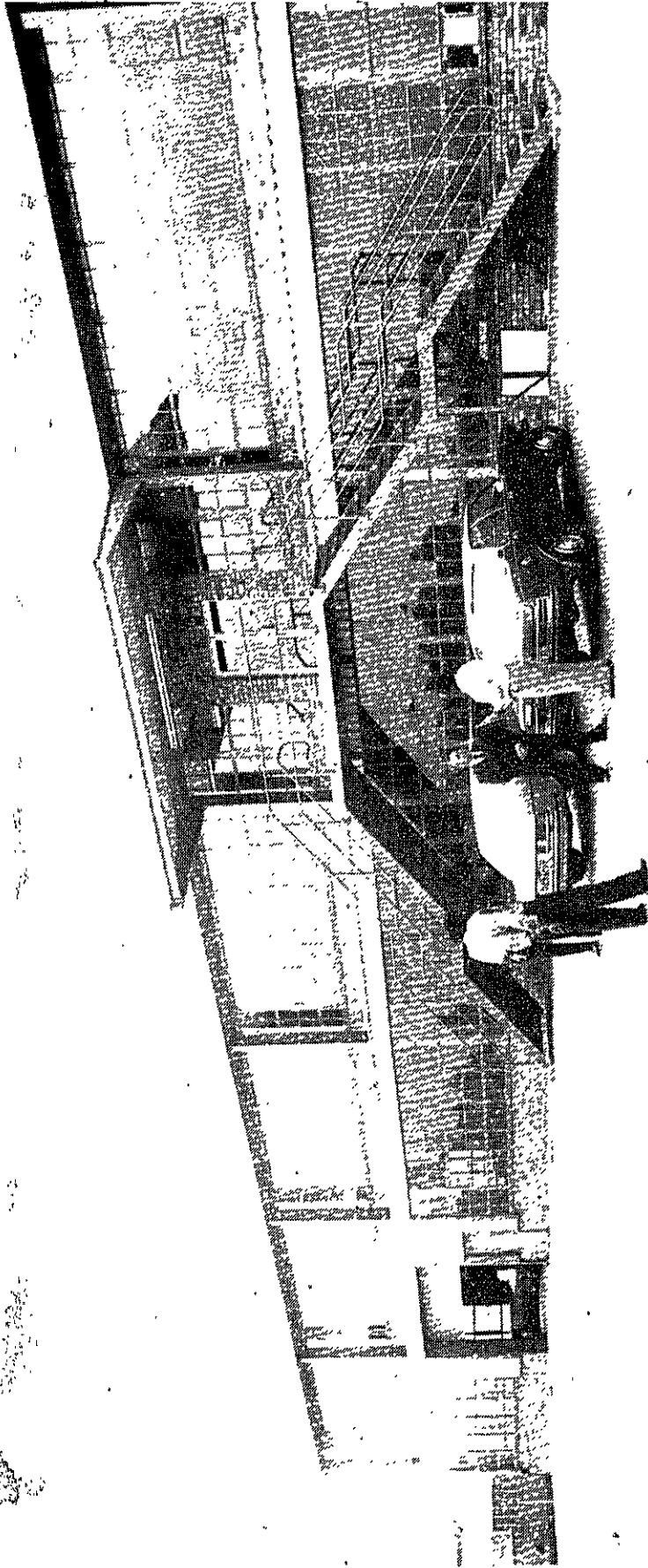
05/11/86  
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Cape Town taxation committee, therefore, had forwarded the report to the Press. It was opposed to VAT.

General considerations submitted to the commission noted that both GST and VAT could be considered indirect forms of taxation, so the issue of replacing GST with VAT may be seen as a possible change from one form of indirect taxation to another form.

Some of the arguments set out are mutually contradictory and not conclusive or decisive.

Rejecting VAT, Assocom said it would re-emphasise the necessity to broaden the base of existing GST, thereby allowing the tax rate to be reduced — "a point made in Assocom's principal submission to the Commission." — Sapa



THE new SBDC site near New Canada. The project was motivated by high unemployment levels.

# THEY MEAN BUSINESS

A SPACIOUS site has been acquired in Roodepoort by the Small Business Development Corporation where training facilities and workshops will be available for entrepreneurs who need an easy entry point into business.

The site is situated near the Putco depot in New Canada and is the latest development in a programme started by the SBDC in 1985.

According to the general manager, Dr Jan Prinsloo: "The project was motivated by the high unemployment levels among the semi-skilled and skilled workers and was given momentum when R10 mil-

**BY ALI MPHAKI**

## SBDC gets new site for entrepreneurs

several different types of trades, though the majority is for wood and metal work.

Larger and more specialised equipment is provided in a central pool for use by all tenants.

Raw material and general hardware is also supplied on site.

The cubicles are currently being let out on a day-to-day basis.

According to Dr Prinsloo, the response to these centres have been very encouraging.

"Full support has been given by the local authorities, equipment supply firms and local businessmen, various technical institutions and business chambers," he said.

Prospective tenants

need to prove to at least have a basic skill which could be applied in the workshop.

Once allocated a cubicle, the tenant enjoys the benefits of all the SBDC's supporting services from mini-loan facilities to advice on costing and marketing.

For more information enthusiasts are requested to telephone Joe Diedericks, Peter Webb or Fanie Bessie at (011) 474-1870/12.

25/8/86  
SOWETAN

# Assocom and FCI to merge?

LESLEY LAMBERT

ECONOMIC and political developments have revived the issue of a merger between Assocom and FCI — some five years after the idea was first mooted and then rejected by the FCI.

The demand for one, strong organisation to represent the needs of business and to pressurise government to meet these needs, and the growing pressure on the financial bases of the employer bodies — particularly the FCI — are two vital factors encouraging the renewed interest.

The business community also appears to support strongly the idea of a merged organisation. As membership fees are increasing in line with growing costs, large member companies are beginning to resist the payment of two subscription fees to two separate bodies.

The idea to merge was first investigated in the early Eighties, when it was felt that the differences of opinion which had led to the formation of two separate bodies — with Assocom lobbying for free trade and FCI wanting a degree of protectionism — had virtually disappeared.

Secondly, it was felt, even at the time, that one major body representing business would have far more clout than a number of scattered employer organisations.

This need has become more pro-

nounced as the employer organisations have taken on a higher profile in representing the needs of business in the current political climate and communicating them to government.

One of the most important considerations, however, is the need for long-term financial stability in the face of ever-increasing costs and the demand for more sophisticated services.

When the debate first arose in 1979, a joint committee was set up to investigate the desirability and practicality of a merger. This was followed by the appointment of a Commission of Inquiry.

It became evident at the time that, while Assocom was financially sound, the FCI was already showing signs of strain, according to one committee member.

After the first phase of the investigation had been completed and the two organisations were about to plan the structure and financing of the new body, the FCI announced that it did not want to go ahead with the plan. It is believed that FCI feared Assocom, with its significantly larger membership, would dominate the new organisation.

Over the past few years, the financial bases of most regional

chambers of industry — especially of the Transvaal and Cape chambers, which represent almost 80% of organised industry — have been seriously eroded, mainly by the effects of the recession and changes in the needs of member industries.

Most of the chambers have had to increase subscriptions substantially this year to fill the income gap left by the loss of members who have either gone insolvent, joined a conglomerate and fallen under its membership or withdrawn voluntarily.

Observers feel that the survival of the regional chambers depends on the demand for their services. Unless industry sees a role for the chambers they may have to be amalgamated or gradually phased out.

They say that instead of investigating the financial plight of its associated chambers with a view to re-evaluating their role and financial structure, the FCI should reconsider its stand on rationalisation through amalgamation with the chambers of commerce.

The process of amalgamation, assuming a decision was reached, would probably begin with a merger between Assocom and the FCI's head offices. The regional chambers or constituents which are basically autonomous would then negotiate at a local level.

Cape Times 26/10/86

# UWC professor to join SBDC

By GORDON KLING  
Financial Editor

PROFESSOR Wolfgang Thomas, head of the Department of Economics at the University of the Western Cape and a former deportee from SA, is to take up a senior post in the Small Business Development Corporation (SBDC).

Both Thomas and UWC rector, Professor Richard van der Ross, yesterday emphasized they hoped it would be possible for some form of association to continue between Thomas and UWC.

## Application

Discussing the move last night, Thomas told Business Report: "I've been a development economist all my life; now I would like to get involved in some practical application of the theory."

He will begin phasing in as deputy GM of the Cape region at the SBDC from the beginning of next month, but does not leave UWC officially until the end of the year.

The SBDC's regional GM, Mike Pentz has been



Wolfgang Thomas

in poor health for some time, and it is an open secret that Thomas has been earmarked as his successor. That could take about a year.

Thomas will head up the development services division which takes responsibility for the general promotion of small business as opposed to concentrating on the loan finance aspect.

His brief will focus on training, consulting services, research, and liaison with other SBDC support bodies such as the Urban Foundation and the Cape Town City Council.

"I am particularly happy at the university," Thomas said, "but the new post will also be a challenge."

## Direction

Observers note that Thomas evidently believes the SBDC is moving in the right direction, but it is certain to encounter more sensitive issues, and his versatility should prove a tremendous asset in setting the balance between what it does for the community in general and black needs in particular.

UWC rector Richard van der Ross said the university greatly valued the contribution made by Thomas in the area of developmental economics.

"I'm sure that wherever he goes he'll make an equally big contribution. We would be happy if a way could be found for him to retain an association with the university."



CA 16-15-1) 20/1/86 (30)

## Ellerine doubles after-tax profit

JOHANNESBURG. — With a trading profit after taxation of R5,45m for the six months ended June, slightly more than double the R2,68m for the same period last year, Ellerine Holdings has increased its interim dividend according to 19c from 9c last year.

But the board warns that the increase in operating profit must be compared against the "very low base" for the corresponding period last year.

They say that on August 30 last year, restrictions on credit agreement transactions were eased and this has resulted in increased sales.

### Operating profit

The operating profit on a turnover of R119,04m (R91,83m) was R11,03m (R6,30m).

Earnings per share were a healthy 79c (38,8c) and the net asset value per share was 1 510c (1 262c).

The board says current trading conditions are "extremely difficult" with a retrogression in the condition of debtors ledger. However, adequate provision has been made.

Turnover for July and August is "still substantially comparable to last year," the board says.

But meaningful comparisons will only come about from September onwards. Traditionally, the second half of the year is a better trading period and if the economy improves and the present political unrest abates, the company is poised to improve its results.

— Sapa

# More E. Cape hives of industries planned

27/8/80 ENG P08 30

Post Reporter

A HIVE of industries is to open in Stutterheim next week.

And similar projects would be launched in Uitenhage and East London shortly, the Small Business Development Corporation's (SBDC) special projects manager in the Eastern Cape, Mr Willie Fouché, said today.

Mr Fouché said the Stutterheim project, consisting of 19 units and creating about 80 jobs, would open next week.

It would be housed in a large timber building

which has had to be extensively renovated.

There was adequate room for expansion and other industries had shown an interest in part of the 10 000-square-metre building following the SBDC's show of confidence in the area.

Mr Fouché said the corporation's managing director, Dr Ben Vosloo, would address a meeting of major industries in Uitenhage on September 10 with a view to getting them involved in the hive.

A building to house the hive, which would consist

of 22 units and provide about 100 jobs, had already been secured.

There was a "substantial" demand for the units which would be in three groups: clothing, mechanical and carpentry.

He said Dr Vosloo would be seeking input from the industrialists, as well as trying to get them involved in the project financially.

The hive was programmed to become operational in November. All it required was subdivision, which would take a month.

3000 27/8/86

# Former Unitra professor to manage SBDC

## Dispatch Reporter

EAST LONDON — The former head of the Institute of Management and Development Studies at the University of Transkei, Professor Wolfgang Thomas, has been appointed deputy general manager of the Cape region of the Small Business Development Corporation.

Prof. Thomas is at present the head of the Department of Economics at the University of Western Cape (UWC). He will assume his new post at the beginning of next month, but will officially leave UWC at the end of the year.

Prof Thomas will head up the development services division of SBDC which takes responsibility for the general promotion of small business as opposed to concentrating on loan finance aspect.

In an interview with a Cape Town newspaper, Prof Thomas said he viewed his new job as a challenge.

Prof Thomas is a Ger-

man citizen and a former head of the West German Foundation for science and politics.

He joined the Unitra in 1978 after he was deported from South Africa in 1977.

At the time he was the director of the Institute of Social Development at UWC.

His ban was lifted in 1982 and he rejoined the UWC as head of the Economics department.

Prof Thomas has published a number of articles on development and had read several papers on the subject.

While at Unitra, he developed an elementary business course for Transkei traders in conjunction with the Transkei Department of Commerce and Tourism.

In 1981 while still at Unitra, he called for transborder economic co-operation between Transkei and its neighbouring states, saying this would improve the lot of the citizens of all countries involved.

IVIKhuseli

Jack is

taken

from PE

house

Post Reporter

MR MKHUSELI JACK, chief spokesman for the Port Elizabeth Consumer Boycott Committee, was reported to have disappeared last night.

Last week the Evening Post was told by Mr Jack that the boycott might be lifted soon.

Friends said Mr Jack had driven with colleagues to a house in Kwaford last night.

He had just walked into the house when other men arrived and took him away.

Mr Jack's cousin, Miss S Sume, said she was making inquiries about his whereabouts today.

Mrs F Mtati, of Kwaford, said she and her husband returned home late last night after entertaining friends at a beachfront hotel to find their home "in a mess".

"Our children told us that Mr Jack and two other men had just walked into the house when they were followed by other men, accompanied by a youth."

They were told that before taking Mr Jack away the men searched the house.

"Mr Jack seldom visited our home, although we know him. We suspect that he and his friends might have been trying to avoid those following them by driving into our yard," Mrs Mtati said.

for private enterprise SA had repaid nearly gion. — Reuter

# Metro Group beats forecast

**JOHANNESBURG.** — Cash and carry wholesalers Metro Group has exceeded its prospectus forecast of a 24,7% rise in net attributable income with a 32,8% leap to a record R11 854 000 in the year to June. CE Lionel Katz said yesterday, when releas-

ing Metro's first results since it rejoined the JSE lists in June: "We ended the year with R30,6m net cash in the bank, and will deploy that in the months to come to further benefit the 40 000 small traders we serve, and increase our market share."

for 11 months on Coki's cash resources and Metro's profits for one month.

Audited figures are also provided on the combined results of Coki and Metro Cash & Carry for the full years to June 1985 and June 1986.

These pro-forma figures show turnover rose by 26,1% to R1,28 billion.

Continued emphasis on improving internal efficiencies enabled the profit margin to edge up from 1,86% to 1,9%. This raised income before tax by 29,1% to R24 364 000.

After accounting for associates, group attributable income moved up by 32,8%, from R8 923 000 to R11 854 000.

Based on 45m shares in issue, earnings per share rose from 19,8c to 26,3c.

The annual report, to be issued by the end of September, will contain a review of prospects for the current year. — Sapa

Trading is going well throughout the country, with all divisions reporting continued good demand.

"The directors are therefore confident that the forecast in the prospectus for the coming year of 25% growth will be achieved provided the socio-political climate does not deteriorate."

Metro regained its quotation via the Coki Corporation cash shell, which acquired Metro Cash and Carry from Tradegro on May 24, and changed its name to Metro Group.

Accordingly, actual results for the year to June are made up of income



# Ampros sees drift back to Jo'burg CBD

By Frank Jeans

30

Central Johannesburg still has the pull in property investment, and, with the one-time popularity of moving to the suburbs, fizzling out there may even be a drift by business back to town.

That is the view of Anglo American Property Services (Ampros) which regards leasing results and office development activity in the past year as clear indicators of a revival in city letting.

Certainly, confidence in the city is understandable when Ampros's own figures are considered.

"Significant areas of the large speculative developments in the CBD during the past few years have been let," says the group in its latest *Property Review*.

30ML 27/9/86  
"For example, Barnib House is now almost fully let, 66 Sauer Street is well let — mainly to Finansbank — while the bulk of the letting area in JCI's new administrative building not already taken by Johnnies, has also been let."

All Ampros-administered properties, other than 66 Sauer Street, are well over 90 percent let and the group reports a constant stream of renewals and new lettings in buildings such as the Carlton Centre, Southern Life Centre and in the Mutual and Federal building in Anderson Street.

The group believes it is in the suburbs that the letting of speculative space is becoming more difficult, with some new schemes remaining unlet.

"Of the 190 000 sq m of decen-

tralised office space recently completed or near completion, 40 percent is still vacant compared to 18 percent of the 173 000 sq m developed in the CBD," it says.

But Ampros is experiencing difficulty in letting its new steel creation at 22 Girton Road, Parktown, and with the re-letting of vacant space in Killarney Mall and in Bramfontein.

Substantial areas also remain vacant in Parktown, Rosebank and Sandton.

"Meanwhile," says the *Property Review*, "the presence in the CBD of the Johannesburg Stock Exchange, the Chamber of Mines and mining houses, the head and regional offices of major banks and insurance companies, plus the supporting services such as legal, accounting

and merchant banking, has ensured a continual growth in demand for quality space in the city."

Looking to the future, Ampros urges both the city planners and the private sector to build up parking facilities, along with the improvement of transport services for commuters of all race groups.

Shopping facilities, too, need to be upgraded and the group singles out the Smal Street Mall project and the revitalisation of the Carlton Centre as examples of what can be achieved.

And two big questions remain: how long before residential components are added to the city centre, and is it not the ideal experimental area with hopes that the Group Areas Act will be abandoned?

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# Vaal bid to split <sup>(30)</sup> business area fails

Star 28/8/86

## Vereeniging Bureau

An attempt to separate white and Indian trading areas in Vereeniging's central business district has failed. And it is almost certain that the proposed second phase of the controversial Asiatic Bazaar, which should have been completed at least two years ago, will no longer be built.

This was confirmed this week by Mr. A.T. Snyman, deputy chairman of the Vereeniging management committee.

Phase one of the bazaar, built by the Department of Community Development seven years ago, caused a stir.

### DEMOLISHED

Most Indians were forced to vacate their shops, which were demolished to make way for the Mark Park shopping complex.

The bazaar remained unoccupied for several months as traders claimed shops in the complex were badly built and the finish shoddy. They claimed that to move from the town's central business district would have a severe effect on trade.

Building work on the second phases was scheduled to start soon after the completion of the first phase, but never did.

### AIM FAILED

It is now clear that the original aim — to separate white and Indian trading areas — has failed. And although an official decision has not yet been reached, it is generally accepted that the proposed second phase will not be built.

Other reasons for this, he said, are "changed circumstances" such as the prevailing economic climate and the fact that the Vereeniging Town Council will have to take a decision within the next few months on the probable opening of a part of the CBD to all races.

### FACELESS

The nominee system, where Indian businesses are registered in the CBD in the name of "faceless whites", is another reason why extending the plaza would be senseless.

Mr Mohamed Dasoo, chairman of the Vereeniging Indian Traders' Association, said he was not officially aware that the project would no longer be completed.

### DRAW MORE

He would be disappointed if this were the case as business was poor at the bazaar. Completion of the second phase might improve the centre and draw more shoppers.

Although the town council was not responsible for building the plaza, he felt it was its duty to ensure that the complex was completed.

JOHANNESBURG Consolidated Investments (JCI) has announced it is seeking a JSE listing for its ferrochrome producer, Consolidated Metallurgical Industries (CMI).

JCI plans to float the company by way of a rights offer to its shareholders.

The shares are also expected to be quoted on the Unlisted Securities Market of the London Stock Exchange.

If the listing goes ahead, CMI could beat Barlow Rand's ferrochrome and stainless steel producer, Middleburg Steel and Alloys, to the JSE boards.

It is believed that JCI holds 21,2-million shares in CMI, while its investment arm, Dabi, has 1,74-million shares. Anglo American reportedly holds 25,8% of the 42,5m-shares in issue.

If the listing goes ahead, CMI's shares could hit the boards at around R4,50 a share, says analyst Paul Gray of stockbrokers Frankel Kruger.

# JCI set to seek listing for CMI

28/8/96 30

CHERYLYN IRETON

CMI has just doubled dividend payments to 38c and Gray forecasts dividends of 45c for the current year.

CMI exports most of its annual production of 150 000 tons to the US, Japan and Europe. As SA is the major producer of ferro chrome, CMI is unlikely to be hit by the imposition of sanctions.

The company is operating at full capacity.

MD Barry Davison attributes the improved performance during the past year to higher production, greater sales volumes, increased dollar prices and the weak rand.



# Boycotts

## 'a plea to white SA'

30

Black boycotts of white businesses should be seen as a cry for help and an appeal to whites to acknowledge the plight of blacks in South Africa.

This is the view of Mr Tony Gilson, chairman of the Port Elizabeth Chamber of Commerce, who has been involved in several attempts to solve the eastern Cape boycott crisis.

Speaking at an Institute of Personnel Management seminar on industrial relations in Sandton yesterday, Mr Gilson urged white South Africans not to see only what they wanted to see. He said long-term solutions were needed and whites should resist the temptation to adopt quick-fix, short-term solutions which would prolong the political crisis.

He warned that black political groups had considerable support.

“Contrary to popular belief, organisations like the United Democratic Front and many other civic associations and community bodies have considerable grassroots support. We do not have a situation where a small minority is manipulating a complacent majority.”

“In Port Elizabeth during prolonged boycotts of white businesses, intimidation alone could not have kept the boycott going.”

“There is a view that as long as whites sort out a few things that bother blacks, blacks will go back to being happy. This I call the ‘happy little Sambo syndrome’ because it is simply not the reality.”

# Motor group prepares to expand Port displays strong recovery

ONE Times 28/8/86  
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By AUDREY D'ANGELO  
Assistant Financial Editor  
BRIAN PORTER HOLD-  
INGS (Port), the Cape  
Town-based motor  
group, has made a strong  
recovery after initially  
being hit hard by the re-  
cession.

It has ended the year  
to June with a net after-  
tax income of R1m com-  
pared with a loss of  
R298 000 in the previous  
financial year.

Earnings were 39,2c  
a share compared with a  
loss of 11,9c before an  
extraordinary item last  
year.

## Income

Turnover rose by 23%  
to R167,3m (R135,5m)  
and net operating in-  
come more than doubled  
to R3,2m (R1m).

The final dividend is  
8c (3c) a share, making a  
total for the year of 13c  
(6c).

Chairman Brian Por-  
ter made it clear in an  
interview yesterday that  
the group was preparing  
to expand, in spite of its  
sale of the Motors West-  
ern Province group to  
Barlow Rand this month  
for about R4m.

He said Port was nego-  
tiating for two new pas-  
senger car franchises —  
both extensions of exist-  
ing franchises.

Even more encourag-  
ing, it has bought a site  
covering nearly 3 000 m<sup>2</sup>  
in Diep River, on which  
it intends to build show-  
rooms and workshops,



Brian Porter

and has leased an ad-  
joining Shell garage.

In the 1985 financial  
year it was able to keep  
out of the red only by  
selling premises for  
R1,9m and leasing them  
back.

This was the extraor-  
dinary item which en-  
abled the group to end  
the last financial year  
with a net income of  
R1,6m after making a net  
loss before tax of  
R312 000.

Porter said yesterday  
that the group was now  
looking for other suit-  
able premises to pur-  
chase.

He said it had been de-  
cided to expand into  
Diep River because he  
thought it a good area for  
growth and because the  
group was already well  
represented in most

other parts of greater  
Cape Town.

The opportunity to  
lease the Shell garage  
was an important plus  
factor. It added to the  
network of service sta-  
tions from which regular  
customers could buy pet-  
rol on account.

"People with an  
account with us can use  
it to buy petrol from any  
of our sites.

"We are very con-  
scious of the advantages  
of selling fuel. It is defi-  
nitely an adjunct to our  
profits and it also brings  
people into our garages,  
making it more likely  
they will buy cars from  
us and come to us for  
servicing."

## Sales

Porter said it was im-  
proved sales of used cars  
and run out models of  
new cars which had lift-  
ed turnover by 23% in  
the past year to R167,3m  
(R135,5m).

"Used cars have  
helped us a lot, although  
sales of new cars have  
started picking up."

Attention to keeping  
costs down had also  
helped to lift net operat-  
ing income.

The improved results  
continue the trend  
shown in the interim re-  
port which showed a 34%  
rise in turnover to  
R90,6m in the six months  
to December, net operat-  
ing income of R1,4m and  
earnings of 13,22c a  
share.

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## Boycotts

are a cry  
for help

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— Gilson

### Post Correspondent

JOHANNESBURG — Mr Tony Gilson, chairman of the Port Elizabeth Chamber of Commerce, said in Sandton yesterday that black boycotts of white businesses should be seen as a cry for help and an appeal to whites to acknowledge the plight of blacks in South Africa.

Mr Gilson, who has been involved in several attempts to solve the Eastern Cape boycott crisis, was speaking at an Institute of Personnel Management seminar on industrial relations.

He urged white South Africans not to see only what they wanted to see. Long-term solutions were needed and whites should resist the temptation to adopt quick-fix, short-term solutions which would prolong the political crisis.

He warned that black political groups had considerable support.

"We do not have a situation where a small minority is manipulating a complacent majority.

"In Port Elizabeth during prolonged boycotts of white businesses, intimidation alone could not have kept the boycott going."

# Lay-by day as boycott may end

EVENING POST 30

29/8/86

**Post Reporter**

IT was lay-by day in many Port Elizabeth shops today as blacks prepared for Monday's end to the five-month boycott.

In anticipation, customers were placing orders to beat any month-end rush on the shops which might leave shelves depleted.

Shops contacted by Evening Post today were not stocking up for the rush — because past rumours of the boycott lifting had proved groundless.

They were adopting a "wait and see" attitude.

Yesterday the coordinator of the PE Consumer Boycott Committee, Mr Loyiso Mgama, said the boycott was due to be lifted for two months on Monday and township residents would be told about the decision at the weekend.

Shops in the North End area, which are heavily dependent on black customers, have been hard hit by the boycott, which started on July 15 last year and was lifted in November, only to be re-imposed on April 7 this year.

Mr Graham Claassens, regional buyer for Pick 'n Pay, said although all the company's stores in the city had been affected by the boycott, the Commercial Road branch had suffered the most.

"Our takings in Com-

mercial Road have been down, but although we sincerely hope the boycott will be lifted on Monday, we are not making any preparations for it," he said.

"Our staff are not even sure about the situation, but should the shoppers come streaming back on Monday, we will give it a big boost."

The owner of a shoe store in North End said the boycott had killed business in the area and that a two-month reprieve would not really help the situation.

"Although we have had a trickle of black customers over the last month, it has not made any difference. But if the boycott is lifted on Monday, we will start advertising again and put up discount prices in our windows."

The manager of a clothing and shoe store in Commercial Road said: "We are completely dependent on black customers and have been very badly affected by the boycott."

The owner of a men's outfitters in Main Street, North End, said she was "hoping and praying" the boycott would be lifted on Monday as the store was 99,9% dependent on black trade.

"Our business has been affected terribly and it is only a matter of time now before we will have to close down," she said.

PRICES

LAG  
E!

UP TO  
0% OFF  
BRAND NEW SURPLUS STOCK

4-PIECE LISBON  
Upholstered in Dralon fabric  
Coffee tables optional extra

WAS R700.05

Stranded Top Posts

SBDC (30)

to start soon on

# Q'town complex

EAST LONDON — The Small Business Development Corporation (SBDC) will shortly start work on the first phase of a R1,3m complex of small factories and workshops at Queens-town.

A statement released by the corporation's East London representative, Mr Piet Strümpher, said five factory units and 10 small workshops would be built by April next year on a 1-hectare site in Stephenson Road, Queendustria, "to meet the requirements of new ventures and backyarders taking the first cautious step into the formal sector."

The units would be of a modular design so that work areas could be tailored to suit tenants from all population groups. — DDR

FORM GUIDE

Boycott  
may or  
may not  
be over

POST

30/8/82

Weekend Post Reporter  
THERE was still uncertainty today over whether the five-month consumer boycott in Port Elizabeth would be suspended on Monday.

Earlier this week reports quoted Mr Loyiso Mgama, who said he was co-ordinator of the boycott, as saying black shoppers would be allowed to buy from stores outside the townships from Monday.

But today, Mr Michael Xhego, vice-president of the PE Youth Congress, was reported as saying the boycott would not end.

He said the previous statement was "misinformation" and boycott committee members were "deeply concerned" about this.

Weekend Post was unable to contact Mr Mgama, Mr Xhego or other boycott committee members before going to press.

However, Mr Carl Coetzer, newly elected president of the PE Chamber of Commerce, said today that, following three weeks of negotiations, his information from community leaders was that the boycott would be suspended on Monday.

But it would be resumed on December 5, although more discussions would take place before then.

# Free CBD parking likely to end soon

**Dispatch Reporter**  
EAST LONDON — Free parking in the afternoons and on Saturdays in the central business district here is expected to end this week following the lifting of the consumer boycott in the city.

The chief traffic officer, Mr Brian Evans, is awaiting instructions from the city council on whether or not the free parking dispensation will be lifted.

Mr Evans said yesterday he had instructed the municipal traffic police not to ticket motorists who do not put money in meters after 3.15 pm today.

The council's action committee meets this evening.

Meanwhile, retailers here were jubilant as black consumers streamed back to city shops on Saturday morning.

The chairman of the East London Chamber of Commerce's retail committee, Mr Keith Levey, said that by all accounts there had been a marked improvement in black consumer spending in the city.

"It's very welcome. Hopefully matters will improve further during the week," he said.

"There is still a certain amount of confusion as to whether or not the boycott has been lifted, but I am sure this will be cleared up before next Saturday."

The owner of a clothing store and past chairman of the retail committee, Mr Tony Bryant, said he was delighted that the boycott had been lifted.

"There has been a noticeable increase in trade," he said.

"One aspect of the boycott which hasn't been mentioned is that East London has been losing trade to Durban because many Transkeians who came here to

shop were nervous of coming during the boycott and went instead to Durban, where there hasn't been a boycott.

"We need the velocity of money in the city to be increased to enable further employment opportunities to be created. The boycott hurt across the board, and not just retailers."

The manager of an Oxford Street clothing store, Mr Stephen Donald, said there had been a lot more black trade on Saturday.

"But some people are still cautious and just came in to have a look to see if it was safe to buy."

The manager of a Market Square supermarket, Mr Richard Fuller, said there had been a "definite difference" in black consumer business.

"On Friday we were about 40 per cent up and on Saturday we were very busy. There is a vast difference with a lot of blacks buying in full force."

The manager of a retail business in Buffalo Street, Mr Grant Hobbs, said there had been an increase in trade, "but it is not what it was. Perhaps there is less money."

# Milly's Stores to seek JSE share listing

W/E  
AR 6/28/86  
30/8/86

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By TOM HOOD

FIFTY-YEAR-OLD Milly's Stores, which is under new ownership, will seek a listing on the Johannesburg Stock Exchange next month.

The company, one of the Cape's oldest convenience and fast foods chains, hopes to raise more than R1-million to finance a national expansion programme.

Profits are likely to receive a big boost from two important deals at Sea Point — a 10-year lease of the Carousel restaurant at the Pavilion from Cape Town City Council and exclusive vending rights to sell ice cream and fast foods along the entire 5 km of densely populated beachfront from the President Hotel to Mouille Point.

Major alterations are under way at the Carousel to provide a bar and three licensed restaurants seating a total of 600 people in time for the coming summer season.

However, profits from this project and beachfront vending will not be fully felt until the 1988 financial year, say the directors.

Turnover is expected to grow from R3-million this year to R4,5-million in the year to June 1987, says the 26-year-old managing director, Michael Bruchhausen.



**Michael Bruchhausen,  
26-year-old managing  
director.**

More information about profits and dividend forecasts will be given in the pre-listing statement, due to be published next week.

The company is making a private placing of ordinary and preference shares and applying for a listing on the JSE's development capital sector.

Sixty percent of the equity will be retained by the directors: a father, his three sons and the son of Milly's founder.

Another 35 percent will be taken up by pension funds controlled by The Board of Executors and Anglo American Corporation, with the balance

offered to employees and associates of Milly's and other "selected persons."

Chairman of the company is Mr Laurence Bruchhausen, a director of Barlows Manufacturing and managing director of Siman International, a major household appliance agency.

Besides Michael, other directors are his brothers Gary (27), formerly Siman's Natal regional manager, and Laurence (28), who was Cape regional manager for Siman.

## Transvaal store

The other executive director, Leslie Milner (59), has been responsible for Milly's development for many years and he will supervise the new Carousel operation.

Ten new franchise stores in the next two years are planned, mostly in the Western Cape and Transvaal.

The first Transvaal store is expected to be opened before June 30 next.

"We have also been able to negotiate favourable terms with the major suppliers of baking and fast food processing equipment whereby the suppliers have agreed to equip the new franchise outlets. This

To Page 3.



**BUSINESS**

**Milly's** *W. R. Milner's*  
From Page *29/1/86*

will make bank finance more readily available to our franchisees."

The company owns and operates three stores in Cape Town's prime retail areas of Sea Point, Clifton and Mill Street in the Gardens and it has a franchise store, Mr Crusty in Claremont.

Its stores specialise in fast foods, delicatessen, baked goods and in-house food processing, including production of polonies, salami and roast beef.

It has a central kitchen and butchery in the Gardens from where its fresh and frozen foodstuffs division has been making an increasing contribution to turnover and profits, say the directors.

Milly's was started by the Milner family at the site of the store in Mill Street. The company diversified into food manufacturing and claims to have pioneered the fast-frozen food and pizza industry in this country.

## BUSINESSMAN OF THE WEEK

Commonsense,  
'gut feeling'  
— and luck  
keys to  
his success

By ARNOLD KIRKBY

ZHAUN Ahmed, head of the Zhaun Textiles group, is a dynamo who has built up a privately owned textile, clothing, finance and property empire through hard work and the ability to make a deal and walk away with a handsome profit.

A product of St George's Grammar School, he challenged the clothing trade at the age of 21, lived through the hard knocks of the early years and learned "how not to make mistakes".

Sitting behind his large desk, littered with material samples and piled with files, he spoke in rapid short sentences about his business and its growth.

He attributed his success to 50 percent luck, a lot of common sense, operating on "gut feeling" and education.

"I started off small in 1970 and built it from there."

He learned his trade well and now operates the largest textile wholesale distributor in the country, with the



**Zhaun Ahmed, who has built up a business empire in textiles, clothing, finance and property.**

biggest factory shop of its kind in the world.

To add to it he acquired an upmarket Durban-based fabric company.

Zhaun's retail trade is another new venture, with eight outlets in the Cape and another four planned by the end of the year — aimed at people who want to beat the high cost of off-the-peg clothing by making their own.

The next step in this project is to start franchise operations, he says. The first two in a pilot scheme will be in Paarl and Worcester, before going national.

The stockholding of the Zhaun's Textiles group at normal selling prices is R10 million, Mr Ahmed says.

On the property scene, Mr Ahmed leaves for Britain next week to "structure" a deal with an overseas company to buy into his growing portfolio.

"This will help to expand this portfolio tremendously."

Most of the properties he owns are in the Western Cape, though he also has interests in Johannesburg, Mossel Bay and SWA-Namibia.

Another R10-million deal is being negotiated with the Re-

hoboth authorities in SWA-Namibia to build 150 houses.

He has as much confidence in South Africa, and openly admits that he takes advantage of the slump in the economy to acquire more interests. This includes taking over insolvent companies.

#### Credit peak

Another facet of his empire is a cheque discounting operation to assist companies which have reached their credit peak at banks, but are in need of capital.

This firm has been operating for about a year.

A normal working day for Mr Ahmed stretches to between 14 and 15 hours and his office is designed to make those hours more bearable.

It is an eclectic mixture of ultra-modern and a touch of history, with antiques, such as a 400-year-old Torah among his prized possessions.

#### Rolls-Royce

There are also old typewriters, cash registers, a wind-up gramophone and a safe which dates back to before the turn of the century.

In his motorised stable he has a Rolls-Royce, and a Mercedes sports car, while his Christmas vacation is normally spent skiing in Europe, "in preparation for the next year".

He does not skimp on these "personal luxuries". A sign on a cupboard in his office says it all. "You have to work like a slave, to live like a king."

Of himself he says little except that he never wastes time whether it is reading a newspaper to glean information about the market or a book or even looking at the scenery.

# Putting a roof over vendors' heads

*Curly PR 805*  
*3/18/86* (30)

**By DERRICK LUTHAYI**  
**JOHANNESBURG's** street hawkers will be getting a roof over their heads soon - thanks to a major food manufacturer.

And Fedfood is also going to negotiate with the authorities to help them legalise their businesses - a relief for vendors who are always being hounded by police.

This was said this week by Fedfood managing director Johan Louw when he presented Operation Hunger with a cheque for R55 000.

"Besides our donation to Operation Hunger, we've set aside R100 000 to black street vendors through the Small Business Development Corporation to help them to improve their trading.

"It would also encourage them to work for more permanent positions and they'll have no fear of breaking the law," he said.

Operation Hunger executive director Ina Perlman said Fedfood's donation will go a long way to help the starving masses and that its coffers will be swelled by a further R18 000 because the US government agency US Aid had pledged to donate R1 for every R3 raised by Operation Hunger.

"The donation is a great relief to us because by the end of March next year we would need an extra R9,5m to keep operating effectively," Perlman said.

Louw said his company

never shirked its social responsibilities and has always been involved in many long-term projects which are aimed at the social upliftment of black people and not necessarily directed at the short-term alleviation of the plight of the poor.

"Our AI Nutrition Program and the Fedfood/SBDC project for street vendors in Johannesburg are programs with long-term aims to improve the eating habits and living standards in the black community.

"We recognise the fact that thousands of our people go hungry and cannot develop to their full potential without immediate food aid.

"It is for this reason that we've decided to donate AI sifted maize meal to combat malnutrition-related diseases.

"For the second time in two years we've decided to strengthen the hands of Operation Hunger - which is in the forefront of organisations tending to those who are starving," Louw said.

He added that the success of this program will continue to lead to healthier and more able members of the community in the future.



Ina Perlman (centre) receives the R55 000 cheque from Fedfood's Willie Mayeza (left) and Johan Louw.



CITY PRESS

3/1/88

30

CP Correspondent

BOTTLESTORES owned by Vaal councillors may be full of stock, but the tills are dry - because of a boycott by residents, who claim that preference was given to councillors in the allocation of the stores.

At least 12 have been allocated to councillors. Two each will go to Lekoa mayor Essau Mahlatsi, his half-brothers Paul and Rev Meshack and brother-in-

## Running on empty tills . . .

law Sonny Mofokeng.

Other owners include Johannes Mgcina, Petrol Mokoena and former Vaal community council chairman and Sanfa boss George Thabe.

Some of the residents al-

lege they had enough finance, but their applications were turned down and that no reasons were given.

Some bottlestores and beerhalls owned by councillors are being boycotted.

Some residents owning beerhalls are thinking of closing shop because they are dissatisfied with the conditions of an agreement between them and the Orange Vaal Development Board.

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COMMERCE - GENERAL

1986

SEPT. — DEC.

# PE boycott: confusion reigns

*REPORT*  
1978 (30)

**Post Reporter**

**NORTH END** retailers did not experience a significant increase in business today, despite last week's announcement that the consumer boycott would be lifted on September 1.

The announcement was subsequently retracted, but doubt about the statement left consumers confused about shopping today without fear of recrimination.

In a telephone survey, many retailers reported a confused situation, with shoppers and retailers in the dark as to whether the boycott had been lifted.

"There have been too many conflicting reports and nobody knows what is going on," said a retailer.

Only one furniture retailer in North End reported that a large number of black shoppers had purchased goods on Saturday and today.

Mr Peter Giddy, branch manager of Morkels, said he was "delighted" with the turnover from the weekend

and this morning.

But for other furniture stores and smaller clothing and shoe stores, the situation was no different from last week.

Mr Brian van der Walt, regional manager of Giddy's, said: "Confusion is reigning. A few black shoppers have purchased goods, but have asked that arrangements for deliveries be made later.

"We have had no great volume of buyers. The shoppers are as confused as we are."

The regional manager of Pick 'n Pay, Mr Bruce Nicholls, said the situation at the Commercial Road store had not changed since last week.

"We have had a trickle of black shoppers, but we cannot assess what is going on as people are not prepared to communicate on the issue."

● Last week the announcement that the boycott would be lifted today was retracted by Mr Michael Xhego, vice-president of the PE Youth Congress.

19/11/80

# Still no free trade areas

**Post Reporter**

FREE trading areas, first mooted by the Government more than a year ago, have still not become reality in Port Elizabeth.

But a spokesman for the Department of Constitutional Development and Planning in Pretoria said today he expected the Government to issue a proclamation on the matter "in a month or two".

On Friday an Indian trader opened a family shoe store in Westbourne Road, a white group area, but he first had to apply for a permit from the department.

A senior official of the department in PE, Mr Basie Botha, confirmed that a permit was granted for the shop to open. He said he could recall two other instances of black traders being granted permits in the city.

"A number" of doctors had also been granted permits.

He said another system whereby blacks could currently trade in white areas was for them to be part of a company where the major shareholding was held by people of the race group qualified to trade in that specific area.

He said evidence was heard by the Group Areas Board from his department and the PE City Council, which had requested that the whole of PE be opened for free trading.

The Pretoria spokesman said the response of the Administrator of the Cape, Mr Gene Louw, to the board's recommendations would go to the Minister, Mr Chris Heunis. He expected the proclamation in a month or two.

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# Black Supermarket wows Pretoria white shoppers

THE first black-owned supermarket to operate in the white business district of Rosslyn, Pretoria, has won the hearts of white shoppers in the area.

The Maluleke Save-Mor, which is being run by a local attorney, Mr George Maluleke, his brother Mr Dan Maluleke and a Soshanguve businessman, Mr Letsatsi Makena, was taken over from white management two months ago.

The R500 000 concern traded as the Rosslyn Supermarket in the past.

The Sowetan team's weekend outing to see how the local community was responding to black business in the heartland of a white area showed positive results.

Shoppers said it was not important who the owner of the shop was. They were more concerned about the type of service they received.

Although most of the white customers interviewed were co-operative, they were sceptical about giving their names.

"We prefer giving our initials when dealing with members of the press," one said. A Sinoville resident,

By ALINAH DUBE

Mrs W Oosthuizen, said she enjoyed doing her shopping at the supermarket.

"I do not mind driving my family here for shopping because this is where we always get the best value for our money. To me it is not important who the shop owner is, I always strive for satisfaction," she said while doing her shopping with her husband.

Asked if there has been changes after the take-over by black management, Mrs J van der Merwe, a customer, said the standard was high and that she would not compare the present with the past.

The owner of a neighbouring shop, Mrs A C van Niekerk, said having a black neighbour was "just normal". She said black people also had a right to serve consumers.

"I personally buy from the supermarket and have so far not come across anything sinister about it," she



WHITE shoppers at the black-owned supermarket in Pretoria.

Pic: ROBERT MAGWAZA



Mr MAKENA . . . managing director of the supermarket.

said. Mr Makena, the managing director, said the company has not picked up problems since its launching in June. He

added that their main objective was to create more job opportunities for the needy black community.

# Assocom

## notes dramatic upswing in business confidence

THE VITAL VIEWPOINT

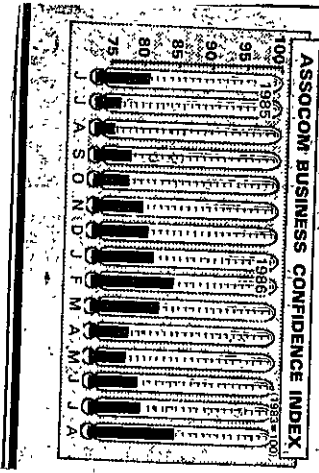
Economics Reporter

AFTER sinking to near-record lows in the previous quarter, business confidence appeared to improve dramatically in August, the Association of Chambers of Commerce (Assocom) said yesterday. It added that its business confidence index (BCI) — a composite of 13 economic indicators, including the rand-dollar exchange rate, unemployment and inflation — surged to 85.7 in August, from 80.1 in June and 80.9 in July.

But Assocom said there was still a long way to go to rebuild business and consumer confidence on a large scale. The group admitted there was still no evidence of a recovery in private investment — a key barometer of business optimism.

The index is not a subjective measure of actual business sentiment, but rather an approximation of confidence measured through quantitative business and economic data. Thus, last month's improvement in the index does not necessarily mean business executives felt significantly more confident.

A key element in the strengthening of the index was the tentative evidence of renewed consumer spending, Assocom said. In part, it said, higher consumer spending was explained by the end of boycotts and the return of many black consumers to the marketplace.



# SHOPS CLOSE AT THE VAAL

## Traders remember Sept. 3

**BLACK businessmen in the Vaal will close their shops for six hours today to mark the second anniversary of the Vaal unrest which broke out on September 3, 1984.**

The president of the Vaal Triangle Chamber of Commerce, Mr. Don Mashinini, yesterday said that after consultation with community organisations it was resolved that they close their businesses on commemoration days.

He requested all businessmen to close their shops between 11am and 4 pm during which time people will attend commemoration services at different venues.

Residents in six Vaal black townships took to the streets on September 2, 1984, in protest against increased rent and vowed not to pay until the rent was re-

**SOWETAN Reporter** (30)

duced to R30 a month. More than 100 people including five community councillors, were killed when violence broke out in the troubled townships.

Mr Mashinini said they took the decision because business people were greatly affected during the unrest and because "we want to show our solidarity with all those who suffered any loss on that day."

Trade unions have

asked employers not to victimise workers, but to allow them to observe the day with dignity and respect. 3/9/86

Workers will also be expected to hold prayer meetings on the factory floor if they cannot attend the services.

Bu > DAD 1

Wednesday, September 3 1986

Only top titles will be stocked

30

# Retail giant CNA to open 50 video outlets

RETAIL giant CNA is to open 50 video outlets in October — the same month that SABC-TV and M-Net join battle.

And the company plans to open 50 more shops before the end of the year.

Retail division MD James Lowman said yesterday: "We are well along the road towards opening."

He said CNA felt the market was ripe and was not worried by either M-Net opening or an improvement in programme quality by the SABC.

"All our market research tells us we have picked the right time."

The group intends stocking only the top 40 titles on the circuit. No mini-series, soap operas, shorts or children's series will be stocked.

"There won't be any contracts. It's strictly a cash-and-carry basis at very competitive rates," a spokesman said. "Our intention is to service CNA shoppers and not take business away from existing video stores."

MICK COLLINS

Industry sources said a factor that initially inhibited the chain from opening the video shops was the restriction on shopping hours.

"The late-night shopping hours have made video a viable proposition for us. Video trading hours will be similar to those of the rest of our stores," said the spokesman.

Dealer fears that CNA's tie-up with Gallo/Lenkas would lead to favouritism for CNA were discounted yesterday by Gallo director Dennis Cuzen.

"CNA's operation is totally independent of ours and they will be treated as just another dealer in the market place. It is not Gallo/Lenkas' policy to sell titles exclusively and CNA will not get exclusive titles from either of our divisions.

"CNA are retailers, Gallo/Lenkas are distributors, and as distributors we welcome professionals who can promote the industry at consumer level."

3/9/76 SOVERAIN

# Loophole blamed



**PICK 'n Pay management yesterday denied that it lacked security at its stores and that there were no bag-searchers at Durban's Montclair supermarket — scene of Monday's horror bomb blast.**

Eighteen people were

injured, one very seriously, when a three-kilogram limpet mine exploded in the supermarket's parcel counter, which also has a kiosk selling sweets and cigarettes.

Mr Vernon Mitchell, general manager of Pick

'n Pay in Natal, said special bomb-proof doors at the entrance of the supermarket had prevented the impact from spreading to other parts of the Old Mutual shopping centre, opposite the Ramblers football grounds.

## Chain stores grab DIY action

RETAIL chain stores have increased their share of the lucrative R1,7bn do-it-yourself (DIY) sector from a zero base 10 years ago to one-third of the market.

A Business and Marketing Intelligence survey has shown that hardware stores have been particularly hard hit by the retail chains in the area of non-building material products.

It said the concept of the local family hardware store, which sold

MICK COLLINS

nuts, bolts and other fast moving small items, was outdated.

In the DIY paint market, retail chain stores have captured a 23% share of the R170m market. Hardware stores retain 50% of the paint business, while builders' merchants and specialist outlets account for the balance.

Of the total home improvement DIY market, builders' merchants dominate with 41% of the business.

4/1/88  
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DIY

REPUBLIEK  
VAN  
SUID-AFRIKA



REPUBLIC  
OF  
SOUTH AFRICA

# Staatskoerant Government Gazette

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Buitelands 60c Other countries  
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Registered at the Post Office as a Newspaper

Vol. 255

PRETORIA, 5 SEPTEMBER 1986

No. 10414

## PROKLAMASIES

van die

*Staatspresident van die Republiek van Suid-Afrika*

No. 153, 1986

INSTELLING VAN VRYHANDELSGEBIEDE KRAGTENS DIE BEPALINGS VAN ARTIKEL 19 VAN DIE WET OP GROEPSGEBIEDE, 1966, TE KIMBERLEY, DISTRIK KIMBERLEY, PROVINSIE DIE KAAP DIE GOEIE HOOP

Kragtens artikel 19 (1) van die Wet op Groepsgebiede, 1966 (Wet 36 van 1966), verklaar ek hierby dat, vanaf die datum van publikasie van hierdie Proklamasie, die bepalinge van—

- (a) artikels 26 (1), 27, 35, 37 en 40 van genoemde Wet nie van toepassing is nie ten opsigte van enige gebou, grond of perseel in die gebied omskryf in paragraaf (1) van die Bylae hiervan; en
- (b) artikels 13, 14, 15, 17, 18, 35, 37 en 40 van genoemde Wet nie van toepassing is nie ten opsigte van enige gebou, grond of perseel in die gebiede omskryf in paragrawe (2) en (3) van die Bylae hiervan,

onderworpe aan die voorwaarde dat sodanige gebou, grond of perseel in die gebiede omskryf in paragrawe (1), (2) en (3) van die Bylae hiervan, slegs vir handels-, kommersiële, professionele of godsdienstige en opvoedkundige doeleindes geokkupeer of gebruik mag word ingevolge 'n dorpsaanlegskema wat kragtens die een of ander wet in dië gebiede in werking of bindend is.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Kaapstad, op hede die Vyf-en-twintigste dag van Augustus Eenduisend Negehonderd Ses-en-tagtig.

P. W. BOTHA,  
Staatspresident.

Op las van die Staatspresident-in-Kabinet:

J. C. HEUNIS,  
Minister van die Kabinet.

16—1

## PROCLAMATIONS

by the

*State President of the Republic of South Africa*

No. 153, 1986

ESTABLISHMENT OF FREE TRADING AREAS IN TERMS OF THE PROVISIONS OF SECTION 19 OF THE GROUP AREAS ACT, 1966, AT KIMBERLEY, DISTRICT OF KIMBERLEY, PROVINCE OF THE CAPE OF GOOD HOPE

Under section 19 (1) of the Group Areas Act, 1966 (Act 36 of 1966), I hereby declare that, as from the date of publication of this Proclamation, the provisions of—

- (a) sections 26 (1), 27, 35, 37 and 40 of the said Act shall not be applicable in respect of any building, land or premises in the area defined in paragraph (1) of the Schedule hereto; and
- (b) sections 13, 14, 15, 17, 18, 35, 37 and 40 of the said Act shall not be applicable in respect of any building, land or premises in the areas defined in paragraphs (2) and (3) of the Schedule hereto,

subject to the condition that such building, land or premises in the areas defined in paragraphs (1), (2) and (3) of the Schedule hereto, may only be occupied or used for trading, commercial, professional or religious and educational purposes in terms of a town planning scheme which is in operation or binding under any law in those areas.

Given under my Hand and the Seal of the Republic of South Africa at Cape Town this Twenty-fifth day of August, One thousand Nine hundred and Eighty-six.

P. W. BOTHA,  
State President.

By Order of the State President-in-Cabinet:

J. C. HEUNIS,  
Minister of the Cabinet.

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10414—1

## ARTIKEL 19 VRYHANDELSGEBIED

**Gebied H1 (Kimberley-Sentraal)**

(1) Begin by die punt waar die middel van Kerkstraat, Kimberley, die middel van Hullstraat kruis; daarvandaan suidwaarts met die middel van genoemde Hullstraat langs tot by die punt waar dit die noordoostwaarts verlening van die suidoostelike grens van Erf 6660, Kimberley, kruis; daarvandaan suidwaarts met genoemde verlening en die grense van genoemde Erf 6660 en Erf 6675 en 16087 langs, sodat hulle in hierdie gebied ingesluit word, tot by die westelike bakke van haasgenoemde erf; daarvandaan noordwaarts met die verlening van die suidwestelike grens van haasgenoemde erf langs tot by die punt waar dit die middel van Transvaalweg kruis; daarvandaan suidwaarts met die middel van genoemde Transvaalweg, Quimweg, Lawrence-, Lowden- en Cemeterystraat langs tot by die punt waar die noordoostwaarts verlening van die suidoostelike grens van Erf 15433 die middel van genoemde Cemeterystraat kruis; daarvandaan suidwaarts met die grense van genoemde Erf 15433 en Erf 15434 langs, sodat hulle in hierdie gebied ingesluit word, tot by die punt waar die suidwestwaarts verlening van die suidoostelike grens van haasgenoemde erf die middel van Gaultstraat kruis; daarvandaan noordwaarts met die middel van genoemde Gaultstraat, genoemde Transvaalweg, Roper-, en Barristerstraat, Advocatesweg, Oserloh-, Adam-, genoemde Roper- en Quimstraat, Knight- en Florenciastraat, On de Beersweg, Langton Terras, Bayvaks- en Shipyardstraat, Crossman- en Edwardsweg, Villiers-, Temp-lars-, Elbow- en Hallstraat langs tot by die punt waar die noordoostwaarts verlening van die oostelike grens van Erf 9935 die middel van genoemde Hallstraat kruis; daarvandaan suidwaarts met genoemde verlening en grense van genoemde Erf 9935, Erwe 12038, 2134 en 411 langs, sodat hulle in hierdie gebied ingesluit word, tot by die suidoostelike bakke van haasgenoemde erf; daarvandaan suidwaarts in 'n reghoek oor D Arcystraat tot by die noordelike bakke van Erf 2191; daarvandaan suidwaarts met die grens van genoemde Erf 2191 langs, sodat dit in hierdie gebied ingesluit word, tot by die punt waar die noordoostwaarts verlening van die suidwestelike grens van haasgenoemde erf die middel van Lennoxstraat kruis; daarvandaan suidwaarts met die middel van genoemde Lennoxstraat en Chapelstraat langs tot by die punt waar die noordoostwaarts verlening van die suidoostelike grens van Erf 16434 die middel van Sidneystraat kruis; daarvandaan noordwaarts met die middel van genoemde Sidneystraat langs tot by die punt waar die noordoostwaarts verlening van die suidoostelike grens van Erf 682 die middel van genoemde Sidneystraat kruis; daarvandaan suidwaarts met genoemde verlening en grense van genoemde Erf 682 langs, sodat dit in hierdie gebied ingesluit word, tot by die punt waar die suidwestwaarts verlening van die suidoostelike grens van Erf 682 die middel van 'n naamlose straat kruis; daarvandaan suidwaarts met die middel van genoemde naamlose straat langs tot by die noordoostelike bakke van Erf 860; daarvandaan suidwaarts met die noordoostelike grens van genoemde Erf 860 en die suidwestwaarts verlening daarvan tot by die punt

## SCHEDULE

## SECTION 19 FREE TRADING AREAS

**Area H1 (Kimberley Central)**

(1) Beginning at the point where the middle of Church Street, Kimberley, intersects the middle of Hull Street; thence south-eastwards along the middle of the said Hull Street to the point where it intersects the prolongation north-westwards of the south-western boundary of Erf 6660, Kimberley; thence south-westwards along the said prolongation and the boundaries of the said Erf 6660 and Erf 6675 and 16087, so as to include them in this area, to the westernmost beacon of the last-mentioned erf; thence north-westwards along the prolongation of the south-western boundary of the last-mentioned erf to the point where it intersects the middle of Transvaal Road; thence south-westwards along the middle of the said Transvaal Road, Quinn Road, Lawrence, Lowden and Cemetery Streets to the point where the prolongation north-eastwards of the south-eastern boundary of Erf 15433 intersects the middle of the said Cemetery Street; thence south-westwards along the boundaries of the said Erf 15433 and Erf 15434, so as to include them in this area, to the point where the prolongation south-westwards of the south-eastern boundary of the last-mentioned erf intersects the middle of Gault Street; thence north-westwards along the middle of the said Gault Street, the said Transvaal Road, Roper and Barrister Streets, Advocate Lane, Oserloh, Adam, the said Roper and Quinn Streets, Knight and Florence Streets, Old De Beers Road, Langton Terrace, Byvaks and Shippard Streets, Crossman and Edwards Roads, Villiers, Temp-lars and Hall Streets to the point where the prolongation northwards of the eastern boundary of Erf 9935 intersects the middle of the said Hall Street; thence south-westwards along the said prolongation and boundaries of the said Erf 9935, Erwen 12038, 2134 and 411, so as to include them in this area, to the south-eastern beacon of the last-mentioned erf; thence southwards in a straight line across D Arcy Street to the northernmost beacon of Erf 2191; thence south-eastwards along the boundary of the said Erf 2191, so as to include it in this area, to the point where the prolongation north-westwards of the south-western boundary of the last-mentioned erf intersects the middle of Lennox Street; thence south-westwards along the middle of the said Lennox Street and Chapel Street to the point where the prolongation north-eastwards of the south-eastern boundary of Erf 16434 intersects the middle of the said Chapel Street; thence south-westwards along the said Chapel Street; thence south-westwards along the prolongation north-westwards of the south-eastern boundary of Erf 682 which intersects the middle of the said Sidney Street; thence south-westwards along the said prolongation and boundary of the said Erf 682, so as to include it in this area, to the point where the prolongation south-westwards of the said south-eastern boundary of Erf 682 intersects the middle of Sidney Street; thence north-westwards along the middle of the said Sidney Street to the point where the prolongation north-westwards of the south-eastern boundary of the said Sidney Street to the point where the prolongation north-westwards of the south-eastern boundary of Erf 682 intersects the middle of the said Sidney Street; thence south-eastwards along the middle of the said unnamed street; thence south-eastwards along the middle of the said unnamed street to the north-eastern beacon of Erf 860; thence south-westwards along the north-western boundary of the said Erf 860 and the prolongation thereof south-westwards to the point where it intersects the middle of Bulfontein Road; thence north-westwards along the middle of the

waar dit die middel van Bulfonteinweg kruis; daarvandaan noordwaarts met die middel van genoemde Bulfonteinweg langs tot by die punt waar die noordoostwaarts verlening van die suidoostelike grens van Erf 717 die middel van genoemde Bulfonteinweg kruis; daarvandaan suidwaarts met genoemde verlening en grense van genoemde Erf 717 en Erf 716 langs, sodat hulle in hierdie gebied ingesluit word, tot by die punt waar die noordoostwaarts verlening van die suidwestelike grens van genoemde Erf 716 die middel van Jonesstraat kruis; daarvandaan suidwaarts met die middel van genoemde Jonesstraat, Hollandweg, Long- en Waterwerksstraat en Circularweg langs tot by die punt waar die suidwaarts verlening van die westelike grens van Erf 10982 die middel van genoemde Circularweg kruis; daarvandaan noordwaarts met genoemde verlening en grense van die volgende eiendomme langs sodat hulle in hierdie gebied ingesluit word: Genoemde Erf 10982, Erf 10993, genoemde Erf 10982, Erwe 16003 en 10985 tot by die punt waar die noordoostwaarts verlening van die noordoostelike grens van haasgenoemde erf die middel van Reitzstraat kruis; daarvandaan noordwaarts met die middel van genoemde Reitzstraat, Hooftstraat, genoemde Bulfonteinweg, Pnielweg, Tyburnstraat, Kingstonsweg, Fleming- en Salkstraat en genoemde Kerkstraat tot by die punt waar die middel van genoemde Kerkstraat, die middel van genoemde Hullstraat kruis, die beginpunt; uitgesluit die twee gebiede omskryf in paragrafe (2) en (3) hiervan.

**Gebied H2 (Transvaalweggebied)**

(2) Begin by die punt waar die middel van Kerkweg, Kimberley, deur die middel van Maitlandstraat gekruis word; daarvandaan suidwaarts met die middel van genoemde Maitlandstraat en Transvaalweg langs tot by die punt waar dit gekruis word deur die suidwestwaarts verlening van die suidwestelike grens van Erf 11861; daarvandaan noordwaarts met genoemde verlening en suidwestelike grens van Erf 11861 langs tot by die punt waar die noordoostwaarts verlening van die suidwestelike grens van Erf 11861 die middel van genoemde Kerkweg kruis; daarvandaan noordwaarts met die middel van genoemde Kerkweg langs tot by die punt waar dit deur die noordoostwaarts verlening van die noordoostelike grens van Erf 6733 gekruis word; daarvandaan suidwaarts met haasgenoemde verlening en die grense van Erf 19371 langs, sodat dit uit hierdie gebied uitgesluit word, tot by die punt waar die noordoostwaarts verlening van die noordoostelike grens van genoemde Erf 19371 die middel van genoemde Kerkweg kruis; daarvandaan noordwaarts met die middel van genoemde Kerkweg langs tot by die eersgenoemde punt, die beginpunt.

**Gebied H3 (Pnielweggebied)**

(3) Begin by die punt waar die middel van Tyburnstraat, Kimberley, deur die middel van Pnielweg gekruis word; daarvandaan suidwaarts met die middel van genoemde Tyburnstraat, Stockkalsstraat, Compoundstraat, Duncaanstraat, Walestraat en genoemde Pnielweg langs tot by die punt waar die middel van genoemde Pnielweg die middel van genoemde Tyburnstraat kruis, die beginpunt.

said Bulfontein Road to the point where the prolongation north-eastwards of the south-eastern boundary of Erf 717 intersects the middle of the said Bulfontein Road; thence south-westwards along the said prolongation and boundary of the said Erf 717 and Erf 716, so as to include them in this area, to the point where the prolongation north-westwards of the south-western boundary of the said Erf 716 intersects the middle of Jones Street; thence south-westwards along the middle of the said Jones Street, Holland Road, Long and Waterworks Street and Circular Road to the point where the prolongation southwards of the western boundary of Erf 10982 intersects the middle of the said Circular Road; thence northwards along the said prolongation and boundaries of the following properties so as to include them in this area: The said Erf 10982, Erf 10993, the said Erf 10982, Erwen 16003 and 10985 to the point where the prolongation north-eastwards of the north-western boundary of the last-mentioned erf intersects the middle of Reitz Street; thence north-westwards along the middle of the said Reitz Street, Mann Street, the said Bulfontein Road, Pniel Road, Tyburn Street, Kingstons Lane, Fleming and Salk Streets and the said Church Street to the point where the middle of the said Church Street intersects the middle of the said Hull Street, the point of beginning; excluding the two areas defined in paragraphs (2) and (3) hereof.

**Area H2 (Transvaal Road Area)**

(2) Beginning at the point where the middle of Church Road Kimberley, is intersected by the middle of Maitland Street; thence south-eastwards along the middle of the said Maitland Street and Transvaal Road to the point where it is intersected by the prolongation south-eastwards of the south-western boundary of Erf 11861; thence north-westwards along the said prolongation and south-western boundary of Erf 11861 to the point where the prolongation north-westwards of the said south-western boundary of Erf 11861 intersects the middle of the said Church Road; thence north-westwards along the middle of the said Church Road to the point where it is intersected by the prolongation north-eastwards of the south-eastern boundary of Erf 6733; thence south-eastwards along the said prolongation and boundary of Erf 19371, so as to exclude it from this area, to the point where the prolongation north-westwards of the north-eastern boundary of the said Erf 19371 intersects the middle of the said Church Road; thence north-eastwards along the middle of the said Church Road to the point first mentioned, the point of beginning.

**Area H3 (Pniel Road Area)**

(3) Beginning at the point where the middle of Tyburn Street, Kimberley, is intersected by the middle of Pniel Road; thence south-eastwards along the middle of the said Tyburn Street, Stockkals Street, Compound Street, Duncaan Street, Wale Street and the said Pniel Road to the point where the middle of the said Pniel Road intersects the middle of the said Tyburn Street, the point of beginning.



FIN MAIL 5/9/86  
ASSOCOM AND FCI 30

## A happy event?

There is an obvious question to be asked about the mooted merger of the Federated Chamber of Industries (FCI) and the Associated Chambers of Commerce (Assocom): if Krugersdorp and Springs can do it, why can't the head offices?

These chambers, and others on the Witwatersrand, have already merged their commercial and industrial efforts, and they tend to be among the strongest supporters for a similar move at national level.

One of the major reasons for the move, of course, is FCI's financial problems. But perhaps more cogent is the fact that one third of Assocom's 23 000 members also belong to the FCI, and many smaller companies, particularly, feel that paying subscriptions to two organisations dilutes the potential business clout.

Five years ago, RAU's Professor of Business Economics, Joe Poolman, investigated the desirability of a merger. Basically, he agreed the position of many small industrialists was anomalous and he provisionally recommended a merger between FCI and Assocom.

But the report was shelved when FCI felt its identity would be submerged by its larger rival. It seems clear Assocom would emerge as the senior partner. Indeed, it has long since ceased to be a purely commercial body and CE Raymond Parsons often says he would prefer Assocom to be called the chambers of business, as it already has a hefty industrial component.

In addition, smaller industrialists argue that the FCI, in its efforts to survive, has increasingly come to rely on the support of large industrial patrons.

Senior Assocom sources claim the FCI Corporate Council is proportionately more powerful than Assocom's Senior Associate members.

Sceptics about the merger include AECI MD Mike Sander, who says a super organisation would tend to be a jack of all trades and master of none. It would also have difficulty reconciling the often conflicting views of industry and commerce.

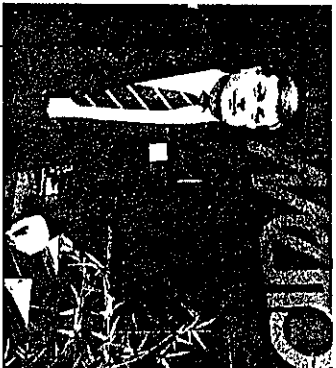
Supporters of the move, however, point out the merger talks would never have started if the marriage was not desirable. They also say the Afrikaanse Handelsinstituut (AHI) has managed to include such diverse

fields as retailing, mining and manufacturing in its ranks without any insuperable tension.

Besides, since the Poolman report, co-operation between the two English employer bodies has become closer and several dividing issues, such as the desirability of tariffs, have been taken off the agenda.

Others argue that industry cannot get anywhere without commerce, and that commerce needs goods to sell. Their interests must run parallel.

Ultimately, logic seems to indicate that the AHI, and eventually the National African Federation of Chambers of Commerce (Nafcoc), should join with the new organisation. But, for ethnic reasons, that ideal seems a long way off. The two main bodies, now experts in duplication, could set the pace. ■



Smith... Katz will be a hard act to follow

stanes and he quite rightly says that Katz will be a hard act to follow. But apparently Smith was the man whom Katz himself had marked as his successor.

Though the group is still reeling from the shock of Katz's death, Smith (41) says there was no point in sending mixed signals to the market place. "While this is a traumatic period, we know where we're going and will continue along the same path.

"There are no dramatic changes or disagreements as to the road the company is taking. We're in conjunction and collusion so there were three or four other people that could just as easily have been appointed to this position. We said in the prospectus that we had a good team and that succession was ensured, and it was true. But on the other hand," he says sadly, "success planning is a balancing act, nothing prepares one for a shock like this.

"Yes, Lionel Katz was Metro," he says, "and the group's reputation revolved around him. Though this might be a problem initial-

ly for the investing public, from a business point of view we don't see any effect on the market. I'm going to keep relationships with the bankers going which is where the future lies. Results, sales and profits will then convince the investing public. In the short term, I'll retain my portfolio as stores director which is where my strength lies. I'm more of a 'Lionel person' — I have better people and administrative skills than finance skills.

"I'm not as comfortable with the financial side and ratios and balance sheets are something of a problem. But Metro is a trading company and I understand the nature of the business and customers' needs.

"We have a strong financial team and their skills will give me time to liaise closely with customers. Good management really requires identification of good talents and styles and identifying the right people to help

me in my weak areas."

Smith hopes to do a R1.6 billion turnover this year in Metro's 131 stores, he's targeting for R30m in pre-tax profits and looking for 25% growth in sales. In terms of geographical spread and number of stores, he says that Metro is near saturation in SA, but he believes there's a good deal more potential in southern Africa even in the current situation.

Right now, his immediate task is to convince the investing public and staff that the group has direction. Then he'll look at expenses since he says margins will be squeezed by increasing competition. One of his pet projects is launching a "year of no shrinkage campaign" and he's set a target of saving R1m bottom line on shrinkage.

Smith has a similar informal unpretentious manner to his predecessor. Like all other Metro staff, he usually wears an open-

necked shirt and a badge proclaiming "Hi partner, I'm Cecil." But last week, about to conduct a memorial service for the man he refers to as "Mr Lionel," the FM found the new MD more soberly dressed.

In the middle of a strategic planning exercise, Smith is about to launch Metro's third trade centre this year. This "hyper" concept caters to business, he explains, and carries a huge range of goods from office stationery to liquor. "We're doing about R300 000 in beer a week in our Pretoria store alone. Liquor will be a major growth area as will the black market."

Smith started the highly successful cash-and-carry wholesaler Afrimat in Soweto, but pressure against white ownership forced Metro into selling its shares. The group still retains a management contract and Smith envisages greater scope for management

contracts in black areas in future.

Smith has had three sons since leaving Vereeniging's General Smuts High School. First, he spent nine years with a catering company before leaving to join Checkers as a finance manager, then Metro. He's covered a lot of ground and held a variety of portfolios in the 12 years he's been with the group.

He's also put on a lot of weight — a problem common to the late chairman and former Metro MD Clive Weil. But their fifth-control problem, he says, has nothing to do with executive lunches. Rather the Metro "flying circus" is to blame — at least three days a week are spent traipsing round the country visiting branches and this means an obligation to eat melktert in at least four different stores a day.

So when Smith is at home, he says he's very anti-social if possible, and doesn't go out.

**ROBBIE WILLIAMS AND BEN VOSSLOO MERITORIOUS MARKETEERS**

FM WRL  
S/P/R

Chairman of Tiger Oats Robbie Williams, and Dr Ben Vossloo, MD of the Small Business Development Corporation, have been nominated for the Institute of Marketing Management's 1986 Marketing Man of the Year award. The winner will be announced next week.

Since Robbie Williams became Tiger Oats CE and deputy chairman in 1983, the food giant's share price has rocketed from R30 to a current high of over R86, making it the most highly rated in the food sector. Last October, Williams was appointed chairman. This year he's banking on turnover reaching R3.8 billion. But his business and marketing talents have also transformed products as diverse as lawnmowers, televisions and domestic appliances from market laggards to brand leaders.

"Tiger has always been a good company," says Williams (45), who is also executive chairman of C.G. Smith Foods and a director of Barlow Rand. "But I don't think it was adequately understood by the market. It was always perceived as a family company with a lot of underused assets.

Williams wrought many changes during his three years at the helm. For one thing, before his time there had never been formal strategic planning. "Previously, centralised management led to most decisions being taken by the person at the top. I don't believe in a large head office; rather, I favour decentralised and autonomous decision-making with action at the coal-face."

One of his greatest challenges, Williams says, was merging Tiger's "centralised Newtown culture" with the more stand Barlows professional management style. Then he set about computers-

ing the group and selling off stodgy investments in Metro, Bibby and Colgate which weren't producing particularly good returns.

In the process, he made substantial gains. "The money was brought back into Tiger when interest rates were high, enabling us to earn well on our cash."

Williams is sitting on a cash pile of around R220m. "I'm not concerned about it," he says. "It's not burning a hole in my pocket. We're not buyers for the sake of buying but when opportunity presents itself, we'll put it to good use.

In all likelihood, disinvestment will provide the opportunity. "If multinationals are forced out," he says, "we're in a position to pay a fair price."

Williams' most recent acquisitions, Wainstains (Tasac Rice) and a controlling interest in wholesaler W.G. Brown, have helped secure a dominant place in the staple food market. "The black consumer," says Williams, "already accounts for 60% of food purchases and represents the market of the future."



Arnold Fronzo

Though Tiger has investments in non-food interests like Adcock-Ingram and shipping company Island View, Williams is adamant that its future is in food — "unlike Premier which is in food but outside food. In the past, many people confused Tiger and Premier. Now we've strengthened our corporate identity. Tiger is firmly established as a blue-chip

soon became Vicsa the top-selling lawn-mower, and when TV was introduced was instrumental in establishing a major manufacturing facility as well as a national dealer network.

He then became BM MD, steering many products to market dominance and the company to leadership in brown as well as white goods. The successful marketing of National Panasonic, Nashua

in an ungendered situation so there are also non-food possibilities. We have a lot of cash, a lot of possibilities and are doing a lot of talking."

Williams grew up and went to school in Zimbabwe. Though he did an LLB at UCT, he served as a public prosecutor for only three months before abandoning law. His work, he says, posed a moral dilemma, the desire to win sometimes got in the way of fairness.

He joined Lever Brothers as a marketing trainee, switched to a managerial job at Chioride, joined Barlows Manufacturing (BM) as a video salesman and a marketing director. Williams made Vicsa the top-selling lawn-mower, and when TV was introduced was instrumental in establishing a major manufacturing facility as well as a national dealer network.

He then became BM MD, steering many products to market dominance and the company to leadership in brown as well as white goods. The successful marketing of National Panasonic, Nashua

**COOPERS and Electrolux as dominant brands were all his babies**

Ben Vossloo, MD of the Small Business Development Corporation (SBDIC), was formerly a Stellenbosch professor and head of the department of political science. He believes small business development is vital for job creation, and has sold the concept so successfully that in July the SBDIC received more than 15 000 requests for information, guidance, counselling and consultation.

"There's no limit to the number of jobs that can be created in this sector," he says. "US studies indicate that in the past 10 years, two out of three new jobs have been created here."

"In SA, small business development is particularly important because of its job creation potential for less-skilled people. If we want to give deprived communities a stake in our economic system, small business development is the only vehicle. Only grave-diggers start on top."

Since the SBDIC was set up five years ago, it has financially assisted 7 804 small entrepreneurs. Though he's used TV, the print media and radio to sell the concept, Vossloo says word of mouth has been his most important marketing tool.

Vossloo's basic objective is to promote entrepreneurial skills in all race groups. Fluency in Zulu has certainly helped. He's particularly happy that about 40% of inquiries have been from black entrepreneurs since at present most small enterprises are not black.

The success of the SBDIC is in large measure due to how Vossloo has sold it as a joint-venture between government and the private sector. "But when it comes to control we're a registered public company with full liability," he explains. "Government has only 25% representation on the

board."

Vossloo's marketing skills have also been successfully harnessed in selling the concept to corporate investors. His talents have enabled the organisation to increase more than tenfold the money lent out for business development since inception — shareholders' funds, grants and loan capital are the main sources of finance.

"We can hardly cope with demand," Vossloo says. "We're like an emergency hospital in an epidemic. Last year we loaned over R102m, double the total amount loaned in the four previous years."



Raymond Preston

The SBDIC, Vossloo emphasises, is a lender of last resort and only lends to people who can't raise finance elsewhere. Though project viability is the most important criterion, it is also impossible to fulfil — the lender has by definition to have been turned down by everyone else. "Our task is similar to refining sand from dumps and getting gold ore."

Other criteria for financial assistance are sound capital structure and a reasonably established market for the product or service. One of the most important is contribution to job creation and the multiplier effect.

The SBDIC's function is not just as a lender of last resort but also as a developer of last resort — to identify needs not met by private developers where return on investment is low and risk high. As a result, the SBDIC has built business premises, factories, shopping centres, offices

contracts in black areas in future.

Smith has had three sons since leaving Vereeniging's General Smuts High School. First, he spent nine years with a catering company before leaving to join Checkers as a finance manager, then Metro. He's covered a lot of ground and held a variety of portfolios in the 12 years he's been with the group.

He's also put on a lot of weight — a problem common to the late chairman and former Metro MD Clive Weil. But their fifth-control problem, he says, has nothing to do with executive lunches. Rather the Metro "flying circus" is to blame — at least three days a week are spent traipsing round the country visiting branches and this means an obligation to eat melktert in at least four different stores a day.

So when Smith is at home, he says he's very anti-social if possible, and doesn't go out.

## Getting exclusive

Small businessmen have formed their own representative organisation, independent of Assocom, the Afrikaanse Handelsinstituut (AHI) and other business bodies.

The new National Federation of Small Business (NFSB) — a non-profit association to be incorporated in terms of section 21 of the Companies Act — is now launching a membership drive, with a target of 50 000 members, at a membership fee of R100 each.

Any individual businessman managing or owning his own operation is welcome, says co-ordinator Ron Amey of Wits' Business School. Based on the model of similar small business organisations operating in the UK and Europe, the NFSB would act as a national forum and platform for small business interests, he adds.

Major issues to be addressed by the NFSB have been set out in a letter addressed to the State President.

"Government says it is looking into the issues we raised. We feel the time has come for an independent body to represent our interests," says NFSB chairman Bill Rutherford.

Suggestions in the letter to the State President include:

- A new tax system for businesses with turnovers below R350 000 a year. A simple system based on a 10% tax on turnover is operating successfully in France and Belgium, simplifying administration and reducing graft, says Rutherford;
- An auction of unutilised mining leases that tie up huge areas of land which small operators could operate profitably;
- The direction of a certain percentage of work in State tenders won by major corporations to small business on sub-contract. "This is done in most major Western countries," says Rutherford;
- Small independent printers should be allowed to provide stationery needs of outlying government offices; and
- Opening up all business areas to all races.

Assocom economist Bill Lacey tells the ~~FM his organisation can be only lukewarm~~ about the NFSB formation as it boils down to a division of energies.

"Small businessmen should throw their weight behind Assocom rather than duplicate our efforts," he says.

Not surprisingly, Rutherford disagrees. He says small businessmen's interests are not adequately catered for by Assocom as it represents "both the big guys and the small guys."

undercutting of lumber prices and by government's strong focus on the industry.

The TMA was one of only four industry cartels temporarily excluded from the new Competition Board (CB) rulings which came into effect on May 2.

CB Deputy Director Wouter Meyer tells the *FM* the CB's three-year investigation into the dangers of excessive concentration in the sawmilling industry should be completed shortly. This will be followed by an investigation into horizontal price collusion.

Salma members account for roughly 90% of the sawn timber market, while the State pitches in with 6%-8% of sales. The effects of the shrinking market on sawmillers is clear from Salma statistics.

Swart says that in the last two years falling sales and changing demand forced some 20 smaller sawmills to close. The rest of the industry is running at 75%-78% of capacity, and Salma is fighting to save other sawmills.

The industry's annual cash turnover gradually increased from R259m in 1983 to R284m in 1984 and R294,5m in 1985, but sawn timber volumes fell from 1,537m m<sup>3</sup> in 1983 to 1,504m m<sup>3</sup> in 1984 and 1,333m m<sup>3</sup> in 1985.

The changing structure of the market also hit turnover and profitability.

"The sawn timber market used to be divided between lucrative structural timber sales and less profitable industrial timber," says Swart. "But first-quarter sales this year show a mere 36% share for structural timber and 64% for industrial timber in Salma sales. This reflects the slump in the building industry."

Structural timber sales have been falling dramatically since 1984, while industrial timber sales have remained "normal."

Says Swart: "Structural timber sales in the first half of 1986 were the worst of the past decade. First-quarter sales of 80 000 m<sup>3</sup> were 5 000 m<sup>3</sup> below sales in the same period last year. First quarter industrial timber sales of 140 000 m<sup>3</sup> were well above 1985's 112 000 m<sup>3</sup>."

Booming industrial sales reflect growing exports, including export palletisation, and a significant revival of the furniture market, says Swart.

PICK 'N PAY 5/9/86 30

## Bagging Boardmans

In a minor skirmish of the retail war, market leader Pick 'n Pay (P'nP) has taken full control of the home improvement store Boardmans. The retail giant took 50% of the six-branch upmarket home improvement shop two years ago. It remained a passive partner until four months ago, when it acquired the balance of the shares.

The buy-out was accompanied by the move of P'nP management into Boardmans. Billy Rendall, previously a Johannesburg regional manager, has relocated to Cape Town as boss. Boardmans has three

stores in Cape Town and one each in Stellenbosch, Johannesburg (Eastgate) and Verwoerdburg, near Pretoria.

P'nP joint MD Hugh Herman describes the move as a minor diversification, not a takeover.

Boardmans sells more sophisticated lines than P'nP stores, but is also a cash business. The buy-out is in line with the group's general belief in diversification, Herman adds.

But Boardmans' shift into the P'nP stable does not signal the formation of a conglomerate, which would be counter to another vital group belief. A far more important development in the store war is P'nP's move into cash 'n carry wholesaling (*Business August 22*). Full details are expected later this month.

## EXPORT PROMOTION

### Trade winds blowing

Sanctions threats by old friends give added point to Unicorn Shipping Line's link with a Colombian line, which is designed to provide a regular freight service between SA and South American ports every five weeks. There is still great scope for trade with Latin America; it could become even more important as industrialised nations flex their trade muscles.

Against the trend, total exports to Latin America fell from R179m in 1984 to R164m in 1985, and the annual trade deficit with the continent runs to nearly R300m.

Some 84,3% of SA exports falls into four categories: iron, steel and other metals (41%), paper products (23%), artificial res-

ins and plastics (12%) and minerals (8,3%).

Richard Kern-Martin, editor of the newly-launched *Latin American Trade Courier*, says SA's export base to Latin America can be diversified: "It's time our medium and small companies looked at Latin America. Social and economic circumstances are similar to ours, enabling us to understand market needs better than exporters from highly industrialised countries."

He says this is particularly true of engineering, where SA has adapted Western technology to Third World conditions. As yet machinery and parts account for only 6,5% of SA's exports to Latin America.

Brazil actually exports medium technology items to SA, many of them small orders of less than \$30 000 a year, and local exporters should follow their example.

Kern-Martin is optimistic that Latin American countries will not impose sanctions on SA: only Costa Rica and Mexico have imposed boycotts in the past — and this has not prevented Mexico from running up a R2,5m trade deficit with SA.

The best export market in the region remains Chile, which buys South African goods worth more than R48m. But even that's barely R4 a person and represents less than 1% of Chile's total imports.

The growth potential in the two most important countries is even greater: Brazil, a country of over 130m people, imports SA goods worth just R35m a year; Argentina, with a population and per capita GDP almost identical to SA's, imports goods worth less than R21m.

But, if political obstacles to trade with the region are minimal, economic hurdles are considerable. Two-way trade opportunities

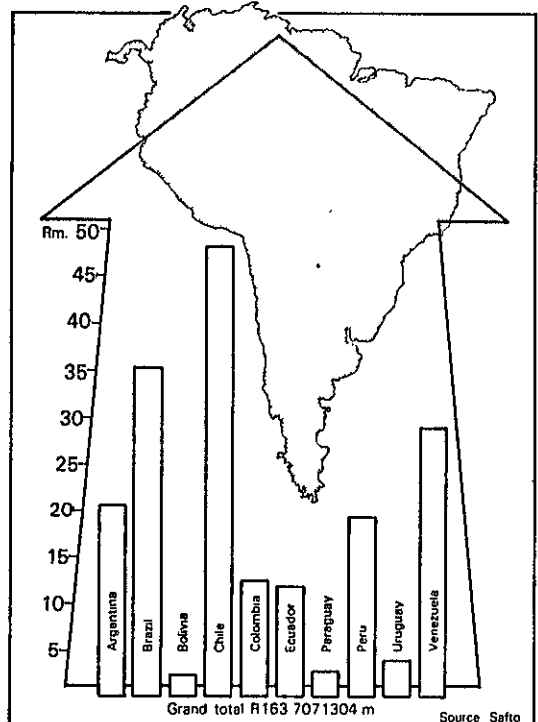
are hampered by import restrictions by South American countries such as Ecuador. These are designed to limit foreign exchange outflow. There is also restricted direct shipping from parts of Latin America to SA.

Gone are the 1976-1980 days when, as Kern-Martin puts it, "we used to receive inquiries for a great variety of merchandise from rooibos tea to clothing" during the high point of monetarism in Latin America.

Increasingly, SA's exporters will have to rely on reciprocity. Deficits with SA were run up by Bolivia, Colombia, Ecuador, Peru, Venezuela and Mexico. Some of them say that trade with SA is hard to justify with an unfavourable balance of trade, and so delay or refuse import licences.

Exports to Latin America will therefore have to be closely linked with imports; when they feel they are benefiting from South African goods, they could become among SA's most reliable customers.

**Selling South**  
S.A.'s 1985 Exports to South America



# Eastern Cape consumers battle, despite the 'store wars' campaign

30  
GIC-POA  
6/9/88

By JENNY CULLUM

AS consumers wait for the effects of the nationwide "store wars" price campaign to take effect, experts are puzzled that food prices keep rising despite drops in the cost of petrol.

Figures released this week show that food prices jumped by 2,8 % in July with increases of up to 7 % in some basic food products. This takes the total rise in basic foodstuffs to more than 20 % in the past year.

Bad news for the Eastern Cape is that Port Elizabeth and Uitenhage are feeling the crunch more than most. The area has shown the second highest increase in the rate of all consumer items since July last year.

The area's 12-month inflation rate stands at 19,6 % — 1,4 % higher than the national figure.

After price rises had slowed in April, May and June, they rose in July.

Meat (3,4 %), fish (3,56 %), milk, milk products and eggs (4 %), fruit (2,4 %), vegetables (7 %) and coffee and tea (6,1 %) all increased.

Housing (3 %), cold drinks (7,6 %) and recreation and entertainment (3,8 %) were other sharp

increases contributing to the rise in the July index.

Figures from Central Statistical Services show that the only decrease in food prices was in fats and oils (down 5,5 %), due mainly to the decrease in the price of butter.

Mrs Betty Hirzel, national president of the Consumers' Association of South Africa, said that price increases were disturbing.

"Food is No 1 for consumers. What is puzzling is that food increases were blamed, like clockwork, on the petrol price," Mrs Hirzel said.

"When the petrol price came down we were then told by manufacturers and distributors that prices would have escalated even more if it had not come down," she said.

Nobody seemed to know why food was increasing at such a rate.

"One might think that somebody is taking a big profit — yet there is cut-throat competition between the supermarkets.

"The supermarkets blame rising prices on manufacturers. Talk to manufacturers and they say their arms are being twisted by the supermarkets until they nearly

come off," she said.

Mrs Lyn Morris, national president of the Housewives' League of South Africa, said it was too early to assess how the "store wars" price freeze would affect the food picture.

"Give it another month to work its way through and one would expect a reasonably considerable reduction," she said.

She said many people were eating meat only two or three times a week. Consumers had only so much disposable income and many were replacing red meat with chicken.

Consumers were now in the toughest spot she had encountered in 12 years of consumer work.

The managing director of a large supermarket chain, Mr Clive Weil, was not optimistic about inflation easing.

Pressure from suppliers to increase prices was enormous. Smaller volumes also led to inflation.

Many price increases were also the result of statutory price increases. Sugar, maize and transport costs had all filtered through to push up the prices of other goods.

# Plan to put black businessmen on par with whites

W/G ARGUS 6/9/86

30

Weekend Argus Correspondent  
PRETORIA. — Black businessmen will be put on an equal footing with their white counterparts as soon as possible, according to a Government spokesman.

The Minister for Administration and Economic Advi-

sory Services, Mr Eli Louw, said the Government was to promote the deregulation of the economy "as a matter of urgency and with all possible speed".

Mr Louw said the Government was "fully committed" to the principle of de-

regulation and that its aim was to bring black businessmen into "a position of equivalence" with those of other population groups.

This would take place in spite of expected opposition from "powerful vested interests", Mr Louw said.

## Monitoring plan

"The Temporary Removal of Restrictions on Activities Bill (in effect, the Deregulation Act) has now been passed by Parliament and will empower the State President to deregulate by means of proclamation.

"We will act in co-operation with the Competition Board to determine areas where deregulation should be brought about as a matter of priority. In addition, progress will be monitored by my office on a six-monthly basis," Mr Louw said.

He warned, however, that a joint effort between the private and public sectors would be required to bring about the "urgently needed economic development" necessary for deregulation to succeed.

Mr Louw could not say, however, when the effects of the "new deal" would be felt at grassroots level.

## Word of caution

"I must sound a word of caution. Deregulation does not mean the abolition of all regulations. I cannot give a deadline for full implementation at this stage, but we want to know how to get rid of as many laws as possible in the shortest possible time," he said.

The managing director of the Small Business Development

Corporation (SBDC), Professor Ben Vosloo, welcomed Mr Louw's assurances as "a giant step forward".

"More should, however, be done to rope in the assistance of local authorities by means of locally appointed ombudsmen to channel complaints swiftly and efficiently to the right places," Professor Vosloo said.

Support for the urgent implementation of economic deregulation was also expressed by Mr Boy Stockenström of the Afrikaanse Handelsinstituut, Mr Raymond Parsons of the Association of Chambers of Commerce, Mr Justus Davy of the Free Market Foundation and Mr Werner Zijbrandts, Town Clerk of Roodepoort, on behalf of the Association of Town Clerks.

DD 6/9/86 (30)

Business Editor

EAST LONDON — The payroll and turnover levies on businesses which are intended to fund the proposed regional services councils (RSC) should be seen as part of a government commitment to the principle of "user charging", the Director of Constitutional Development in the Department of Constitutional Development and Planning, Mr Len Dekker, said last night.

Mr Dekker, in an address to chamber of commerce officials and city councillors, acknowledged that the levies would result in additional taxation required to fund increased involvement by all races in local government. However, they should be seen not only as an additional burden but also as a substitute for a number of existing levies, such as trading licence fees, which

# Dekker: levies will mean local funding

would fall away.

The principle was that those people benefiting from services within a particular region should be primarily responsible for financing them and that this taxation should be widely based at a low rate.

The government was committed to the maximum devolution of authority to local government level. The levies to a large extent represented a transfer of taxation and funds from the central to the local level and, because various authorities and statutory bodies would also be taxed, it was estimated that as much as 50

per cent of the RSC levies could be collected from the public sector.

Mr Dekker said legislation would provide that RSCs, in apportioning their funds, would have to give preference to improving the infrastructure in areas of greatest need. This was in line with a fundamental principle that constitutional changes should go hand in hand with changes in the socio-economic sphere and in quality of life.

"To put it bluntly, the more affluent groups within a region must assist with the funding for the upgrading of infrastructure in the less

developed areas," Mr Dekker said.

The aim would be the provision of affordable and realistic services in the light of the fact that South Africa could not afford first world standards. Unrealistically high standards would have to be relaxed through a process of de-regulation.

Mr Dekker said there were three advantages to be derived from the establishment of RSCs:

● Improved services through rationalisation and optimum use of scarce resources;

● Political participation and joint decision making on municipal matters of interest to all communities, without domination by any one group;

● Access to "new own sources of revenue" for the provision of infra-structural services where the greatest need existed.

# Council to consider guide plan for CBD

**Business Editor**  
**EAST LONDON** — A consortium of architectural and engineering concerns has presented the city council with the outline of a proposed guide plan for a revitalised central business district (CBD).

An interim report identifies a number of development aspects, including:

- Commercial development around South African Transport Services (Sats) properties to expand the CBD and link it to a revitalised Quigney and beachfront area;

- Redevelopment of transport routes to create accessible pedestrian areas;

- The introduction of an "additional residential component" in the CBD.

The consortium consists of Schoombie Hartmann Incorporated, Stanway Edwards Associates, Stauch Vorster and ZAI Incorporated and is headed by a University of Port Elizabeth professor of architecture, Mr Danie Theron.

Spokesmen said they had found the lack of an overall guide plan hampered the development of CBD projects. They had therefore decided to offer their services, free of charge, to municipal officials in co-ordinating the development ideas of people and organisations to provide a master plan for the future development of the area by both the municipality and

private enterprise. It was estimated that it would have cost the municipality R100 000 to commission such a study on a commercial basis.

They emphasised that their role would be to consult all interested bodies and that their research material and the proposed master plan should be open to public scrutiny.

The consortium is now awaiting council approval of the principles outlined in the interim report.

The Mayor of East London, Mrs Elsabe Kemp, said the council would formally consider the report shortly, but that the response had been "extremely enthusiastic".

The report says the existing road network can be rationalised to divert traffic around rather than through the CBD, and additional parking facilities can be

provided at the perimeter of the CBD.

The consortium will investigate closing sections of Oxford Street and the creation of pedestrian precincts.

It proposes to investigate the present transport systems, including improvement of the rail service and the possibility of commercially sponsored transport to link pedestrianised areas to the beachfront.

It says a new Sats policy has opened the way for commercial use of the "air space" above Sats properties (for example buildings spanning railway lines) and acquisition by the city council of Sats land to the east of the CBD could have a "dramatic effect" on revitalising the CBD, the Quigney and beachfront.

The report says recent boycotts have demonstrated that "the patronage of the black com-

munity has a profound effect on the economic viability of the East London CBD". It proposes to investigate the type of facilities which would be required when the CBD is open to all races and also the effect a revitalised North End area would have on the CBD.

"Central business districts become less convenient and less successful commercially when parking is inadequate; when pedestrian movement is difficult; when the advantages of doing business there are outweighed by the disadvantages," the report says.

"Many if not all, these factors already prevail in East London's CBD and, unless the situation can be improved, it is clear that it will deteriorate, following a trend in cities around the world."



# Coetzer to meet black leaders

By KIN BENTLEY

THE president of the Port Elizabeth Chamber of Commerce, Mr Carl Coetzer, is scheduled to meet community leaders from the city's black townships later today or tomorrow.

Mr Coetzer said the meeting would be a prelude to a mass meeting in the townships, to discuss the possible lifting of the five-month-old black consumer boycott of white stores in PE.

By today, the delegation had not yet contacted him.

However, he said, several delegates had travelled to Cape Town for yesterday's enthronement of Anglican Archbishop Desmond Tutu, and it was possible that they had not yet returned.

Mr Coetzer said he requested those community leaders who contacted him to provide details about the possibility of holding a mass meeting, which is currently barred under the emergency regulations.

Sufficient time was needed to make representations to the authori-

ties on behalf of the community leaders for the holding of the meeting, which was planned for this weekend.

● Mr Coetzer said he had also not yet been contacted by a delegation from Uitenhage's Kwa-nobuhle township, who were scheduled to report on the possible resumption of the bus service to the township during the day. The meeting is expected to take place later today.

He was due to meet them in his capacity as managing director of PE Tramways.

A member of the Uitenhage Residents' Civic Organisation, who asked not to be identified, said today he did not think the return of buses could be achieved peacefully without the simultaneous lifting of the consumer boycott in Uitenhage, which he said was the cause of the trouble there.

He added that the state of emergency should be lifted by the authorities, who could still, if they wanted to do so, detain people under other legislation such as the Internal Security Act.

Car sales down  
8% last month

*Cap Times 9/9/86*

AUGUST passenger car sales in SA took a dip of 8,2% after an encouraging upturn in retail figures the previous month, according to the latest Naamsa report on the industry.

Last month's figure of 15 404 was down 1 374 on July sales in this important segment of the industry — and 1 854 (10,7%) lower than the figure for the same month last year.

Commenting on the August sales results, Toyota SA marketing director Brand Pretorius said he was disappointed that the most recent sales results were still not reflecting a meaningful upturn in motor vehicle sales.

Total passenger car sales for the year January to August 1986 were 117 725, compared to 133 573 for the same period last year.

Toyota maintained its number one position in the total passenger car market with sales of 3 932 units and increased its market share from 23,8% in July to 25,5% in August.

Light commercial vehicles sales for August also reflect the continuing depression in this sector, with Naamsa reporting total sales of 7 329 vehicles, 120 fewer than in July and representing a decrease of 1,6%.

Toyota kept its traditional lead with sales of 2 938 units (40,1% of the market).

There was slight downward movement in August sales of medium commercial vehicles over the previous month. Total unit sales of 365 were 20 lower than for July.

Toyota moved in to No 1 market position with 126 mcv units (34,5%).

Sales of heavy commercial vehicles climbed by a single unit in August over July's total to register 544. Mercedes-Benz sales of 177 (32,5% of all sales in this sector) gave it top spot.

A glance at total vehicle sales (cars and commercials), for August of 23 642 units reveals a slump of 6% over the previous month.

London stocks after hours:  
Blyvoors 565, Bracken 235,  
Driefontein 17<sup>8</sup>/<sub>16</sub>, E Rand Prop  
61<sup>3</sup>/<sub>16</sub>, Freegold 12<sup>1</sup>/<sub>16</sub>, Grootvlei  
3<sup>3</sup>/<sub>8</sub>, Harmony 11<sup>11</sup>/<sub>16</sub>, Leslie Gld  
178, Randfont 91<sup>1</sup>/<sub>2</sub>, Southvaal  
37<sup>3</sup>/<sub>8</sub>, Stiffont 7<sup>2</sup>/<sub>16</sub>, Venters 70,  
West Rand unchanged.

# Boycott grip weaker 30

9/9/86  
WISDOM  
DOMINIQUE GILBERT

WIDESPREAD consumer boycotts have fizzled out except in the Eastern Cape.

Several business sources linked the end of most boycotts with the state of emergency but said they did not welcome this development.

"It is not healthy because the boycotts have not been voluntarily ended," said Jazz Stores MD Clive Sacher.

Port Elizabeth Chamber of Commerce president Tony Gilson saw boycotts as a tactic for political and social change in which the chamber had played an important role by calling for government to negotiate with "acceptable, credible" black leaders and to release detainees. However, he believed there was no end

in sight of the boycott in the Eastern Cape because the only people able to call it off were either in hiding or detention.

Large cash-and-carry concerns, hard hit by boycotts, yesterday reported a back-to-normal situation.

MD Cecil Smith, of Metro, said there had been widespread "loosening up" on the boycotts.

"Black trade is coming back into white areas," he added.

Johannesburg Chamber of Commerce's GM Marius de Jager confirmed business had picked up "quite considerably" but said he could not link this with the emergency.

found dead in car

# GST move: some face bankruptcy

10/9/86

30 200

## Post Reporters

A NUMBER of small businesses in Port Elizabeth face bankruptcy with their GST certificates being withdrawn.

This means they will have to pay GST on their stock.

However, the Receiver of Revenue in Port Elizabeth, Mr P J Larkin, said the new legislation would not affect the buying public.

More than 1 500 letters were sent to small East Cape businesses by the Receiver this week, saying their GST certificates may be cancelled.

The letters, which follow an amendment to tax legislation last month, were sent to businesses whose gross turnover does not exceed R50 000 a year, Mr Larkin said.

The president of Assocom, Mr Rocky Ridgway, said today periodic increases in the annual turnover cut-off point for exemption from GST when buying stock were inevitable due to inflation.

While shops would be disadvantaged by having to keep stock on which they had paid GST, "one would hope a well-financed small business would not find it having a major impact".

But fears were expressed that the legislation would cause many "registered vendors" to go under, as only three weeks was given in which to pay full GST on stock.

Director of the Port Elizabeth Chamber of Commerce, Mr Tony Gilson, said the chamber questioned the wisdom of the move, especially when the tax structure in South Africa was the subject of investigation by the Margo Commission.

"No one knows whether we will have a GST or a Value Added Tax system, or whether the commission will propose amendments to the existing system.

"This move appears to be an *ad hoc* decision. We feel no action should be taken until the Margo Commission's findings are made known and its recommendations acted on."

According to Mr Larkin, the new legislation was introduced to cut down on administrative work for the Department of Inland Revenue as well as small business concerns.

He said 1 588 letters had been sent to registered vendors with an annual gross turnover of less than R50 000. These businesses had 10 days in which to appeal against a pending GST certificate cancellation.

Appeals would be sympathetically received, Mr Larkin said.

Businesses were given 21 days to furnish a final tax return form, pay any tax owing and to pay GST on stock deemed to have been sold on the date of cancellation.

Failure to comply carries a maximum fine of R500 or six months imprisonment — or both.

10/1/80 BUDJAM (30) 200

## GST hits small businesses

DURBAN — Hundreds of small Durban businesses learned this week that their GST certificates have been cancelled and they have three weeks in which to pay full GST on their stock.

This has sparked fears of many firms going under because of the cash demand.

An Inland Revenue letter, which was delivered to many businesses on Monday, states the move applies to businesses whose gross turnover does not exceed R50 000 a year.

The letter, which follows an amendment to tax legislation last month, says: "You are hereby notified that it is my intention to cancel your registration certificate as it appears from my records that the annual receipts or accruals of your enterprise from the sale of goods does not exceed R50 000.

"Unless you show cause, within 10 days from the date of receipt of this notice, why your registration certificate should not be cancelled for the reason

given above, you must surrender (return) the registration certificate to the Receiver of Revenue where you are registered as a vendor for sales tax purposes."

Failure to comply carries a fine of up to R500 or imprisonment up to six months, or both.

These businesses will now have to pay GST in advance when buying stock.

The move was attacked yesterday by the Durban Chamber of Commerce, which feels the sudden demand on small businesses for cash, which most do not have, is unfair.

President Brian Hill said: "It seems very onerous on owners of small businesses to ask them to pay tax on goods which they have still to sell.

"You would have thought they could have come to some compromise and allowed a period of time to pay the tax on stock." — Sapa.

# Car retail sales take dip after a brief flut

By RALPH JARVIS  
Motoring Editor

THE motor industry's brief sally into optimism via the encouraging July retail sales figures took a dip in August when most categories once again showed reduced sales.

According to figures released yesterday by the National Association of Automobile Manufacturers of South Africa (Naamsa), passenger car sales were down 8,2% over the July figure, light commercials 1,6%, medium commercials 5,2% and heavy commercials up by a slight 0,2%.

Last month's new car sales were 10,7% lower than August, 1985.

For January to August this year, new car sales reflect a drop of 11,8% compared to the corresponding period of 1985.

Toyota took the top sales in passenger vehicles (3 932 and 25,5% of the market), followed by Samcor on 3 347 (Ford 1 801, MMI 1 546) for 21,7%.

The Toyota Corolla range re-took its place at the top of the passenger pops with 2 705 units, followed by last month's leader, the VW Golf/Jetta range, on 1 881, the Toyota Cressida on 1 226 — the best-selling medium car — the Ford Laser/Meteor range on 1 155 and the Honda Ballade only two units behind on 1 153.

Mercedes-Benz performed admirably in the passenger car sector to rise from fifth position in July to third in August, with 2 307 units and 14,9% of the market.

The East London-based manufacturer sold 1 153 Honda Ballades (the fifth most popular passenger car range), three Honda Preludes, 236 Mercedes-Benz W123 series, an excellent 809 Mercedes-Benz W124 series and 102 W126 series units.

In reaching third position, Mercedes-Benz ousted VW, now on 2 213 (14,4%) in fourth place, and GMSA, on 1 279 (8,3%) in fifth.

One of the biggest disappointments was the performance of GM's Opel Kadett, which dropped from a fine 1 408 units in July to 685 in August, while the

new Rekord/Commodore range showed an increase from 476 to 552.

The VW Golf/Jetta range figure dropped from 2 994 in July to 1 881 in August.

Toyota also took top spot for light commercial vehicles (2 938, for 40% of the market) and medium commercials (126 for 34,5% — a new market share record) and were second, behind the dominant Mercedes-Benz, in heavy commercials (100 units for 18,4% of the market).

The director of Naamsa, Mr Nico Vermeulen, described the August sales as "disappointing declines."

"Indications of improved consumer sentiment, apparent during the first 20 days of August, failed to maintain momentum and new car sales for the month reached 15 404 units, which represents a decline of 1 374 units, or 8,2%, compared with July," he said.

"It was noteworthy, however, that on a seasonally-adjusted basis, the sales trend in respect of new cars and light commercials remains positive.

"Moreover, the August, 1986, new car sales represent the third highest monthly sales total achieved this year, while light commercial sales represent the second highest monthly total in 1986," he said.

Sales of medium and heavy commercial vehicles, at 365 and 544 units, remained weak and "the serious and deteriorating state" of the medium and heavy commercial vehicle market underlined the need for specific relief measures aimed at the country's strategically vital truck and bus sector, Mr Vermeulen said.

Mr Brand Pretorius, marketing director of Toyota SA, said he was disappointed that the August results had not reflected a meaningful upturn in sales.

"Although the August passenger car sales of 15 404 are slightly better than the monthly average over the first seven months, a clearly positive sales trend is unfortunately still not emerging, despite aggressive trading, generally," he said.

● See Page 12 for statistics.

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## GST shock for traders

DURBAN — Hundreds of small Durban businesses learned this week that their GST certificates have been cancelled and that they have three weeks to pay full general sales tax on their stock — sparking fears that the cash demand will cause many to go under.

A letter from the Department of Inland Revenue, which was delivered to many businesses on Monday, states that the move applies to businesses whose gross turnover does not exceed R50 000 a year.

The letter, which follows an amendment to tax legislation last month, says: "You are hereby notified that it is my intention to cancel your registration certificate as it appears from my records that the annual receipts or accruals of your enterprise from the sale of goods does not exceed R50 000.

"Unless you show cause, within 10 days from the date of receipt of this notice, why your registration certificate should not be cancelled for the reason given above, you must surrender (return) the registration certificate to the Receiver of Revenue where you are registered as a vendor for sales tax purposes."

The business then has 21 days to furnish a final tax return form and pay any tax due. — Sapa

10/12/86  
22 DD

LONDON — Clive Weil makes no bones about the problems of steering SA's biggest supermarket group through a period of unprecedented economic and political turmoil. "It's like juggling at the moment," says the burly and genial MD of the 181-store Checkers chain.

"There's no way you can plan for all the problems we've had. You can come to the office and the most mundane and innocent event can turn on you in a second."

The list of unfamiliar problems confronting Weil and other SA managers has greatly lengthened since unrest erupted in black townships almost two years ago. Consumer boycotts, wildcat strikes, two states of emergency, detention of trade union leaders, bomb explosions and rising Right-wing militancy among whites are among the hot potatoes landed in the business community's lap.

To make matters worse, business has to cope with stormy economic conditions — the worst recession since the Twenties, inflation at 17%, volatile interest rates.

Checkers has found itself in the eye of both the political and economic storms. As Weil puts it: "In a service-orientated business, we feel people's wrath. People are frustrated by inflation, by the tough economic climate and by the lack of (political) vision in this country. There has never been so much up-tightness."

As a well-known and highly visible company, Checkers has inevitably been drawn into the political mael-

# Clive Weil — coping at the eye of a storm

BERNARD SIMON



□ WEIL ... quiet diplomacy

strom swirling through SA. The company receives countless bomb threats. With 17 500 workers, it has been the target of dozens of wildcat strikes.

On the business front, economic uncertainties have greatly complicated forward planning. "How do I sign a 30-year lease on a supermarket today?" Weil asks.

The recession and high inflation have already led to pronounced shifts in shopping patterns. According to Checkers' research, supermarket customers are abandoning their traditional month-end shopping spree in favour of less big but more frequent visits.

Checkers' problems have been compounded by an over-ambitious expansion programme in the early Eighties, which gobbled up cash and turned the company into a heavy borrower. Fierce competition from SA's two other leading supermarket chains — Pick 'n Pay and OK Bazaars — eroded Checkers' market share.

Poor staff morale was reflected by a high level of shrinkage, reaching almost 2% of sales last April. Weil, who took over as MD in April 1985, is Checkers' fifth chief executive in eight years.

The company had revenues of R1.7bn last year. Bottom-line figures are not disclosed, but it is no secret that Checkers has run up uncomfortably big losses.

Weil is acutely aware of the widening political dimensions of SA business. Despite calls by black trade unions to be more outspoken, Weil believes that both Checkers' and the country's interests are best served by what he calls "quiet diplomacy".

He argues that "the more you criticise, the tighter the laager gets. I get the impression that government sees business as a bunch of opportunists trying to curry favour with the ANC, but at the same time trying to stay on

good terms with government".

Weil is confident that his tactics of dealing with Pretoria "in a quiet, dignified way" achieve better results. He cites an unpublicised visit to the normally unyielding Law and Order Minister Louis le Grange shortly after police began detaining leading trade unionists when the current state of emergency was declared on June 13.

Several union officials have been let out of jail since then. Weil thinks that his quiet intervention contributed to the decision to release them.

Within Checkers itself Weil says that "we've tried to conduct ourselves in a businesslike way. I've tried to be as charitable and reasonable as one could be, having regard to the fact that this is a company which is not in profit". Workers who obey political stayaway calls are not dismissed, but neither are they paid. Unions have criticised Checkers, however, for employing white casual labour to replace absent blacks.

On a more daring note, Checkers is one of a handful of SA companies breaking new ground by examining innovative ways of increasing the long-term loyalty of their black workers.

A recent informal survey of the chain's black workforce failed to turn up a single individual who favours free enterprise. In contrast to many private sector leaders who argue that business should work harder at converting blacks to the capitalist ethic, Weil says that "we will not get the black man to move closer to us. We're going to have to move closer to him."

"We're going to have to make the same moves in the micro-economy as government is going to have to make in the macro-economy."

Among the ideas being mulled over at Checkers are active worker participation at board level, greater participation by workers at lower decision-making levels and some form of financial stake (other than share ownership) for black workers.

Checkers has traditionally concentrated on affluent white housewives. But falling white living standards and an already over-traded market have persuaded Weil to give greater attention to black custom.

"We have to attack the black market as best we can," Weil says. "That is going to be the growth market."

Weil predicts that the integration of residential neighbourhoods will benefit not only SA but also his business. "I think we'll find that some of those under-traded (white) shopping centres will become very, very viable," he says.



# Traders 'must join fight'

11/9/86 (30) Business

BUSINESSMEN should unite and tell government to quit because it had failed and was destroying the foundations of SA, president of the World Alliance of Reformed Churches Dr Allan Boesak said yesterday.

Boesak, who spoke at a meeting of the Western Cape Traders Association, said it did mean "something" that business organisations had issued declarations in support of change and had visited the ANC in Lusaka. But he said they should be doing far more.

"Please don't swallow the illusion created by P W Botha that reform is

Own Correspondent

on the way" and that business should support it. It will not happen, because President Botha cannot do it. Prick that balloon.

"I wish business would come together in large numbers and say to government that you have failed. Business should say to the government: You should not be there.

"It does mean something when these people decide to make statements and declarations to push the government. It does mean something when they fly to the ANC, which may be the next government of SA."

Business was coming to terms with reality and upper echelons of industry realised that they had been taken for a ride by Botha. They also realised now that the talk at the Carlton and Good Hope conferences had no substance and that the President's illusory reform was merely "to keep them happy".

However, he believed it was not enough for big businesses merely to sign declarations and it should be telling the government it was not fit to govern.

Government believed that if it bluffed long enough, people would believe it. "Unfortunately, some people do believe it because of its control over information. But businessmen will know better because you have to live with the harsh realities of the economy."

Sapa reports that Coretta King, widow of Dr Martin Luther King and

her entourage, left Cape Town for Johannesburg shortly after noon yesterday after a 30-minute meeting with Boesak.

Boesak said directly after the meeting her decision not to keep her appointment with State President Botha was a "very wise and very courageous decision".

"I wanted her to know that she had not only my support but all those whom I represent," he said at an impromptu Press conference.

Both he and King said that misconceptions and misrepresentations had been removed during their talks and both confirmed that there would be "ongoing relations between the Martin Luther King centre and South Africans in pursuit of the same goals."

King said she was very pleased the meeting had come about and "had time not been so tight we would have had more time to dialogue".

"I am especially pleased about the fact that we did not allow misrepresentations and misperceptions to destroy relationships between people with the same basic goals."

She refused to answer questions about her decision to pull out of the meeting with Botha, saying she would deal with this at a news conference in Johannesburg today.

King had cancelled a planned meeting with KwaZulu Leader Chief Mangosuthu Buthelezi.

King did not answer questions at Jan Smuts but told a reporter who shouted a question at her she would definitely leave SA today.

*eye post 11/1/88*

# 'Lifting the boycott will not end ills' 30

By KIN BENTLEY

SHOULD the five-month black consumer boycott in Port Elizabeth be lifted, it would mean only that one of the symptoms — not the causes — of the Eastern Cape's problems had been treated.

This was said today by the president of the PE Chamber of Commerce, Mr Carl Coetzer, who was expanding on attempts by the chamber to discuss the boycott with black leaders.

A venue for a scheduled meeting today had been arranged and he was awaiting confirmation of a time and who would attend.

Mr Coetzer and Mrs. Buyiswa Fazzie, wife of UDF vice-president, Mr Henry Fazzie, and an

organiser for the PE Black Civic Organisation (Pebco), today confirmed that at a meeting last week between Pebco and the chamber, the main focus of discussions was the flow of buses into the townships.

Mr Coetzer said he had been "trying to get Pebco to bring the boycott committee" to meet the chamber.

"We hope to meet them today and hope the boycott will be on the agenda."

While Mrs Fazzie was unaware of plans for a mass meeting to discuss the boycott, Mr Coetzer believes that, should one be requested today, it would not be too late to obtain permission from the authorities.

"It's never too late.

You can move mountains if you want to."

So far, no moves had been made to obtain permission to hold such a meeting, barred under emergency regulations.

Mrs Fazzie said the boycott committee, still operating despite many members being in detention, continued to assess the situation.

Should it decide to call for a mass meeting to discuss the boycott, it would confer with civic organisations.

Asked if he would try to tackle the underlying causes of the boycott, Mr Coetzer said there was "no way" his chamber could solve all the causes.

However, in terms of his East Cape Option, he would work to "solve things on a local basis".

# Small traders ordered to pay GST

By David Braun,

Political Correspondent

CAPE TOWN — Small traders who have been ordered to pay general sales tax (GST) on all their stocks within three weeks will be given an extension if they have any difficulties, the Department of Inland Revenue said today.

According to a spokesman for the Department the tax will have to be paid in all circumstances, but people will not be expected to have to produce instantly money they may not have yet.

Any trader experiencing difficulty in this regard should contact his local receiver of revenue to discuss a reasonable extension, he said.

Several small businessmen have become obliged to pay GST on their stocks because the Government recently decided to raise the turnover limit on small businesses exempt from collecting sales tax from R10 000 to R50 000 a year.

Traders in this category have been obliged to return their certificates which exempted them from paying sales tax when purchasing their stocks.

In future they will pay sales tax. They will not collect the tax from the public.

## DISPLAYED

Signs, available from the Receiver, will have to be displayed on their premises informing the public that GST, having already been paid, is not payable on goods sold in their shops.

Mr Harry Schwarz, Progressive Federal Party spokesman on finance, reacted that the principle of raising the turnover level on busin-

esses exempt from charging GST was good.

He said this would cut down administrative work for both the tax authorities and small businessmen.

● Small businesses countrywide are worried that the cash demand will cause many to go under.

A letter they received from the Department of Inland Revenue states that a business then has 21 days to furnish a final tax return form and pay any tax payable and that GST must be paid on the stock deemed to have been sold on the date of surrender of the registration certificate.

Failure to comply carries a fine up to R500 or imprisonment up to six months or both.

These businesses will now have to pay GST in advance when buying stock.

## ATTACKED

The move was today attacked by the Durban Chamber of Commerce which feels that the sudden demand on small businesses for cash is unfair.

Said president Mr Brian Hill: "It seems very onerous on small businesses to ask them to pay tax on goods which they have still to sell.

"You would have thought they could have come to some compromise and allowed a period of time to pay the tax on stock."

The Johannesburg Chamber of Commerce, however, felt the move was intended, in the long run, to reduce the administrative burden on small businesses.

According to Mr M de Jager, general manager of the Johannesburg Chamber of Commerce: "It might have an initial impact on businesses, but the money is recoverable when their stock is sold.

"We have had calls from concerned people, but these people have been invited to make representation to the Receiver. If they explain their circumstances, I'm sure an exception would be made. I know of at least one case where the Receiver did not cancel a GST certificate because of the circumstances."

30 20

# Plea for hawking sites in the CBD

## Municipal Reporter

HAWKING sites similar to those established last year in Buffelsfontein Road should be established in Port Elizabeth's central business district, the Chamber of Commerce has urged.

This appeal is made in a letter to be tabled at today's monthly meeting of the City Council's Community Services Committee.

The Town Clerk, Mr Paul Botha, reports to the committee that because of the economic climate and as a result of ministerial appeals, the Traffic Department is lenient on itinerant hawkers and pedlars in prohibited

areas.

Action was taken only when there were complaints, he said.

"Numerous requests have recently been received from people wishing to enter the hawking trade and it is felt that certain of the prohibited areas within the city could be deproclaimed."

The committee will be asked whether it is in favour of this or whether it has any other suggestions.

A letter from the Chamber of Commerce said businessmen in the CBD had made representations pointing out that the activities of hawkers had become more of a problem recently.

"The chamber certainly does not believe that, in these recessionary times, it would be appropriate to take harsh action against hawkers but, at the same time, it has to take cognisance of the views of its members."

The chamber recommended that an investigation be conducted to establish suitable hawking sites in the CBD in consultation with the chamber and hawkers.

● An appeal has also been made to the committee by the National Botanic Gardens Council for the establishment of a botanic garden in Settlers Park. This request was refused recently and a site

in the upper Baakens Valley was proposed instead.

● The rent and instalment arrears position in municipal housing schemes is improving, it is reported to the committee.

● The holding of a motorcycle rally at Joorst Park is also on the agenda with the Traffic Department reluctant to recommend that the rally be permitted.

● The Beach Hotel is opposed to the opening ceremony of the summer season being held on the lawns in front of it but the Parks Department recommends the venue be retained.

AN URGENT application brought before the Rand Supreme Court by the National Education Crisis Committee (NECC) and two Soweto parents, challenging the compulsory registration of black school children, was dismissed yesterday.

The deputy judge-president of the Transvaal Division, Mr Justice G Coetzee, said in his judgment that the applicants did not have the necessary *locus standi* to challenge the promulgation listed in the *Government Gazette* on July 13.

The NECC, Maggie Sole and Peter Mabaso launched the application against the State President and the Education and Training Minister on August 6 on the grounds that the promulgation was unreasonable and prejudicial to the interests of black children.

SOPHIE TEMA reports that the Department of Education and Training (DET) is to draw up a list of Soweto schools that will be closed.

DET chief liaison officer Job Schoeman said yesterday that officials would investigate pupils' class attendance at all schools in the area — particularly high schools — before deciding on the number of schools to be closed.

# Judge dismisses application

AS DAY  
11/9/86

LIAM EGAN

He said it was possible that affected schools would be closed by the end of the month.

He confirmed the closure of 20 schools in the Eastern Cape.

Black schools re-opened for the last term yesterday. Teaching was at a standstill at many secondary schools in Soweto and pupils who arrived at school did not attend classes and left about midday.

Principals and teachers said they could not comment until it was clear what steps the DET would take.

Pupils said they would not reverse their demands for the removal of troops from school premises and the release of people in detention.

In a statement yesterday, the NECC called on government to hand over education to the "people".

"The Government is hell-bent on destroying what remains of our education," it said.

All quiet on Alex business front

DOMINIQUE GILBERT

PROBLEMS, including consumer boycotts and unrest, which affected businessmen around Alexandra township earlier this year, have quietened down considerably, a Sandton Chamber of Commerce spokesman said yesterday.

However, businessmen still appear to lack confidence in the area.

Chamber spokesman Warren Dale, who monitored the consumer boycott and unrest problems, said yesterday: "The Alexandra, Marlboro areas are fairly quiet. Some stores, which were boycotted, are still battling to get customers, although the boycott was called off."

He said many factories in the Marlboro area were still empty and he doubted whether industrialists were returning to the area.

DD 24186  
**Spring: GST (30)  
demand unfair**

**Dispatch Reporter**

**EAST LONDON** — Given the present economic state of the country, it would seem "most unfair" of the Receiver of Revenue to expect small businesses to pay full general sales tax on their entire stock, the vice-president of the East London Chamber of Commerce, Mr Errol Spring, said yesterday.

Mr Spring was reacting to the recent announcement by the Department of Inland Revenue that businesses whose gross turnover did not exceed R50 000 a year would have their GST certificates cancelled and would have three weeks to pay full GST on their stock.

The announcement followed an amendment to tax legislation last month and sparked fears that the cash de-



**MR SPRING**

mand would cause many small businesses to go under.

Yesterday Mr Spring urged all members of the Chamber of Commerce who were affected by the new legislation to approach the secretary of the chamber. He said it could then be arranged for the chamber to make a representation to the Receiver of Revenue on behalf of the businesses concerned.

"In the present economic climate, particularly in East London, it would be most unfair of the Receiver of Revenue to expect small businesses to pay GST on their entire stock," he said.

The Receiver of Revenue here, Mr A. W. Beckmann, could not be reached for comment yesterday.

# PE boycott of until November

GENE P. ...  
15/11/86  
30

By JIMMY MATYU

**Daring daylight robbery in PE**

## Daring daylight robbery in PE

By JOHANN NEL  
Crime Reporter

FOUR men, three were armed with handguns, burst into a building society branch in Cape Road, Newton Park, today, held up employees and clients and escaped with about R33 000 in cash.

Mr Martin Milburn-Pyle, senior manager of the sub-branch of the United Building Society in Bracerwell Centre, said the incident happened at 10.10am when a man dressed in red overalls entered.

The man told a security guard that he wanted to open an account and asked how to go about it.

After being directed to a counter, he stood around for a few minutes, when suddenly three gun-wielding men burst through the door.

A teller, Miss Patricia Wyatt, was ordered to unlock the auto teller and the robbers removed R250 from the machine.

The men then ran from the premises and sped off in a white Toyota Cresta, the registration num-

Turn to Page 3

**THE six-month-old consumer boycott of white businesses in Port Elizabeth has been conditionally suspended from today until November 3.**

This was announced by the acting spokesman for the Consumer Boycott Committee, Mr Michael Xego.

Present at a township conference was Mr Mpi-malelo Odolo, vice-president of the PE Youth Congress (Peyco).

Among the conditions the boycott organisers expected the State to meet before November 3 are:

- The release of all detainees.
- The lifting of the state of emergency.
- The removal of the "Berlin Wall" fencing off the townships of New Brighton and KwaZakhele as it affected the movements of residents.
- The withdrawal of troops from the townships.
- The rebuilding of schools damaged during unrest.

Yonhus from various community organisations conducted door-to-door visits in Soravia, KwaZakhele, Zwide and New Brighton, conveying the news which was met by residents with elation.

Mr Xego said: "We are suspending the consumer boycott knowing full well that half of our leadership is in detention and the other half is in hiding.

"Despite this decision, we are still not going to come out from hiding until all detained leaders are released.

"We also believe that



**These smiling customers were among the first to take advantage today of the suspension of the six-month-old consumer boycott of white businesses in Port Elizabeth.**

The declaration of the emergency frustrated the communications that had been going on beautifully between the boycott leaders and the Port Elizabeth Chamber of Commerce.

Mr Xego said the communications could only be resumed after the release of the detained leaders.

"They will only be meaningful if leaders such as Mr Mkhumbel Jack and Mr Henry Puzate are present at the talks," he said.

The emergency and the detention of leaders had disrupted proposed talks between the Cape Midlands Chamber of Commerce which had invited black leaders to discuss the issue of "one municipality, one city".

"We have an invitation also from the Ban Olivier group that wanted to discuss with us the consumer boycott. But just after we received these invitations, the State declared the state of emergency," he said.

These talks could only

be resumed if they included leaders now in detention and in an atmosphere free of emergency regulations.

These had caused leaders to be detained and others to go into hiding. They had only succeeded in bringing everything to a "standstill".

While welcoming the announcement, Mr Tony Gilson, director of the PE Chamber of Commerce, said: "We are still committed to working for a solution to the underlying causes.

"There are a number of things to be looked at. We must see how business is going to pick up.

"What worries us is that undoubtedly there has been some damage to the local economy.

"I am not going to suggest it is catastrophic. But we have got to do everything we can to boost the local economy and create wealth and try to find a solution to the economic problem - quite apart from the political solution to the underlying causes.

See Page 2



MR MICHAEL XEGO

**INSIDE**  
TV1 halts club rugby  
— Page 20

**Man tells of shootout**  
— Page 5

**Bread price may go up**  
— Page 2

**Good Living**  
— Page 11

**TV Shows**  
— Page 12, 13

**It's All Happening**  
— Page 12

**Watchside sports**  
— Page 17

**Reading**  
— Page 18

Everett 15/7/86

## No rush of black buyers

Post Reporter

THERE was no rush of black shoppers in North End early today after an announcement that the six-month-old consumer boycott had been suspended for two months.

And although most shop owners in North End welcomed the decision to lift the boycott, many were cautious about expecting a massive turnover in business and were adopting a "wait and see" attitude.

In a snap survey of shops in North End, it was found a few shoppers had bought small items of groceries, but customers in clothing and shoe stores had preferred to look at items rather than buy.

Said one manager of a clothing store: "It seems as if most of the customers we have had this morning are unemployed and do not have money to buy goods. There has been a lot of looking, but not much buying."



found.

sentenced... out in something different... Conservative Party MP for... chairman of the CP's parliament... ing them," she said. case of the discretion vested in him.

# CBD in EL soon open to all races

(20) 13/9/86 W & P Post

Post-Reporters

THE opening of East London's central business district to all races has been approved in principle by the Government and will be announced in the "very near future" — but the position in Port Elizabeth is still uncertain.

Mr Peet de Pontes, MP for East London, told Weekend Post about the approval.

Mr Bill Williams, the PE Municipality's Chief Estates Officer, said the matter had been in the

hands of the Government since councillors debated it in April.

"I have no idea when a decision regarding the opening of the city's CBD would be made. We have not been told and it is so frustrating, considering that the matter has been going on for such a long time," he said.

In February the PE Municipality applied to the Government for the whole municipal area to be opened to traders of all population groups. The country's first open

CBDs — in Durban and Johannesburg — were proclaimed in the Government Gazette in February.

Mr John Fourie, Deputy Director of Constitutional Development, said afterwards that the proposed boundaries for PE's first "open" CBD would be advertised the next month and that the proposals had been sent to Dr A H van Wyk, Director-General of the Department of Constitutional Development and Planning. He said at the time that

the proclamation could be expected "within months".

Mr De Pontes said the process of having the area in East London proclaimed open was already in progress.

"I am expecting an announcement to be made soon by the Minister for Constitutional Development and Planning. Mr Chris Heunis," he said.

"I will remain in constant contact with the Minister to make sure there is no delay."

London business communi-

ty. "I believe it essential that the central business districts be opened as soon as possible so that all entrepreneurs can enjoy the full benefits of the free enterprise system," he said.

"It is in the interests of East London that all businessmen be allowed to achieve to the full extent of their ability.

"It is, after all, the essence of the free enterprise system that there be no restrictions on any businessman."

30 DD 13/9/88

# 800 to be hit by sales tax move

Dispatch Reporter

EAST LONDON — About 10 per cent of the 8 000 businesses on the Eastern Cape sales tax register would be affected by the announcement this month that those with a gross turnover of less than R50 000 a year would have their general sales tax certificates cancelled, the Receiver of Revenue here, Mr. A. W. Beckmann, said yesterday.

"One must not lose sight of the fact

that businesses with small turnovers will not have large amounts of tax due in any case," Mr Beckmann said.

Businesses which were affected by the announcement should not hesitate to contact the Receiver of Revenue's offices where everything possible would be done to accommodate their problems.

"We realise that these businesses have not budgeted for this sudden amendment to the tax legislation and we will do everything within reason to help," he said.

Mr Beckmann said that arrangements could be made for businesses experiencing problems paying the full GST on their entire stock within the three week period, to pay it in instalments.

"They mustn't hesitate to approach us if they are in dire straits; we can then discuss it with the sales tax section and work out something agreeable to all," he added.

LOCAL GOVERNMENT

**Assomac's petard**

Another key facet of government's Regional Services Council (RSC) plan seemed in danger of crumbling this week as the *FM* went to press.

Delegates to the annual congress of the Association of Management Committees (Assomac) in George were locked in heated debate on whether to implement an earlier resolution to disband because a demand for direct representation on town and city councils has not been met.

Assomac represents coloured management committees and Indian local affairs committees countrywide.

The committees are supposed to liaise with (white) town and city councils on the needs of those areas where coloureds and Indians are forced to live within the jurisdiction of the councils.

In theory, the committees are the core of future autonomous local authorities for coloured and Indian areas which, it is envisaged, will be a cornerstone of the RSC system.

But they are also an important power base for many coloured and Indian MPs in the tricameral system.

The president of Assomac, Edward Manikkam, is a Solidarity MP in the (Indian) House of Delegates.

Coloured and Indian leaders working within government's constitutional framework have for some time been demanding more powers for the committees, and have sharply criticised government's apparent unwillingness to move in this direction.

Additional powers are seen as essential to establish some degree of credibility for the committees, particularly because of growing dissent within the committees themselves.

At last year's Assomac congress in East London, a resolution adopted with overwhelming support committed coloured management committee members to resign if coloured and Indian residents did not have

direct representation on town and city councils by this year's congress.

When it became clear this year that the resolution would have to be implemented, some conservative elements in coloured and Indian local government tried to counter the move by preparing a resolution proposing to rescind the earlier decision.

But there is also a resolution on this year's agenda affirming last year's resolution, and the more radical group in Assomac plans to propose a motion of no confidence in the organisation's executive if last year's decision is not implemented.

Among those not in favour of quitting are the coloured Minister of Local Government and former Assomac strongman David Curry, and coloured Education Minister Carter Ebrahim, who are understood already to have started setting up "culture and development" committees in various areas comprised mainly of conservative coloured teachers. The committees will be in a position to take over from management committees if they disband. ■

DB 12/9/86

# Emigrants boost luxury car sales

30

**Dispatch Correspondent JOHANNESBURG** — Luxury cars are selling like hot cakes because of demand by emigrants, say dealers.

People thinking of transferring themselves and their wealth out of South Africa appear to be snapping up luxury cars like Mercedes Benz and BMWs — and often resell them across the waters.

The Mercedes price range is between R39 950 and R116 040.

One man, said to have made as much as four times in the US what he paid for his Mercedes, has returned to South Africa and is busy negotiating his second deal.

"The chicken run

people are paying cash for their cars," said one of the country's largest second-hand car dealers who added that, legally, private buyers had to own their cars for 180 days before sending them overseas.

A new car seller confirmed that many luxury car buyers made their purchases with the intention of selling them overseas.

The export manager of an overseas removals firm, Miss Avril Campbell, confirmed that an increasing number of cars had left the country over the past few months. At least 80 per cent of the full container loads leaving for Australia contained cars, mostly BMWs and

Mercedes Benz, she said.

In August alone a total of 30 cars left South Africa for the US, Australia and the United Kingdom.

While dealers' estimates of the value of the car one is allowed to take out of South Africa varied from R20 000 to R30 000, Miss Campbell said there was no hard and fast rule.

"It is a matter which is decided by the Reserve Bank. If they approve a car worth more, which they do sometimes, then it's fine," she said.

"The authorities have clamped down by saying people have to own their cars for a year but this is not always the case as they can slip through the banks. It is in their interest to own the car for a year anyway, as they can then apply for duty free imports."

"There is a money-making racket going on," a salesman said, adding that some foreign countries were now insisting that immigrants owned their cars for at least a year in the new country before reselling to limit the cash flow implications.

It was reported this week that Mercedes Benz's sales, which include Honda Ballades, achieved a record high of 15 per cent of the market share — more than Volkswagen, which achieved a 14.5 per cent share.

A Mercedes spokesman yesterday ascribed the company's record market share to a balance of supply and demand and greater availability last month.

In previous months, significant labour problems, difficulty experienced in the building of the new W124 model and work done on a major new plant resulted in factors which contributed to the lower market share.

The new W124 range — which costs from R39 950 to R65 270 — has become the firm's eighth best seller since being launched in August.

The Honda Ballade, which is franchised to Mercedes, achieved an all-time high market penetration of 7.5 per cent in August.

# PE consumer boycott is suspended

THE six-month-old consumer boycott of white businesses in Port Elizabeth has been conditionally suspended until November 3.

This was announced by the acting spokesman for the Consumer Boycott Committee, Mr Michael Xego.

Among the conditions the boycott organisers expect the State to meet before November 3 are:

- The release of all detainees;

- The lifting of the state of emergency;

- The removal of the "Berlin Wall" fencing off the townships of New Brighton and KwaZakhele as it affected the movements of residents;

- The withdrawal of troops from the townships; and

- The rebuilding of schools damaged during unrest. — Sapa

Sawefan 16/11/86 (30)

Black shoppers  
start  
to return

we report  
16/9/86  
30

By JIMMY MATYU

BLACK shoppers started to return to shops outside the townships today.

But there was no immediate rush.

Small shop owners said business was "very quiet" while bigger shops noticed an improvement.

Yesterday the Port Elizabeth Consumer Boycott Committee's acting spokesman, Mr Michael Xego, announced the conditional suspension of the five-month-old boycotted, which started on April 7.

Pick 'n Pay today reported a considerable increase in black customers.

A spokesman for the stores said that since it was the middle of the month and the beginning of the week, things would probably improve on Friday and again at the end of the month.

A manager of a clothing store in North End said there was no marked improvement in her business because black customers did not yet have money.

"It is very quiet but things might improve on Friday and Saturday," she said.

Another store manager in North End said black customers had started coming into the shop, but were merely looking around.

"I don't think they have the money yet. One of the reasons might be unemployment," she said.

A spokesman for OK Bazaars reported that things were much the same as yesterday but better than during the boycott period.

# Boycott terms tough — Nats

*elo post 14/9/82 30*  
By BARBARA ORPEN

**NATIONAL Party MPs in Port Elizabeth have slammed as "totally unreasonable" the conditions imposed by the Consumer Boycott Committee with yesterday's suspension of the six-month boycott of white shops.**

But Mr Tony Gilson, director of the PE chamber of Commerce has described the conditions as "a call for a return to normality".

Mr Sakkie Louw, MP for Newton Park, today advised the PE business community to "sweat it out" should the boycott be reimposed.

He said there was "no chance" of the conditions being met before the November 3 deadline.

The Consumer Boycott Committee has called for:

- The release of all detainees.
- The lifting of the state of emergency.
- The removal of the fence around New Brighton and Kwazakele.
- The withdrawal of troops from townships.
- The rebuilding of unrest damaged schools.

Mr Louw said the Government could not be put into a position of being "intimidated by these people. These demands are totally unreasonable. It is not humanly possible to meet them by November 3".

"How can the very

people who burn down schools demand that they be rebuilt?" he asked.

About the lifting of the state of emergency and the release of detainees, he said this was in the hands of the Department of Law and Order, but he could not foresee the Government doing either before the deadline.

And, unless peace and stability were restored in the townships, one could not expect the Government to "soften its attitude" and remove the fence around the townships, he said.

Mr James Kleynhans, MP for Algoa, stressed the state of emergency had been declared because it was "necessary" and to demand its lifting was unreasonable.

Asked whether it was not in the Government's interests to prevent the imposition of a new boycott, he said it was Government policy not to interfere with free trade.

"Although the imposition of a consumer boycott is against the concept of capitalism and free trade, the Government cannot simply lift the state of emergency in PE

and retain it elsewhere," he said.

Mr Gilson said nobody should be surprised at the conditions as they were central concerns discussed during last year's consumer boycott.

"The situation that existed in the first phase of last year's boycott exists again," he said. "We were then involved in close negotiations and representations with the Boycott

Committee and we believe that we had some part to play in securing the release of detainees and the removal of troops from the townships.

"The Chamber of Commerce does not believe in detention without trial and to call for the release of detainees is certainly not unreasonable."

Mr Ronnie Kaplan, regional chairman of the PFP, said: "The conditions are completely reasonable, as the hardships imposed by the emergency will resolve none of the basic problems experienced by inhabitants of the townships."

Many favoured the release of detainees and the lifting of the emergency.

16/9/76  
TUESDAY

**PE consumer  
boycott is  
lifted until  
November 3**

30

THE six-month-old consumer boycott of white businesses in Port Elizabeth was conditionally suspended yesterday until November 3, said Consumer Boycott Committee spokesman Michael Xego.

Among the conditions the boycott organisers expected the State to meet before November 3 were:

- Release of all detainees;
- Lifting of the state of emergency;
- Removal of the "Berlin Wall" fencing off the townships of New Brighton and Kwazakele as it affected the movements of residents;
- Withdrawal of troops from the townships;
- Rebuilding of schools damaged during unrest.

Xego said communications could only be resumed after the release of the detained leaders. — Sapa.



30 E. Post 16/19/86

# It's tough running a chain of 180 stores

LONDON — Clive Weil makes no bones about the problems of steering SA's biggest supermarket group through a period of unprecedented economic and political turmoil.

"It's like juggling at the moment," says the burly and genial MD of the 181-store Checkers chain.

"There's no way you can plan for all the problems we've had. You can come to the office and the most mundane and innocent event can turn on you in a second."

The list of unfamiliar problems confronting Weil and other SA managers has greatly lengthened since unrest erupted in black townships almost two years ago.

Consumer boycotts, wildcat strikes, two states of emergency, detention of trade union leaders, bomb explosions and rising Right-wing militancy among whites are among the hot potatoes landed in the business community's lap.

To make matters worse, business has to cope with stormy economic conditions — the worst recession since the 'twenties — inflation at 17%, volatile interest rates.

Checkers has found itself in the eye of both the political and economic storms.

As Weil puts it: "In a service-orientated business, we feel people's wrath. People are frustrated by inflation, by the tough economic climate and by the lack of (political) vision in this country. There has never been so much up-tightness."

As a well-known and highly visible company, Checkers has inevitably been drawn into the political maelstrom swirling through SA.

The company receives countless bomb threats. With 17 500 workers, it has been the target of dozens of wildcat strikes.

On the business front,



**THE LIST** of unfamiliar problems confronting Clive Weil, the burly and genial MD of the 181-store Checkers chain, and other SA managers has greatly lengthened since unrest erupted in black townships almost two years ago. "It's like juggling at the moment," he says. "There's no way you can plan for all the problems we've had. You can come to the office and the most mundane and innocent event can turn on you in a second."

economic uncertainties have greatly complicated forward planning.

"How do I sign a 30-year lease on a supermarket today?" Weil asks.

The recession and high inflation have already led to pronounced shifts in shopping patterns. According to Checkers' research, supermarket customers are abandoning their traditional month-end shopping spree in favour of less big but more frequent visits.

Checkers' problems have been compounded by an over-ambitious expansion programme in the early 'eighties, which gobbled up cash and turned the company into a heavy borrower.

Fierce competition from SA's two other leading supermarket chains — Pick 'n Pay and OK Bazaars — eroded Checkers' market share.

Poor staff morale was reflected by a high level of shrinkage, reaching almost 2% of sales last April.

Weil, who took over as MD in April 1985, is Checkers' fifth chief executive in eight years.

The company had revenues of R1,7bn last year. Bottom-line figures are not disclosed, but it is no secret that Checkers has run up uncomfortably big losses.

Weil is acutely aware of the widening political dimensions of SA business.

Despite calls by black

trade unions to be more outspoken, Weil believes that both Checkers' and the country's interests are best served by what he calls "quiet diplomacy".

He argues that "the more you criticise, the tighter the laager gets. I get the impression that Government sees business as a bunch of opportunists trying to curry favour with the ANC, but at the same time trying to stay on good terms with government".

Weil is confident that his tactics of dealing with Pretoria "in a quiet, dignified way" achieve better results.

He cites an unpublished visit to the normally unyielding Law and Order Minister Louis le Grange shortly after police began detaining leading trade unionists when the current state of emergency was declared on June 13.

Several union officials have been let out of jail since then. Weil thinks that his quiet intervention contributed to the decision to release them.

Within Checkers itself Weil says that "we've tried to conduct ourselves in a businesslike way. I've tried to be as charitable and reasonable as one could be, having regard to the fact that this is a company which is not in profit".

Workers who obey political stayaway calls are not dismissed, but neither are they paid. Unions have criticised Checkers, however, for employing

white casual labour to replace absent blacks.

On a more daring note, Checkers is one of a handful of SA companies breaking new ground by examining innovative ways of increasing the long-term loyalty of their black workers.

A recent informal survey of the chain's black workforce failed to turn up a single individual who favours free enterprise. In contrast to many private sector leaders who argue that business should work harder at converting blacks to the capitalist ethic, Weil says that "we will not get the black man to move closer to us. We're going to have to move closer to him.

"We're going to have to make the same moves in the micro-economy as the Government is going to have to make in the macro-economy."

Among the ideas being mulled over at Checkers

are active worker participation at board level, greater participation by workers at lower decision-making levels and some form of financial stake (other than share ownership) for black workers.

Checkers has traditionally concentrated on affluent white housewives. But falling white living standards and an already over-traded market have persuaded Weil to give greater attention to black custom.

"We have to attack the black market as best we can," Weil says. "That is going to be the growth market."

Weil predicts that the integration of residential neighbourhoods will benefit not only SA but also his business.

"I think we'll find that some of these under-traded (white) shopping centres will become very, very viable," he says.

## Faith for Today

### Handling difficult people

Don't let evil get the upper hand but conquer evil by doing good. — Romans 12:21 (Living Bible)

THERE are many difficult people in this world. You may have to live with someone who can be classified as awkward or even objectionable. If they have authority over you they can make your life most unpleasant.

It is natural that you should inwardly seethe and become antagonistic, and the suppression of these emotions often leads to ill health and an ever-deepening annoyance.

The way of the world is never conducive to a satisfactory solution.

# Boycott: MPs attitude is slammed

By JIMMY MATYU

THE Consumer Boycott Committee (CBC) in Port Elizabeth last night condemned the "negative" attitude adopted by the city's National Party MPs, who dismissed as "totally unreasonable" conditions attached to a lifting of the five-month boycott.

The CBC described their attitudes as "shock-

ing" at a time when efforts were being made to resolve the country's problems peacefully.

Mr Michael Xego, the CBC's acting spokesman, said it was unfortunate that, when people made "small, realistic" demands that could contribute largely towards creating a peaceful atmosphere for negotiations, some National Party

members reacted "negatively".

"It is pathetic that Mr James Kleynhans and Mr Sakkie Louw should regard the realistic demands of the community as unreasonable.

"They should come to our townships and see the hardships created by apartheid and the inconvenience caused by the 'Berlin Wall' wire barri-

cade around the townships."

Mr Xego said the barricade interfered with the movements of residents and affected industrial production as commuters were often late for work.

It also hindered black traders whose vehicles were held up in long traffic queues.

(30) Eve Post 17/9/86

Public Holidays - No provision is made for paid Public Holidays.

1. Notice - 48 hours for barmen, off-sales attendants, wine stewards and general workers in bars or off-sales.

Footnotes

HOTEL AND LIQUOR TRADE

PORT ELIZABETH — National Party MPs in Port Elizabeth said yesterday the conditions set for ending the six-month black consumer boycott in the city were "totally unreasonable."

The consumer boycott committee has suspended the boycott until November 3, saying it will be reimposed then unless the committee's demands are met.

Mr Sakkie Louw, MP for Newton Park, said businessmen must be prepared to "sweat it out" if the boycott was reimposed. There was no chance of the conditions being met, he said.

## MPs reject PE demands

The committee has demanded: the release of all detainees; the lifting of the state of emergency; the removal of the fence around New Brighton and Kwazakele townships; the withdrawal of troops from the townships and the rebuilding of schools damaged during unrest.

Mr Louw said the government could not be

"intimidated by these people."

"These demands are totally unreasonable—it is not humanly possible to meet them by November 3.

"How can the people who burn down their schools demand that they be rebuilt?" he asked.

One could not expect the government to "soften its attitude" and

remove the fence around the townships unless peace and stability were restored in the townships.

Mr James Kleynhans, MP for Algoa, said the state of emergency had been declared because it was "necessary". To demand its lifting was unreasonable.

"It will be lifted when the security police advise the cabinet it is time to do so."

Asked if a continuation of the boycott would harm the city commercially, he said it was government policy not to interfere with free trade. — Sapa

17/11/86 DD

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# Open trading in three EL areas

30  
18/9/81

## Dispatch Reporter

**EAST LONDON**—Three areas in East London's central business district will be opened to traders of all races by proclamation in the government gazette tomorrow.

The boundaries of the areas could not be established yesterday.

The Minister of Constitutional Development and Planning, Mr Chris Heunis, said in a statement yesterday that in terms of the proclamations of "free trading areas", members of all race groups could freely own and occupy buildings, land or premises in the areas.

"The areas are open to all the race groups provided the premises are used for trading,

commercial, professional, religious or educational purposes.

"All possible steps are being taken to proclaim free trading areas with as little delay as possible," Mr Heunis said.

East London's chief municipal town planner, Mr Roy Leming, said he was unable to say where the free trade areas in the East London CBD were until he received a "gazetted point-to-point" description of the proclaimed areas.

The mayor, Mrs El-sabe Kemp, said East London was one of the first cities which had applied for the opening of trading areas.

"We have waited for this for a long time and I am thrilled that it has now happened.

"All East Londoners should benefit from this.

"I hope there will be tremendous co-operation among the different race groups to make the CBD a vital and busy area for all," she added.

The vice-president of

the East London Chamber of Commerce and chairman of the Border Metropolitan Development Corporation, Mr Errol Spring, said he regarded the move as "only the beginning".

"The next phase is the opening of all areas in East London, including the residential areas. That way conditions in East London can be normalised," Mr Spring said.

The chairman of the CBD Association, Mr Gwyn Bassingthwaite, said the opening of the areas "could be good news", but added that he would "wait and see" which areas were proclaimed open to all races before commenting.

The chairman of the Indian Management Committee, Mr E. Vengadajellum, said it should have been done "a long time ago" and more than just the CBD should have been opened to all races.

"However, any progress is for the good. It is accepted with appreciation," he added.

# MP hits at

# free trade

# areas delay

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18/9/86

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By DENISE BOUTALL  
THE delay in the establishment of free trade areas in Port Elizabeth has been slammed by the MP for Central, Mr John Malcomess.

Reacting to the news that free trade areas were to be proclaimed in East London and Nigel, and that free trade areas had already been proclaimed in Port Shepstone, Volksrust, Vryburg, Malmesbury and Kimberley, he said: "I am distressed that, in this time of great economic need in PE, the Minister seems to be ignoring our pleas to open our trading areas to all races."

Mr Malcomess said he had corresponded with the Minister of Constitutional Development and Planning, Mr Chris Heunis, on the issue. "I wrote on April 8 and again on May 28.

"I keep asking what's

happening and he keeps putting me off.

"I believe opening these areas could assist the economic situation in PE and help create job opportunities."

A spokesman for the department in Pretoria said today the delay in the case of Port Elizabeth was because the surveyor's description of proposed free trade areas was complex and covered 60 typed pages.

It would be at least a month before the matter was finalised.

The Port Elizabeth City Council has asked that the entire city be a free trade area, but the Government has proposed six areas — the two existing ones at Pinchin Lane and Cotterill Street and four new ones which would include the CBD, a portion of North-End, Newton Park and Greenacres.

An inquiry into the

proposals was held in April.

The East London Town Clerk, Mr LP Kumm, says the proclamation of free trade areas in the city would be published tomorrow.

The council had initiated the idea of free trade areas before the Government announced early last year that major central business districts would be opened to all races "without delay".

The East London City Council had asked that all business areas in the city be opened, but the Government had proposed opening only the CBD and two areas in North End.

Mr Kumm said the council was told three months ago the matter was with the Minister.

After another delay, he wrote to Mr Heunis two weeks ago asking for the matter to be finalised.

**No GST**  
**signs**  
**soon to**  
**go up**

18/9/86  
30

By DENISE BOUTALL

SMALL traders who have had their general sales tax registration cancelled will soon be putting up notices saying that they do not charge GST.

This was said today by the Commissioner for Inland Revenue, Mr C E Kingon.

Port Elizabeth traders and small businessmen have been confused about whether they should charge customers GST after all businesses with a turnover of less than R50 000 a year had their GST registration cancelled recently.

Mr Kingon said that although traders were obliged to pay GST on their existing stock, if they found this difficult to do, they could make arrangements with the revenue office.

Mr Kingon said notices had been sent to about 50 000 traders. The idea was to cut paperwork for the department and the small businessman.

Small businessmen who previously bought their stock without paying GST now had to pay the 12% to their wholesalers.

"We will be sending them notices saying they do not charge sales tax which they can put up in their shops in good time. Their retail prices should not go up at all and might even come down a bit."

He said it was not yet clear exactly how many of the registrations would ultimately be cancelled because it appeared that some traders had been filling out their GST forms incorrectly.

Others who sold their goods to other wholesalers or manufacturers would probably be allowed to retain their registration.

Two more areas  
are going 'free'  
for trading

Political Staff  
18/9/86

CAPE TOWN — Free trading areas will be proclaimed in two more centres today, bringing the total number of central business districts (CBDs) opened so far to traders of all races to 17.

Minister of Constitutional Development and Planning Mr Chris Heunis announced yesterday that three free trading areas in East London and one at Nigel will be proclaimed in a Government Gazette today.

Another 61 proclamations are in the pipeline, according to a spokesman for the Department of Constitutional Development and Planning. Figures show the Government's moves to open business areas to all races are now gathering momentum.

He said that in terms of the proclamations members of all race groups may now freely procure ownership and occupation of buildings, land or premises in free trading areas.

All possible steps were being taken to proclaim free trading areas with as little delay as possible, said Mr Heunis.

It has been predicted by Anglo-American Property Services that black, coloured and Asian businessmen will soon start to fill up shops and offices standing vacant in CBDs which have been opened.

18/10/86 (30) BUS DAT

# More all-race CBDs tomorrow

FOUR free-trading areas in town or city CBDs are to be proclaimed this week, raising the total throughout the country to about 30.

This represents more than half the number accepted, so far, in principle by government.

In a statement released in Cape Town yesterday, Constitutional Development and Planning Minister Chris Heunis said three free-trading areas in East London and one in Nigel are to be proclaimed in tomorrow's *Government Gazette*.

Members of all races may now

CHRIS CAIRNCROSS

freely buy or occupy buildings, land or premises in these areas, on condition they are used only for trading, commercial, professional or religious and educational purposes.

Heunis gave assurances that all possible steps were being taken to proclaim free-trading areas with as little delay as possible.

In an initial statement made in Parliament earlier this year, he noted that government had provisionally accepted proposals on free-trading areas in 41 towns and

cities, with a further 10 areas under investigation.

Another 12 proposals have been rejected temporarily, mainly because of the absence of town-planning schemes and local authorities' requests to review their plans.

A concerted call has gone to government — primarily from the business community — to open all business areas to all races.

Political observers believe the opening of free-trade areas is setting the scene for government to become more flexible in applying the Group Areas Act.



# Conditions for end of boycott 'unreasonable'

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ARRMS 18/9/86

PORT ELIZABETH. — National Party MPs say the conditions set for ending the six-month black consumer boycott in the city are "unreasonable".

The consumer boycott committee has suspended the boycott until November 3, saying it will be reimposed then unless their demands are met.

Mr Sakkie Louw, MP for Newton Park, said businessmen must be prepared to "sweat it out" if the boycott was reimposed. There was no chance of the conditions being met, he said.

The committee has demanded:

- The release of all detainees;
- The lifting of the state of emergency;
- The removal of the fence around New Brighton and Kwazakele townships;
- The withdrawal of troops from the townships; and
- The rebuilding of schools damaged during unrest.

Mr Louw said the Government could not be "intimidated by these people".

"These demands are unreasonable — it is not possible to meet them by November 3.

"How can the people who burn down their schools demand that they be rebuilt?" he asked.

One could not expect the Government to "soften its attitude" and remove the fence around the townships unless peace and stability were restored in the townships.

Mr James Kleynhans, MP for Algoa, said the state of emergency had been declared because it was "necessary" and to demand its lifting was unreasonable.

"It will be lifted when the security police advise the Cabinet it is time to do so."

Asked if a continuation of the boycott would harm the city commercially, he said it was government policy not to interfere with free trade. — Sapa.

# PE council

# 'not looking for business'

17/9/86  
report  
30

## Post Reporter

THE managing director of Firestone South Africa, Mr Peter Morum, last night accused the Port Elizabeth City Council of not actively seeking to attract new business to the city.

Mr Morum was addressing a banquet held to mark the Firestone's 50 years in manufacturing in South Africa.

He also accused the council of using Government departments and legislation as an excuse for not acting to provide more incentives to attract industry. He pleaded for a forum similar to the Natal Indaba to be set up in this area.

Mr Morum has been with the company for 41 years and is retiring at the end of October. He will be succeeded by the deputy managing director, Mr Bill Taylor.

Mr Morum said it was only due to the farsightedness of the City Council in 1935 that the Firestone and other manufacturers decided to make Port Elizabeth their headquarters.

At the time the council offered new industrialists a moratorium on rates, favourable water and power costs, and extremely reasonable land prices. These concessions were economically impossible to ignore.

The conditions in the 1930s were very similar to those in the 1980s. It was the height of the depression, unemployment then was as bad as it was now and PE was a depressed area.

"And yet PE was made to grow by the City Council, the people who were



**Mr PETER MORUM**

in the best position to do so. Today we are told that legislation and the prolific Government departments preclude our current City Council from following in the footsteps of their 1935 counterparts.

"Is it not perhaps the case that we embrace this legislation as an excuse for our inaction, instead of doing something about area's difficulties by en-

couraging new industry to come here?"

Mr Morum said it was difficult to recall when the council was last seen actively seeking new business.

The possibility of establishing a duty-free port here appeared to have, again, simply been talk.


Mr Morum said the City Council should establish a forum similar to the Natal Indaba.

"The resolution of our local problems is in the hands of the local people," he said.

Mr George Aucott, executive vice-president of Firestone Tire and Rubber in the United States and a director of Firestone South Africa, said the United States company wanted to continue its good relationship with SA despite the tremendous pressures for disinvestment.

# Bus stop race bar to go in Jo'burg CBD

19/1/86  
STAR



Municipal Reporter

More than 50 000 black, coloured and Indian bus commuters are on the brink of being allowed bus stops in the Johannesburg city centre. Until now they have been forced to walk up to 3 km to work from terminuses on the outskirts of the central business district.

This will be the first time in the city's history that boarding rights previously reserved for whites will be extended to other races who are permitted to travel through, but not stop, in the city centre.

In addition to the creation of about 25 new stops, additional black routes are to be introduced through the CBD, said the president of the Johannesburg Chamber of Commerce, Mr Pat Corbin, whose efforts were largely responsible for the improvements.

He considered the removal of racial implications from transport a logical move after the declaration of the CBD

as a free trading area and personally approached all affected property owners and businesses for support.

"Their reactions were positive. Most of them said the move was long overdue and only one refused to have a black bus stop sited near his business."

The city's traffic and security, and metropolitan planning departments had backed the plan all the way, he said.

"Now the ball is in the management committee's court as we await the final go-ahead."

## ROUTES FINALISED

Routes for Indians and coloured people have been finalised and Mr Corbin was confident that black routes would be operational within four weeks.

A new black route is to be introduced via Doornfontein, End, Marshall and Anderson streets. This would be the first of many additions or alterations to the existing bus routes in the CBD, Mr Corbin said.

Senior FCI sources tell the *FM* that businessmen are wrong to see Assocom and FCI as identical bodies. The FCI does a great deal of work in the industrial relations field which Assocom hardly touches, and, similarly, Assocom organises trade missions and promotes exports in a way the FCI could never do.

The sources claim that cost savings would not be as great as some speculation has suggested. It would be difficult to retrench more than a third of the combined staff. ■

FINMAIL 19/9/86

## HOME FURNITURE

### More comfortable

After two years in the wilderness, the home furniture retail market seems firmly back on the road to recovery, with sales running some 30% ahead of last year's figures.

This is the good news after massive turnover slumps in 1984 and 1985, when higher deposits and rampant HP rates savagely slashed sales.

A combination of positive factors sees the upturn in the R3,25 billion/year furniture retail sector still gathering impetus. The relaxation of minimum HP deposits and the extension of repayment periods for house-

hold goods last August set off the revival.

Since then the gradual pick-up in the economy and expectations of continued high inflation also helped convince many buyers that it might be best to buy now. In the past month or two, sales have really rocketed, say industry sources.

"But the best months still lie ahead — annual sales usually peak in November and December," notes OK Bazaars director Arthur Solomon. "Basing a forecast on the last two months, total industry turnover this year should at least equal 1984 real term levels."

One swallow doesn't make a summer, of course, but sparkling results reported by retailer Morkels for its end-June quarter point to a major sales take-off. Turnover ran 53,4% ahead of the same period last year, while profits before tax and interest grew by a healthy 75,6%.

"We outstripped the estimated 11,3% growth recorded by the retail furniture sector during the quarter and increased market share by 15%," says Morkels MD Carl Jansen. "Overall, we expect turnover to grow by 33% in the year to next March and we expect a 55% bottom line improvement."

Morkels, he claims, was the only retailer to show significant growth. But competitors disagree.

"Without financial details," says OK's

## COMPETITORS

Solomon, "one cannot adequately assess Morkels' performance. And, of course, the relative size of an operation adds to the significance of reported turnovers."

He says that after OK's unit sales fell by 15% and turnover dropped 25% in the August 1984-August 1985 year, there was a 13% recovery in sales and a 30% hike in turnover in the year ended last month.

Solomon says "pure furniture" sales — lounge, bedroom and dining room suites — improved after the HP relaxations. Big ticket sales, including TV sets, VCRs and other appliances, benefited from "pre-inflation" buyers who foresaw that the falling rand rate would add to the cost of imports.

"Pent-up demand for white goods has also been released," Solomon adds, "as many users found they could no longer put off

buying necessities. The stage has been reached where people cannot afford to repair old units and have to replace them."

Lastly, he says, falling interest rates are also spurring demand. Others conditionally agree.

"Generally, things are much better," says Russells chairman Geoff Austin. "But we must wait and see if the trend continues. Currently we are experiencing a phenomenal 30%-40% improvement on last year's low levels. If this continues through September and October one can talk of real growth."

Amrel MD Stan Burger confirms the more positive trend. He says furniture sales are doing "very nicely" — but off a "terribly low base." And Furniture Traders' Association spokesman Frans Jordaan says although township sales to blacks still face

delivery problems, there has been a definite upturn in sales generally since last May. But, not surprisingly, there's still a regional slump in the eastern Cape, he adds.

Official statistics confirm the general sales upturn. "In the January-May period furniture dealers reported sales of R1,068 billion — a 26% improvement on the previous year," says Jordaan. ■

# R1m fiddle at the supermarket by some pensioners

W/E Post 20/9/86  
30

By YVONNE STEYNBERG

PENSIONERS are fiddling a supermarket chain out of thousands of rands a week by using discount cards over and over again.

Checkers estimates the frauds have cost them R1 million this year.

The chain allows a pensioner with a discount card a R10-a-month cut in grocery bills.

But the managing director, Mr Clive Weil, said this week: "Some pensioners are misusing this scheme by using fraudulent identity documents — sometimes those of a dead spouse — to obtain more than the R10 limit."

Mr Weil replied earlier this year to a query from consumers wanting to know why special controls had been instituted for pensioners' discounts.

In the letter read to a meeting of the Consumer Association in Port Elizabeth, Mr Weil said his company planned to spend R250 000 on a computer check method to avoid this type of fraudulent practice.

Until then, though, it was



Mr C WEIL

using a manual system, which could cause delays.

"I regret the situation as much as you do, but I am sure you will understand it, taking account of the fact that up to R1 million a year — or nearly 25% of what we pay out — would appear to have been fraudulently obtained," the letter said.

Approached this week, Mr Weil said it would not be possible to instal the new computer system before the Christmas rush.

"It is proving more involved than we had imagined and the auditing system has to be adapted to be monitored on a national



Mr R ACKERMAN

basis, which makes it much more expensive," Mr Weil said.

He explained that some pensioners could hold cards for all five Checkers stores in Port Elizabeth, for instance, and also use them in other parts of the country, making it necessary to have a sophisticated computer system.

"Please stress that I realise these pensioners are in the minority and that most of our senior citizens benefit from the R120 a year discount — for which we allow nearly R5 million.

"I would reckon that this year we have already lost

close to R1 million through dishonest practices."

Mr Raymond Ackerman, chairman of Pick 'n Pay, said he had foreseen that it would be difficult and costly to control a discount scheme to pensioners.

"Rather than spending vast amounts, which increase costs, or leaving the way open to abuse by some, we opted for entertaining the old people at Christmas, transporting them by bus for their shopping and giving them tea parties and gifts on their birthdays," Mr Ackerman said from his office in Cape Town.

Another leading supermarket group, OK Bazaars, has a weekly "pensioners' day".

A spokesman for the store at Greenacres said pensioners received a 6% discount on purchases up to R100.

"We find that pensioners buy in lots of R100 to get maximum discount. The husband buys the first order up to maximum level and the wife comes in later to buy more. There is little we can do about that as it's still within the rules."

# Black shoppers in buying spree

W/E port 22/9/80

STORERS in Port Elizabeth were at their busiest in months today as township shoppers flooded back on the first Saturday since the five-month consumer boycott was suspended.

Small businessmen said they were making profits again after battling for survival during the consumer stayaway.

There was a turnover increase of 25% at a Walmer supermarket.

Many stores called in extra staff to cope with the rush. Mr Ahmed Desai, owner of a Korsten cash and carry store, said business had been so brisk today he had to close his doors twice to control the crowds.

"Township residents have come back in their hundreds."

Mr Edward Brett, owner of a Commercial Road butchery, said business was "back to normal" with black customers buying again.

He had re-employed people he had to lay off because of the boycott.

"I even brought in casual labour and scholars for the weekend to help customers, who are buying in great numbers," he said.

A spokesman for a major store in North End said he

believed today marked the start of a big increase in business.

"It will improve even more as people get used to shopping in the area again and when they are paid at the end of the month."

The manager of the Constantia Centre branch of a clothing store, Mr Nigel Hale, said extra staff was employed to serve hundreds of black customers.

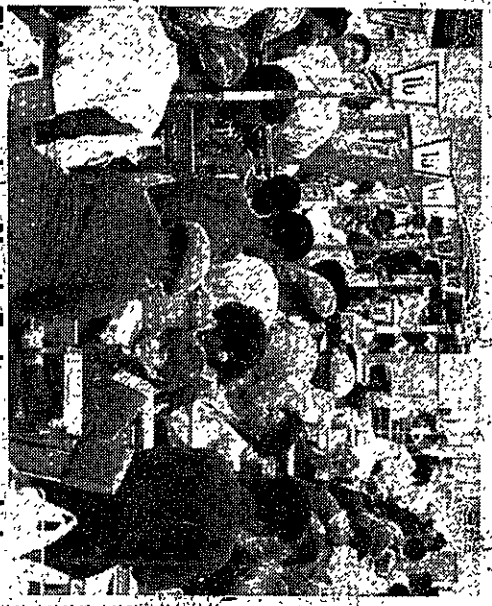
Mr Hale said the staff, who were "very, very busy" also had to cope with an increase in the number of shoplifters.

Mr C I Septoo, assistant manager of the Constantia Centre branch of a supermarket chain, said he had not expected such a rush.

"There were more customers than we've had for months."

The regional general manager of a supermarket chain, Mr Terry Carroll, said today had seen a "dramatic" improvement in business.

A spokesman for a supermarket at Greenacres said there had been an improvement in business today and stores in the centre of Port Elizabeth also reported increased shopping.



This scene in a North End supermarket was typical of the situation in Port Elizabeth today following the lifting of the consumer boycott.

100

## Free trade areas gazetted <sup>(30)</sup>

22/1/86

### Dispatch Reporter

EAST LONDON — Three free trading areas have been proclaimed in East London, one of which is in the centre of the city, the Director General of the Department of Constitutional Development and Planning, Dr Andreas van Wyk, said in Pretoria yesterday.

Details of the areas appear in the Government Gazette, as well as notification of the establishment of another free trading area in Nigel.

In terms of the proclamations, certain sections of the Group Areas Act

are not applicable in these areas to enable members of all race groups to "occupy, use or acquire buildings, land or premises," for trading purposes.

Mr Van Wyk said the department could furnish only the co-ordinates for the areas. These could not be matched to available maps last night.

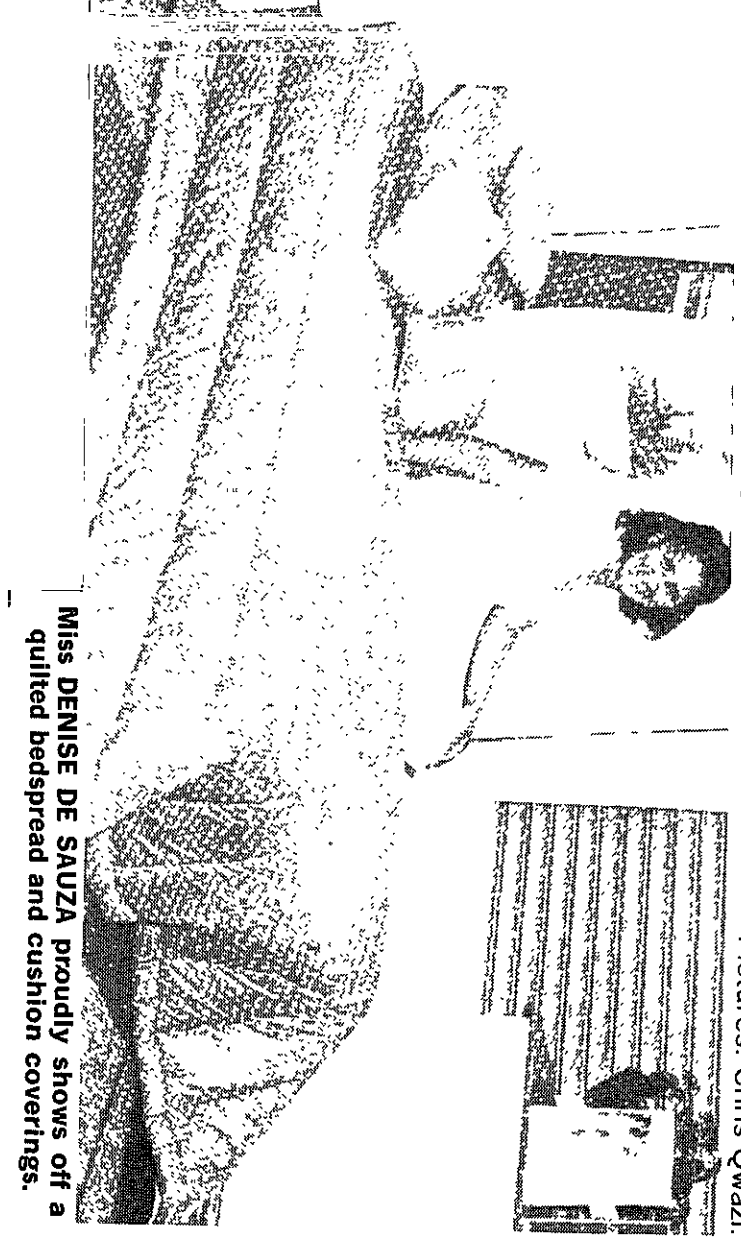
He added, however, that a map indicating the free trade areas had been posted to the Daily Dispatch and was expected to arrive early next week.

# Boom time for brave new firms

## Informal businesses grow in townships



SBDC instructor Mrs N MAHOLE gives trainee Miss NOCEDE SOKUNTU a tip on sewing seams. She and trainees Miss MONICA MAKINANA (left), Miss MERCY KUBASHE and Miss NTOKO NGESE are learning to make garments at home.



Miss DENISE DE SAUZA proudly shows off a quilted bedspread and cushion coverings.

By MIKE MABUSELA  
THE informal business sector is growing in Port Elizabeth's townships as the unemployed and small entrepreneurs make maximum use of every opportunity to beat the economic slump.

Formal businesses in the area are also growing, with the help of the Urban Foundation and the Small Business Development Corporation (SBDC), which is putting special emphasis on helping establish black businesses.

Whether it's a witch-doctor selling *muti* in Njoli Square, Kwazakale, or women working on sewing machines in the SBDC centre in the Engaleni area of the same township, there is bustle and a new optimism as they set about their tasks.

Hawkers, pirate taxi operators and backyard traders in the townships have long been carrying on their business with little help from outside organisations.

But now, according to Mr Ernie Bergins, Urban Foundation programme organiser in PE, financial help, advice on how to conduct businesses and training in new skills are beginning to stream through. He said the foundation



Mr ERNIE BERGINS, programme manager, Urban Foundation.

was providing raw materials at prices to make new businesses competitive, offered hawkers loans from R50 to R200 and was finding new markets for their products.

The Port Elizabeth Self Help Development Association, of which he is a member, has been set up to assist.

Other members are Mr Beki Sibhya, Mr Vember Cagwe, Mr Monwabisi Mkaza, Mr Arthur Shupulana, Mr Ayanda Mjekula, Mr Edman Neula and Mr Fanie James.

Trades carried out at the formal SBDC centre include making tracksuits, school uniforms, car upholstery, household furniture, leather bags, sandals,



Turning their hands to a new trade are Mr MNCEDISI DURHUWE (left) and Mr GIDEON BLOW, who are learning to make sandals.

belts, purses and high-quality curtains. Shoe repair and carpet-cleaning operations are also based there.

People trading at the SBDC centre were optimistic about their prospects.

A sewing instructor, Mrs N Mahola, said she and the 14 women working with her needed more sewing machines as their business was booming.



Mr Mhoya Mthuli, who is employed in a cabinet-making business, hopes to open his own business soon.

Miss Nontobeko Tanda said she has learnt how to spray cars.

Mr Gideon Blow and Mr Mncedisi Durhuwe are expert cobblers.

In the informal market at Njoli Square, eager buyers can get everything from a box of matches to fruit and vegetables, traditional herbal cures or even a live sheep for slaughter at important feasts.

A 35-year-old widow and mother of four, who identified herself as Mambete, said she had turned to hawking to provide food and education for her children.

The R60 a month she was earning two years ago as a domestic worker had been insufficient for her needs.



# Alexandria suspends boycott

CP Correspondent

THE six-month-old consumer boycott of white businesses in the Eastern Cape's Alexandria township was conditionally suspended yesterday - for an indefinite period, Alexandria Consumer Boycott acting spokesman and Alexandria Youth Congress president Thembile Bete said.

Bete said the Buy Afri-

can Campaign" - launched on March 10 - was started to encourage white businessmen to pressurise the government to address the demands of black people.

Some of the conditions which could lead to the permanent lifting of the boycott, include:

● The release of community and political leaders de-

tained under the emergency regulations.

● The re-opening of the Alexandria school by the Department of Education and Training.

● The reinstatement of 225 workers in the chicory industry who were replaced by migrant labourers in Ciskei in April.

● The improvement of street conditions and the in-

stallation of street lights.

● The removal of the township's sewerage dam.

● The reinstatement of boycott committee spokesman Tamsanqa Prince - allegedly dismissed by Epol after he announced the boycott on March 10.

● Nearby PE's consumer boycott was conditionally suspended earlier this month.

CITY PRESS 28/11/80

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# Joburg's CBDA gets US award

THE Johannesburg Central Business District Association won a Jury Citation in the 1986 International Downtown Association Achievement Award Program for its efforts to open trade, industry and commerce to entrepreneurs of all races.

The award - given to the Johannesburg CBDA for its unique, positive efforts to support and enlighten open policy in difficult environment" - was announced at the IDA's annual conference in Fort Worth, Texas.

The Johannesburg CBDA's commitment to a better society promotes a greater understanding of the opportunities which can be created through economic and social freedom," a spokesman said.

The Johannesburg CBDA is one of eight downtown organisations in the world - six of them are in the US and one in Canada - which were honoured.

# Jack's alive and well in the box

By MONSIEUR  
CIT. PRESS 28/11/86

PORT Elizabeth consumer boycott leader Mkhusele Jack is alive and well and being held under emergency regulations at Bethelsdorp police station, his uncle Tembile Fred Sume said this week.

Sume's visit to Jack followed rumours that Jack had died after being fed intravenously at PE's Provincial Hospital.

It was alleged that Jack had been admitted to hospital after being assaulted in detention.

Eastern Cape security police chief Colonel Stephanus Jacobus Gilbert gave Sume special permission to visit Jack this week.

A police report stated that Jack was not in need of medical attention.

There were calls for the consumer boycott - suspended two weeks ago - to be resumed following rumours about Jack's death.

## ***Commerce welcomes move on advertising***

**Finance Reporter**

THE Durban Metropolitan Chamber of Commerce yesterday welcomed the move by Natal's Executive Committee to abolish compulsory advertising for applications for trade licenses and the setting aside of the period for public objections.

Mr Geoff Tyler, senior manager of the chamber said it was a step towards achieving the objective of the State President in fostering the development of small business.

'Investigations by the President's Council have shown that businessmen regard regulations as one of the most inhibiting factors in conducting their affairs.'

He said, the chamber now hoped that the executive committee would give further consideration to amending other laws which have an adverse impact on the smaller businessman, particularly concerning administration.

# 'Boycott City' Comes Alive

CITY PRESS  
21/11/88

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Beating the boycott: Three days before the boycott was lifted, these men found a shoe store which dumped uncollected boots - which meant not having to buy new shoes.

**BY MONO BADELA**  
**'BOYCOTT CITY'** got a breath of life this week. PE's white businesses - crippled by a six-month-old consumer boycott - sighed with relief as thousands of black shoppers thronged into the city.  
 And on Monday - when the consumer boycott was lifted - buses from the townships were packed to the roof. But the party may not be for long - the boycott will be resumed again on November 31 if the State doesn't meet the demands of the consumer boycott committee.  
 According to former student leader and Robben Is-

land prisoner Michael Xhego - who assumed leadership of the local boycott committee when Mkhusefi Jack was detained - the boycott has merely been suspended. Xhego said the authorities had until October 31 to allow residents free access again between New Brighton, Kwazakhele and the rest of the world?  
 Other conditions the boycott organisers expect the State to meet before November 3 are:

- The lifting of all detainees, including leaders like Jack, Henry Fazzie, Edgar Ngyi, Mike Ndzothoyi, Stone Sizane and Ivy Gcina.
- The withdrawal of troops from the townships.
- The rebuilding of schools damaged during unrest.
- We are giving white businessmen enough time to respond to our demands," Xhego said.

But the response from local National Party MPs was negative. In a statement, they said the conditions set for ending the six-month-old trade boycott were "totally unreasonable."  
 Newton Park MP Sakkie Louw said businessmen must be prepared to "sweat it out" if the boycott was reimposed.

"There is no chance of the conditions being met," he said.  
 "The government cannot be intimidated by these people," Louw said. "These demands are really unreasonable - it is not humanly possible to meet them by November 3."  
 Referring to access between townships, Louw said: "One cannot expect the government to soften its attitude unless peace and stability are restored there."  
 Nationalist MP for Algoa James Kleynhans said it was the government's policy "not to meddle with free trade".  
 Wis University academic

Mark Swilling said the call to suspend the boycott and give the authorities time to meet these five short-term demands was a reflection of the willingness of the community organisations to find a peaceful solution to SA's problems. "The community organisations demand that the townships' problems be resolved."  
 He said all that the community organisations were saying was that the problems could not be resolved "through the barrel of the gun".  
 PE Chamber of Commerce director Tony Gilson told City Press that at the time of the declaration of the state of emergency, arrangements were made to hold talks with township leaders, including Jack and others.  
 "We are prepared and very eager to resume these talks, but with the situation as it is now - and many of the leaders either in detention or in hiding - we feel the time is inopportune. Talk, we must talk."  
 He said business had picked up tremendously during the first three days of the lifting of the boycott and he was confident that by the weekend things would return to normal.

# Busy as bees in the hive

2/19/86  
6/17/86  
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HIVES of industries - also called entrepreneurship training workshops - have been created by the Small Business Development Corporation at Roodepoort to make available training and workshop facilities to budding black entrepreneurs.

The hive is situated near the Putco depot in New Canada and is the latest development in a program which was started by the SBDC in 1985. The project was started to try to relieve the high unemployment among skilled and semi-skilled workers in the district, and was given a R10-

million send-off - made available to SBDC by the government employment creation program.

The SBDC has established similar hives at Bloemfontein, Port Elizabeth and Durban. The workshops are composed of a number of cubicle-sized work stations grouped together under one roof. Each cubicle is equipped with a work bench, basic plant equipment and tools.

Provision is made for wood and metal work.

Businessmen hire the cubicles on a day-to-day basis at relatively low rates.

The Roodepoort project

is under the general management of Dr Jan Prinsloo, who says the response to these centres from local authorities, equipment supply firms and local businessmen has been encouraging.

People who wish to become tenants must at least have a basic skill which can be applied in the workshops. Once an applicant has been given a cubicle, he has access to all the benefits of the SBDC - from mini-loan facilities, to advice on costing marketing etc.

For more information contact Joe Diëdericks, Peter Webb or Fanie Bestbier at (011) 474-1870/12.

# First black business in CBD

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DD 22/9/86

## Dispatch Reporter

**EAST LONDON** — The first black-owned business in East London was opened yesterday with prayers and a party — two days after the government had proclaimed the city's central business district open to all races.

The wholesale business in Park Gates Road, previously Pullins Wholesalers, was bought by an Mdantsane businessman, Mr A. L. Goci, and renamed Nceduluntu (the people's helper) Cash and Carry.

The manager of the shop, Mr Eric Ntoni, said yesterday Mr Goci had bought the shop, in-

cluding the stock. The business would start operating today.

There were no outside shareholders in the business, he said.

The business had been bought with money generated by Nceduluntu Wholesalers in Mdantsane, Mr Ntoni said.

The owner was looking forward to buying more businesses in the city, "if things go well".

More than three hundred people of all races attended the opening ceremony yesterday afternoon and prayers were offered by ministers from several denominations.

22/9/86 <sup>2nd</sup> <sub>9</sub> Post

## First black <sup>30</sup> CBD shop

**EAST LONDON** — The first black-owned business in East London opened at the weekend with prayers and a party — a day after the Government proclaimed the city's central business district open to all races.

The wholesale business, previously Pullins Wholesalers, was bought by a Mdantsane businessman, Mr A L Goci, and renamed Nceduluntu (The People's Helper) Cash and Carry.

The business started operating today. Sapa





Mr Albert Goci outside his wholesale shop in East London's central business district.

DD 23/9/86 (30)

## Chamber open to all

**Dispatch Reporter**  
**EAST LONDON** — The East London Chamber of Commerce was a non-racial organisation and black businessmen would be welcome to join, the deputy chairman, Mr Errol Spring, said yesterday.

He was asked to comment on the position of the first black businessman to buy a business in the central business district, Mr A. Goci.

Mr Spring said Mr Goci, who started trading in his Park Gates Road wholesale business yesterday, was "more than welcome to join".

Mr Goci said he was glad the chamber was open to all and he would definitely join it.

The Kaffrarian Chamber of Commerce is also open to all races and is at present headed by an Indian businessman, Mr Jack Patel.

Meanwhile, the municipality of East London does not know whether any other black businessmen are about to move into the CBD.

The administrative officer, Miss Abbey Cronin, said there was no way of knowing if black people were moving into the area as permits were no longer required.

that has fallen away with the CBD being open to all races," she said.

The trade licensing officer in East London, Mr S. Bowls, said no further applications from black traders to operate in the CBD had been received.

The chief licensing officer in King William's Town, Mr Peter de Goede, said 10 licences had been issued to black people since the opening of the CBD. Another

six were being processed.

The chief licensing officer in Queenstown, Mr Hennie Stroebel, said a number of inquiries had been received from prospective black traders wanting to open businesses in the CBD.

"Our CBD has not been opened by the government and we have told those who inquired that we could not do anything until that was done," Mr Stroebel said.

"We had to have permits in the past to issue a trade licence but all

# Assocom to urge Govt to speed up reform

JOHANNESBURG—The annual congress of the Associated Chambers of Commerce (Assocom) will be asked when it convenes next month (October 21 to 23) to approve a resolution which will urge the Government to hasten the process of reform and speed up reform decisions.

Government will be asked to set a programme and a time-scale for the removal of remaining racially discriminatory measures and to take immediate steps to remove Group Areas Act restrictions

which inhibit ownership and occupation of residential land and which restrict commercial and industrial organisations in business areas on racial grounds.

Also to be discussed is 'the thorny question of Government expenditure,' which will fall under a motion welcoming the appointment of an independent task group to evaluate all aspects of State spending.

Other major topics for debate include urban crime, the judicial process, the

transport problem and the Margo Commission into tax.

The congress will be opened by Dr Denis Worrall, S A ambassador to the United Kingdom.

The customary symposium on the economic outlook will feature speakers like Dr Chris Stals, Director General of Finance= Dr Chris van Wyk, economist and managing director of Trust Bank and Dr JN Reddy, Minister of Budgetary and auxiliary services in parliament's House of Delegates. — (Sapa)

De Kock damper for controls lobby

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# Assocom hails stand on siege economy

23/9/80 Buis DAY



DE KOCK

RESERVE BANK Governor Gerhard de Kock's siege-economy statement has been welcomed by Assocom.

De Kock warned that such an event would mean tight regimentation and a maze of controls.

"This would limit the scope for private enterprise and competition to promote economic development and to raise standards of living," De Kock added.

Assocom said in its quarterly *Assocom Review* that perhaps this "timely assessment" would damp the ardour of the lobby for

sanctions and controls.

It added this lobby had persistently denigrated attempts to stimulate free-market forces.

It had also argued in favour of a return to the hybridism that fettered free enterprise for years by controls supervised by officials.

Those who advocated the return of controls appeared to have lost sight of all the abuses which became part of the system, said Assocom.

"The imposition of bank ceilings gave rise to financial black markets. Import control led to

trafficking in permits as well as other undesirable practices."

Increasing worldwide discussions on sanctions appeared to be seen by many as justifying their belief in casting aside market-oriented policies and preparing for a withdrawal into a siege economy.

"One can detect almost a note of relief in some circles as the sanctions threat draws nearer."

Finance Minister Barend du Plessis had, however, made it clear that sanctions were bad news while De Kock had several times indicated that he stood behind market principles. — Sapa.

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24/9/86 N/14

# Bid to cut trade licence red tape

## Pietermaritzburg Bureau

A BOLD move to streamline procedures in applying for trade licences has been approved in principle by the Natal Executive Committee.

Mr Peter Miller MEC said yesterday that attention was being given to simplifying procedures involved in trade licensing, in line with present moves towards deregulation and to make it easier for the small businessman, in particular, to enter the marketplace.

One aspect which was of particular importance, he said, was the right enjoyed by any person having an interest in opposing an application for a business licence, to lodge an objection to it.

Once this was done the application proceeded along lines similar to a civil court case with 'inevitable delays' in finalisation.

'Also, the mere existence of a right of objection makes it necessary to provide for the advertising of an application to bring it to the notice of potential objectors and for a period within which objections are to be lodged.

'The question is whether the time has not come to treat

licensing as an administrative procedure, rather than a semi-judicial one, and to do away with the right to object at the time the initial application is made.'

Mr Miller pointed out that if the right of objection to a licence was abolished it would not mean that the public would lose their right to redress if a business was conducted, for example, in such a way as to create a nuisance or by someone who was not a fit and proper person.

'The ordinance makes provision for a licence to be reviewed at any time on certain grounds and also provides for the cancellation or suspension of a licence if certain circumstances are found to exist.'

Mr Miller said applications for licences would still have to be scrutinised by various municipal or State departments to ensure they complied with the various regulations, such as health, public safety and building standards.

The Competitions Board was also showing an interest in the deregulation of licensing and was to co-ordinate this at inter-provincial level to try to introduce uniform and simplified provincial licensing legislation, Mr Miller said.

Exco's recommendation will require the blessing of the Parliamentary standing committee on provincial affairs.

*See Press 24/9/86*

# Alexandria boycott suspended

By MZIWAKHE HLANGANI

THE six-month-old consumer boycott of white businesses in Alexandria was conditionally suspended today for an indefinite period.

This was announced by Mr Thembile Bete, acting spokesman for the Alexandria Consumer Boycott Committee and president of the Alexandria Youth Congress.

The Buy African campaign, launched on March 10, was designed to en-

courage the white business community to bring pressure on the Government to address the demands of the black community.

Among the conditions for the permanent lifting of the boycott are:

- The release of community and political leaders and others detained under the emergency regulations.

- The re-opening of the Alexandria school by the Department of Education and Training.

- The reinstatement of

225 workers in the chicory industry who were replaced by migrant labourers from Ciskei in April.

- Improvement of street conditions and installation of street lights.

- Removal of the sewerage dam in the township.

- Reinstatement by Epol of boycott committee spokesman, Mr Tamsanqa Prince, who was allegedly dismissed after releasing a Press statement announcing the start of the consumer boycott on March 10.

# Move will enhance race relations, says Kemp

DD Dispatch Reporter (30)  
EAST LONDON — The establishment of three free trading areas here would lead to more industrial and commercial activity being "injected" into the city and an improvement in race relations, the mayor, Mrs Elsabe Kemp, said yesterday.

She was commenting on the release of the map locating the free trading areas.

"It will certainly liven up the central business district and enhance race relations so that, hopefully, we will not experience things such as consumer boycotts in which businessmen suffered," Mrs Kemp said.

She said the city council had battled for the establishment of the free trading areas and had been the first in the country to do so.

"I wish to reiterate that I am very pleased we have achieved this, but it is not the end. When we met officials of the Department of Constitutional Development (and Planning), we were told that if other areas needed to be opened as well, we could apply.

"Obviously I don't see the need just to apply unless there are takers. We should do so when the need arises," she said.

The deputy chairman of the East London Chamber of Commerce, Mr Errol Spring, welcomed the move as a step in the right direction, but reiterated that the chamber had called for all areas to be opened to all races.

"We see this only as a first phase in the ditching of racial trade barriers. We believe strongly that all areas should be open to all races and we sincerely hope the city council will continue to press for this."

The former chairman of the city council's action committee, Mr Donald Card, who has been vociferous in condemning the Group Areas Act, agreed that it was a step in the right direction.

He said the government had agreed that more areas could be set aside, but it should realise that all areas should be open.

"There is a stupid situation at the moment where people of colour are trading in areas designated white — which is against the law. The sooner we drop this law entirely, the better."

The chairman of the newly formed Central Business District Association, Mr Gwyn Bassingthwaighte, was in Cape Town yesterday and could not be contacted.

Editorial opinion P12

DD 24/9/86

# City's open trade areas defined 30

**Dispatch Reporter**

**EAST LONDON** — The three open trading areas here which have been declared by the Department of Constitutional Development and Planning have been identified as the central business district (CBD), Arcadia, which is a major portion of land zoned for light industrial use, and a small portion of land straddling Porter Street.

This was revealed yesterday on a map sent by the department to the Daily Dispatch.

The announcement and the revelation of the location of the new Section 19 areas — the section of the Group Areas Act which frees areas from being designated for one population group only — comes after a nearly five-year battle by the city council, one of the first local authorities to campaign for free trade areas and for all areas to be open to all population groups.

East London already has one Section 19 area, North End, which is a light industrial area and is being taken over from the government by the city council for a sum of R3 million.

The main CBD area shows an indented demarcation sweeping up from below Hill Street in the south. It runs along Buffalo Street in the west, cuts into Fleet Street, skirts the Queen's Park Zoo, turns down Beaconsfield Road and cuts through College Street to be bounded by a section of St Paul's Road in the north.

From the north the demarcation swings down Kimberley Road and takes in the eastern side of Oxford Street until North Street where it moves in an easterly direction until Station Street. Except for one major indentation in the Union Street and Caxton Street area, the line carries on until Fleet Street before moving in a westerly direction and down Cambridge Street until past Hill Street.

The other major area skirts the BRU Grounds and the Jan Smuts Ground and is bounded by Lambart Road, Paterson Street, Commercial Road and Fitzpatrick Road before skirting the east cemetery and running up Buffalo Park Drive and skirting Atlas Road.

The third area is a tiny portion straddling Porter Street and is bounded by Albany Road and Park Avenue.

# Retailers expect good Christmas turnover

24/9/86 STAR 30

By Sven Lünsche

Retailers are in for their best Christmas in years, with overall sales already up by about 30 percent in the third quarter compared with the corresponding period in 1985.

This trend is particularly evident in furniture, clothing and appliances, with credit demand taking off in a big way since March and April.

Apart from the usual sales increase in the months before Christmas, analysts said that credit demand has been coming back quite strongly, admittedly from a very low base, as consumers see their savings eroded by inflation.

Says Mr Norman Cohen, CE of Dion: "We are experiencing a shortage of supplies in certain items, as people are buying early, because of an expected rise in inflation."

Analysts also described the current boom, as a combination of two years of government attempts to stimulate consumer spending and get labour intensive projects off the ground.

"Tax reductions on marginal rates and fringe benefits and the Government's willingness to get the money supplies back to the target ratios of between 16 and 20 percent has seen credit demand with retailers picking up and the receivables figures of banks improving," one analyst said.

Gold mining revenues have also improved substantially, which will reflect itself in improved consumer demand from the black sector and a continued boom for the black market orientated stores, like Frasers and Jazz.

"Overall, a strong consumer market will exist in the next 18 months, especially in the second quarter of 1987, and most retail stores should see their profits returning in a large way," the analyst said.

Furniture is doing particularly well.

"Business from all income groups has been going well since May. Credit demand has been particularly strong from the middle and upper income sectors, indicating that this could filter down to the wages and subsequent improved buying power of the lower income groups, by the end of the year."

Most furniture retailers charge the maximum interest rate they are allowed to charge their customers on hire-purchase or other lending rates.

This rate, despite coming down from 32 to 28 percent over the last few months, enables retailers to write the current respectable volumes of business with very large margins, as they borrow money from banks at a mere 12 percent, to finance transactions.

Clothing has also showed improved sales figures, largely as a result of increased buying from the black sector. "The industry has had a few very good months recently and there seems to be a general mood of optimism as consumer confidence is trickling back," says Mr Vic Hammond, MD of Edgars.

The food retailing industry, however, is likely to stay depressed for a couple of months, but they are off the bottom trend which was reached in April, when sales were down by 12 percent compared to the previous year.

This sector usually lags behind during a general economic upturn. But the decline was easing, and sales should pick up over Christmas," said an analyst.

Checkers MD Mr Clive Weil said: "I am reasonably optimistic about the next few months, although judging it from a very low base a year ago. The continuing price rises, however, continues to suppress a larger take-off."

He added that while the whites continued to be more cautious about spending on food, black spending was higher in the last three to four months.



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60

## **Status cars selling well in Karoo**

**Dispatch Correspondent**

**JOHANNESBURG** —  
Sheep farmers in the Karoo have never had it so good. Maize farmers in the Western Transvaal, on the other hand, are feeling the pinch.

Car sales, long accepted as a reliable economic indicator, show clearly where the wealth is in South Africa today.

In the Western Karoo last month, 36,3 per cent of all new cars were sold by Mercedes-Benz or BMW. In the Eastern Karoo, the figure was 29,4 per cent.

The region is presently enjoying the start of the 1986 wool-buying season. Demand is good, prices are high and even the recent strengthening of the rand against the wool basket of currencies has failed to appreciably weaken prices.

It's a different picture in the Western Transvaal, where drought-hit maize farmers are abandoning the traditional Mercedes.

The picture is the same in the Eastern Cape, where recession and industrial decline have also hit sales of Mercedes and BMW. Against a national combined percentage of 17,3 per cent of all car sales in the first six months of this year, Port Elizabeth lagged by 2,4 per cent and East London 4,1 per cent.

In August, the difference was further pronounced — Port Elizabeth 6,1 per cent behind and East London 6,4 per cent.

# 'VAT is unsuited to SA and should not replace GST'

**JOHANNESBURG** — Value added tax (VAT) is unsuited to South Africa and should not in be considered as a replacement for general sales tax (GST), the Institute of Directors has told the Margo commission on taxation.

Details of the institute's viewpoint, released after a meeting of its council here today, supplement a submission on general sales tax matters made to the commission last year.

"A change to VAT would be detrimental at this point in the development of the economy," said the institute, which recommended that the Department of Inland Revenue, "strengthened as it is by national servicemen, should 'visibly' police the collection of GST".

It recommended that the department should aim to cancel current exemption certificates and issue fresh certificates, spelling out the exemptions permitted.

This would close loopholes that allowed "fraudulent use by all and sundry".

In its argument for the retention of GST, the institute says that, in its original concept of a low-rated tax collected on the widest possible range of transactions, the system had worked well.

In the eight years since it had been introduced, South Africans had learnt

to live with GST and had become accustomed to, and understood, its workings.

"Replacement of GST with the more complex VAT method, with its exemptions, would confuse and disrupt commerce, especially small businesses ill-equipped or trained to administer tax collections."

To overcome the problem of "tax slippage" — revenue escaping the tax net — the institute says loopholes in the present system would be more readily closed, and collections made much easier, if GST reverted to the simpler, lower rates applied between 1978 and 1979.

"A grave error was

made when the rate of GST was increased to 10% and certain foodstuffs were exempted."

The institute said it believed the public would find the restoration of GST on foodstuffs acceptable if there was a substantial reduction in the rate from its present level of 12%. — Sapa

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# Pick 'n Pay challenges 30 tender award

Own Correspondent

DURBAN — The Pick 'n Pay supermarket chain has called for an inquiry into the allocation to Checkers of a prime shopping site in Durban's Indian township Chatsworth.

In a letter to the chairman of the Minister's Council in the House of Delegates, Mr Amichand Rajbansi, attorneys acting for Pick 'n Pay say the supermarket chain does not believe the allocation of the site to Checkers was conducted according to objective business standards and in the interests of the people of Chatsworth.

Checkers announced last week that it had successfully secured two regional shopping centre sites in Chatsworth and Phoenix respectively.

## LOWEST TENDER

Mr Hugh Herman, joint managing director of Pick 'n Pay, who also tendered for the site in Chatsworth, said he found the House of Delegates decision to award the rights to Checkers "peculiar", especially since his group had submitted the lowest tender.

"We have instructed our attorneys to write to the House of Delegates informing them of our objections.

"We won't accept the decision and will call for an inquiry into the whole affair at the highest level," said Mr Herman.

He said the group planned to build a R40 million shopping mall which would have been a landmark in the township.

"All we wanted was to trade in the area. We planned to finance the entire shopping complex, in which the Indian community would have had a 51 percent share and we 49 percent," said Mr Herman.

# Transvaal store workers end strike

Dispatch Correspondent  
JOHANNESBURG —

Workers yesterday returned to their posts at 10 of the 12 OK Bazaars stores and Hyperamas at which strike action was taken earlier this week.

Workers at the Randfontein and Nigel stores are still on strike.

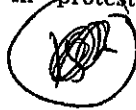
Strike action was taken throughout Transvaal OK stores on Monday after a stoppage was staged at the Carlton Centre branch on September 16 in protest

against dismissals.

OK management has, meanwhile, suspended legal action against the Commercial, Catering and Allied Workers' Union of SA (Ccawusa).

The action was over illegal stoppages and the alleged disregard of established appeal procedures in respect of the dismissal of two workers.

Management and the union are now negotiating to resolve the dismissals.



D.P.  
25/9/86

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# Dairy goes to court on boycott

Pietermaritzburg  
Bureau

NATIONAL Co-operative Dairies (NCD) have obtained an interim interdict in the Supreme Court here to prevent the Food and Allied Workers' Union (Fawu) from instigating, organising or participating in a consumer boycott of NCD products.

The interdict also orders the union to refrain from compiling, printing or distributing pamphlets bearing the NCD trade mark or logo, or publishing allegations harmful to the reputation of the company.

In terms of the interdict granted by Mr Justice van Heerden, the union must show cause by November 26 why a final order to that effect should not be made.

NCD's industrial relations manager, Mr Andrew Lynch, said in an affidavit that the company had been forced to take legal action following strikes and disputes since June this year.

Mr Lynch said a number of employees throughout NCD's factories or depots had been recruited by Fawu (but not necessarily the majority). Since November last year negotiations had been in progress to arrive at a recognition agreement between the company and the union.

## Rival union

On June 6 this year an unlawful strike had been organised at the Pietermaritzburg depot, in which workers had armed themselves with sticks, pipes, bricks and pieces of aluminium.

He alleged that the crowd had tried to reach three members of the rival United Workers' Union of South Africa (Uwusa), which is Inkatha-backed, and in order to prevent loss of lives and damage to property the police had been called in.

The reason Fawu gave for the strike was that NCD refused to fire three Uwusa members.

Mr Lynch said the company made it clear to Fawu that they it was not prepared to discriminate against any other union.

He said a second strike had been held on June 27 and 28, after which a senior shop steward of Fawu had been dismissed for disciplinary reasons.

Fawu had demanded his reinstatement and in addition demanded that Uwusa employees be dismissed. The union had later altered this demand to one for the transfer of Uwusa members.

Striking workers were given an ultimatum to return to work by June 30 and 166 workers who did not do so were dismissed.  
Mr Lynch alleges that Fawu has as a result of the dispute tried to organise a consumer boycott of NCD products.

**Applikant:**

Raad van Handel en Nywerheid, Privaatsak X753, Pretoria, 0001.

*Opmerking.*—Die Raad hersien hiermee die tussentydse tariefverligting op tekstielstowwe wat op 19 September 1986 in die *Staatskoerant* by Algemene Kennisgewing R. 2037 en R. 2041 gepubliseer is, sowel as die tariefbeskerming vir die tekstiel- en klerebedryf.

Lys 33/96 is by Algemene Kennisgewing 656 van 19 September 1986 gepubliseer.  
(26 September 1986)

**KENNISGEWING 681 VAN 1986****DEPARTEMENT VAN STAATKUNDIGE ONTWIKKELING EN BEPLANNING****ONDERSOEK NA DIE AFBAKENING VAN 'N SENTRALE SAKE- EN NYWERHEIDSGBIED VIR DIE BEOOGDE STREEKSDIENSTERAAD VIR DIE WALVISBAAI-ENKLAVE**

Kennis geskied hiermee ingevolge artikel 7G (1) van die Wet op die Bevordering van Plaaslike Owerheidsaangeleenthede, 1983 (Wet 91 van 1983), soos gewysig, dat die Administrateur van die provinsie die Kaap die Goeie Hoop ingevolge artikel 7F (1) (b) van gemelde Wet die Afbakeningsraad vir Plaaslike Owerheidsgebiede versoek het om ondersoek in te stel na en hom van advies te dien oor die afbakening van 'n sentrale sake- en nywerheidsgebied vir die doeleindes van die voorskrifte vervat in artikel 9 (1) van die Wet op Streeksdiensterade, 1985 (Wet 109 van 1985), vir bogemelde gebied.

Gemelde versoek, asook 'n kaart waarop die gebiede by benadering aangedui word, lê ter insae by die kantoor van die Sekretaris van die Afbakeningsraad vir Plaaslike Owerheidsgebiede, Kamer 06, Walkerstraat 240, Sunnyside, Pretoria, en by die kantore van die Stadsklerk van die Munisipaliteit van Walvisbaai, die Gemeenskapsraad van Kuisebmond en die Bestuurskomitee van Narraville.

Skriftelike besware teen of verhoë in verband met die voorgestelde afbakening kan op of voor 17 Oktober 1986 by die Sekretaris van die Afbakeningsraad vir Plaaslike Owerheidsgebiede, Privaatsak X644, Pretoria, 0001, ingedien word.

Die Afbakeningsraad of sy komitee sal ook op die onderstaande datum, tyd en plek vergader om enige verdere getuënis en verhoë aan te hoor van diegene wat besware en verhoë na aanleiding van hierdie kennisgewing ingedien het:

*Datum.*—23 Oktober 1986.

*Plek.*—Komiteekamer, Stadsraad van Walvisbaai, Burgersentrum, Walvisbaai.

*Tyd.*—09h00.

**Beskrywing van gebied**

*Sentrale Sakegebied:* Die gebied in die middedorp wat min of meer begrens word deur Sewende en Tiende Straat en Tiende en Twaalfde Weg asook sekere erwe in die middedorp wat aangrensend is aan Sewende, Agste, Tiende en Elfde Straat en Dertiende Weg.

*Nywerheidsgebied:* Die Handelshawe en aanliggende nywerheidsgebiede.

T. M. SMITH,  
Sekretaris: Afbakeningsraad.

(Verwysing: 12/10/5/4/43)

(26 September 1986)

**Applicant:**

Board of Trade and Industries, Private Bag X753, Pretoria, 0001.

*Note.*—The Board is hereby reviewing the intermin tariff relief on textile material published on 19 September 1986 in the *Government Gazette* under General Notice R. 2037 and R. 2041 as well as the tariff protection for the textile and clothing industry.

List 33/96 was published under General Notice 656 of 19 September 1986.  
(26 September 1986)

**NOTICE 681 OF 1986****DEPARTMENT OF CONSTITUTIONAL DEVELOPMENT AND PLANNING****ENQUIRY INTO THE DEMARCATION OF A CENTRAL BUSINESS AND INDUSTRIAL AREA FOR THE PROPOSED REGIONAL SERVICES COUNCIL FOR THE WALVIS BAY ENCLAVE**

Notice in terms of section 7G (1) of the Promotion of Local Government Affairs Act, 1983 (Act 91 of 1983), as amended, is hereby given that the Administrator of the Province of the Cape of Good Hope has in terms of section 7F (1) (b) of the said Act requested the Demarcation Board for Local Government Areas to hold an enquiry and advise him on the demarcation of a central business and industrial area for the purpose as determined in section 9 (1) of the Regional Services Councils Act, 1985 (Act 109 of 1985), for the above-mentioned area.

The said request, as well as a map depicting the areas by approximation, is open to inspection at the office of the Secretary of the Demarcation Board for Local Government Areas, Room 06, 240 Walker Street, Sunnyside, Pretoria, and at the offices of the Town Clerk of the Municipality of Walvis Bay, the Community Council of Kuisebmond and the Management Committee of Narraville.

Written objections against or representations in connection with the proposed demarcation may be lodged with the Secretary of the Demarcation Board for Local Government Areas, Private Bag X644, Pretoria, 0001, on or before 17 October 1986.

The Demarcation Board or its committee will also meet at the undermentioned date, place and time to hear further evidence from those persons who have lodged objections and representations in pursuance of this notice:

*Date.*—23 October 1986.

*Place.*—Committee Room, City Council of Walvis Bay, Civic Centre, Walvis Bay.

*Time.*—09h00.

**Description of area**

*Central Business Area:* The area in the town centre which is more or less bounded by Seventh and Tenth Streets and Tenth and Twelfth Avenues as well as certain stands in the town centre adjacent to Seventh, Eighth, Tenth and Eleventh Streets and Thirteenth Avenue.

*Industrial Area:* The Commercial Harbour and adjacent industrial areas.

T. M. SMITH,  
Secretary: Demarcation Board.

(Reference: 12/10/5/4/43)

(26 September 1986)

THE BUSINESS SCENE

# Putting our monetary authorities in the dock



**YOUR CURL**  
331-6618  
331-9351  
S 14602

**T**WO issues came to the fore in the last couple of days. One concerns the level of unemployed people in the economy. The other is that our inflation rate has gone back up to 18,7 percent. It has been suggested that the number of unemployed people could be six million. A government official concerned, in a recent

TV interview, disputed the figure and put forward a figure of about 700 000 unemployed. In plain language, the figure of unemployed masses ranges somewhere between three million and six million people. Looking at the unemployment figure, one reflects sadly on the measures that were introduced on August 2, 1984.

On that day, Mr Barend du Plessis who heads the Ministry of Finance, and the Reserve Bank authorities introduced measures that resulted in following selected aggregate changes.

### Overdraft

The prime overdraft rate increased to 25 percent. Hire purchase conditions were severely

tightened. The aim was to reduce total spending in the economy, and in the process protect our foreign reserves (that is SA holdings of foreign currencies) which were going down.

The run-up to August 1984 was characterised by severe drought, which turned this country temporarily into an importer of maize, a relatively low gold price averaging 359 dollars an ounce for the whole of 1984.

Since gold accounts for about 40% of our export earnings and also noting that the country's non-gold exports were not doing well either, it can readily be appreciated that the economy's performance was not at all good

### Excess

Then, of course, a mini-boom resulting in excess total spending did not augur well for our monetary authorities.

This precipitated the corrective measures taken.

However, we were already in a recession (that is our output of goods and services was declining) since 1981.

The sudden appearance of excess demand that we mentioned above, would therefore have been checked by the recessionary phase that the economy was in.

The corrective measures, adopted by the monetary authorities, were therefore nothing else but an aggravation of what the economy on its own would have achieved albeit with less severe consequences.

### Spending

The measure did severely restrict consumer spending. However, the cost of attaining this was not warranted.

This amounted to an overkill of an already dying economy.

During that period when these measures were adopted, political

unrest was simmering.

The subsequent unemployment that resulted from the application of this measure not only aggravated the already tense situation, but managed to sustain it until today.

These measures showed insensitivity on the part of those who are supposed to look after our economic welfare.

### Statistics

Statistics may help drive the point home.

In 1983 the total number of companies liquidated was 2 275.

In 1985 this figure had risen to 3 061, an increase of 24 percent.

This applies only to corporations.

To complete the picture, insolvencies of private individuals and partnerships for the same period rose from 1 201 to 3 221.

It seems appropriate under the circumstances to put out monetary authorities in the dock for an application of inappropriate economic measures, when we reflect on the current state of unemployment.

As if the plight of the unemployed is not enough, our inflation rate is again on an upward trend.

### Coffin

This is really putting a nail in the coffin.

It is one thing to be unemployed, but it is something else to have to grapple with ever-increasing prices at the same time.

This is an extraordinary situation for the people of this country.

To correct such a situation, necessitates that whoever is delegated with the responsibility of looking after our welfare has vision.

Unfortunately, evidence seems to indicate that this is precisely where we fall short.

Do you save  
visa. Perhaps I  
do you buy  
in home too."



...ntwane. The manager of the Perm  
our. A staff that knows how to help  
... And they'd like to

the Tembisa Perm, Shop 17 (soon moving to shop 19),  
Tembi Mall, Tembisa. Tel. 920-2733.

The Perm service is free.

... member of the

day, September 26, 1986

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# Store's 1 000 jobs for Indians

Labour Reporter

THE opening of Checkers warehouse stores in Chatsworth and Phoenix would result in the creation of more than 1 000 job opportunities for Indians, Mr Paul Fox, chief executive of Checkers Warehouse Division, said yesterday.

He also announced a R2 000 000 contribution over the first 10 years of trade towards community development in the two Indian townships.

The awarding of the two prime trading sites to Checkers created a storm of protest from rival super-

market chain Pick 'n Pay, which also tendered for the sites.

Pick 'n Pay is now demanding an explanation from Mr Amichand Rajbansi, Chief Minister of the House of Delegates, why he allowed the sites to be sold to Checkers while the Durban City Council had in fact agreed to Pick 'n Pay taking over the development.

However, Mr Rajbansi told the Mercury yesterday that the protest by Pick 'n Pay was a case of 'sour grapes'.

'Firstly, we asked them to give us evidence of the de-

isions of the City Council that the site was sold to Pick 'n Pay. Secondly, no one from the Ministers Council nor the House of Delegates gave any applicant the assurance that the site was going to be sold to a particular chain store.

'What Pick 'n Pay should realise is the golden principle of land being sold to the highest tenderer, and in this case the Checkers tender outclassed that of Pick 'n Pay by R400 000.

'The Ministers Council took the merits of each chain store into consideration and arrived at the best decision for the area.'

he said.

Checkers, which is South Africa's largest supermarket chain, confirmed that its warehouse division had made a major break into new trade areas when it announced that it had successfully secured the two regional shopping centre sites in Chatsworth and Phoenix.

The developments will be known as Chatsworth City and Phoenix City. The proposed opening date for Chatsworth City is Easter 1988, while Phoenix is scheduled to open during October 1988.

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FIN MAIL 26/9/86

'OPEN' CBDs

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## Viva free enterprise

A total of 21 "free trade" central business districts (CBDs) in which business and professional people of all races may trade have now been opened up in 16 towns and cities in SA, and about 60 other applications are

Sources on Capitol Hill say no firm decision has yet been made, but that Reagan is strongly considering the State Department's suggestion that the multi-million dollar aid package, which would be aimed at building up the Beira Corridor, be included in the White House's new South African policy initiative to be unveiled at this week's end.

The State Department believes the aid package is necessary to reduce the dependence of Frontline states on SA.

"(Secretary of State George) Shultz and (Assistant Secretary of State for African Affairs Chester) Crocker have been after this for a long time," says a Senate Foreign Relations Committee aide. "But it's too early to tell whether or not the White House has bought it."

Reagan has until Friday night to either sign or veto a punitive Sanctions Bill passed by the US Congress less than a fortnight ago. At that time, the president is expected to attempt to buy out the US Congress with a package of mostly symbolic sanctions and the appointment of a black ambassador as the new US envoy to SA. It is likely that the president will announce the new aid package in tandem with the sanctions veto, if his strategists decide it has a fighting chance in Congress.

The aid request would meet certain opposition from conservative senators who would oppose any increase in aid to Marxist Mozambique. In addition, the White House would have to resolve conflicts over its aid policy to Zimbabwe, which would be a chief beneficiary of a re-opened Beira Corridor to the Mozambique coast. The Reagan administration recently cut off US financial assistance to Zimbabwe.

Some Capitol Hill sources question whether the aid package, even if approved, would amount to more than a smokescreen.

"A big aid project could be trumpeted here but turn out to be meaningless," says an aide on the House African Affairs sub-committee. "The economic policy initiative for Africa, passed in 1982, promised \$500m in aid over five years. But in the first year only \$75m was disbursed, the next \$47m and this year, nothing."

Others on Capitol Hill point out that money alone will not open up the corridor linking Zimbabwe and the Mozambican port unless it is coupled with an increase in security to guard against Renamo attacks.

"They could give a billion to re-do the corridor, but it could be knocked out by Renamo immediately," says one.

# Vereeniging decides to open central area

STAR (30)  
26/9/86

## Vereeniging Bureau

The Vereeniging Town Council approved a decision last night to open an area of its central business district as a free trading zone for all races.

The recommendation is subject to approval by the Department of Constitutional Development and Planning.

Dr Mario Milani, chairman of the Vereeniging management committee, said the decision was not taken lightly.

He said the council realised the CBD was inundated with Indian traders who are a part of Vereeniging's economic history, and who have contributed to the community's progress.

"The council is acting in the best interest of ratepayers by supporting the opening of the CBD to all races.

If no free trade area is established, the Indians would

continue to do business under nominees but with increasing resentment," he said.

"Black developers could create their own super-block in their townships which would lead to a loss of black consumer support in the CBD and the Indians may follow suit, which would not only weaken Vereeniging's CBD but lead to a deterioration of property values, a drop in occupancy, reduction of trade turnover and have a disastrous impact on the town's future rate fund. The relations between races would be polarised.

"We believe that by declaring such a large free trading area we will protect and stimulate the CBD and establish pride of ownership which will in turn attract venture capital and lead to upgrading of buildings," said Dr Milani.

The open area is not for residential purposes.

WEP 27/11/8

## Business normal again (20) in PE

By MIKE MABUSELA

BUSINESS in Port Elizabeth shops was back to normal today — the first month-end since the consumer boycott was suspended two weeks ago.

The general manager of a supermarket chain in Port Elizabeth, Mr Terry Carrol, said sales had been building up since yesterday.

During the consumer boycott, the company had experienced a one-third drop in sales.

A spokeswoman for the Constantia Centre in North End said: "We are very busy. It is lovely to see people doing their normal shopping."

The owner of a Korsten clothing store, Mr I K Ramjee, said he had to close his business twice today to control crowds of shoppers.

The owner of a Korsten wholesaler, Mr Farouk Laher, said business had been increasing steadily since the lifting of the boycott.

"Business has gone up by between 30% and 40% since yesterday."

A spokesman for a North End clothing store said good business had been done yesterday and today.

Mr Edward Brett, owner of a Commercial Road butchery, said business was back to normal, with customers again free to buy what they liked.

Mr S Leibowitz, manager of a clothing store in the centre of town, said business had been picking up.

The manager of a major store in the city centre, Mrs Vivian Reynolds, said: "We were busy today."



(30) 27/9/86  
W/E P

# Disappearing trolleys send supermarket men bonkers

**By RAYMOND HILL**  
**SUPERMARKET** managers are having nightmares about the mounting toll of stolen grocery trolleys.  
 The thefts are costing supermarkets in the Eastern Cape thousands of rands a year.  
 And the search for missing trolleys is a major headache.  
 Trolleys are wheeled away and sometimes abandoned in the streets, parks or golf courses, and the culprits are seldom caught.  
 Losses exceed R10 000 a year at four branches of one chain which has had to replace 500 so far.  
 Mr Ian, Stevens, Grand Bazaars regional manager in Port Elizabeth, said regular after-hours searches were made in certain neighbourhoods for missing trolleys.  
 Many were found damaged, resulting in high

repair bills.  
 Others were either too seriously damaged to be repaired or were not recovered.  
 Trolleys regularly disappeared from store premises despite strict security measures and warning notices.  
 Mr Stevens said: "Missing trolleys are an expensive nightmare and a continuing problem. It has certainly reached serious proportions. But we never catch the culprits."  
 Customers often took trolley-loads of groceries home because they had no transport, and most failed to bring them back.  
 The trolleys are manufactured in Johannesburg and cost R125 each.  
 Many are just discarded after being wheeled away.  
 Others are used for a variety of purposes, such as

pot-plant holders and prams.  
 The store's Cape Town headquarters employs people with the sole task of tracing trolleys stolen from Peninsula branches.  
 A senior official described the problem as a "vicious circle" without a solution.  
 Abandoned trolleys were sometimes impounded by municipal officials, he said, and a fine of R10 had to be paid to get them back.  
 Despite security measures at Checkers Hyperstore, Greenacres, between 250 and 400 trolleys had to be replaced every year, a spokesman said.  
 The store personnel received occasional tip-offs from the public when an abandoned trolley was found.  
 Other supermarkets in PE also experienced heavy trolley losses.

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## Man appears on charge of subversion

By Abel Mabelane  
East Rand Bureau

A Daveyton man, Mr Abiot Hansy Motswege (34), pleaded not guilty to a charge of subversion when he appeared in Benoni Magistrate's Court yesterday.

The charge relates to the distribution of pamphlets on the East Rand calling for a consumer boycott of white shops in East Rand towns.

The State alleges that by distributing the pamphlets the accused intended "to cripple, prejudice or interrupt industry or undertakings in Alberton, Benoni, Brakpan, Boksburg, Springs, Germiston, Kempton Park, Nigel and Delmas".

The boycott was intended to have started on May 19.

The main State witness, Lieutenant HHJ Hansen of the Eastern Cape, told the court that in areas where there were consumer boycotts, there was usually unrest, violence and intimidation. He saw this happen in Oudtshoorn and Beaufort West, he said.

The hearing continues.

DD3019/86  
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## Boost for small industry

Business Editor

**EAST LONDON** — A Small Business Development Corporation (SBDC) "hive of industries" is to be opened at Stutterheim by the managing director of the SBDC, Dr Ben Vosloo, on October 7.

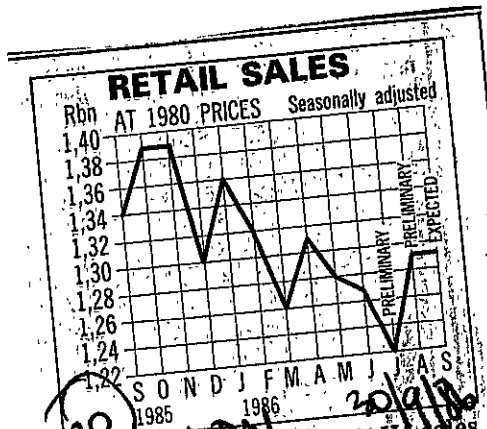
The SBDC's East London manager, Mr Piet Strümpher, said yesterday there had been several factory closures in the area recently — some of them attributable to unrest — and unemployment was high. "The SBDC's presence will contribute towards restoring confidence in the local business sector."

The Stutterheim area contained people with many skills, particularly in wood-related crafts and hand crafts, and the SBDC felt it would be suitable to set up the "hive" — a cluster of workshops for small businessmen — as a pioneer project to create more job opportunities, Mr Strümpher said.

A technical business advisor will be based at the hive to assist small businessmen with administration and raw material purchases and certain capital intensive equipment will be provided to tenants on a rental basis.

Mr Strümpher said, while the initial response from small businessmen had been slow, they had received inquiries from leather workers, watchmakers, hairdressers and sewing and wood-related enterprises.

SBDC advisors would be in Stutterheim today and tomorrow to interview prospective tenants.



**20** *history*  
**Retailing  
 may hit  
 R2,71bn**

RETAIL sales this month are expected to reach R2,71bn — 12,6% higher in cash terms than September 1985 but a real

drop of 4,4%.  
 At constant 1980 prices, September's expected figure translates to R1,22bn, down on both August's preliminary estimate of R1,34bn and the R1,27bn of September, 1985.

Seasonally adjusted, real sales this month are expected to total R1,2861bn, compared to August's R1,2865bn and the R1,34bn of September 1985.

Despite the fall from September 1985, there is optimism that the latest figures signal better times ahead.

According to Central Statistical Services, which compiled the figures: "The decrease is not as large as the corresponding decreases for the previous number of months."

*[Handwritten signature]*



# Clicks on the way to its target

11/01/86 64120AF 30  
MERVYN HARRIS

CLICKS is well on the way to achieving its target of at least 200 stores in SA soon, chairman Jack Goldin says in the annual report.

The company expects to open more new stores in the current year than it did in the year to June 1986, when nine branches were opened, bringing the number of Clicks stores in the group to 65.

Furthermore, the Diskom chain opened a new store in Mitchell's Plain and now has a total of 16 stores. Clicks has a significant minority interest in four of these stores.

In addition to the opening of new stores and its refurbishing programme, the group recently relocated its Plein Street, Cape Town, store to bigger and more centrally-located premises.

"We have found that our customers respond positively to the upgrading of our stores and, in most cases, we see an immediate improvement in sales", says Goldin.

Sales for the first two months of the 1987 financial year have been higher than for the same period last year.

"If this positive trend continues, Clicks will be well-placed to show improvements in both sales and profitability", he says.

11/6/86  
SPOR

## Boycott pamphlets 'part of 30 onslaught'

East Rand Bureau

The Benoni Regional Court was yesterday told that consumer boycott pamphlets, intended for distribution in the East Rand townships in May, were typical of the "total onslaught against the country".

This was said by a State witness, Brigadier Thomas Erasmus of Pretoria, who told the court he had been involved in state security for the past 20 years.

Mr Abiot Hansy Motswege of Daveyton has pleaded not guilty on a charge of subversion after he was found in possession of the consumer boycott pamphlets before they were distributed.

Brigadier Erasmus told the court the "total onslaught" was caused by organisations which did not want democratic change.

Brigadier Erasmus said residents who did not respond to the pamphlets' call for a consumer boycott were in danger of losing their lives through the "necklace method".

Under cross-examination by Mr DP de Villier for the defence, Brigadier Erasmus conceded that the demand did not constitute a crime unless accompanied by force and intimidation.

MICK COLLINS

SHORT-TERM insurers are getting tough as the retail sector's shrinkage losses soar to an estimated R10m a day.

Details of enormous embezzlement by staff at stores and supermarkets countrywide were released yesterday.

A report in the latest *Minet Insurance Broker's Monitor* said no more than 15% of the large-scale theft could be attributed to shoplifting.

"Despatch, delivery and receiving staff are the worst offenders, with more and more collusion occurring across the colour bar.

"The scale of pinching is incredible. And it's a major area where insurers are repudiating claims.

"It's only the tip of the iceberg," says marketing and technical services director Ian Stewart.

"Many thefts go unreported. Eight years ago the daily figure was estimated at R5m, but the economic situation has brought about a 100% increase.

"There is a ready market outside for stolen goods. People in employment are in a position to feed and supply the less fortunate."

Observers point out that the cost must be filtered through to the consumer in the form of higher prices.

"It's ironic that so much scrutiny is aimed at consumers — bordering on the intimidatory in some stores, while backstage policing seems remarkably lax."

Stewart says labour legislation of recent years is hampering manage-

## Insurers get tough with retailers

ment's ability to control and discipline offenders.

"Miscreants often escape. Many of the known losses run to six figures — and sometimes seven."

Insurers and reinsurers have recorded substantial fidelity guarantee losses and disastrous underwriting results.

"They are now being very selective with new risks and even renewals.

"Unless policy terms and conditions are strictly adhered to, claims are often being repudiated."

Repudiations are also arising where the insured has failed to institute or maintain various systems of control, accounting and clerical procedures.

"Insurers may well be pricing themselves out of the market, but those employers who fail to police staff and take proper legal action against offenders may find that they, too, are pricing themselves out of the market.

"Unfortunately, many employers wrongly refuse to concede that any of their staff have, in fact, been dishonest. They prefer to attribute any shortage to an omission or to an accounting error."

# Survey finds shops busy since boycott, but down on last year

PORT ELIZABETH shop owners say they have been busy since the lifting of the last black consumer boycott, but that there is less money around than there was this time last year.

A survey of food, clothing, shoe and furniture stores two weeks after the end of the latest ban on white shops revealed that boycotts have taken their toll in terms of closed businesses and loss of jobs.

"Lots of our black customers haven't come back because of retrench-

ments. Right across the spectrum it's pitiful to see the numbers of jobless," said a North End fashion store manager.

He added that although the store was busy "there isn't the same surge as last November when the first boycott ended".

The survey, which included food take-aways, found that African buying power had diminished and that there was less money around.

North End and Korsten shopkeepers also commented on an increase in shoplifting by what were

described as "professional gangs".

The owner of a 55-year-old family outfitters spoke of North End as having "lots of movement".

"But there's less money and lots of rogues and thieves milling about," he said.

Mr Tony Lutz, manager of a popular North End shopping centre, described the traders as "satisfied, but, either through unemployment or because blacks have established different buy-

ing patterns, their buying power has decreased".

The owner of a Korsten shoe store said customers were "shopping on a shoestring" and looking for cheap goods.

A North End appliance store owner described the area as "changing and becoming more specialised".

"There's a different buying pattern among blacks. Like white suburban shoppers, they are buying here what they can't get in the townships," he said.

*Even* (30) 2/10/86

PIETER RANLAFVED | Orange, Mr Ringway said | the upgrading of the

# Small business deplures crackdown threat

The Johannesburg City Council's proposed crackdown on businesses operating from private homes disregarded the needs of the community and small businesses, the Small Business Development Corporation said last night.

Reacting to the council's announcement this week that it would get tougher with illegal home businesses, the corporation said it was essential that home industries be allowed to carry on creating job opportunities.

"The proposed crackdown is contrary to the current deregulation policy," a corporation statement. It was a tragedy that, when there was severe unemployment and an economic downturn,

(30) ~~SMM-2110186~~  
the council intended to get tougher with small entrepreneurs providing jobs.

The corporation added that home industries were not responsible for empty office blocks in the city centre.

"In fact, increased economic activity in suburban areas can only benefit the central business district," it said.

"Our concern is that every home business closed down by an unsympathetic local government means one less future CBD tenant

The statement said it hoped the town planning committee realised that home businesses were serving the public interest.

DD 13 10 18  
**September car sales down**

JOHANNESBURG — Passenger car sales in September took a two per cent dip compared with August, according to the latest returns from the National Association of Automobile Manufacturers of SA (Naamsa).

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However, the fact that the fall in sales was so slight despite recent large unit price increases has industry leaders speculating that

this could signal the end of the long downward slide in turnover.

September's figure of 15 091 units was 313 fewer than in August.

The year-to-date sales of 132 816 are 11,7 per cent below the 150 447 units sold by this time last year.

"It could have been a lot worse," said Toyota's deputy chairman, Mr Bert Wessels. — Sapa

# Structures and strictures

Franchising has succeeded in SA despite the economic downturn. The *FM* spoke to Howard Bellin, founder of International Franchising, the biggest multinational consulting group in the field, during his recent visit here.

**FM:** The franchise concept has become popular worldwide, mainly because statistics show that the chances of a new franchise outlet succeeding are so much better than those of a one-off venture. Is this a true picture?

**Bellin:** Actually, no. The success of franchised business has less to do with the backup and know-how of franchisers than the fact that the franchisee, if properly screened, is generally a winner anyway.

I mean that the franchiser needs nothing — no capital, no experience — to start a new business except the desire to do so. Franchisees, on the other hand, are carefully selected and need capital resources, business experience and, most important, the willingness to undergo training specific to the field they wish to enter.

MacDonalds, for example, asks potential franchisees to work, unpaid, 40 hours a week for six weeks to ascertain whether they like the food business and are right for the organisation.

**In SA, senior executives with managerial experience and capital have been retrenched in**

the recession; many have considered their own franchise operation. Are these the winners you mean?

Not necessarily. Franchisers must be wary of the businessman who is merely "buying a job." Even if he meets other qualifications, he still may not be right for the company. One uninterested franchisee can do enormous damage to a chain, no matter how good the backup systems and advertising. If you get bad service in one hotel, for example, it's unlikely you'll stay at others in that chain again.

**So what makes for a successful franchise operation?**

The critical process is screening. The first step is to get the potential franchisee on to the franchiser's turf — to see how keen he is to learn the business. At the same time, he should be given a proper job description, accurate as to the age, qualification, experience and finance required.

The second step is to put the franchisee through psychological tests to see if he matches the profile, and whether he has the necessary interest and drive to succeed. There's also an element of gut feel here — something that must be right between the parties. One is looking for the winner mentality.

Third, there's the training period. I believe

it's far better for a person to "waste" time training only to find that he doesn't like the job or the company doesn't like him. It's better than sinking money into a mistake. Rather have dignity damaged than the investment resource.

**How do you see franchising fitting into the general marketing scene?**

It is certainly gaining popularity, but there are other good ways for a company to increase market share. International Franchising now acts more as a marketing strategist than as strictly franchise consultants, concentrating on optimising distribution procedures throughout a business and helping clients to expand worldwide. This could mean establishing company-owned, joint ventures or franchise outlets, or a combination of all three, depending on the resources available.

**How was International Franchising established?**

I started the company in 1969 because I was fired from my job and was determined that no one would ever do that again. Based in Melbourne, the group now has two other offices in Australia and others in Auckland, Bangkok, Kuala Lumpur and Johannesburg. We have plans to open soon in Singapore and London, and have our sights on Canada and the US.

## Pickin' a fight

Retail giant Pick 'n Pay's (P 'n P) Raymond Ackerman is wasting no time entering SA's tough wholesale business, worth over R4 billion and growing at 20% a year (*Business* August 22).

A new division of P 'n P, Price Club, will open its first store in Vereeniging in December and four more are planned for the Vaal Triangle by the end of next year. By the end of 1988, the new chain hopes to have captured some 10% of the wholesale market — with annual sales well over R500m — and in five years there will be at least 17 outlets.

Initial investment in stock for the first store will be around R2m, and turnover is forecast at R350 000 a week. The building to house the first outlet, a 6 000 m<sup>2</sup> warehouse, is already owned by P 'n P, and a major portion of the R3.5m setting up cost will go towards a sophisticated computer system which will handle inventory control and order generation, monitor rates of sale, and generate sales research.

Price Club GM Sean Summers says this is P 'n P's pilot system on direct product profit ability monitoring, which gives stock turns, points up profitable lines and allocates display space — in fact, creates an accurate picture of the entire business administration.

He says it also minimises shrinkage, which will enable Price Club to cut sales margins to

the bone. Gross margins in wholesaling are usually 5%-7%, with sales margins around 2%-2.5%, but Summers is talking about sales margins as low as 1.7%. He says the computer system will identify items which can be sold at a loss to maintain competitiveness, provided they are correctly placed in-store to generate maximum turnover.

Price Club will sell on the membership card system to traders only, and it aims to develop unique selling points to give it an edge on more established competitors, including Metro Cash and Trador. One of these will be to conduct workshops and seminars for small traders, exposing them to P 'n P stores, systems and retailing expertise — in fact, says chairman Ackerman, "turning them into mini-P 'n Ps."

Both Summers and Ackerman are quiet on exactly how they hope to carve out their share of the wholesale market. However, neither rules out the possibility of acquisitions or mergers with competitors. ■



3/10/86

30

# THE ECONOMY

**WEEKLY MAIL REPORTER**  
A RISE in Assocom's Business Confidence Index (BCI) for last month is the latest in a series of pointers to a modest upturn in the economy.

The index is slightly after-the-fact (everybody knows gold and retail sales rose recently) and short-term.

But, coming after the Reserve Bank's optimistic assessment of prospects in its quarterly bulletin published this week, it does provide a summary of the evidence that a bit of light is shining at the end of the long, dark tunnel — in purely economic terms.

After all, the political factors that have kept the economy depressed for so long remain.

Even Assocom's index is affected by the State of Emergency.

Assocom adds a caveat to its latest notes on the index: "The BCI is based upon the behaviour of certain key markets identified by research as important to business confidence. Reliable markets depend upon free flow of information to function properly. In terms of the State of Emergency, this free flow of information is not present in South Africa at the moment — and the BCI must be seen in that context."

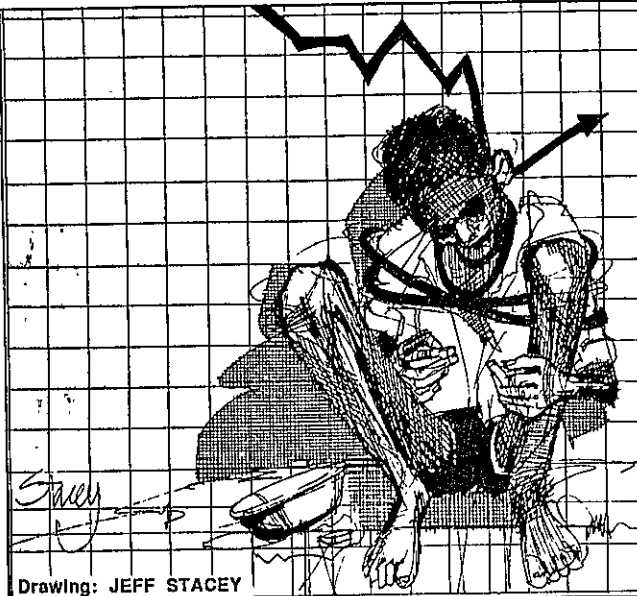
The index, made up of 13 economic indicators which have the greatest bearing on the business mood, after declining in the first half of 1986, rose to 89,9 last month, the second month it showed a positive increase (see graph).

Assocom's economists, like other commentators, point out that the picture is not entirely one of blue skies and brightness yet.

For one thing, inflation at over 18 percent is still high, and private fixed investment remains depressed.

Nevertheless, 11 of the 13 sub-indices that make up the Assocom index improved in September:

## Assocom sees light — but a cloud hangs at the tunnel's end



Drawing: JEFF STACEY

- The rise in the dollar price of gold boosted business sentiment.
- There was an increase of about 10 percent in the rand/dollar exchange rate.
- Share prices surged, triggered by the increased prices of platinum and gold, and helped by some improved profitability in a number of industrial sectors, accompanied by continued demand for capital from the public for new listings.
- BA (Bankers Acceptances) rates, on average declined.

- There was a slight increase in retail sales.
  - The prime rate (the interest rate banks charge their best customers) dropped from 14 percent to 13,5 percent.
  - Registered unemployment (all races) as well as net emigration showed slight improvements.
- Assocom said in a statement this week: "Assocom believes that the behaviour of the BCI reflects another modest strengthening in the business mood."

"Although the evidence of an economic upswing remains fragile, business confidence continues to improve in anticipation of yet better times."

"The incipient upturn will have to be carefully nurtured, as what South Africa needs is sustained economic growth."

Assocom also said the rise in the index stemmed mainly from:

- The impact of the higher gold price.
- Stimulatory economic policies.
- A short-term adjustment by the business community to the realities of intensified economic sanctions and other South African political uncertainties.

Assocom says there is tentative evidence of an upturn in consumer spending but cautions: "Further information on retail sales, trade, and manufacturing output is needed before it can be said that the economic recovery is irrevocably under way."

Two of the 13 sub-indices declined. Most important was the rise in inflation as measured by the Consumer Price Index. This Assocom identifies, with new sanctions, as a serious threat to renewed growth.

"In addition, the number of new motor cars sold declined, although the figure was still positive after seasonal adjustment."

Also, Assocom notes: "There are still no signs of a recovery in private fixed investment, and there is unlikely to be any such development until the economic and political omens are more favourable from the long-term point of view."

As the public sniffs recovery in the air, indicators such as the BCI come under scrutiny.

Aware of this, Assocom, in a statement accompanying the release of its latest index and economic comment, has gone to some lengths to explain how its business confidence index is arrived at, and to put it into perspective.

"As a short-term barometer of business confidence," Assocom notes "the index has had a good track record in broadly reflecting shifts in business sentiment."

Two examples are the reaction to the "Rubicon" speech in August 1985, and the index detecting the failure of the expected economic recovery to materialise earlier this year.

"More recently, it appears to have identified the 'bottoming out' of the economy in mid-1986"

The index is a "market-related composite index," Assocom stresses.

"It reflects not what businessmen are saying but what they are doing and experiencing in certain selected markets."

Since a market is "a phenomenon of the mind", some markets (like the stock exchange) may be more optimistic than others (like the motor vehicle market) and Assocom's index reflects the net result

The sub-indices that make up the business confidence index (base year: 1983) are, in detail

- Dollar price of gold in London.
  - Rand-dollar exchange rate; commercial and financial rand.
  - Merchandise imports (in real terms)
  - Consumer price index.
  - Johannesburg Stock Exchange All Market index.
  - Three months' BA rate.
  - Prime lending rate.
  - Car sales.
  - Estimated retail sales (in real terms).
  - Number of insolvencies of individuals and partnerships.
  - Registered unemployment among all races.
  - New companies registered.
  - Number of people migrating to and from South Africa.
- Assocom says it is looking into incorporating spending on private fixed investment and demand for credit. Meanwhile these will be covered in the economic commentary that accompanies the release of the index.

### ASSOCOM'S BUSINESS CONFIDENCE INDEX

	1985	1986
January	78,6	81,9
February	83,3	85,5
March	79,1	83,0
April	76,1	79,0
May	77,9	78,6
June	81,0	80,1
July	77,9	80,9
August	76,9	85,7
September	78,2	89,9
October	78,0	
November	80,6	
December	81,1	

It's tough out there—Ackerman

# P 'n P turnover growth slows

*Cape Times 3/10/80*  
*30*

By ANDREW MOTH

PICK 'N PAY yesterday announced its lowest-ever turnover-growth figure but chairman Raymond Ackerman said that under the circumstances the company had achieved very good results for the six months ending August 31.

Turnover increased "only by 10,5%" and it had been his roughest six months.

"It's tough out there," Ackerman added.

The figures show that turnover increased from R1 023 913 to R1 131 749 and that earnings increased by 13% from R13,397m to R15,139m.

Earnings per share rose from 68,5c to 77,3 and dividends from 21,5c to 24c.

Ackerman attributed the low growth in turnover to a number of factors including:

- The recession and the state of emergency;
- The legal battle over petrol;
- Increased competition;
- The strike in May, which cost R10m in turnover;
- Emigration, which hit stores in certain areas; and

● The bomb blast at the Montclair supermarket in Durban

On the increased competition, he said the latest Nielsen figures gave Pick 'n Pay, which has 92 stores, 37,7% of the national major foodstore market. The figures for its main competitors were 24,1% and 24,2%. In the Western Cape Pick 'n Pay had 48,6% of the market.

He said that the September trading figures showed "a splurge of turnover — it's as if someone has turned a knob" and the figures were up 14% to 15%.

Joint MD Hugh Herman said that turnover had gone screaming up since the recent expansion programme was completed and he predicted that the turnover increase in the second half of the year would be higher than that for the second half of last year.

The Ottery hypermarket, which will be the second in the Western Cape, opens on October 29 and is expected to attract vast new business and have a big impact on turnover. It may be open on Saturday afternoons if the demand is there.

# Staff steal R10m a day

Q/A Times 3/10/86  
Financial Staff 30

STAFF in the retail sector are stealing R10 million a day from their employers, according to Minet insurance brokers.

Reporting a huge increase in employee dishonesty, Minet says this accounts for 85% of total losses and is costing consumers a fortune.

Dispatch, delivery and receiving staff are the worst offenders and Ian Stewart of Minet Marketing and Technical Services said: "The scale of pinching is incredible. And it's a major area where insurers are increasingly repudiating claims."

The Minet report says it is ironic that so much security is aimed at consumers — bordering on the intimidatory in some stores — while behind-the-scenes policing seems lax.

"The new labour legislation of recent years has greatly hampered management's ability to control and discipline the offenders. Miscreants often escape. Many of the known losses run to six figures and — sometimes to seven."

Meanwhile, all insurers and re-insurers have recorded substantial fidelity guarantee losses and disastrous underwriting results. Minet says they are now being very selective with new risks and even renewals.

"Policy wordings for fidelity guarantee are becoming more restrictive, insurers are imposing onerous terms and conditions and adopting a very tough attitude towards claim settlements."

There are also problems in other sectors and in manufacturing, for example, staff dishonesty losses run to 90% of employers' total shrinkage.

Minet says that unfortunately many employers refuse to admit that their staff have been dishonest. They prefer to attribute shortages or deficiencies to omissions or accounting errors rather than to alert insurers.

Others prefer to launch a private investigation, hoping to catch the culprits red-handed.

But, the Minet report says: "All such preferences invariably hamper the course of justice."

## COMPANIES

# Encouraging upsurge in sales, says Pick 'n Pay

May 3/10/86 (30)

By **DEREK TOMMEY**  
Financial Editor

AN encouraging upsurge in sales, an increase in profits and dividend, and several important new developments are reported today by Pick 'n Pay, the Cape Town-based discount foodstore group.

Mr Raymond Ackerman, chairman, says increased competition, the tough economy

and a strike in May resulted in turnover in the six months ended August rising by only 10,5 percent.

However, cost cutting and improved productivity resulted in profit before tax rising 12,5 percent to R28,5-million. Profit after tax increased by 13 percent to R15,1-million, equal to 77,3c a share. The dividend has been raised 11,6 percent from

21,5c to 24c a share.

"This is a very satisfactory result in an extremely tough climate," says Mr Ackerman.

The second half of the financial year has started extremely strongly with a surge in turnover in the last 10 days of September.

"This is encouraging for the second half-year, though there

has also been a surge in competitive activity."

But Pick'n Pay is confident it can produce good results in the second half despite the increased competition.

## OTTERY SUPERMARKET

Major developments planned by the company are:

- The opening of the Ottery supermarket later this month. This is an exciting development and much effort has gone into it, Mr Ackerman says.

- The opening this month of a food store at the Durban station to cater for the downtown Durban lunch trade. "This is an experiment and an enormous amount of planning and effort had gone into it."

- The opening of a cash and carry warehouse called "Price Club." Should it be successful the aim is to develop a chain of them as a third major development of the company, following supermarkets and hypermarkets.

Mr Ackerman says Australia continues to be an exciting prospect, but a difficult one. The first store in Brisbane is growing satisfactorily, but for political reasons opposition is being experienced in getting permission to build a second store.

Discussions are taking place with the trade unions on a regular basis and after a difficult situation in May, things have settled down reasonably well.

"I think both sides are going through an important and urgently necessary learning curve, and at the end of the day the country will be better off for having a more sophisticated management and a more sophisticated labour movement."

## New property trust to offer units

A NEW property unit trust is to offer 1,6-million units to the public at R5 a unit.

The trust, named Sycom, has a R139-million portfolio of 15 CBD retail and commercial properties and is being launched by Syfrets, Commercial Union and UAL Merchant Bank.

The fund is due to be listed in the property trusts sector of the JSE on November 13.

### PROJECTED EARNINGS

In addition to the public offer, 27,7-million units worth R139-million are being subscribed for by the promoters and certain major financial institutions to finance the acquisition of the property portfolio.

Projected earnings for the 10,5 months ended September next year amounts to R15,7-million, equal to 52c a unit or an 11,9 percent annualised yield on the issue price.

The properties are 98,97 percent occupied, with 45,1 percent in Sandton, 24,9 percent in Pretoria, 22,6 percent in Johannesburg and 7,4 percent in Durban.

Tom Hood

## M & F profits soar

MUTUAL and Federal Insurance achieved a sevenfold increase in pretax profit to R21-million after slashing its underwriting losses and boosting investment income in the year to June 30.

As a result the final dividend is being raised 35 percent to 100c (74c) for a total payout of 131c (105c).

Dividend cover has also been increased to 3 times from 1,6.

### BIG IMPROVEMENT ON LOSSES

The chairman, Mr J G van der Horst, reports a marked reduction in the incidence of major commercial and industrial losses but the underwriting loss was still substantial at almost R9-million. However, this was a big improvement on the losses of R23-million a year ago.

Investment income jumped by R4-million to R30-million.

Profit soared from R3-million to R21-million but earnings were tempered by a R2,6-million tax provision after a R6,6-million tax credit a year ago. Net profit, however, more than doubled to R18,5-million for earnings of 399,5c a share, up 137 percent on the 168,5 earned last year.

Tom Hood

## Mitchell Cotts' profits slump

### Argus Foreign Service

LONDON. — Mitchell Cotts, the engineering, speciality chemicals, freight forwarding and trading group, surprised the City by reporting a collapse in pretax profits from a restated £10,9-million to £39 000 for the year to June 30.

Mr John Storar, chairman, said a £4,3-million turnaround to a £2-million loss in South Africa, a £4,2-million exceptional contracting loss, a £1,9-million adverse currency movement and East African tea profits down £1-million on last year were the main reasons for the sharp profits drop.

# Pick 'n Pay earnings show it's still ahead in the retail war

3/10/86 STML (30)

By Sven Lünsche

Pick 'n Pay has maintained the edge over its rival retailers after the first round of the renewed price war in the retail sector.

Following Tradegro's disastrous results, Pick 'n Pay showed a 13 percent increase in earnings to 77,3 cents a share in the six months to end-August, in a market environment which has been described as the most difficult in years.

Not only did confidence

among white consumers, the chain's major target market, hit rock-bottom, but the three majors are involved in fierce competition, with the subsequent price war pushing down margins to a bare minimum.

## VERY TOUGH

Inflation for food products has also been running at 20 percent, above the average annual inflation rate of 18 percent, and consumers have never been as price-conscious as during the last

half year.

"We have experienced a very tough six months, but our cost-cutting programmes and our very aggressive marketing and advertising campaign has paid off," said Pick 'n Pay's chief executive, Mr Hugh Herman.

He added that the group's turnover at R1,13 billion, an increase of 10,5 percent on last year's interim, was satisfactory considering the market conditions.

"But we are looking for a return to higher levels in the second half, as we are operating from a lower base for the full financial year."

But clearly turnover, down by almost 10 percent in real terms, was significantly affected by the strike which is estimated to have cost the group more than R60 million in sales.

However, "with everything running smoothly in



Mr Hugh Herman

the second half we are looking at earnings a share of between 200 and 205 cents for the full financial year, very much in line with the percentage increase in the interim," Mr Herman said.

The group's Australian venture remains a problem area, although the first store in Brisbane is running well, but political pressure could well force management to reconsider its operations down under.

# Business Day

Natal, Western Province, Eastern Province 80c (71c + 9c tax)

THE VITAL VIEWPOINT

30 BUS DAY

## Pick 'n Pay beats tough spell to post a 12,5% profit rise



**SUPERMARKET** chain Pick 'n Pay has posted pre-tax profits of R28,9m for the six months to August, representing an improvement of 12,5% on the R25,6m earned in the comparable period in 1985. This comes after what has been described as the harshest retailing climate for years.

The profit was from a turnover of R1,13bn, which reflected growth of only 10,5% on gross income of R1,02bn achieved in 1985 — a performance which chairman Raymond Ackerman rates as the lowest in the group's history.

In the circumstances, he expresses guarded satisfaction over Pick 'n Pay's net earnings growth of 13% to R15,1m (R13,4m).

With the market-place already signalling a sharp improvement in consumer spending, an interim dividend of 24c (21,5c) has been declared. Ackerman spells out a number of factors he believes have contributed to slowing down Pick 'n Pay:

- A highly competitive market which has put extreme pressure on margins.
- A slack economy with no steam in the consumer market.
- A noticeable emigration of families from wealthier areas like the northern suburbs of Johannesburg.
- The prolonged strike Pick 'n Pay experienced during the six-month trading period. The direct losses in turnover to the group are estimated at R10m a day, together with some customers switching to other chains.

He believes the group has come out of the six months a much leaner and healthier ship, and well placed to see turnover and earnings gather speed once more.

"We have learnt to run our operations more efficiently from the experiences we gained in Australia," said Ackerman.

Chief executive Hugh Herman predicts that turnover growth in the second half will be back up to the levels the group has been used to.

September sales figures had come out strongly, he said yesterday.

"There has been a definite surge in turnover in the last 10 days of September, which is very encouraging for the second half-year," Ackerman said.

CHRIS CAIRNCROSS

we gained in Australia," said Ackerman.

CONTRIBUTOR'S RETURN

# Call for private sector to resist apartheid

**Dispatch Correspondent**  
STELLENBOSCH — The private sector will increasingly have to demonstrate that it does not operate "hand-in-glove" with those failing to champion serious reform in South Africa, the head of the Urban Foundation, Mr. Jan Steyn, said yesterday.

This was particularly important in relation to the sanctions question, he said in a paper read on his behalf, to a conference on corporate social responsibility, hosted by the University of Stellenbosch's Institute for Futures Research.

The question as to whether the South African private sector was resisting grand apartheid was already being asked overseas, he said.

A fundamental question was whether the private sector was merely busy making "opposition noises", while using its financial and industrial capacity to keep the existing system alive.

Opening the conference, the director of the Institute for Futures Research, Dr Philip Spies, said that if business was to have a future in South Africa, it needed a vision greater than self-interest.

The industrial relations head of Anglo American, Mr Bobby Godsell, said socially responsible companies should promote the growth of unions, as these organisations served as the "training colleges and universities of democracy."

Companies should become the centres for constructive dialogue between workers and management, on issues like sanctions, and debates on capitalism and socialism.

The Cape chairman of the signatories to the Sullivan Code, Mr Arthur Swartz, said management through baaskap needed to be replaced by management through indaba.

# Profits worse than 'awful'

By David Carte

TRADEGRO chairman Mervyn King warned the market that his company's results for the year to June would be awful.

But they were even worse than expected, and the share price dipped sharply after they were released.

Operating profit before interest was R6.6-million compared with R7-million in the first half, which means there was a small loss before interest in the second half.

Metro Cash made R25-million and Cashbuild R2.5-million before interest and tax. Jazz and Joshua Doore were on board for only part of the

period, so their contribution is hard to assess, but it is quite evident that the good parts of Tradegro made R30-million before interest and tax.

So Checkers, Dion and Rusfurn together lost R30-million before interest in just the second half.

Mr King tells me that trading conditions were tough. Not only were there consumer boycotts but Checkers was chasing market share to qualify for confidential discounts.

It has been successful beyond its wildest dreams, he says, but it came at a price. Mr King has also done a thorough clean-up in all three loss-making companies. Now he reckons every division ex-

cept property is in the black.

Even though losses in the R160-million property division are likely to exceed R10-million, he forecasts a profit for the entire group after interest this financial year. Now this is to predict a monumental turnaround — an improvement of R68-million to be precise.

## Rectified

What daunts the market is the state of Tradegro's balance sheet. Debt has been reduced by nearly R70-million, but new compulsorily convertible debentures to the tune of R116-million are still a R22-million annual burden. In addition, prefs cost R7-

million a year, so, even if the ordinary interest bill comes down "dramatically" from R49.5-million, Tradegro has a heavy financing burden to carry.

Mr King reckons this will be partly rectified by the listings of Rusfurn midway through 1987 and Checkers in late 1987. Most of all, he would like to find a buyer of the property portfolio but that is not on yet.

Tradegro's properties and its prefs and debentures are major detractors, but if this group can attain a margin of only 1.5% on sales approaching R4-billion, we are looking at R60-million before interest — and an extended tax holiday. So the daring might as well persevere.

5/10/86 summaries (30)



# Pick 'n Pay all set to spark Wholesale War 30

By Sven Linsche

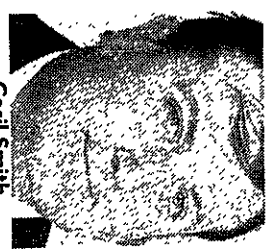
Pick 'n Pay's entry into the wholesale market will see the war for consumers and market share in the retail industry spread to the cash-and-carry wholesaling business.

The chain's entry into the market will start in December, when the first Price Club store opens near Vereeniging and Pick 'n Pay aims to have more than five stores operational within a year.

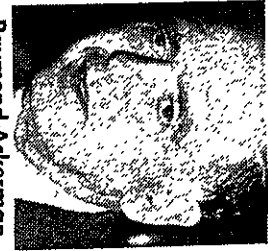
Wholesale giants Trador and Metro, however, will not watch Raymond Ackermann's offensive passively and both groups have extensive expansion plans of their own.

While the wholesale market is generally regarded as stable, it has been affected by the retail price war and according to Metro's MD, Mr Cecil Smith, "this has taken a bit of the edge off the market, as most wholesalers have close relations in the retail sector."

Recent statistics show that sales in the wholesale trade, for the goods largely traded by the big stores, are estimated around



Cecil Smith



Raymond Ackermann



Carlos dos Santos

R5 billion this year, substantially up on last year.

Another important factor has been the swing towards cash and carry buying, as an indirect spin-off from the black consumer boycotts. With so many township dwellers being forced to refrain from buying from the traditional white supermarkets, business in township cafes have been doing a roaring trade.

And it is the owners of these cafes that have provided the backbone of the spending surge at cash and carry outlets.

Also, many manufacturers who previously distributed directly in the townships have halted that practise and forced store owners to pick up their

own supplies from the cash and carry operators.

All these factors together should provide room for Pick 'n Pay in the cash-and-carry market. And, not surprisingly, his major opponents predict Raymond Ackermann and his team should be able to make substantial inroads.

Says Score MD, Mr Carlos dos Santos: "Despite its ups and downs the wholesale market in general is growing, and Raymond Ackermann, being the excellent operator that he is, will undoubtedly gain good market share."

Mr Cecil Smith agrees: "Much of Pick 'n Pay's success will depend on the leadership abilities

of Sean Summers, the group's head of the Price Club stores, but there is room for another store in this expanding market."

Analysts said the market, with Trador and Metro, seemed well supplied.

"To make inroads into the market Pick 'n Pay will have to cut margins, which will make it more expensive to start out, in addition to high entry prices for the store," one analyst said.

Margins are already tight with a two percent operating return these days regarded as a comfortable cushion.

The retail and the wholesale markets move very much in line with one another, but the cash-and-carry business generally shows better returns during a recession than when consumer confidence is booming.

It therefore makes sense for Pick 'n Pay to protect itself from a slump in retail sales. Also it seems that Price Club is aimed at the black market to a greater degree than its retailing partner.

Analysts also point out distribution efficiency is important.

Pick 'n Pay's warehouses are located so as to cater for their retail stores in the white suburbs of major cities and the group could face extensive operating costs in view of their strategy of placing stores within easy reach of black township traders.

Pick 'n Pay is, however, confident about its foray into wholesaling.

"It is a market which still has a lot of growth and we think that we can overcome the starting problems and establish ourselves in the market in a big way," said Pick 'n Pay chief executive Mr Hugh Herman.



# Shops fear long-term change in black buying

Economics Reporter

BLACK consumers have started to trickle back to Port Elizabeth's North End, and retailers who have survived the past year's two rounds of consumer boycotts say business is picking up.

But most say they do not expect sales to return to the levels of three years ago — when PE's car industry was booming.

Many worry that the recent boycotts will cause fundamental long-term changes in the way their black customers spend their money.

Leaders of the latest six-month action announced recently that they had lifted the boycott until November 3, pending government's reaction to demands for the release of all detainees, lifting of the state of emergency and withdrawal of troops from townships, among others.

Some observers speculated that organisers had suspended the action because it was losing strength in some areas.

Retail sales in the city for the first six months of 1986 were R606m — 3,7% of the SA total, the local Chamber of Commerce said.

PE's share of the nationwide total declined slightly from 3,8% in the first six months of 1985, but improved from the deep slump of that year's last six months.

Of PE's retail zones, the North End was by

In the second of a four-part series on the city *Business Day* looks at its future economic prospects in the wake of the car industry collapse

far the hardest hit by the boycotts. Other areas have lost sales because of the city's loss of employment and the country-wide recession, but none have been as dependent on boycott-sensitive black patronage.

It is largely the clothiers and consumer goods dealers in the North End that have lost the most business in the last 18 months.

The businesses that have shut down in the last six months — like Newports, Kolnick's and Cash Wholesalers, all on Main Street — have tended to be large general merchandise retailers.

Other stores which once made money on relatively healthy margins "now have to survive on turnover", one store-owner said.

The owner of a small Main Street clothing store, which was empty at last Thursday's lunch hour, said 90% of his customers were black — a demographic phenomenon that magnified the boycott's effect on his store.

The few black customers that did come in through the boycott, he said, were "petrified".

At a consumer electronics dealer on the same block, the owner said business was improving, but added that "with or without the boycotts, things are still quiet". He attributed a 25% decline in sales to the stayaway.

Other dealers, mainly those specialising in durable goods and trade business, have not suffered the same loss. But Leo Davis, who runs a hardware store with his father, said he has felt the impact of the area's general economic decline.

"We're still running the business all right, but we don't have the growth we used to," he said.

PE's Chamber of Commerce estimates that North End retailers retrenched about 15% of their employees in the course of the boycott.

About half will be re-hired. But most will return only as temporary and part-time labour until the probability and extent of a third boycott is gauged.

Observers differ on how many of these lost jobs have been offset by new employment at black-owned retailers.

30 (12/8)

Bus. DAY 6/10/86

# Black needs will change SA's face in the next decade

WILLIE HARRIS

THE numbers game is changing the face of SA in more ways than one. The black population explosion is expected to cause a surge of more than 4-million rural blacks into the country's major cities in the next decade — or thereabouts.

The country will have to accept the existence of townships on an "informal settlement" basis around major cities.

And government and the private sector are gearing up to face this challenge, although there is still a dearth of information on just what methods will be used.

This *Business Day* survey contains a wide spectrum of opinions from people involved in meeting the problem — and it would appear that the key to the solution is the offering of "options" to blacks requiring shelter.

The options are likely to range from minimum servicing — like a water tap for 20 families who will then be allowed to build their own shacks with whatever materials they can afford — through toilet-plus-tap and a small loan for R3 000

to R5 000 to buy specified materials from a central depot, to the construction of a "core" house of two bedrooms which can be added to as the homeowner can afford it.

On the higher scale, for families with a minimum total income of R380 a month, the building societies are stepping in to help, with the Perm Building Society leading the way.

During the past year, the Perm has lent nearly R150m to blacks and is lending at the rate of R25m a month. The United Building Society is also coming on strong with loans of almost R100m during the same period.

The Housing Trust, started by government with R400m as "seed" capital to encourage private sector finance, is still in the birth stages, but it appears that the existing financial infrastructure will be adhered to.

The main problem is that 80% of the black population about to migrate to the urban areas can afford little or nothing in the way of hous-

ing, and shelter of some kind must be provided to avoid a dangerous social situation with health risks and rising crime.

Above all other considerations is the fact that housing is vital for political stability in such a massive rural-to-urban metamorphosis.

Two other positive factors must be taken into consideration — the increased employment opportunities which will be created, and black willingness to play their part in the form of "Sweat Equity" — building their own shack, shelter or home by themselves.

The "Sweat Equity" concept is illustrated in the article on the Daveyton development at Holfontein, but the necessity for installing infrastructures for servicing those areas will also provide job opportunities for contractors who will need to use heavy machinery in many cases, particularly in more up-market developments.

But the question of affordability remains central, and in this area finance at rates lower than the present market rates, through subsidies of one kind or another, look to be essential.

# Business facing hush-hush trade

300 DAY 6/10/86 30

COMMERCE and industry must become security-conscious if SA hopes to enter the cloak-and-dagger world of sanctions busting, says Johannesburg Chamber of Commerce (JCC) president Pat Corbin.

Commenting on Deputy Minister of Finance and of Trade and Industry Kent Durr's statement that government would advise on unconventional trade methods, he said business had to start operating on a need-to-know basis, even with trusted staff.

He said: "Everything will have to be done on a confidential basis. Government certainly has information available to it through its embassies and consular staff. This information will, I presume, be made available to commerce and industry."

Corbin, a leading sanctions-buster,

MICK COLLINS

during the days of the Rhodesian UDI, said there would be maximum liaison between organised commerce, industry and government.

He said: "They (government) will see to it that unnecessary premiums and discounts on exports are avoided. They will also alert people to inherent dangers — such as bad credit risks — of trading under the counter."

Durr said in Cape Town at the weekend: "Government's role is to advise — and we do — on unconventional trade methods. We have developed skills in the departments of trade and industries and finance to advise people on this level."

● To Page 2 →

# Business facing hush-hush trade

300 DAY 6/10/86 30

Durr would not be drawn on details of what he called "unconventional trade".

He said: "Our stance as a government is that we do not believe in boycotts or sanctions and that we will remain reliable and consistent suppliers of goods and will do our utmost to make this possible."

Some of the US sanctions would be less effective than others.

Durr said: "If we are serious about reform, which we are, then we must be serious about economic development and we must find ways of doing this."

"We do not believe in sanctions or trade boycotts. Sanctions seldom work but they almost always add to costs because of extra middlemen."

● From Page 1 ←

New acquisition knocks results

Cash 7/10/86  
30 25

# Score Food lifts earnings by 48%

By AUDREY D'ANGELO  
Assistant Financial Editor

SCORE FOOD HOLDINGS — the rapidly growing supermarket and wholesale cash and carry group — lifted net attributable income by 53% to R3,2m (R2,1m) for the 27 weeks to August 30. Earnings rose by 48% to 23,2c a share and the interim dividend by 50% to 7,5c (5c).

## Grand Bazaars

Results would have been even better if it had not been for a loss of R285 742 in the three months, by Score's new acquisition Grand Bazaars, now renamed Grand Supermarkets.

Without this loss, earnings per share would have been 60% higher.

But the deputy MD of Grand Supermarkets, Mike Palmer, said that now the stores had been refurbished and the chain's image changed, he was confident it would be turned around and a profit of at least R750 000 by the end of February could be achieved.

"We are remarketing the company

and it has been reborn. All the signs are positive. Things have been going exceptionally well."

The directors say that R180 000 of Grand's losses are non-recurring. The chain contributed R39,7m to group turnover between its acquisition by Score in June and the end of the half year.

The group will also benefit from an assessed tax loss at the end of the year. Taxation for the current period has been provided for at the rate of 50%.

## Hiscore

The directors say that although trading margins continued to be under pressure in the adverse economic situation, both the retail division — Score Discount Food Stores and A & A Supermarkets — and the wholesaling division, Trador, performed ahead of expectations.

They expect earnings in the second half of the year to be better in spite of difficult trading conditions.

Hiscore, the newly listed group pyramid, will pay a maiden dividend of 3,75c a share.

Cash 7/10/86 30

# Cash and carry 'growing'

JOHANNESBURG. — Independent market research has established that Metro Group holds a dominant 31% market share of cash and carry wholesaling in SA, MD Cecil Smith says in the annual report for the year to June.

"We intend to improve on this share, but growth will also be achieved through expansion of the overall cash and carry wholesaling marketplace.

"The best available estimates suggest that, despite its rapid growth, cash and carry wholesaling today handles only 30% of all consumer goods distributed in Southern Africa.

"As more manufacturers realise the benefits of using cash and carry, wholesalers to act as their distribution arm, the swing towards cash and carry is expected to continue."

Smith said liquor wholesaling had been introduced at five stores in the group. A further 24 liquor departments were envisaged.

Forecasting record profits in the current year, he said: "Sales are running at acceptable levels and we are confident that we will exceed our projected turnover of R1 574m in the year to end-June.

"Increased competition means margins are under pressure, but we will protect and increase our market share. Expenditure is under control and will be constantly re-examined to ensure that we improve efficiency.

"The liquidity of the company has improved tremendously and we are well poised for future expansion." — Financial Staff and Sapa

ISC SA tax

# Wholesale centre is huge

7/10/86  
30 BUSDAY

THE largest wholesale outlet in the Southern Hemisphere will be opened tomorrow when Metro Cash and Carry opens the doors of its new trade centre in Denver, Johannesburg.

It will be the third and largest centre of its kind to be opened within a year by Metro, whose holding company is Tradegro.

At a Press conference yesterday, Metro Group managing director Cecil Smith said the new centre had a massive floor space and carried 45 000 different product line items including food, clothing, textiles, hardware, liquor and high-tech.

Customers of the trade centres were mainly local black small traders ranging from owners of mini-supermarkets to cafes.

Metro, he said, was trying to ensure

that the smaller retailer remained in competition with supermarket chains.

Smith added that the Denver Trade Centre, which will employ more than 300 people, was the third of six potential centres to be completed within the next two-and-a-half years.

Metro Cash and Carry divisional general manager Andrew Reitzer said the range of products at the centre will herald the introduction of the "ultimate in one-stop cash-and-carry shopping".

Cash and Carry's first trade centre was opened in Pretoria last November and its second in Springs in July.

Metro has more than 130 outlets countrywide.

THELMA TUCH

# Sparkling Score goes from strength to strength

By Peter Farley  
Investment Editor

Score Food Holdings surpassed even the most optimistic forecasts, with a more than 50 percent increase in earnings in the half year to end-August.

But, with the full benefits of the Grand Bazaars takeover and a traditionally stronger second half yet to come, full year earnings could be as much as 60 percent ahead of last year.

However, even the interim results would have been 60 percent better than last year, if the R285 000 lost by Grand Bazaars had been stripped out.

For the record, group turnover shot up by 73 percent to R330,6 million, which produced pre-tax profit 54 percent higher at R6,4 million. An interim dividend of 7,5c a share was paid out of net earnings up to 23,2c from 15,7c.

Score has adopted its traditionally conservative interim accounting by allowing for a 50 percent tax rate. But, with the losses from Grand being brought to account, this will also drop sharply for the full year — allowing even more benefits to flow through to the bottom line.

MD Carlos dos Santos says that although Grand produced a loss for the three months it was a part of the group in the first half, major changes at the Cape-based retailer mean that it is on track to produce net income in excess of R1 million in the second six months.

The ease with which Score has absorbed the deal — even management resources have not been really stretched as three key individuals have been brought in from outside to run the new subsidiary — means that the company is already well placed for further acquisitions.

Not that Dos Santos has anything immediately in line, but it is clear that further deals aimed at improving the group's geo-

graphic representation are on the cards. And, though he would not comment specifically, it appears as if the group's absence from both the Natal and Eastern Cape markets will be rectified.

There is little doubt that the wholesale market is going to hot up next year, particularly after the entry of Pick'n Pay, and Dos Santos expects this to result in casualties among the smaller operators. There should, therefore, be some potentially cheap acquisitions in the offing.

The speed with which Grand has been turned around bears testimony to the strength of Score, pretty much regarded as a fledgling in the business as recently as two years ago.



Carlos dos Santos

## Metro has reason for optimism

Financial Staff

The optimism in the Metro Group following its relisting is reflected in record annual results for the year to June 28.

Net income is up 32,8 percent to R11,9 million on a 26 percent rise in turnover to R1 283 million. Changes in the company's structure, however, make comparison almost meaningless.

Nevertheless, more record profits are forecast for the current year, while the high level of liquidity — Metro has R30 million cash on hand — underlines the strategic advantages offered for planning and expansion.

The managing director, Mr Cecil Smith notes: "Sales are running at acceptable levels and we are confident that we will exceed our projected turnover of R1 574-million in the year to end-June."

Dos Santos points out that the group's buying power has been a major factor in improving efficiencies at Grand — particularly in getting the smaller chain better confidential discounts from the manufacturers.

Looking at the black market, where the group already has a major exposure through both its Score supermarket outlets and its Trador Cash and Carry operations, Dos Santos sees enormous potential growth through the link now established with several leading Soweto businessmen.

It is a sensitive area at present, but the opportunities for expanding that relationship should be of enormous long-term benefit to the group.

The Malawi deal has yet to come to formal fruition, due to prolonged negotiations with the foreign exchange control authorities. However, that too should open up considerable access to trade north of the Limpopo — particularly given Malawi's cur-

rent opposition to sanctions.

The group's balance sheet has, uncharacteristically, taken on some debt after the Grand purchase. But Dos Santos says that this is being addressed and should be sorted out by the year-end, or early next year.

For the time being there seems little that can hold back the team at Score, with plenty of scope in terms of organic expansion and opportunities on the horizon for more acquisitions. The share has been one of the most highly rated on the JSE for some time, with yesterday's 1475c price offering a miniscule one percent historic dividend yield.

Even with a potential 50 percent increase in the final payment — which would make a payout of 24c for the year — the forward yield is only 1,6 percent. It therefore appears fully priced, but with such growth potential there is no way that price is going to get any cheaper.

"Increased competition means margins are under pressure, but we will protect and increase our market share. Expenditure is under control and will be constantly re-examined to ensure that we improve efficiency."

"The liquidity of the company has improved tremendously and we are well poised for future expansion."

"Profitability remains satisfactory and the projected attributable net income of R14 million, compared with R11,9 million in the past year, should be exceeded."

If so, earnings should top 15,7 cents a share and under the declared policy of paying a twice covered dividend this would indicate a payout of 8c a share or more this year.

"Independent market re-

search has established that Metro holds 31 percent of the cash-and-carry wholesaling market in Southern Africa. We intend to improve on this share, but growth will also be achieved through expansion of the overall cash and carry wholesaling marketplace.

"The best available estimates suggest that, despite its rapid growth, cash and carry wholesaling today handles only 30 percent of all consumer goods distributed in southern Africa."

"As more manufacturers realise the benefits of using cash and carry wholesalers to act as their distribution arm, the swing towards cash and carry is expected to continue."

Metro has opened three Trade Centres since November last year.

"We are remarketing the company" 5,100

ONE TIME 11/10/86 (30)

# Cash and carry 'growing'

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TIC SA tax

Business Digest



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## Dismissal sparks stoppage

BISHOP — Workers at Pick 'n Pay here stopped work yesterday after an employee was dismissed.

The supermarket chain's general manager for the Eastern Cape, Mr. Terry Carroll, confirmed that an internal dispute had taken place but denied that a strike was in progress.

The contention between the workers and management was whether the dismissal was justifiable or had been carried out correctly.

Management had held talks with the workers, he said.

When a Daily Dispatch reporter visited the scene only three tills were operating.

Many would-be shoppers queued outside the closed doors as security guards allowed only two people to enter at a time.

Comment could not be obtained from the workers, who were at the back of the shop. — DDR

was agreed unanimously.

Hollings has decided that it is

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township with clearly defined entrances and exits which could be monitored by a boycott committee.

Sowetan Editor Joe Latakomo told the conference that boycotts had affected township buying patterns.

He said the trend seemed to be to buy now and beat any Christmas consumer boycott. Marketers should adapt their marketing strategies to circumstances.

Consumers, he said, were aware that the current situation in SA — including the state of emergency and continued detentions — were reasons to call for a "Black Christmas".

# Group Areas Act 'has made boycotts possible'

tors not subject to boycotts. Consumer boycotts were now largely political and included demands, such as the removal of troops from the local shops, beyond the scope of the local chamber of commerce to effect.

The boycotts were more successful in those areas where there was a distinct

THELMA TUCH

As a result of boycotts in the Eastern Cape, many white businesses had been declared insolvent, Ridgway said.

Others managed to re-adjust their marketing approach by adjusting their business to concentrate on market sec-

ASSOCIATED Chambers of Commerce (Assocom) president Rocky Ridgway yesterday blamed the Group Areas Act for making consumer boycotts possible in SA.

He was addressing a Marketing Mix conference on "The black component — a part or apart" at the Sandton Sun hotel.

Boycotts, he said, stood little chance of success if there were no clear differentiation between white and black trading areas.

"When blacks have been precluded by law from trading in the white city, the boycott target is clearly identified."

# 200 jobs created at PE business 'hive'

By KIN BENTLEY  
 MORE than 200 new jobs have been created in 51 small businesses at Port Elizabeth's new "hive" of industries in Lindsay Road.

This was announced by the managing director of the Small Business Development Corporation, Dr W B Vosloo, at its official opening today.

And, he said: "The waiting list of 85 entrepreneurs indicates that the present hive could be doubled in size when premises are available."

Already the hive system has created 300 jobs in the city, compelling the SBDC to move from its original premises in Korsten, where 92 people operated 23 concerns.

The hive's manager, Mr Arnold Meiring, said the SBDC in PE had in the past three months received over 300 inquiries. If more units were available, many inquirers would already have come back with definite applications.

He described the PE hive as the "pacesetter in our entrepreneurship training and development programme".

He said a measure of the success of the SBDC's first hive at Korsten, established last year, was that five participants had already moved out and established themselves in their own premises.

Two were cabinet-makers, two had engineering works and the fifth was a blacksmith.

"The SBDC intends to further expand the present hive which will com-



Mr DON PFOTENHAUER, director of Feltex, cuts the tape to open the Small Business Development Corporation's new Industrial hive in Port Elizabeth today, watched by (from left) Dr W B VOSLOO, managing director of the SBDC, Port Elizabeth's Mayor, Mr BEN OLIVIER and Mr WILLIE FOUCHÉ, the SBDC's special projects manager.

prise an area of 4 000 square metres once a planned 11 extra units have been added.

"This hive has provided a model for small business development in the rest of the country."

Mr Meiring said the development and extra demand for space was a clear indication that the negative image people had of PE was false. All the businesses were doing well, he said.

Most of the firms had PE markets, he said, but three participants sold almost exclusively else-

where in SA, and had secured a lucrative US market.

The hive was first occupied at the beginning of June, replacing a smaller one in Standford Road, where 92 people were employed, but which could not keep up with the demand for space.

A 500 square metre warehouse could become available at a later stage.

Two-fifths of the new hive was geared to timber-related work, two-fifths to engineering, and the remainder to textiles and soft goods.

# Group Areas blamed for boycotts

Dispatch Correspondent

JOHANNESBURG —

The president of the Associated Chambers of Commerce (Assocom), Mr Rocky Ridgway, yesterday blamed the Group Areas Act for making consumer boycotts possible in South Africa.

He was addressing a conference on "the

black component — a part or apart" here.

Boycotts, he said, stood little chance of success if there were no clear differentiation between white and black trading areas.

"When blacks have been precluded by law from trading in the white city, the boycott target is clearly identi-

fied."

As a result of boycotts in the Eastern Cape, many white businesses had been declared insolvent, Mr Ridgway said.

Consumer boycotts were now largely political and included demands, such as the removal of troops from the

townships, beyond the scope of the local chamber of commerce.

The editor of the Sowetan, Mr Joe Latakomo told the conference that boycotts had affected township buying patterns. He said the trend seemed to be to buy now and beat any Christmas consumer boycott.

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the north (Turffloop).

Claiming to be Dr Jeffrey Chaucer, dean of the drama faculty at New York University, he operated on the campus for a month before university officials became suspicious.

He has been identified as Mr K.J. Mam-

third PhD while doing research in Northern Sotho.

The registrar (academic) at the university, Mr M.J. Malatji, said yesterday the supposed Dr Chaucer was issued a university ID card allowing him to move freely on a campus heav-

ceived by the class.

University officials became suspicious when Mampuru sought lodging with a private family on the campus. They then launched an investigation into his background.

He was later apprehended and turned over to the Mankweng police.

council's decision to impose a R30 application and licence fee on hawkers to sell their produce on city streets.

The decision came after a councillor, Dr Brian la Trobe, had suggested that the fee be dropped, but he was outvoted on the issue, Mrs Lorraine said.



The Small Business Development Corporation's hive of industries in Stutterheim was officially opened yesterday. At the opening were, from left, the Mayor of Stutterheim, Mr Trevor Collett, the managing director of the SBDC, Dr Ben Vosloo, and two members of the Stutterheim Small Business Association, Mr Martin Tofile and Mr Nico Ferreira.

**Business Editor**  
STUTTERHEIM — Development was a "do it yourself thing" and not something that could imply be brought to plateland towns from the major centres, the managing director of the Small Business Development Corporation (SBDC), Dr Ben Vosloo, said here yesterday.

Dr Vosloo officially opened an SBDC "hive of industries" — a complex of workshops for small businessmen of all ages, established in a disused building at Stutterheim.

So far space in the 16-square-metre complex has been allocated to 19 small businesses which include watchmaking, saw sharpening, welding and hairdressing. The SBDC also has

in the Border area, that a "bigger is best" attitude towards development before World War II had underestimated the importance of the small business sector in generating jobs and wealth.

"They forgot the essentials of economic processes that have little to do with slogans or words like capitalism or socialism. The essence of the economic life cycle involves individuals who produce goods and services for which there is a market.

"Apart from raw materials or natural resources, the entrepreneur is also an important factor in production. You need the entrepreneurial spirit to ignite the economic engine, and the small entrepreneur is the person who gets things done," he said.

Long-term growth and jobs could not be cre-

ated by the institution of government. "All the countries which have prosperity and growth are ones in which free enterprise and entrepreneurship are fostered — where people are given scope to develop their abilities."

Dr Vosloo appealed to representatives of all communities to "join forces and focus on the things they agree on" to achieve development. "In our society we need to rope in all the people, all the talents we have and give everybody a chance.

"Our country will never be safe or prosperous unless it provides equal opportunities to all people. I am not a firm believer in redistribution of wealth, that is something you can do only once. But I do believe in equal distribution of opportunities," he said.

The SBDC had established a Local Enterprise Task Group Scheme (LETS) with the object of assisting community leaders to identify and establish local projects such as Stutterheim's "industrial motel." In addition to advisory and training services it could also provide local leadership with funds to supply credit facilities to small businesses which did not have access to bank credit.

"Each of the towns in the Border should have its own LETS committee. The SBDC will be happy to give its services," Dr Vosloo said.

The SBDC was registered as a company and run by private sector shareholders, which included more than 90 of the major companies in South Africa, with the government as a 50 per cent shareholder. It was run on profit lines and the after-tax profits, averaging R10 million a year, were ploughed back into further development projects.

Programmes included funds to assist the establishment of new businesses and to alleviate short-term cash flow problems of ailing businesses which had "survival potential".

# Stutt's hive of industry under way

# SBDC may expand activities

By KIN BENTLEY

THE Small Business Development Corporation, because of the "vast challenges" in the Eastern Cape, is "seriously considering" giving its Port Elizabeth office full regional status.

This was said by the corporation's managing director, Dr Ben Vosloo,

at the opening of the new "hive of industries" in Lindsay Road, Neave Township, yesterday.

More than 300 people have found employment in 51 small businesses at the hive, which replaces the Korsten hive, at which about 100 people were employed.

In his address, the

president of the East Cape African Chamber of Commerce (Ecacoc), Mr Monwabisi Mkhaza, called for similar hives in other areas, adding that "with it being runoured PE is becoming a ghost town, catastrophe can be averted with such developments".

Ecacoc was part of a task force which investi-

gated the hive concept, instituted in May last year.

Areas where business opportunities could be created, particularly if the schemes were labour intensive, were in the provision of an infrastructure in the townships. Of particular need was the electrification of black areas.

"Housing could also be tackled vigorously."

He called on the Government to "go back to the drawing board" and together with the people involved, plan for such developments.

Dr Vosloo again repeated a plea to policy makers at "all levels of government not to under-

estimate the role of the small business sector in the creation of jobs.

"The SBDC receives inquiries from 16 000 small entrepreneurs per month — about 200 000 a year.

"Yet I believe our penetration is hardly more than 20% of the total market."

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**All steamed up**

Bells will peal, trumpets will blow and beauty queens in Victorian dress will go on parade to mark the opening of Durban's new speciality retail centre, *The Workshop*, on October 22.

But more than the pigeons will be disturbed by the 21-gun salute which will announce the start of the first day's trading.

Several CBD retailers are also taking fright at the prospect of a rival 22 000 m<sup>2</sup> retail centre in their own backyard (*Property*, July 25).

"With turnovers already down due to the recession, the last thing we need now is a major competitor," complains a city centre trader. He sees the new development as only bad news for existing downtown businesses as they gear up for the busiest part of the season.

Others, however, are not so sure. With *The Workshop* a good 10-minute walk from the centre of the CBD, they cannot see the city's casual shoppers going out of their way to make the excursion. Durban shoppers, as any retailer on the city fringe will confirm, are not known for their spirit of adventure.

Developer Retail International (RI) is, however, convinced that *The Workshop* will attract a fair share of the action. It sees

shoppers making full use of the 1 300-bay parking garage alongside the speciality centre as a jump-off point for shopping trips to the CBD — after they have seen what *The Workshop* has to offer.

What could give *The Workshop* an extra edge is the extended trading hours which all tenants will be obliged to adhere to. The shops will remain open until 7 pm most evenings and up to 9 pm on Fridays. In addition, Saturday and Sunday will be normal trading days.

Tenants have been quick to recognise the advantage. After a slow start, letting has picked up and the centre is expected to be fully let — bar two food franchises, a restaurant and a chain store which are still under negotiation — by the opening date.

"Interest picked up the closer we got to finishing the shopfronts," says an RI man. "People started to get really excited about it the moment it started to come together."

Tenants, spread over two levels, will be anchored around Pick 'n Pay's high-quality food emporium. In the mould of all true speciality centres, the line shops offer a variety of fashion stores, designer boutiques, interior decorators, jewellers, art galleries, speciality food outlets and restaurants.

The general verdict is that RI, Sanlam and Murray & Roberts have made a good job of converting the old railway workshops into a quality shopping environment.

"With the amount of work, energy and money they have spent on bringing this project to fruition," says RMS/Syfre's Rob Palmer, "they deserve success."

PICK 'N PAY

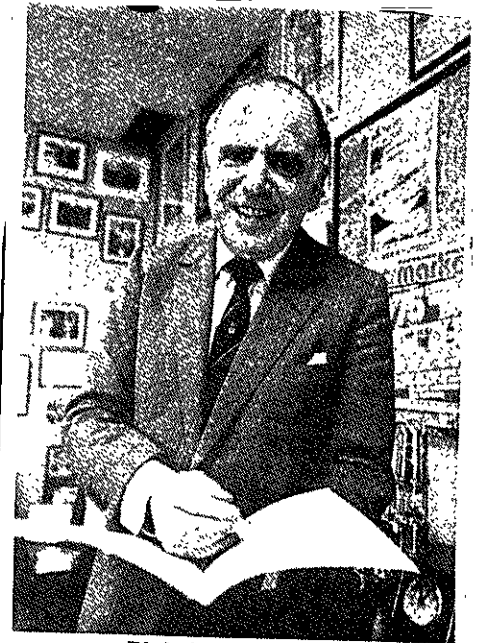
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FINANCIAL

## Squaring up

Judged by most companies' standards in recent times, interim results from Pick 'n Pay (P'nP) were creditable, achieved as they were during unprecedented pressure on the group, from both labour unions and revitalised competitors — including both Checkers and Grand Bazaars. But for investors who are accustomed to seeing extraordinary results from the Cape-based chain, a 13% earnings gain was apparently not good enough. Since the release of the results the share has fallen some R4 to R39, although it remains highly rated on a 2,4% dividend yield.

Rightly or wrongly, a number of analysts perceive that P'nP is trapped in a market niche where the sun no longer shines. They believe the fast growth experienced in affluent suburban-based retailing may be past, and most see the black market as offering the best hopes for major growth in future.

In a move which appears to confirm this



Pick 'n Pay's Ackerman... looking at markets

view, P'nP has announced plans to move into the ostensibly black cash and carry market, with a new chain called Price Club. "We have researched this market carefully," MD Raymond Ackerman says, "and we believe there is room for another major wholesaler." His contention is given some support by figures from a major force in cash and carry, Score Foods, which this week reported a 50% earnings advance for the six months to end-August. The performance perhaps suggests that its market may be far from mature, although Score management denies this (see page 86).

While the main players in cash and carry make warning noises — Metro MD Cecil Smith said this week that, "we are not taking this new threat lightly, and we will jealously defend our market share; it's cheaper to defend your market than to buy it back," — indications are that the wily Ackerman intends taking a different tack.

Price Club, as the name indicates, will not merely sell wholesale goods to black small traders, but will also provide extensive retailing advice to its clients, turning them into "little P'nP" operations. This doesn't imply P'nP intends getting financially involved in these small businesses, only that it is making available its valuable business expertise.

At last week's press conference, Ackerman indicated his group was moving towards a new era of market segmentation, based on trends in the US. While P'nP will stick to selling food products to mass markets, the chain is experimenting with various trading formats inside those parameters; this includes a new chain of smaller stores to complement its traditionally large stores. "We left a gap in the market which others have filled," he says.

But it is a larger share of the black market that Ackerman may desire more than anything else; and apart from the cash and carry venture, he says new P'nP stores will be

aimed increasingly at black consumers. While Ackerman must be regarded a serious contender in any new market he enters, his main competitors in the cash and carry field contend he will experience a potentially costly learning curve.

"If you think the retail market is competitive," Score MD Carlos Dos Santos tells me, "you have no idea how tough the wholesale market is." Between Score and Metro, Dos Santos claims, there exists a "perpetual price war." But, giving some measure of the es-

nothing less than a resumption of the previously steep earnings track before according the shares their previous heady rating on a dividend yield below 2%. And for the foreseeable future, P'nP will have to cope with intense competition on two fronts — its traditional retailing markets and wholesaling.

Neville Glaser

### P 'n P's INTERIM

Six months to	Aug 31 '85	Feb 28 '86	Jun 31 '86
Turnover (Rm) .....	1 023,9	1 120,8	1 131,7
Pre-tax profit (Rm) .....	28,6	37,5	28,9
After-tax profit (Rm) .....	13,4	22,1	15,1
Earnings (c) .....	68,5	112,9	77,3
Dividend (c) .....	21,5	70,5	24,0

teem in which competitors hold Ackerman, Dos Santos concludes: "I have no doubt he will eventually succeed, but it may take some time."

Investors, however, are likely to settle for



TRADEGRO

# Counting the costs

30 FINMAIL  
10/10/86

Tradegro CE Mervyn King is nothing if not ambitious. This week Tradegro — SA's largest retail group — revealed grim evidence of the battle that's been raging in the retail sector. The attributable net loss for the year to end-June more than doubled to R49,1m (R21,8m), the worst performance in the group's history. Now King is forecasting a R68m turnaround for the current year. Can he be serious?

Undoubtedly he is — but the magnitude of the task, and the uncertainty surrounding competitive action, is likely to ensure a guarded response from the stock market. That the year-end results were worse than expected was underlined by the share price, which, after setting a 12-month high of 270c on September 21, fell to 190c, and on Tuesday was trading at 205c.

An advantage King has in the bag is the successful listings earlier this year of Metro, Joshua Doore, Cashbuild and Jazz Stores. These listings brought some R90m into Tradegro, used partly to capitalise subsidiaries correctly and partly to reduce group borrowings. But this does little to ease concerns about the outstanding feature in the 1986 accounts: while turnover jumped by an impressive 26% to R3,7 billion, the group's trading margin buckled from 1,9% to 0,18%. Virtually R50m was lopped off trading profits, which plunged to R6,7m. Clearly, the group's prospects are reliant on operating profits being restored to reasonable levels.

Predictably, Checkers was a key culprit in the trading profit collapse. Checkers' trading loss (excluding Jazz and Greetermans/Stutafords) nearly quadrupled from R8m to R31m; this accounted for about half of the decline in Tradegro's trading profit. Checkers' interest bill almost halved, but its attributable loss still soared to R39m (R23m) — largely representing the cost of the strategic decision to square up to market leader Pick 'n Pay in August last year.

The other big lossmaker in recent years, Rusfurn — SA's biggest furniture retailer — made a trading profit of R13m (R12m), and thanks to its interest bill falling by 33% to R20m its attributable loss was halved to R8m. Discount group Dion pared its attributable losses by 32%, from about R9m to R6m, but here, too, there was a steep jump in the trading loss.

Another major source of Tradegro's losses was the property division, which consists essentially of retail properties built by Checkers but now run as an arms-length operation by Tradegro. King tells me the property arm is expected to remain a loss-maker in the short term, although there have been signs of improving demand for space.

However, a return to profitability in the year to end-June 1987 is forecast for both Checkers and Rusfurn, as well as for Tradegro. Dion is expected to break even. One factor that may help persuade the market to give attention to this claim is that three months have elapsed since Tradegro's year-end; it's widely believed that both consumer spending and business confidence have picked up since August, so the tardy release



Tradegro's King... confident of a turnaround this year

of the group's figures may actually work in its favour.

"We mounted a calculated campaign to bring down Checkers' margins and get them competitive with Pick 'n Pay and OK Bazaars," says King. "We had to create the right image in the minds of consumers and the right price perception. We believe we've done that and the losses were an investment in the future."

King says Checkers was actually in profits in July. Checkers CE Clive Weil claims the group's market share jumped by 20% since last October, soon after it started a campaign to bring its prices into line with those of Pick 'n Pay. "For the July-August 1986 period this growth trend has been maintained and is indeed improving," he says.

The object was simply to be seen as being competitive with Pick 'n Pay, and this meant that when Pick 'n Pay lifted its margin, as appears to have happened, Checkers could follow. Rusfurn also stands to enjoy wider margins as most of its debtors book was written at a Ladofca rate of 25% while its cost of funds has dropped substantially, with prime now down to 13,5%.

Rusfurn is concentrating on improving efficiencies, and will avoid expanding its store base. Says Rusfurn CE Geoff Austin: "With the restoration of trading margins, satisfactory profitability is again being achieved." Weil says Checkers' costs are being cut too, with the last major change put in place in June. "The 1986-1987 budget

indicates an annualised cut of some R20 in expenses," he says.

More importantly, perhaps, both Checkers and Rusfurn have been enjoying a marked improvement in consumer spending. Rusfurn also benefited from the emergency, as it became easier to deliver goods and collect debts. "Sales volumes since the beginning of this year have already increased significantly," says Austin.

As Tradegro chairman Marinus Daling points out, doubts about the group's long-term future should have been removed when Sankorp took control. King forecasts Tradegro will pay a dividend in three years. A more sharply focused image should help investor sentiment, as should the improving disclosure. Tradegro's share price stands some 33% below net worth of R3 — but the assets will have to perform better for this to be seen as bullish.

To really regain confidence, Tradegro needs to show it can sustain profitability and that Checkers can hold its own in what looks set to remain a very tough competitive market in the supermarket sector. Pick 'n Pay's capacity to respond should not be underestimated. Tradegro's interims could show a sharp pickup; December is normally retailers' most profitable month. What would do Tradegro's share no good would be good interims followed by a disappointing second half.

Andrew McNulty

## FINTEC

### Going for growth

Cash shell Fintec, 81%-held by Altron, is on the brink of major expansion via acquisition. Altron director Don Sneddon believes that within three to five years Fintec will overtake Altech as the largest operation in the Altron group. In recognition of its growth prospects, the Fintec share price has appreciated 71% in the past four months to 820c where it is on a p/e of 35,3 and dividend yield of 2,4%.

The targeted growth rate seems a tall order. But Fintec, which already holds 20% of computer software company Punchline, is involved in negotiations with possible acquisitions in the computer field. Speculation is that the operations of a divesting US company will form part of Fintec's haul.

MD Clive Jandrell declines to comment on the negotiations, saying only that they were in balance during the US sanctions debate; now that sanctions have been approved, discussions are on again.

Fintec's acquisitions are intended to fill a gap in the Altron group product range. Al-

10/14/86  
SAR

# Black <sup>30</sup> managers' forum in 10th year

By Montshiwa Moroke

To celebrate its 10th year of existence, the Black Management Forum (BMF) has drawn up a programme of activities.

One of the highlights will be a meeting to be held at the United States Information Service auditorium at 5 pm on Thursday, October 15.

The director of co-ordinated marketing, Mr Ruel Khoza, will speak on the subject of racism.

In a statement, the BMF said all members were invited to attend and set the organisation on a new and dynamic course, to improve the lot of blacks in the workplace.

All aspirant black managers are urged to make their contribution to the organisation by taking greater interest in its activities.

The BMF was established to help blacks make progress in the predominantly white business world.

"In its short existence, the BMF has helped a significant number of blacks to establish their own businesses or 'make it' in the white corporate world," the statement said.

# US to get tough on sanctions, says JCC

Chris Moerdyk

The Johannesburg Chamber of Commerce has had word from the United States that implementation of sanctions will be particularly vicious.

The president of the JCC, Mr Pat Corbin, said the chamber had been told late yesterday that interpretation of the sanctions measures by the State Department was "very tough indeed".

South African exporters have been warned to clarify their situations with US importers because the onus will be on the importer to prove legality.

"We are told that the State Department is tending toward overkill on interpreting these sanctions.

"They are looking very closely at transshipment links and the word is that our neighbouring states will be put under the microscope.

## PAYMENT

Another problem exporters can expect is that payment for goods shipped to the US from neighbouring states, will be made directly to those states."

Mr Corbin added that exporters who had "the slightest doubt" about the standing of their goods in terms of sanctions regulations should not ship these without either liaising with the JCC or receiving a clear directive from US Embassy commercial representatives in South Africa.

● The Star Bureau reports from Washington that some American businessmen, angered by the week-old hold on their imports from South Africa, are said to be threatening lawsuits against the US Government.

But US officials say South African goods will stay in guarded warehouses until final orders come from Washington as to what can be imported into the US and what cannot in terms of the new sanctions.

Officials say they are awaiting a final list from the State Department to release the unaffected goods, maybe as soon as this Monday.

● See Page 9



Will Saturday afternoon shopping hours mean an end to sardine-tin crushes — like this one — outside Port Elizabeth's giant stores?

# Longer Saturday shop hours could boost trade

(30)

By YVONNE STEYNBERG

THE pay packets of many part-time workers now working a 25-hour week could be swollen considerably if Thursday's Port Elizabeth City Council meeting decides to accept the principle of extended shopping hours on Saturdays.

In addition, more part-time staff will be needed at certain retailers, increasing work potential.

Retailers — as well as spokesmen for the Durban City Council where trading times are completely open except on certain public holidays — labelled Port Elizabeth's system of closing promptly at 1pm on Sat-

urdays as "outdated and completely out of step with an area trying to boost its economic position".

The Natal Provincial Administration has done away with all restrictions on shopping hours, with the exception of five religious holidays.

East London also has no restrictions on Saturday afternoon shopping.

EL Chamber of Commerce vice-president Mr Errol Spring said some large organisations, such as supermarkets, kept open on Saturday afternoons and in some areas on Sunday as well.

The decision to keep open or not was up to the retailers, he said.

PE's Community Services Committee has recommended that the trading hours be extended.

In the proposal originally submitted by the PE Chamber of Commerce and three private concerns, the hope was expressed that the new hours would be the same on Saturdays as those for from Monday to Friday — 6am to 9pm.

Written representations had been made by the managers of Greenacres, Checkers and Woolworths and the director of the Chamber of Commerce.

Mr Pat Lawrence, manager of the Greenacres shopping complex, said he had made a blanket application for all those trading

in the large complex.

If the longer shopping hours were approved, it was up to the individual store owners to decide when they opened and closed.

"It is completely optional, but free trading conditions are essential to bring life and fun into shopping for whole families, and to boost an ailing economy here," Mr Lawrence said.

He said the shopping complex employed about 2 000 people, of whom about 15% to 20% were casual or part-time employees, who could now increase their earnings.

Mr Johann Spies, general manager of Checkers Hypermarket, said his

company was keen to extend the shopping hours — "Longer hours mean more work and more money in everybody's pocket."

"More work opportunities will definitely be created," Mr Spies said.

He said supermarkets of his chain in other parts of PE would not necessarily all choose to be open.

Mr Louis Mundell, manager of Woolworth at Greenacres, said his concern was very keen to start trading till 5pm on Saturdays.

"When we did it last time it was a great success," he said.

But Mr Peter Gardiner, Eastern Cape regional manager of Clicks, said

later shopping hours would mean a big re-organisation of staff, and it had not proved a success in Port Elizabeth.

Mr Gardiner said Port Elizabethans were conservative

However, if other large concerns kept open, his concern would no doubt follow suit.

PE Chamber of Commerce director Mr Tony Gillson said the ideal situation was one with the least constraints on free trade, trading hours included.

Although the Shop Hours Ordinance of 1976 allowed free trade from 6am to 9pm on weekdays, older laws regarded Saturday as a half day holiday.

# A nod for SBDC bonds

GOVERNMENT has empowered the Small Business Development Corporation (SBDC) to issue small business development bonds that will be eligible for inclusion in the prescribed investment portfolios of major financial institutions.

The purpose of the bonds is to provide an attractive instrument for mobilising institutional funds for small business development and flows from an initial session the SBDC's chief executive, Ben Vosloo, organised with some of the larger institutions during August last year.

The broad recommendations of the

12/19/86  
BUDM  
CHRIS CAIRNCROSS

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bond scheme — which will involve the issuing of securities at market-related rates — have finally been approved by government, says Kent Durr, Deputy Minister of Finance and of Trade and Industry.

The development bond scheme comes after the housing bond arrangement announced last month, to be administered by a private sector trust, and similarly

● To Page 3



# SBDC can issue development bonds

designed to mobilise institutional finance — in this case for low-cost, self-help housing for blacks.

In a keynote address to the Institute of Marketing Management at an award presentation in Johannesburg last night, Durr said the Department of Finance had launched an investigation into the practicality of replacing the SBDC's

bank indemnity scheme with a small business credit guarantee fund.

The purpose was to rope the banking sector more fully into carrying some of the risks involved in financing small business, Vosloo said.

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BUDM  
● From Page 1

30

*ARGUMENTS 13/10/84 30*  
**Stuttafords-Greetermans stores' profit up 26 pc****Financial Editor**

JOHANNESBURG'S two "posh" department stores are making increased profits.

The new Stuttafords-Greetermans group, formed by the merger in April of Greetermans of Eastgate and Stuttafords of Sandton (The Stuttafords' stores in Cape Town have no connection with the Stuttafords-Greetermans group) reports that it had a trading profit of R2,4-million in the year ended June.

This was an increase of 26 percent on the previous year's figure.

Attributable profits rose 50 percent from R1,2-

million to R1,8-million.

Of particular interest is that at a time when the economy was in a severe recession the newly combined group increased its turnover 53 percent in 1985-86 to R28,2-million.

Turnover has shown further growth this year.

Since June it has been 26 percent ahead of last year's figures and all the stores are on target to meet the profit forecast of R2,3-million for 1987, says Mr Kevin Smith, the group's managing director.

DD 14/10/86 (30)

# Car industry heartened by September sales

JOHANNESBURG — The fact that, in spite of recent big price increases, passenger car sales in September took only a two percent dip compared with August has industry leaders speculating that this could signal the end of the long downward slide in car sales.

Last month's figure of 15 091 units was 313 fewer than in August. Year-to-date sales of 132 816 are 11,7 percent below the 150 447 units sold by this time last year.

It could have been a lot worse, said Toyota's deputy chairman, Mr Bert Wessels in commenting on the latest Naamsa figures. There was not really any significant difference between the August and September figures, which was encouraging when the steep price increases were taken into

account.

"We detect a more positive atmosphere out there in the marketplace. If the rand can hold its position, we believe that high price rises are behind us and that we will be able to contain increases within the inflation rate in the coming year," Mr Wessels said.

In the passenger car rankings, Toyota held its number one spot with sales of 3 770 units (25 percent of the market), closely followed by Samcor with 3 425 units (22,7 percent). Of total Samcor sales, Samcor Ford had 2 027 (13,4 percent) and Samcor MMI 1 398 units (9,3 percent). VW was in third position with 2 421 sales (16 percent), Mercedes Benz/Honda next with 1 739 (11,5), Nissan 1 357 (9), GM 1 188 (7,9) and BMW 1 185 (7,9).

In the top 10 best-sell-

ing cars table, the Toyota Corolla led with sales of 2 575 units representing 17,1 percent of the market. Other top sellers were: Golf/Jetta 2 051 (13,6 percent), Laser/Meteor 1 589 (10,5), Cressida 1 190 (7,9), Honda Ballade 1 021 (6,8), BMW 3 series 957 (6,3), Mazda 323 914 (6,1), Langley/Pulsar 848 (5,6), Kadett 770 (5,1).

The commercial vehicle sales were the brightest spot on the Naamsa table. Light commercial vehicle sales of 7 414 units were up 1,20 percent on August sales of 7 329. Toyota again took first spot, its sales of 2 933 units representing 39,6 percent of the market, with Nissan in second place with 1 656 sales (22,3 percent) and Samcor 1 531 (20,7 percent). Of this total, Samcor Ford sold 826 (11,1 percent) and Samcor MMI

705 (9,5 percent).

Medium commercial sales in September of 385 units were up 5,5 percent on August's 365, with the joint Samcor sales of 127 units amounting to 33 percent of the total. Of this, Samcor MMI took 20,8 percent with 80 unit sales and Samcor Ford 12,2 percent with 47 sales. Toyota sales of 108 units represented 28,1 percent, while GM took a 20 percent market share with sales of 77.

Sales of heavy vehicles also took a turn for the better in September. The 601 big trucks sold during the month was 10,5 percent better than August sales of 544. Mercedes benz continued to dominate this sector with sales of 208 units (34,6 percent), followed by Toyota's 118 sales (19,6 percent), and GM in third place with 89 (14,8 percent). — DDC

News in brief

*Cap. Times 15/10/86*  
**Man hurt in ammonia leak**

MR John Makutwana, 33, received minor facial injuries when ammonia gas leaked aboard the fishing trawler 'Ching Hong' DAR in Table Bay harbour yesterday afternoon.

The leak occurred when Mr Makutwana accidentally broke an ammonia tank sight glass which squirted into his face. He was treated for chemical conjunctivitis and discharged, a hospital spokesman said.



# Car price hike is tied to survival

16/10/86 Eve Post (30)

JOHANNESBURG — A leading vehicle manufacturer yesterday said the motor industry was not combating decreasing demand by increasing prices, but trying to ensure the survival of the industry.

Mr Bert Wessels, vice-chairman of the manufacturing company, was reacting to statements by the director of the Consumer Council, Mr Jan

Cronje, that car price increases were "excessive" and could lead to a further slump in the industry.

"We are not combating decreasing demand by increasing prices," Mr Wessels countered.

"We are trying to ensure the survival of the motor industry in this country.

Referring to Mr Cronje's comment that

vehicle price increases were "not in accordance with economic principles", Mr Wessels said it was apparent that the consumer council was not *au fait* with the financial situation of SA's various motor manufacturers.

Mr Cronje was commenting on media reports that manufacturers planned to increase prices.

"Many seem to lose

sight of the fact that manufacturers pay for imported components in Japanese yen or German marks," Mr Wessels said.

"If the rand strengthens against the US dollar it does not follow that the cost of our imports proportionately reduces, as the cross-rate to the yen and mark is the determining factor."

More than half the increased costs of imported vehicle components which had occurred since January 1, 1984, due to the weak rand had been absorbed by the company.

His company had succeeded to a large degree in controlling costs by increasing productivity, rationalising model ranges and improving operating efficiencies.

Mr Wessels said: "We have negotiated price reductions both overseas and with local suppliers and both areas have made sacrifices in order to keep prices down."

Mr Cronje suggested in his statement that rationalisation and a decrease in the number of models made in SA would lower costs and force prices down to a more "realistic" level.

Said Mr Wessels: "A lot of rationalisation has already taken place within the motor industry in South Africa.

"A number of manufacturers have already pulled out of the country, merged, or reduced their model ranges, but in a declining market there are no marked benefits." — Sapa

## Miners strike looms as wage talks fail

JOHANNESBURG — Mediation today failed to resolve the wage dispute between the National Union of Mineworkers and the Chamber of Mines, bringing the possibility of a strike on 47 gold and coal mines a step nearer.

Mr Johann Liebenberg, the Chamber of Mines industrial relations adviser, today confirmed that mediation had failed.

Earlier, first attempts at mediation resulted in the narrowing of the gap between the parties.

Last week the Chamber increased its offer by 1%, bringing the range of proposed wage increases to between 19% and 23%.

The NUM's last known demand was for a 26% across-the-board increase.

Two other issues remained in dispute, namely that June 16 be a paid company holiday and better injury benefits.

• The NUM today demanded the closure of Number Two shaft at the Kinross mine, where two underground fires yesterday forced the evacuation of 2 000 miners.

A 15th level fire last month killed 177 men.

A senior mineworker who helped fight both fires said a disaster was averted because the fire and smoke were noticed by morning shift workers reporting for duty.

"As we came into the 15th level to start work we noticed something burning, and then saw the fire.

"Many workers ran back to the lift, fearing a recurrence of last month's accident. The night-shift workers who were due to stop work in the morning were busy at their work stations and were not aware of what was happening," said the miner.

"Another senior worker and I quickly fetched fire extinguishers and put out the fire.

"By that time there was smoke all over the place," the miner said.

After the first fire, he said, most morning shift workers refused to go underground. Some did however, report for duty.

Describing accidents such as yesterday's as "an atrocity being perpetrated against the workers", NUM general secretary Mr Cyril Ramaphosa said: "We call on Gencor to close the Number Two shaft until the enquiry into last month's disaster is concluded and its results are known.

"Our members have lost confidence in the way management in particular, are dealing with the observation of safety measures on mines," he said in again calling for a judicial inquiry. — Sapa

Eve Post 16/10/86

Little

New news for

Shots

M W C S A b N H o l y s F b

FLN MKL 17/12/86  
GROCERY MANUFACTURERS 30

## Unhappy returns

There is growing concern that grocery manufacturers and retailers are hiding a lot of bad housekeeping behind the six-month price freeze on housebrands.

Consumers are increasingly cynical about the freeze, believing that manufacturers of the house and no-name brands have simply increased prices of non-competing branded goods to balance things out.

Manufacturers say their prices are under pressure because of the high rate of returns from stores, particularly perishables. They are forced to credit the traders for this stock, often at the current best price rather than the price originally paid. If they refuse, they say retailers can simply refuse to stock their products.

Manufacturers have noted an alarming rise in returns since the price freeze, and the figure may now be on the way to 1% of all goods delivered. This compares with rates of 0,37% in 1982 and 0,7% last year.

More sceptical observers reason that supermarkets have to make up what the freeze is costing them. OK Bazaars, for example, reckons the bill now runs to R100 000 a month. Others say there is simply no incentive for good housekeeping while manufacturers continue to accept all returns.

Says Grocery Manufacturers' Association (GMA) executive director Jeremy Hele: "It has been noticed that the more cost-conscious an organisation or individual branch is, the higher the level of 'damages.' Elementary monitoring of the damage figures immediately before stock-takes have shown that returns are often used to adjust what might really be embarrassing over-stocks."

However, Hele agrees the manufacturers have brought some of the problems on themselves.

"We must assume that no obviously damaged stock would be accepted at any reason-

ably run receiving bay. We must then infer that stock is damaged inside its wholesale container or meets misfortune during post-delivery handling, storage or merchandising. It may, of course, be spoiled on the shelf by customers or just grow old.

"All this spoilage is beyond the control of the supplier, yet full credit is allowed even for the most tattered remains of a package and for goods which have obviously been consumed on site. As a first step, we think our members should consider crediting only a negotiated percentage of the value of the returned stock, recognising the difference between stock damaged in transit and on the sales floor."

Another practice which should stop, he says, is the refusal by some stores to accept new stock until old or damaged stock is removed. Checkers, for instance, has recently accepted a set of delivery guidelines drawn up with the GMA to obviate the problem.

However, as Housewives' League president Lyn Morris points out, the real problem is that a few retailers have too much clout for hard-pressed manufacturers to resist. And, she says, larger suppliers may not be too unhappy if some smaller competitors are forced out of business because the margins of smaller manufacturers will not accommodate the increased rate of returns.

Price freeze or no, the consumer still pays. ■

# Growth pains

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FIN MAIL  
17/10/86.

To many outsiders, Woolworths still ranks as a symbol of merchandising excellence — one of a rare breed of retailers that operates in mass markets, yet manages to maintain a product range of impeccable quality. But for analysts tracking the Wooltru group, that exterior belies a disturbing recent history of falling earnings, which last year dropped to 86,1c a share, down from 102,2c the previous year, and from 118,4c in 1984.

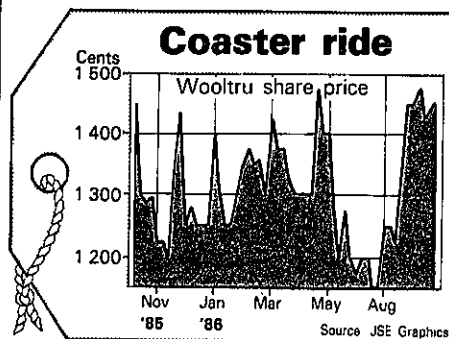
This previously recession-proof group, some say, has never been quite the same since its 1981 merger with Truworths. The clothing chain's fashion lines added a new dimension to Wooltru's product mix, but may also have introduced cyclical to its tradition of stable earnings growth.

But while comment on Truworths's own performance must remain largely in the realm of speculation for as long as its individual performance is buried in group financial figures, the idea of Truworths having curbed the group's performance is emphatically denied by Wooltru MD Tony Williamson (who is also the former MD of Truworths). Truworths, he claims, has in recent years produced creditable profit growth figures, despite worsening recession in its fashion markets, and contrasting to the reported

Wooltru has spent several years digesting the 1981 merger between Woolworths and Truworths, and has also arrived at the tail end of a major expansion programme. These factors have curbed earnings in the short term.

slowdown in Woolworths itself.

There is, in fact, evidence to support his contention, not least of which is the reported rise last year in Truworths' turnover a square metre to R2 408 (R2 263) — a ratio implying some leveraged profit recovery — which



compares with the marginal fall in Woolworths' turnover a square metre to R3 882 (R3 995).

But Truworths' profits are known to have crashed in 1981, the first year of the merger, and an important question is: from what level is Truworths now recovering? Analysts may have an answer to this sooner than they think, for Williamson informs me the board is seriously thinking of moving to full disclosure in its next annual report. If so, this, I believe, would be another indication that Truworths is ready to reveal its recovery from previous traumas.

What happened in Truworths? Insiders I have spoken to believe the chain initially took badly to its merger with Woolworths, and resisted the infusion of a new corporate culture. From Woolworths' standpoint, the Truworths merger was seen as providing several benefits. It enabled the group to expand its product range from stable but staid food, houseware and low-fashion clothing, to potential high-growth fashion goods. It added a credit component to Wooltru's business, which was traditionally cash-based. And because Truworths possessed a large debtors book that needed to be funded, the merger provided an investment conduit

# R50-m investment sign of faith in country — Ackerman

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By TOM HOOD

W/E ARGUS 18/10/86

"IF I didn't have faith in this country I would not be here putting R50-million into this long-term investment of 20 to 25 years and possibly more."

That is chairman Mr Raymond Ackerman's answer to those people — including some of the company's own directors — who have questioned the wisdom of Pick 'n Pay building a R50-million hypermarket at Ottery at a time of unrest and recession.

Mr Ackerman said at the store yesterday, as final preparations were made for its opening on October 29: "Instead of purely telling the government it was wrong and not moving fast enough with reform, we in private enterprise will be able to say we have confidence in this country.

"We are saying to our young people we are here to stay. We in business have got to give the Government a lead by showing confidence in the country and putting our money where our mouth is."

Mr Ackerman said since the State President's Rubicon speech he had spoken to the real black leaders all over South Africa and there was consensus among 80 percent of black leaders and businessmen for a democratic, non-racial, multiparty country with protected rights for minorities.

One black leader told him privately: "All I want is a civilised government, whether it is black or white."

Next day he was advocating violence and revolution — "as he had to in public."

The store will give work to 600 people while the construction of the buildings and roads provided jobs for thousands.

# Scrap racial areas' motion for debate

18/10/86 SMK  
By Michael Chester

30 The Johannesburg Chamber of Commerce is suggesting radical proposals to allow municipalities to scrap all racial segregation in housing and schools inside their boundaries.

The country's most powerful chamber of commerce says: "Undoubtedly the phasing out of segregation in housing and schools is a complex and difficult undertaking.

"Nevertheless in a South African metropolitan context, demographics and morality and international pressures leave us with no feasible alternative.

Properly managed, evolutionary change will be far more comfortable and constructive than the revolutionary alternative.

The proposal will be discussed at the Association of Chambers of Commerce annual congress which opens in Johannesburg on Tuesday and will press for the removal of all "outmoded constraints" on urbanisation.

## NO REASON

The central business districts of Johannesburg and elsewhere, the chamber says, are already "grey areas" where all races live and there is evidence of acceptance of the situation by residents and property owners.

The proposal says there is no valid reason to maintain the fiction that they are "white areas". They should formally be declared fully open.

"Apprehensions of misbehaviour are misdirected," the motion says.

"With a legally resident population, non-racial laws against nuisance and misbehaviour can be applied objectively while self-administered social controls can develop."

Sandton was one of a number of municipalities that wanted Group Areas restrictions removed in their jurisdiction to press ahead with their own amendments to the Act.

● See Page 7.

# Unrest brings educators into CBD

BUS DAY  
20/10/86  
30

**BOYCOTTS** and unrest in the townships are prompting many black-oriented educational organisations to look for central city premises.

At the same time, new entrepreneurs are taking advantage of the economic and political situation by entering the education market.

Few have found premises, though, as suitable accommodation is difficult to find. Problems include relatively high rentals and the density factor in locating classrooms in CBD blocks.

Landlords who already have conventional businesses in their buildings will not take in children, although several

JANE STRACHAN

colleges for older students with lower densities, such as secretarial schools, are already in city premises.

Anglo American Property Services's (Ampros) Johannesburg leasing executive John Laws says he has had many inquiries from a range of education-related bodies, starting with an "alternative" school for which he was able to find a home.

A Sowetan technical college experiencing difficulties in the township is considering moving to an Ampros building, near the main railway station. The

cost of converting the space would come to R140 000 for the 780m<sup>2</sup> under discussion.

This case, says Laws, highlights the often prohibitive cost involved. Many of the organisations are not in a position to pay going office rentals and alteration expenses.

One possible alternative is to use factories or warehouses, but again it is costly to achieve acceptable acoustics.

While Laws is dealing mostly with black clients, Landmark's Nick Hill says he is being approached by many whites who, he believes, are exploiting the economic situation.

BUSINESS  
2/11/78

(30)  
~~2/11/78~~

# Verwoerd's war with Assocom

IN 1960, shortly after Sharpeville, Dr Hendrik Verwoerd rejected suggestions from Assocom to avert a national crisis. Today, with the nation again in crisis, President P W Botha is actively seeking business opinion.

Such a change in government attitude spans 26 years since Verwoerd, through his assistant private secretary, warned the president of Assocom not to meddle in political issues. An angry Verwoerd said he would have nothing further to do with Assocom and cancelled his intended presence at the opening of the Assocom congress in 1960.

The statement which caused the furor was issued at the time of Sharpeville and dispels any theory that business has taken a back seat on the reform front.

Although the statement was published and received widespread Press comment, the bitter correspondence between the Prime Minister and Assocom has only just been released.

The five points which caused the upheaval are today accepted without question by government. Published in the Assocom publication *Commercial Opinion*, the offending recommendations read: "... fully realising that the proposals in this memorandum will necessitate the greatest degree of care, patience and tolerance in their implementation, the Association of Chamber of Commerce of South Africa recommends that:

- (a) "The Union should be developed as a single economic entity;
- (b) "Restrictions which prevent members of any race from conducting business operations in any part of the Union should be progressively relaxed with a view to their ultimate withdrawal;
- (c) "The work reservation provisions of the Industrial Conciliation Act should be repealed;
- (d) "Restrictions on the mobility of labour should be progressively relaxed; and
- (e) "Trade unions should, with the effluxion of time and with suitable safeguards, become representative of workers of all races."

Verwoerd's reaction was expressed in a letter from his assistant private secretary: "The attempt to pass this off as purely business reasoning and non-political because of the character of your organisation, which says that it does not intervene in politics,

**Relations between business and government have undergone a radical transformation since the days of former Prime Minister Hendrik Verwoerd. As the Assocom annual congress opens in Johannesburg, ANTHEA DUIGAN examines the bitter correspondence — just released — between Verwoerd and Assocom**

makes no impression upon the Prime Minister or government. You have taken a political stand in this matter of colour policy as active opponents of government and the opposition Press recognised this and made the most of it. It will, therefore, serve as little good purpose to discuss your political statement with you as to discuss the same points of policy with an opposition party.

"In the light of your separate attempt at intervention for political reasons, in spite of the common approach by the various Federated Chambers, the Prime Minister can no longer see the value of attending and addressing your association's annual meeting and therefore withdraws his acceptance of the invitation."

## Subject of controversy

The President of Assocom Mr DHG Mosenhah replied: "I want to emphasise that the Chamber of Commerce movement is essentially an economic organisation concerned with furthering the economic interests of its members and the country at large. It deals only with economic issues. Some of these issues happen also to be the subject of controversy between political parties, but the Chamber of Commerce movement is strictly non-political and is in no way concerned with furthering the interests of any political party.

"The fact that we hold different views from government on the question of separate development no more implies that we are desirous of furthering the interests of the opposition political parties than does the support of other business organisations for the policy of separate development imply political activity on their part.

"This statement was made publicly because we regarded it was in the interests of SA that our views on the way in which the Union can achieve optimum economic progress should be known."

Verwoerd was not to be moved. This time his private secretary replied: "The Prime Minister cannot agree that your association's statement was of an economic character. It was nothing less than a brief resumé of United Party policy on points with which the government party has consistently and openly differed in principle and in practice. Those points were the subject of continual political controversy during the past 10 years at least ... No address or statements which try to persuade people that, when your chamber suddenly actively propagates these United Party policies, they suddenly become non-political and economical can be accepted as correct ...

"The Prime Minister therefore regrets that your organisation, by this action, has disrupted the good relations which he and his government always sought to maintain with your association ..."

The fact that the two letters came from Verwoerd's assistant private secretary and his private secretary and not from the Prime Minister himself could be construed as a put-down.

It was at least 10 years before government and Assocom made any direct contact. In the early Seventies, Prime Minister B J Vorster was persuaded to open an Assocom congress, but warned Assocom to stick strictly to business.

On November 7, President P W Botha will show how receptive he is to the suggestions put forward by present business leaders.

# Relly: narrow management labour gap

Dispatch Correspondent

JOHANNESBURG — South Africa would not have a functioning economy at the turn of the century unless it constantly sought to narrow the differences between management and labour, the Anglo American Corporation chairman, Mr. Gavin Relly, said yesterday.

He was addressing the King of Lesotho, King Moshoeshoe II, members of the Lesotho government and the business sector in Maseru.

Business, he said, can only have a future in South Africa if it structures its institutions and practices to accord credibly with the non-racial and democratic future of the country.

The onus, he said, lay heavily on South African businessmen to demonstrate that the free enterprise system they advocated could provide a future in which economic growth would be accompanied by a more equitable

spread of its benefits.

Mr Relly said corporations in South Africa had no choice but to remain large so as to bring sufficient capital to bear on the risky endeavour of extracting precious metals and minerals under difficult conditions.

"They also need to be large in order to compete on the international markets where the commodities they produce are sold," he said.

He said that although some of these enterprises — such as the gold mines — were labour intensive and the opening of new mines might bring some new employment possibilities, these job opportunities would be limited, he said.

Employee participation in project planning and development had improved both the implementation of new projects and the general motivation of the workforce, he said.



# Saturday afternoon shopping is to be introduced at Greenacres

By CATHY SCHNELL

THE Greenacres complex will become a weekend shopping mecca from next month.

Most of the main stores will be open from 8am to 5pm on Saturdays from November 8 and tenants of smaller, specialist shops have been urged to extend their shopping hours as well, says Mrs Pat Wren, public relations officer for the complex.

From this weekend CNA branches at both Greenacres and Walmer

will be open from 8am to 8pm on Saturdays and from 10am to 8pm on Sundays to cater for video enthusiasts. On weekdays, both branches will remain open until 8pm from Monday.

There will be no restrictions on goods that may be sold after normal business hours, with the exception of liquor.

Spokesman for Woolworths and Edgars said today they would be open from 8am to 5pm on Saturdays from November 8.

A spokesman for

Checkers said extended hours were in the pipeline, but had not yet been finalised.

Mrs Wren said Clicks and the OK would also be introducing extended shopping hours on Saturdays, but the managers of these stores were not available for comment today.

The extended shopping hours have been welcomed by consumers since being approved by the Port Elizabeth City Council at its last meeting.

Mrs Wren said extended hours worked well in other major centres and it was clear that this was what the public wanted.

The only people not happy about the longer hours are shop assistants.

"But we will make it up to them," a management spokesman for Woolworths said.

● A spokesman for a local video hire outlet said he did not regard the introduction of a video hire service by the CNA as a threat.

22/10/86  
30 Eve Post

# Show Govt how it's done, Reddy urges commerce

By Michael Chester

22/10/88 (30)  
SML

Big business was urged today to set up a nationwide network of public service projects as "beachheads of excellence" to show the Government how to mobilise the population's full potential.

The appeal came from Dr J N Reddy, Minister of Budgetary and Auxiliary Services in the House of Delegates, in an address in Johannesburg at the annual congress of the Association of Chambers of Commerce.

Dr Reddy urged pilot programmes in social experimentation in direct competition with government.

These public service projects should establish cost and quality standards and provide models for government.

Now, with growing skills shortages, was the moment to start a massive programme of industrial training for people of colour. Large-scale social action by the business sector should aim at opening new channels of self-betterment.

He proposed a new dynamism in corporate activities to identify the 20 percent of the causes of grievous social evils that accounted for 80 percent of all South Africa's troubles.

## Competitive zest

"Just imagine", he said, "what could be accomplished if some of this competitive zest were channelled into the public service."

"Think of the good that could be done if business were to launch an all-out campaign of creative competition with government in developing imaginative new approaches to economic and social problems."

"Where politicians have not been successful, business can be."

"To be critical of government's past follies would be meaningless. We need to look at the role of business in society in a new South Africa."

He was convinced there was a vast reservoir of capable business people of colour and was staggered when he looked at the small number on boards of directors when there were opportunities to co-opt them and broaden the base of the business community.

Dr Reddy added: "Where people have been conditioned to failure and humiliation, and behave accordingly, we can recondition them to success and recognition."

"No amount of money, training or job offers will arouse the resentful poor to become part of South African society unless their hardened attitudes of failure and humiliation are erased."

Major trading partners, instead of imposing sanctions, should be making loans to fund programmes to help the forward mobility of the disadvantaged.

WEDNESDAY 22/10/88

# Nafcoc won't oppose sanctions

**THE** National African Federated Chamber of Commerce (Nafcoc) has decided not to resist the sanctions campaign against SA.

The decision was made at a conference this week which emphasised the growing radicalisation of organised black business.

But it has launched a major programme to ensure that black business benefits from the present rash of withdrawals from SA by US companies.

A resolution passed at a Nafcoc conference this week states that Nafcoc "will not campaign to oppose disinvestment or sanctions directed

ALAN FINE

against SA and the government".

It says there is a case for economic pressure, unless certain political demands — including the release of political prisoners and dialogue with "credible" black leaders — are met.

The resolution adds that Nafcoc "will not take part in any future efforts to encourage new investments in the country where blacks are not meaningfully involved".

And, as a corollary, the organisation has initiated plans to mobilise resources to facilitate the "indigenisation" of investments which become

available as a result of sanctions.

Nafcoc public relations manager Gabriel Mokgoko says Nafcoc has not been approached formally by prospective sellers, such as Coca-Cola, General Motors and IBM.

The conference also called on Nafcoc members to exercise caution in associating with "unpopular" government-created political and educational organisations.

And it resolved that Nafcoc should ensure "ongoing consultation and co-operation between itself and all other black socio-political and professional organisations".

# Nafcoc on sanctions

THE National African Federated Chamber of Commerce decided at its fourth summit conference this week not to take part in any future efforts to encourage new investments in the country in all cases where blacks were not meaningfully involved.

In a statement released to the *Sowetan* this week, Mr Gabriel Mokgoko, Nafcoc's public relations manager and national co-ordinator, said it was resolved at the conference that the organisation would also not campaign to oppose disinvestment or sanctions directed against South Africa, and the Government in particular.

## Prisoners

The statement said the summit also resolved that "there be a case" for selective economic pressure unless all political prisoners were released and all black political organisations unbanned.

The Government must enter into negotiations

By SOWETAN  
Reporter

with creditable black leaders and commit itself to dismantling apartheid.

"Nafcoc also acknowledges that one of the most important objectives is the establishment of unity in a disunited country. The conference recognised the need for Nafcoc to maintain an image that will enable it to act as an agent for black unity so as to facilitate the formulation of a black agenda in any negotiations that may ensue between the Government and the oppressed people of this country," the statement said.

It added that members of the organisation must, however, refrain from perpetuating a situation in which party politics diluted the freedom of the organisation to formulate its own economic policies.

(38)

23/10/88  
Sowetan

# Assocom:

## Let towns

## abolish race laws.

By Michael Chester

The Government was challenged by the Johannesburg Chamber of Commerce today to allow individual towns and cities to sweep away all racial segregation in housing and schools if they so voted.

The issue was the centre of debate at the annual congress of the Association of Chambers of Commerce in Johannesburg where business was asked to back a motion urging the Government to press the button on necessary amendments to the Group Areas Act.

Mr Pat Corbin, president of the Johannesburg chamber, which framed the proposals, says approval of the resolution by Assocom will bring a crucial test on the sincerity of the Government reform promises.

If approved, Assocom will formally urge the Government to remove all remaining discriminatory measures and take immediate steps to:

- Open all business, commercial and industrial zones, as defined in terms of local town planning schemes, for occupation or ownership without restriction.
- Amend the Group Areas Act so as to facilitate the removal of restrictions which inhibit ownership or occupation of land for residential purposes "in accordance with local wishes".

A document paid tribute to Government progress in "the slaughtering of many sacred cows" such as acceptance of the permanence of urban blacks, labour legislation and the abolition of influx control.

But it argued there was no longer any valid reason to maintain the fiction that many central business districts and their peripheries were "white" areas.

The Johannesburg CBD and Hillbrow were "grey" areas and should be opened to everyone.

"Apprehensions of misbehaviour are misdirected. With a legally resident population, non-racial laws can be applied objectively, while at the same time self-administered social controls can develop".

● See Page 11.

**BUSINESS**

# Stals: growth priority

JOHANNESBURG — A faster growth rate for the economy is now "of prime importance" to Pretoria's top policy-makers. This was the key message from Dr Chris Stals, Director General of Finance, to the annual congress of the Associated Chambers of Commerce (Assocom) in Johannesburg.

Dr Stals said that with stable economic conditions in the major industrial countries, with their steady growth rate and with a continued demand for the commodities and minerals produced by South Africa it would be "easier for us to pursue the objective of a higher economic growth rate."

However, as during the past year, developments within the country would have a major influence on the economy.

Dr Stals said that during the past year, the growth objective was

obscured by "domestic developments of a non-economic nature, and by the need for adjustments in the balance of payments to cope with the international debt problem."

The dependence of the developing countries on sustained demand from the industrial countries for their exports was again clearly illustrated, said Dr Stals.

The slowdown in growth in the industrial world led to a sharp decline in the growth of world trade and virtual stagnation in developing countries' exports.

The prices of non-oil primary commodities fell steeply, also reflecting the relative weakness of activity in the industrial countries.

"The economic problem for the developing countries was further exacerbated by an increasing protectionism in many of the markets of the major industrial

countries."

Because of the deterioration in the international environment, said Dr Stals, output growth in the developing countries slackened appreciably in 1985.

"For the group as a whole, aggregate output rose by only 3,25 per cent, down from 4,25 per cent in 1984.

"For the African countries as a whole, output growth remained very sluggish, with real gross domestic product (GDP) increasing by only 2 per cent in 1985.

"This low growth was substantially affected by a decline in output in the two major economies of the continent: Nigeria and South Africa.

"In the sub-Saharan region, excluding South Africa, the concentrated efforts of support by the industrial countries and the international institutions began to show some very modest re-

## Assocom congress

sults as the rate of expansion increased from 2,25 per cent in 1984 to 2,50 per cent last year."

The average real rate of growth in the industrial countries slowed significantly last year, although it still remained at a relatively high level.

The overall real GNP for these countries rose by 3 per cent compared to 4,7 per cent in 1984.

"The slowdown was mainly attributable to US growth, where GNP rose by only 2,7 per cent compared to 6,5 per cent the year before.

"In nominal effective terms, the US dollar depreciated by 20 per cent in the year to end-April 1986, while the Japanese yen appreciated by 27

per cent, and the Deutsche mark by 10 per cent.

In terms of the narrow definition (M1) the money supply in the seven major industrialised countries climbed by 10 per cent which was 2,50 per cent faster than in 1984.

The growth of broad money supply also accelerated, from 7,9 per cent to 9,0 per cent on a year-to-year basis.

International interest rates came down to their lowest level in eight years. The decline in short-term rates was "particularly significant" in the US.

"In summary, monetary conditions in the industrial countries eased significantly in 1985 and early in 1986, reflecting a combination of lower inflation, the cyclical slowdown in growth in the US and increasing confidence of market participants that the US federal deficit would be curtailed." — Sapa.

30/10/86

MM  
2P

# Call to support private reform initiative

LONDON—Mr Jan Steyn, executive chairman of the Urban Foundation, last night urged businessmen overseas to support the private sector's reform initiative in South Africa.

In an address to the South Africa Club in London, Mr Steyn said the private sector's urge for prosperity in a post-apartheid society was, together with black protest, the 'most effective agency for change in South Africa today'.

He said the support of the international business community for this urge was especially important because Western governments were abandoning their leverage over Pretoria by resorting to punitive action.

## Actions

The private sector had played a large role in reforms, implemented over the past eight years, which had reached out to 'some of the core areas of the apartheid policies of the past'.

Actions from abroad which will assist the internal reconstruction of peace in our society' included:

Recognition by governments and pressure groups overseas of the complexity of change in South Africa; International groups should set realistic targets to allay heightened expectations and show Government supporters that their actions were well intended; Full support for local attempts to promote negotiation; and

Clear indications as to what 'realistic achievements' were necessary to end international sanctions and punitive actions.

Referring to sanctions, Mr Steyn said they would not topple the South African Government nor destroy the economy. They would, however, deepen unemployment and leave the real challenges in the South African situation unanswered.

## Changes

Mr Steyn said the South African business community had been 'more mobilised for a role in the promotion of reform than any equivalent performance by capitalism elsewhere in the world'.

Among the changes it had helped achieve over the past eight years were the removal of discrimination in labour legislation, full property rights for blacks, the repeal of the Mixed Marriages Act, opening of central business districts to all, the abolition of the pass laws and restoration of citizenship to some homeland blacks.

The private sector had developed a consensus to work for 'a South Africa united under a single central government, in which all South Africans will participate through a universal franchise'. — (Sapa)

2/11  
22/10/86

**Reddy  
warns  
firms  
on social  
change**

**Mercury Reporter**

THE Minister of Budgetary and Auxiliary Services in the House of Delegates, Dr J N Reddy, warned big business yesterday that it was living on borrowed time if it did not relate to the changing social needs and expectations of South Africans.

Speaking at the annual congress of the Associations of the Chamber of Commerce (Assocom) at the Carlton Centre in Johannesburg, Dr Reddy said he was disappointed with business and its role in the development of black entrepreneurship.

'I believe that there is a vast reservoir of willing and capable business persons of colour and when I look at the number of people of colour on the boards of your companies, I am shattered.'

**Training.**

'There is a tremendous opportunity to co-opt these persons to serve as directors or alternative directors on your boards and articulate at first hand the problems that they have to endure,' he said.

In addition businesses could play an important role in training and assisting the development and extension of the abilities of persons of colour in setting up business ventures on a national scale, instead of their small scale localised 'cottage industry' type of effort.

He said the business sector had a duty to play an active and positive role in influencing change in South Africa. The future of the free enterprise system was dependent on the creation of a constitutional framework which was acceptable to all the people of the land.

**Openness**

'The Government has already taken certain steps and other measures are in the pipeline, all of which are designed to remove constraints which have effectively blocked the economic progress and development of the non-white people, more especially the blacks.'

Dr Reddy said that while the Government was emphasising its abandonment of apartheid and all its ugly connotations, the replacement of it in society with openness was going to take some time. However, business could narrow the gap.

'Instead of imposing sanctions, there should be joint efforts on the part of all our major trading partners to extend to this country financial aid by way of soft loans to fund programmes which will contribute to the forward mobility of the underdeveloped sectors of our population in education, economic development, health and housing,' he said.



# Council nod for Indians to live in white areas

New bid to open all trading  
areas in city to all races

## Dispatch Reporter

**EAST LONDON — Applications by three Indian families to move into white areas here have been approved by the city council in the past two months, and the council is to apply for all trading areas in the city to be opened to all races following approval by the government of three open trading areas.**

Two of the applications by Indians to live in white areas were supported by the council this week after a request from the regional representative of the Department of Constitutional Development and Planning in Port Elizabeth for comment.

The council agreed to support an application by Mr L. Makan to move into a house in Deer Lodge Drive in Dorchester Heights, and another by Mr B. Kershaw to live in a house in St James Road, Southernwood.

Mr Kershaw, who owns a café in St James Road, applied to occupy the house next to the business, and Mr Makan, a stores controller, did not have suitable accommodation in the Indian areas.

It is understood that, in the action committee this week, some councillors wanted the matter to be passed onto the government without comment. This, however, was defeated in open council.

Earlier this month, the council also approved an application from a clerk

at a Ciskei textile factory, Mr G. Naidoo, to live in a house in Wilfred Avenue, Greenfields.

It refused to support one by Mr Morgan Naidoo to live in Joan Street, Amalinda, and another by a coloured building contractor, Mr Errol Mitchell, to occupy a house in Smith's Hill Road, Haven Hills.

At meetings to consider the applications concerning Amalinda and Haven Hills, the majority of councillors voted to send them to the government without comment.

On the Greenfields application, the strategy was defeated and councillors voted eight-six to support it.

Two National Party councillors, Mr Patrick Kay and Mr Gwyn Bassingthwaite, backed the application.

Mr Kay said after the meeting he did not think the Group Areas Act was a "holy cow".

On open trading areas, the council has decided to resubmit its application for the opening of all trade areas to all races.

The move follows a government announcement last month proclaiming three areas to be Section 19 areas. Section 19 of the Group Areas Act frees the areas from being declared for one population group only.

The areas are the central business district, Arcadia, which is a major portion of land zoned for light industrial use, and a small portion of land straddling Porter Street.

However, the proclamation did not include all the areas requested by the council.

# Assocom calls for abolition of Group Areas Act

Post Correspondent

JOHANNESBURG — The strongest plea for the abolition of the Group Areas Act came from Port Elizabeth and Durban representatives at yesterday's Assocom (Association of Chambers of Commerce) congress in Johannesburg.

The congress eventually passed an amended motion calling on the Government to remove discriminatory measures.

But this motion still contained the proviso that residential restrictions should be adjusted "in accordance with local circumstances".

The two representatives were not satisfied with this condition and wanted the Act swept away completely.

Mr Mike Smith, of Port Elizabeth, asked: "Who will decide what the local circumstances are?"

"There will still be a minority group in an area choosing whether or not to open residential

He and the Durban representative made it clear that although they would support the amended motion, they felt it was not strong enough and did not go far enough. They objected to "in accordance with circumstances" which they felt provided an outlet for further discrimination.

Nevertheless, the congress went further than the original motion had asked. It called on the Government to open all business, commercial and industrial areas for occupation or ownership by all races as well as "to facilitate the removal of restrictions which inhibit ownership or occupation of residential areas in accordance with local circumstances".

The original motion called for the Group Areas Act to be amended.

The amendment would allow towns and cities to sweep away all racial segregation in housing and schools if they so voted.

FIN MAIL 24/10/76

FURNITURE RETAILING

30

**Into the future**

Furniture retailer Morkels is set for a reshaping that could have major impact on the structure of the industry in the next few years.

Plans include securing long-term supply contracts, improvement of productivity and service, implementation of new technology, development of a new type of furniture store and diversification.

Merchandise resource director Erwin Rohrs says the weak rand and sanctions have already had a major impact on availability of brown and white goods. In the furniture field, the fabric component is likely to become the most difficult to obtain, especially from Europe.

And MD Carl Jansen says supply sources in SA itself are shrinking and narrowing "by the day."

In the long term, this is likely to bring about retail parity — a major threat in a field already overtraded.

Morkels has already fought this to some extent by extending its supply lines through South African distributors to foreign manufacturing sources.

However, it now plans to stock more locally manufactured goods and to help suppliers develop products specifically aimed at consumers in its middle- to upper-income target

market. The concept is termed "strategic supply acquisition", and involves joint ventures with suppliers on design, specification, testing and market research.

However, says Jansen, the only real differential in a market threatened by retail parity is service, and the immediate plans of the group are directed to providing this, and making sure the proposed relisting of the group on the JSE next year is turned to strategic advantage.

In terms of productivity, the group is already well ahead of market average, according to planning resources GM Derek Russell. In the year to end March, turnover was calculated at R104 000 per employee and R2 200/m<sup>2</sup> of retail space, with an average store generating R1,3m. Profit before interest was R99 000 per store, and R7 700 per employee.

However, Morkels hopes the development of a new type of store will push both service and productivity levels even higher.

Development resources director Roy Melville says the plan is to establish small stores divorced from the administrative functions but displaying the whole range of goods, the opposite of the "warehouse" concept.

Central to this will be development of a computer network linking each branch to a regional service centre, which can provide rapid replacement of stock and delivery to customers. The group already has the equipment to link 60 branches in this way and has

a proven software system for its use, says financial resources director Terry Simon. Jansen says the group will also be looking to balance its operations over the next three to four years by diversifying. He sees opportunities in developing a chain aimed at lower- to middle-income furniture buyers, in the acquisition of fashion stores to fill the void left by major retailers in their move upmarket and in the expansion of the Total-sports chain. ■

24/10/86 (44) 80  
ASSOCOM CONFERENCE

FINAL  
**Business impatient**

This week's annual Associated Chambers of Commerce (Assocom) congress promised to be an important curtain-raiser ahead of the meeting between the State President and businessmen on November 7.

Key speakers at the congress were Denis Worrall, South African Ambassador to the UK, who gave the opening address; Chris Stals, Director General Finance, on the world economy and SA; Chris van Wyk, MD of Trust Bank, on the economic outlook for SA; and J N Reddy, Minister of Budgetary and Auxiliary Services, House of Delegates, on reform and the business community.

Probably the major message to emerge from the congress will be of the impatience

on the part of the business community over the slow pace of reform.

Says Rocky Ridgway, president of Assocom: "The private sector has a valuable role in promoting a climate of opinion within which real positive negotiation between black and white political leadership becomes possible at the national level."

But he warns that the opportunity to build a new SA is now, not later: "The growth and prosperity of that future SA will depend on the survival of free enterprise that is the surest vehicle to provide prosperity.

Ridgway adds: "If the November 7 meeting results in a firm commitment to meet intensified sanctions with a flexible response; a further commitment to the existing process of deregulation and privatisation; and, most importantly, a statement on political reform, not only restating the commitment but clearly indicating the nature and the timing — if all this is achieved then it will deserve the title: Forward with Confidence." ■

(50) BUS DAY 24/10/86.

DAVID FURLONGER

YOU won't find Assocom's new president running to the media to criticise the government's handling of reform and the economy.

Harold Groom is a believer in man-to-man diplomacy, not the up-and-at-'em, high-profile kind practised by some leading businessmen.



"I don't approve of dialogue being conducted through the media. I put myself in the position of someone in government. If I see someone attacking me in the media, it makes me less willing to listen to them later."

# New man at the helm is a true-blue diplomat

Indeed, one would not expect Groom — who succeeded Rocky Ridgway as president yesterday on the last day of Assocom's annual congress — to be anything but the diplomat.

A corporation man through and through, he has been with Old Mutual for 34 years since joining as a salesman in 1952. Now corporate relations manager, he is responsible for the group's corporate social responsibility programmes.

There is no shortage of experience, either, in the organised business field. A former president of both the Durban and Cape Town chambers of commerce, he has been president of the Durban Junior Chamber and of

the SA Junior Chamber, and executive vice-president of Junior Chamber International.

Groom knows what he wants from his year at the head of Assocom. But like other business leaders, he realises the solution is not in his hands alone.

Foremost, he believes it is time for businessmen to stop talking about what they want to change — and to get out there and change it.

"We've talked long enough. Now we must do something active. Don't just preach reform, practise it. Confront blacks at every level. Don't just tell the government to do it, do it yourself.

Groom sees his role as opening

doors for discussion.

"I must personally seek out black opinion forums and get communication and dialogue going with them."

He shares the view of other business leaders that the reform programme has stalled. He believes business can deliver a kick-start both through discussions with government and through its own actions in the workplace.

Particularly, he wants white businessmen to encourage — and bank-roll — black entrepreneurs wanting to enter the informal business sector.

"We must bring more blacks into the free enterprise system. Apart from anything else, we're running

short of whites to come in.

"But one must acknowledge that we can't create sufficient jobs in the informal sector. Business must be proactive in promotion of the informal sector. We must offer up-front finance and expertise, and even help them find markets."

He fears the free enterprise system may be at risk because of black perceptions of business as one of the tools of repression. Only by black involvement can those perceptions be changed and the system be allowed to continue in the long-term.

"The alternative to socialism in the economy is a socially responsive free enterprise system."

# Call for firm action by Govt clear — Parsons

ASSOCOM's annual congress, which ended yesterday, presented government with a clear call for firm economic and political action, says executive director Raymond Parsons.

"The strong congress message was that business wants three things," said Parsons shortly after the three-day congress ended at the Johannesburg Sun hotel.

"It wants a sustained economic recovery, it wants to seek ways to avoid or neutralise intense economic sanctions, and it highlighted the need for visible and tangible political reform in the public and private sectors."

Although many of the notions discussed at the congress were predictable in their aim, observers said delegates showed a greater realism and urgency than in the past. Parsons said: "Some very clear and crisp decisions emerged from

DAVID FURLONGER

the three days of debate. There was a very realistic grasp by business of the difficulties that are facing SA and of the need to build confidence.

"The tone of congress very clearly identified factors that have to be addressed if long-term confidence is to be sustained in the SA economy. I had the impression people were prepared to actually do something."

Major discussions at congress centred on calls to curb government expenditure, deregulation, the need to revitalise the reform process, and a challenge to government to allow towns and cities to decide for themselves whether to maintain segregation in schools and housing.

Parsons said the debates mirrored the kind of issues that would be raised by business in its meeting with State President P W Botha on November 7.

"The congress was a valuable sounding-board prior to the meeting," said Parsons. "Delegates saw the proposed meeting as a necessary step to plan SA's future, but not a sufficient one. In the space of one day, you can't do justice to the total package of financial and economic measures needed to strengthen long-term business confidence."

He said Assocom members were making a determined effort to put their message across to blacks at a local level. There had also been increased interest in the proceedings among black media.

"The government still attaches a great deal of weight to opinions of SA business. The advantage of views by big employer organisations is they are points of view that have been distilled and filtered by broad consensus. Although what organised business says doesn't always find favour, it enjoys credibility."

# Many topics covered

Industrial Staff

ASSOCOM delegates headed home yesterday at the end of a three-day congress that confirmed the business sector's impatience with economic and social progress.

Debate covered traditional areas such as taxation, government expenditure, the reform process, group areas, public holidays, crime and legal processes... and even the need to put our clocks back in summer to gain an extra hour's daylight at the end of the day.

The discussion on curbing government expenditure centred on the "Value-for-Money" programme to identify wasteful and ineffective use of government resources — people, cash or property.

A document prepared by the Cape Town Chamber of Commerce argued that public employees should be subjected to the same cost-benefit disciplines as the private sector.

It warned, however, that with manpower taking up to 70% of expenditure in public bodies, such a

scheme would inevitably lead to retrenchments. It added that private sector consultants should be utilised in the performance review process.

Unanimous approval was given to a Johannesburg Chamber of Commerce (JCC) proposal that government allow municipalities to decide for themselves whether to retain group-area restrictions on housing and schooling.

JCC officials said the proposal, which is expected to be put to State President P W Botha during his business "summit" with organised commerce on November 7, was a crucial test of government's commitment to reform.

A JCC document said it was a fiction to continue arguing that many CBDs and surrounding areas were "white".

It particularly identified the Johannesburg CBD and Hillbrow, and said they should be opened to all races.

TUTORIAL EXERCISE NO. 19 -- MCQ

To be handed in at tutorials in the week starting 6 October 1986.

- The demand-for-investment schedule means:
  - a schedule showing how the total volume of investment spending will change with changes in the interest rate
  - a schedule showing how the true rate of interest on an interest-bearing security will vary as its market price varies
  - an indicator of the extent to which changes in investment spending will change the level of GNP
  - an estimate of the rate of profit which any given investment project will yield to its owners
  - none of the above

- The "demand for money" means:
  - the desire to hold securities which can readily be converted into money at a fixed or near-fixed price if necessary
  - the amount which businesses will wish to borrow at any given interest rate
  - the desire to save more money out of income as protection against the uncertainties of the future
  - the same thing as "asset demand for money"
  - the same thing as the sum of "assets and transactions demand for money"

- According to a monetarist, monetary policy and fiscal policy differ in what way?
  - Monetary policy should be deliberately operated in the short run in an effort to keep GNP in the full-employment region, whereas fiscal policy cannot have anything but minor effects on the GNP level.
  - Monetary policy deals with the amount of money spent and collected by the government, whereas fiscal policy deals with the amount of money collected by the government.
  - Monetary policy seeks to control the level of consumption (C) spending, interest rates and credit, whereas fiscal policy works primarily upon the level of public expenditure.
  - Fiscal policy works primarily upon the level of public expenditure, whereas monetary policy works primarily upon the level of public expenditure.
  - There is no essential difference between the two techniques of operation, and they are administered by two different departments.

- Monetary policy is made so conservative whenever:
  - the "demand-for-investment" curve is steeply downward sloping
  - corporations rely heavily on debt for financing
  - the money demand schedule is steeply downward sloping
  - changes in interest rates have a large effect on investment spending
  - investment spending responds more to changes in credit availability than to changes in interest rates

- Because the difference between real and nominal interest rates is the rate of inflation:
  - nominal rates can fall, in the long run, in response to tight monetary policy
  - nominal rates must rise, in both the short and the long runs, in response to tight monetary policy
  - there is no difference between the demand for money and the demand for investment
  - the quantity theory of money is unquestionably true
  - none of the above

# Assocom seeks decentralised police forces

By Craig Kotze, Crime Reporter

The Associated Chamber of Commerce (Assocom) yesterday urged Law and Order Minister Mr Louis Le Grange to establish decentralised police forces under local and regional authorities.

In a motion passed at Assocom's annual general congress in Johannesburg, the body also called on the minister to actively promote community-based neighbourhood crime watch programmes.

This precedes plans by Johannesburg ratepayers' organisations and concerned citizens to hold a key meeting next week to discuss the launching of the Neighbourhood Watch system in the city.

An increase in the numerical strength of the South African Police and the continued provision of adequate equipment for them was also called for.

The motion was proposed by the East London and Cape Town Chambers in view of "increasing crime in all urban areas and the current unrest and security situation in South Africa".

A background document to the motion proposed that all aspects relating to urban crime be investigated by the appropriate authorities.

It was believed such an investigation would highlight the necessity for Mr le Grange to establish civic or auxiliary forces vested with appropriate powers, the document said.

Referring to the strengthening of the SAP, the document said the recent decision to train 1 000 "kitskonstabels" in three weeks for auxiliary work in townships was "commendable but hardly adequate".

The SAP, it said, should "go all-out" to make a career in the force much sought after.

- The crude quantity theory of money:
  - assumed that both V and nominal GNP were fixed
  - assumed that both V and real GNP were fixed
  - assumed that only V was fixed
  - assumed that V and the price level were fixed
  - none of the above

- Monetarists believe:
  - the money supply determines nominal GNP in the short run
  - the money supply determines prices in the long run
  - fiscal policy is essentially ineffective
  - market forces will maintain potential GNP in the long run
  - all of the above

- The lessons of the past decade:
  - Strict adherence to money-supply employment.
  - The Keynesian view is entirely correct.
  - There is nothing to the money market in constructing policy.
  - Money matters, but so does the interest rate.
  - (1) and (4).

- Historically, the income velocity of circulation:
  - has fallen with the advent of monetarism
  - has remained remarkably constant
  - has dropped in recent decades
  - rises in booms
  - has not exhibited any of the above

- The income velocity of money is:
  - the same as the velocity of circulation
  - the same as the velocity of circulation multiplied by the price level
  - the same as the velocity of circulation divided by the price level
  - the same as the velocity of circulation multiplied by the price level divided by the interest rate
  - the same as the velocity of circulation divided by the interest rate

- Capitalism requires only:
  - the search for individual profit and a market mechanism
  - a price system
  - a price system and a government
  - a search for individual profit and a government
  - none of the above

- Because the difference between real and nominal interest rates is the rate of inflation:
  - nominal rates can fall, in the long run, in response to tight monetary policy
  - nominal rates must rise, in both the short and the long runs, in response to tight monetary policy
  - there is no difference between the demand for money and the demand for investment
  - the quantity theory of money is unquestionably true
  - none of the above

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PEPKOR

# Creating wealth

With the listing of its operating subsidiaries, Pep Stores and Shoprite, the Pepkor group will at last break free from its unwieldy conglomerate structure. If any lesson can be derived from the experiences of Pepkor and Tradegro, it is that retailing groups cannot afford to bury subsidiaries in unseen corners.

The extent to which unlocked subsidiaries can add to group wealth is illustrated in Pep Stores' listing. Based on projected after-tax profits of R36,1m and a forward p:e ratio of 12, Pep Stores could be capitalised after its listing at some R433m, compared with current market cap for the entire group of only R120m.

Analysts dislike hidden subsidiaries, and when assessing conglomerates tend to see only problem areas. And chairman Christo Wiese concedes that nothing is more demotivating to line management than having its reputation soiled by mistakes at group HQ level — in Pepkor's case, the disastrous handling of forex.

Pep Stores, trading off a massive base of some 545 retail outlets and 7 factories, comes to the JSE with a sparkling record of 35% compound earnings growth since 1983. After-tax profits were R30,9m in the year to end-February 1986, forecast to rise this year to R36,1m, equivalent to 79,2c a share. The dividend this year should be 36c.

The chain is being reverse-listed through Bearing Man (Bearman), now in the engineering sector. According to the transmuted listing statement, Bearman will dispose of its assets to Mercabank's Progo group for R5,3m. It will then reduce its share capital and acquire the entire capital of Pep Stores, for the issue of 45,42m new shares of no par

value. Bearman will change its name to Pep Stores.

Progo, now suspended, effectively becomes the old Bearman, and once the deal is complete will be relisted. The reconstructed Progo is expected to earn 3,4c a share in the six months to end-August. Bearman, it seems, appears to have been chased close to its true value ahead of the deal.

In terms of the deal, investors holding 1 000 Bearman shares (now 65c) will receive 1 000 Progo shares and five new Pep Stores shares. Progo shares, based on projected earnings figures, should open around 55c, while Pep Stores could conservatively open at R10.

That puts a value of R600 on 1 000 Bearman shares now worth R650.

To attain the required spread of shareholders, Pepkor intends selling to the public 16% of its holding in Pep Stores, raising between R50m-R80m. The cash injection will go a long way towards resolving the gearing problem that has long plagued Pepkor. At end-February, group gearing hovered unhealthily around 110%, despite previous injections of R54,6m from a rights issue and R20m from a redeemable pref issue.

Group gearing will fall "well below our target of 75%" after the listings, says Wiese. Pep Stores, he adds, will start off with gearing of 50%, but debt will gradually be reduced by internal cash flow, and will be completely eliminated by February 1988.

The advantage of a backdoor listing is clearly that Pep Stores will be able to test its rating before selling off part of its holding to the public. Its rating could be far higher than the 12 times p:e ratio I have mentioned, particularly as the chain has the kind of trading profile analysts adore. It sells basic softgoods to the bottom end of the black market, is cash-based, and has no single powerful competitor. Edgars is trying to enter the market with its Express chain, but could take a long time to establish itself.

Wiese contends that Pep Stores' clothing lines are so basic that econometric models have shown a close correlation between Pep's sales and those of the retail food market.

Although details of the Shoprite supermarket chain listing have yet to be worked out, this will clearly be a far more modest flotation. Shoprite nevertheless has exceptional growth prospects, and turnover has increased since 1982 from R32m to R126m. In contrast to Pep Stores, Shoprite will acquire a frontdoor listing, in which Pepkor will release 20% of the equity to the public.

Pep Stores, in particular, could be among the most interesting listings this year. Its

profile is not unlike that of Score; any suggestion of a weak market rating (based, perhaps on previous traumas in the Pepkor group) could be a buy signal. *Neville Glaser*

## MALBAK AND HADDONS

### Malbak gets more

With Malbak chosen as the vehicle for Gencor's industrial interests, its shareholders have every reason to be happy, especially now the terms of the first deal have been announced.

Gencor is selling 1,6m Haddons shares to Malbak for 2,7m new Malbak shares. Simultaneously, Haddons acquires the Malbak subsidiary Photra, for 1,7m Haddons shares. So Malbak will have a total of 3,3m Haddons shares (71% of the increased capital).

The benefit for Haddons is that its debt:equity ratio will be reduced from 84,4% to 53,3%; against this, EPS will fall from 158c to 147c and net worth from R11,81 to R11,05. Malbak, however, improves its earnings. Although the effect is marginal on total capital, incremental earnings amount to R2,8m, equivalent to 106c per share on the 2,68m shares to be issued, compared with current earnings of 43,7c.

As future additions to its portfolio will probably be structured on a similar basis, the place to be is obviously Malbak, not the companies it is acquiring from Gencor.

These takeovers confirm Malbak's position as a conglomerate, but director Klaus Zirker believes the number of divisions should not increase above the present eight:



**Pepkor's Wiese ... selling basic lines**



**Malbak's Thomas ... making shareholders happy**

# Saturday shopping spreading

EVE Post  
24/10/86  
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By KIN BENTLEY  
SATURDAY afternoon shopping is spreading to centres all over Port Elizabeth.

It started with a decision to keep shops open at Greenacres, but now major stores in other areas intend keeping open their doors till 5pm, starting next weekend.

Most shops at two of PE's major shopping centres will remain open, following the relaxation by the City Council of restrictions on trading hours.

Mrs Elizabeth Lutz, secretary of the Constantia Centre, said most of the stores in the complex would be opening from next Saturday until 5pm. This included such stores as OK, Checkers, Ackermans, Sales House and probably Edgars, she said.

Mrs Pat Wren, public relations officer for Greenacres, confirmed that the majority of the more than 80 shops at the

complex would open from November 8, also until 5pm.

She said the delay in opening was to enable them to get their staffing sorted out.

Shops at Greenacres likely to be open include Checkers, OK, Clicks, Edgars, Woolworths, Foshini's, Markham's, American Swiss and many of the smaller stores.

The general manager of Pick 'n Pay in the Eastern Cape, Mr Terry Carroll, said today that while not all its stores in PE would be suitable for Saturday afternoon trading, some might be opened "on a selective basis". No final decision had yet been made.

Pick 'n Pay Hypermarket at Hunters' Retreat would not be extending its hours immediately, its general manager, Mr Fred Pearl, said today.

Mr Ian Stevens, area manager of Grand Ba-

zaars, also said his stores would stay open on a selective basis — Newton Park would certainly stay open, the position at the others still had to be considered.

Deputy Mayor Solly Rubin, an outfitter, said it was unlikely small stores would be taking advantage of the new trading hours.

He said a worrying factor was a lack of security for small businesses.

Mr Rubin said the larger supermarkets would increase their turnover at the expense of the smaller traders, but the smaller men would fight on different terms offering more personalised service and credit facilities.

● CNA has indicated it will be opening its Greenacres and Walmer branches between 8am and 8pm on Saturdays, starting tomorrow, and between 10am and 8pm on Sundays, following its decision to venture into the video-hire market.



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Pick 'n Pay chairman Mr Raymond Ackerman presents his company's latest complex, in Ottery, which opens on Wednesday. Picture: RICHARD BELL

# Don't worry, traders told

By CHRIS BATEMAN

FEARS expressed by the Western Cape Traders' Association (WCTA), that small retailers in Ottery would be put out of business when the giant Pick 'n Pay complex opens there on Wednesday, were "unjustified", the hypermarket's general manager, Mr Sakkie Joubert, said yesterday.

And Pick 'n Pay chairman Mr Raymond Ackerman said he had insisted as a precondition to building there, that the government declare the 20 000 sq m site an

open trading area.

Mr Joubert offered to emulate what Pick 'n Pay had done in Westville, Durban, and provide retail advisers to help smaller outlets.

"My experience has been that a complex like this actually stimulates business in the area and draws a vast number of people in," Mr Joubert said.

He said the hypermarket would be wholesaling goods at "very competitive" prices to local retailers "irrespective of quantity taken".

A WCTA spokesman said the Ottery area was "overtraded". In the present economic climate smaller businesses would either lose turnovers or have to close down. "We have been opposed to this complex from the start," he said.

Mr Ackerman replied: "You can't stop progress by stifling development. We've created 600 permanent jobs alone here with thousands more on related work."

Mr Joubert said he expected 22 000 till customers on a "normal" Saturday morning.

# Foundation steps in to help PE business

By KIN BENTLEY

TO boost the flagging East Cape economy, the Urban Foundation plans to set up an entrepreneur centre to hatch new business projects.

This was confirmed today by its regional director, Mr Roger Matlock.

It is being viewed as a service supplementary to the Hive of Industries at Port Elizabeth's Neave

township.

Mr Matlock said three different researchers were looking into the viability of establishing such centres in Natal, the Pretoria-Witwatersrand-Vereeniging area and the Eastern Cape.

Heading the East Cape investigation, he said, was Mr Hannes Fehrsen, former managing director of Dorbyl Automotive Products in Uitenhage and

ex-president of the National Association of Automotive Component and Allied Manufacturers.

He was appointed as a consultant at the beginning of the month and his investigation is due for completion by December 10.

Mr Matlock said the survey would determine if the concept of an entrepreneur centre was viable

and who should structure and manage it. He said one possibility was to go "to financiers to run it as a profit-making concern".

Based on the United States concept of business and technical centre (BTCs), he said it was envisaged that such a centre should accommodate large numbers of entrepreneurs who would have access to a sophisticated administrative

structure as well as day-to-day guidance

Mr Fehrsen declined to comment on the investigations today, saying it was "too early".

Professor Mike Levin, rector of Vista University at Zwijede, who headed an investigation last year which led to the establishment of the Small Business Development Corporation's hive of industries, said at the weekend that there was still a need for a "development agency" to assist those in the informal sector whom the SBDC was not reaching.

He foresaw such an agency supplementing the SBDC's work. It would specialise, inter alia, in the provision of fixed and working capital to the Third World component of the SA economy.

Prof Levin said many people in the informal sector were unable to get into the SBDC hive which could only accommodate a limited number and had to be "very selective".

In a report on the informal sector in coloured areas in PE by Prof Levin and Vista professor of business economics, A P du Plessis, the two major factors inhibiting the expansion of informal businesses were identified as lack of proper (business) accommodation and the unavailability of loans.

Entrepreneur "incubators" were identified as "buildings in which a number of new or growing businesses can locate. They can operate at low overhead costs because facilities and services are shared."

The report emphasises the need for a development agency to operate at "every level of the business hierarchy", which would also physically trace informal entrepreneurs to give advice.

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AKGWS 28/10/86 (30) (30)

# Board pays R14-million in John Orr takeover

By TOM HOOD

THE Board of Executors has raised some eyebrows by taking control of the John Orr group of chain stores in a R14-million deal. But it insists it is not going into the retail business.

The Board said today it bought 50 percent of the issued share capital of John Orr Holdings (JOH) from the previous major shareholders at 555c, including the interim dividend.

It will disclose its plans for the future development of the company when it makes an offer to minority shareholders.

JOH is the holding company of the John Orr department stores in Natal and Johannesburg, the Hub budget stores and Foot Flair shoe stores and the national chain of more than 100 Milady's fashion stores.

Commenting on the deal, the Board's managing director, Mr Bill Mcadam, said it should not be regarded as a move into the retail business.

The Board will remain firmly focussed on financial services, but it will retain a strategic stake in the John Orr company.

Following the launch last year of Oceana Development Trust — South Africa's first international investment trust — the investment in John Orr is further evidence of the innovation and expertise now available from the Board and its new senior management team.

After-tax profits of JOH for the six months ended 31 August were 97 percent up on the previous year and signs are the trend will continue, says the group.

Current intention is to retain the retail operations and the Board says it has already entered into arrangements with certain individuals who have acknowledged expertise in the retail field.

John Orr also has a substantial interest in the Umdoni and Tamboti property trusts.

At current prices, the value of these units is some R21-million or R4 a JOH share.

Should this value be realised and distributed to shareholders, the Board would effectively have paid 145c a JOH share (the purchase price of 555c, less the 10c interim dividend and the 400c attributable to the property trusts).

# Edgars doubles profits as consumer spending soars

29/10/86 STMR

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By Peter Farley  
Investment Editor

Edgars produced the best evidence yet that consumer spending growth has returned with a vengeance, by more than doubling profits in the six months to end-September on the back of a 24 percent leap in sales.

And MD Vic Hammond says that the trend has accelerated since September 30, suggesting that the retail group will be able to sustain this kind of performance through to the end of the year.

Nevertheless, Hammond says that the buoyancy of consumer spending has defied all economic forecasts, in that low wage increase and higher unemployment indicated that sales of consumer durables should have been under pressure.

All three major divisions within the group — Edgars, Jet and Sales House — performed well in the period under review, but the Edgars chain still dominated with two-thirds of total



Vic Hammond — improves market share.

sales and some 85 percent of overall profits.

In addition, the group has recently launched the Express chain of down-market, discount stores — the fourth of which is opening this week.

Although margins in this area are minimal it could become an important contributor to group profits with Hammond estimating that there is scope for 200 such outlets countrywide.

For the record, group sales jumped to R423 mil-

lion from R342 million, but improved efficiencies and lower interest rates saw attributable income surge to R18,4 million from R8,1 million in the year-ago period.

Hammond says that sales growth has been pretty evenly divided between credit and cash purchases, but points out that with credit sales averaging roughly 2:1 against cash deals the group is carrying an increasing burden through its burgeoning debtors book.

## RIGHTS ISSUE

The recent R50 million rights issue alleviated part of the re-capitalisation problem, though Hammond says that gearing — now down to 25 percent — will probably increase as the HP book swells in size.

In the past six months Hammond estimates that clothing inflation has been running at around 16 percent, with real growth of some two percent pushing the overall market ahead by 18 percent.

The extra six percent increase in sales recorded by Edgars is therefore improved market share. And Hammond says that, while the second half will not be as spectacular when set against last year's strong second six

months, the group should maintain 22 percent sales growth for the year.

But there is still a major effort being applied to improve internal efficiencies, with the target set at achieving sales of R2 800 per square metre, against the existing group average of R1 800.

## TARGETS

And Hammond believes that it is within the group's grasp as several of the major downtown stores are already turning in sales around the R3 500 a sqm mark.

The dividend increase has been held back to 70 percent — up to 215c a share from 125c — with interim cover lifted to four times from three last year. Cover for last year's total dividend of 450c was, however, less than two and Hammond says that the target is to get this back to at least 2,5 times.

If the second half is spectacular enough it may be achieved in one go, but Hammond will not commit himself on forecasts.

However, the group is clearly in much stronger position than 18 months ago and is beginning to fully justify the investor faith that has virtually doubled the share price to R180 in the past year.

STAK  
29/10/86

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## US must not pull out — Ackerman

CAPE TOWN — Pick 'n Pay chairman Mr Raymond Ackerman last night made a plea to American businessmen to stay in this country.

"By investing and not running away," American businessmen could create the jobs necessary to bring peace to South Africa.

Mr Ackerman was speaking at the pre-opening function for the new Ottery Hypermarket, at which he presented R50 000 to the Mayor's Relief Fund.

Mr Ackerman, who is to attend a conference this month between the Government and top local businessmen, said South Africa had two years in which to fight sanctions and disinvestment.

"It is time for us to get off our butts and talk, not adopt a hard-line attitude," he said.

Mr Ackerman said black leaders would have to realise that "they must put their hands across as well". — Sapa.

EDGARS has unveiled results which surpass the best expectations with earnings a share shooting up 126% to a record 853c a share for the 26 weeks to September 28.

The interim dividend has been lifted 72% to 215c a share.

MD Vic Hammond expects full-year results to show further growth with earnings and dividends coming through at a new peak.

He says consumer spending revived strongly — particularly in the black market — over the interim period and that pre-Christmas sales are most promising so far.

SA's leading clothing retailer, through aggressive marketing and correctly reading fashion trends, has pushed up sales by 24% to R423m (R341m) and

29/10/86 BUSDAY 30

# Dazzler from Edgars

BRIAN ZLOTNICK  
Investment Editor

increased market penetration at the expense of competitors.

Benefits of bumping up sales, with fixed overhead and operating expenses well contained while new store opening costs were minimal, flowed straight through to operating profits which moved up 67% to R41,3m.

The swing from losses to profits by the Jet and Sales House chains exaggerated the sharp improvement in operating profits.

However, the Edgars chain remains

the backbone of the group through generating 66% of sales and 85% of operating profits.

A tighter credit policy and benefits of technology enabled Edgars to experience its lowest-ever level of bad debts (measured as a percentage of the debtors' book), says financial director Kevin Brewer.

Lower interest rates not only fuelled consumer spending but enabled the interest bill to fall 36% to R6,3m (R9,8m)

● To Page 2 →

## Edgars results surpass expectations

and help lift pre-tax profits by 134% to R35m.

Sales came off a depressed base as did interim earnings which were 39% lower in the 1986 financial year. Moreover, the decline in consumer boycotts was an added fillip for sales.

Hammond says besides the group's newly-launched down-market black Express store chain, there is no desperate

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need to expand the trading space of the other chains with sales per square metre — still low after four years of vast expansion.

He adds: "We have the scope to lift sales volumes by 50% per square metre over the next few years without boosting our floor space."

OCTOBER 29 1986

## Earnings lift in impressive fashion

# Edgars profits, dividend soar

CMT TAKS 29/10/86

By AUDREY D'ANGELO  
Assistant Financial Editor

EDGARS Stores have lifted earnings by 127% to an impressive 853c (375c) a share in the six months to December and the interim dividend by 72% to 215c (125c).

Pre-tax profit soared to R35m (R15m), net profit to R18,3m (R8m), operating profit to R41,3m (R24,7m) and sales to R423m (R342m).

These results look even better when compared with those of the mini-boom at the end of 1984.

### The 'post-Rubicon' period

Results in the comparable period last year were in the "post-Rubicon" period when sales generally slumped, and therefore the apparently spectacular growth in the first half of the current year was achieved from a very low base.

But in the six months to September 1984, Edgars' pre-tax profit was R25,3m, after-tax profit was R13,3m and the interim dividend 165c a share.

The group GM, corporate services, Fred Haupt, said yesterday: "There has definitely been an uplift in consumer spending.

"There seems to have been a resurgence of confidence among people of all race groups, who seem to be buying more across the board.

"But we may also be benefiting from the fact that so far this return of confidence has not stimulated hire-purchase sales of 'big ticket' items such as cars. Therefore people may have more

disposable cash to spend on such things as clothing."

Haupt said the group hoped for a further 30% growth in the second half of the year, which was traditionally better than the first, provided "nothing untoward happens".

He said the results had exceeded expectations but they were due to very aggressive marketing and careful market research as well as to the upturn, and profit margins had not been squeezed.

"We have kept very current with our stock and very closely in touch with customer requirements."

There had been more in-season buying than in past years.

The directors said in the interim report: "National consumer spending on clothing and footwear firmed strongly towards the end of the first quarter and has continued since then to reflect excellent growth."

They said that although Jet and Sales House achieved good results "Edgars remains the mainstay of the group representing 66% of the sales and 85% of retail operating profits".

### Pressure from sanctions

● There has definitely been an improvement in consumer spending and retailers can be confident of a good Christmas, Woolworths MD Michael Stakol said last night.

"But I think we should be cautious. The upswing has not been spectacular and I think we shall feel increasing pressure as a result of sanctions."

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Gold... ..

# Amrel achieves dramatic return to profitability <sup>30</sup>

By Sven Lünsche

30/10/86

cial year, were still felt during the interim period.

SA Breweries retail group Amalgamated Retail (Amrel) returned to profitability in a spectacular way, showing earnings of R3,09 million for the six months to September 30.

The turnaround comes after the group's loss of R3,67 million in the corresponding period last year and the year-end loss of R982 000.

In last year's annual report, chairman Ronnie Cohen predicted a return to profits and dividends, but even optimists could not have forecast such a dramatic recovery.

Taking advantage of a resurgence in retail sales, particularly in the furniture area, over the last year, Amrel's turnover for the six months increased by 26,4 percent to R293,5 million.

Reflecting Amrel's improved performance, the group resumed paying dividends with the declaration of a 11c interim.

The furniture division was bolstered by a 34,2 percent increase in turnover, and according to MD Stan Berger gained significant market share during the period. The easing of HP requirements, which was largely responsible for the turnaround in furniture sales in the second half of the previous finan-

Mr Berger noted "that there was a marked swing to hire purchase credit sales during the period".

According to analysts, Amrel also made use of substantially lower interest rates and increased buying by black consumers in anticipation of boycotts over the christmas period.

Both the apparel and the service divisions recorded continued growth over the last six months, albeit at significantly lower levels than the furniture division.

The shoe division remains the one major headache of the group, with sales still sluggish, but the group is confident that it will return to profitability before the end of the year.

Says Mr Cohen: "The shoe division has started to reflect the benefits of last year's reorganisation, and should return to profitability in the second half of the year."

Looking further ahead, Mr Cohen says that the results bode well for the remainder of the financial year.

"I expect interest rates, which have a major impact on Amrel, to rise during the period, but anticipate that retail activities will maintain its present levels during the second half."



# Ackerman: 'For God's sake stay in this country'

30/10/86

PICK 'n PAY chairman Raymond Ackerman has made an impassioned plea to American businessmen to "for God's sake stay in this country".

"By investing and not running away" American businessmen could create the jobs necessary to bring peace to SA.

"I appeal to those companies who are still here, in spite of the hassle factors and the criticism, to stay here. We need you," he said.

Presenting R50 000 to relieve the plight of Cape Town's unemployed to the Mayor's Relief Fund during the pre-opening function for the new Ottery Hypermarket, Ackerman said he had thought "very deeply" about the poverty which resulted from the unemployment crisis in Cape Town.

"We need jobs more than hand-outs, but the fund is there and I hope this contribution will go some way to relieving the poverty," Ackerman said.

Own Correspondent

Ackerman, who is to attend a major conference this month between government and top local businessmen, said SA had two years in which to fight sanctions and disinvestment.

"Sanctions have only just begun. It will be a long time before punitive, mandatory sanctions are imposed.

"It is time for us to get off our butts and talk to everyone, not to go into the laager and adopt a hard-line attitude," he said.

Ackerman said black leaders would have to realise that "they must put their hands across as well".

He believed 80% of South Africans believed in the same things: democracy, protection for minorities and peace.

Only by talking to each other would we discover how much we all had in common, he said.

# Boycotters 'don't like intimidation'

By Jo-Anne Richards

Consumer boycott organisers were generally against intimidation as it was counter-productive and gave them "a bad name", a senior lecturer at Witwatersrand University, Dr Tom Lodge, told a Benoni magistrate yesterday.

The political studies lecturer said intimidation in recent boycotts was generally "not organised from above".

Mr Abiot Motswege of Daveyton is the first person to be prosecuted for organising a consumer boycott. He is charged with subversion in terms of the Internal Security Act.

The case is regarded by legal experts as a vital test case. It will determine whether consumer boycotts are a lawful method of protest.

For the defence, Dr Lodge said boycott committees, which took trouble to prevent or speak out against violence, generally made it clear intimidation was carried out on a "wildcat basis" by politically-excitable youths.

Boycotts were "something of a tradition" in South Africa, he said. They were widely used through his-

tory by all manner of organisations.

In 1947, an Afrikaner nationalist group concerned with Afrikaner upliftment organised a successful boycott of Indian shops.

"And I wouldn't exactly call that a left-wing group," Dr Lodge added.

They had generally been seen as a legal, non-violent means of change. Recent boycotts were aimed at pressurising white retailers, who had greater access to the Government, to use their influence to change policies.

To see boycotts as a function of the banned African National Congress was "a romantic view of the ANC's ability to organise", he said.

The charge against Mr Motswege is not confined to "an attempt to cripple, prejudice or interrupt" the supply of goods on the East Rand.

Through the boycott, he is alleged to have intended to destroy or undermine the State's authority, to bring about constitutional or political change, and/or intimidate members of the public.

The hearing was postponed to December 2.

Cape Times 30/1/86

# The Hyper Crush 'n Rush

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Staff Reporter

WHEN the going gets desperate, the desperate go shopping — and how.

It was a day of queues and bargains and more queues for the thousands upon thousands of bargain-hungry shoppers who flooded the new Ottery Pick 'n Pay Hypermarket which opened for business yesterday.

In a day of hectic trading, the giant store's security personnel had to keep doors closed throughout the day as crowds, faces pressed against glass doors, watched shoppers inside jamming up the aisles in endless queues.

When proceedings thinned out, doors were opened —

briefly — and those outside ran indoors only to join more seemingly endless queues — this time for shopping trolleys.

A third queue — this time at the counters — waited for them once they had filled those trolleys.

So rough was the going that Radio Good Hope broadcast appeals to the public — at Pick 'n Pay's request — to stay away from the Hypermarket as it was too crowded.

Most of the shoppers the Cape Times spoke to yesterday as they were leaving about 1.30pm said they had been among the first into the store when it opened at 9am. Many had been waiting outside since 5am.

An Ottery Sunday school teacher, Mr Gerald Maasdorp, claimed he was the first to arrive at the store.

"I came at 2am and they all came after me," Mr Maasdorp said, deftly handling two trolleys overflowing with his purchases. "I was one of the first in when they opened and I'm only leaving now." It was almost 2pm.

"I reckon I've saved about R200 with all these purchases."

By eight o'clock last night 16 000 transactions had been processed at the store. "Which means that we could have had 32 000, or even more, people through here today," general manager Mr Sakkie Joubert said.

He said the Hypermarket had taken R800 000, and by closing time at midnight the figure was expected to be close to R1-million.

Mr Joubert said that late last night the doors were still closed, the store was "jammed" with people and more were waiting outside the doors and in the car-park.

He had opened three hypermarkets and had "never seen anything like this".

He had had to ask the SABC to broadcast radio messages every 10 minutes yesterday afternoon urging people not to go the hypermarket as the roads were congested and the store "absolutely packed".

## Upswing in time for Christmas

# Prospects good for retailers

APT Times

30/10/86

By AUDREY D'ANGELO 30  
Assistant Financial Editor

THE upswing, fuelled by higher consumer spending, is already well under way in the Cape Town area and local retailers seem confident that business will be good over the Christmas period.

Retailers and manufacturers across the board report rising sales and say there is money about and people are willing to spend it.

Conditions are improving even in the hard-hit engineering industry. The MD of UME — the largest steel merchants in the Cape — Peter Smaller, said yesterday that demand had risen by 7% in real terms since July. "There is no doubt that things are picking up and there is more work about."

### Forecast 'unanimous'

Assocom will give its forecast for the Christmas period at a press conference in Johannesburg this afternoon.

But, without waiting to hear it, local retailers interviewed yesterday were unanimous in forecasting a profitable Christmas.

The GM of Stuttafords' Claremont department store, Cees van Velze, said: "People are already spending far more than at this time last year and I have no doubt that we are in for a good Christmas."

The GM of the Cavendish Square shopping centre in Claremont, Harry Riddell, said: "I have not got the latest figures yet but so many more people are coming into the centre that it is obvious the upswing has begun. The centre is much busier and the tenants are looking more cheerful. Everyone seems to be anticipating a prosperous Christmas."

The MD of Victrix, Colin Abel, said: "There has been a fantastic increase in our turnover. I find it significant that many of our suppliers have told

us that their order books are full until the end of the year and they cannot accept any more orders for delivery before Christmas."

Abel said in spite of the increased demand "there is every indication that prices have stabilized, or even come down, because the rand has strengthened and imported components are cheaper.

"We have had a tough year but every indication is that we shall have a good Christmas."

A senior executive at the Brackenfell hypermarket, J B Smith, said: "People of all races seem to have more money to spend.

"Sales of refrigerators, stoves and appliances — particularly microwave ovens — have picked up in the past few weeks and people are paying cash, not using credit cards.

"We are predicting a much better Christmas than last year."

The MD of Katz International, the Cape Town-based company in the Picbel group which makes and distributes washing machines, dishwashers and refrigerators, said business was "very good".

### 'Recovery in demand'

● Sapa reports that the directors of leading retail groups, and the latest figures and comments from Pretoria, confirm that consumer spending is rising.

It quotes the Reserve Bank Governor, Gerhard de Kock, as saying that the increase in real gross domestic expenditure (GDE) in the June-September quarter "reflects a further recovery in private consumer demand, with a reversal of the drawing down of inventories."

Real GDE leapt at an annual rate of no less than 20% in the third quarter after declining by 3.2% in the previous quarter.

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31/10/86

Retailers predict up in dollar terms

# Christmas sales expected to drop by 3%

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BUZDAY

Economics Reporter

RETAILERS expect sales for November and December to fall by about 3% in real terms from sales during last year's Christmas season, said an Associated Chambers of Commerce of SA (Assocom) survey released yesterday.

The survey, of 200 retailers and chainstores nationwide, revealed expectations that sales in the two-month period would rise to R7,2bn, up 13% in dollar terms but down slightly when measured against expected 16% price inflation.

Last year Christmas sales declined by 7,5%, inflation-adjusted, from the year before.

The Christmas season accounts for more than a quarter of all retail sales for the year.

The decline in expectations comes despite a business environment where, as Assocom noted, "the economic recovery may be gaining momentum and certainly the economy is 'off the bottom' compared with 1985."

Assocom said conditions in most markets serving black consumers had become "more positive" than last year. CE Raymond Parsons said: "Many consumer boycotts

have faded away in several major urban areas."

At the same time 85% of survey respondents indicated "increased price consciousness" among their customers relative to last year, and 70% noted more "quality-conscious" buyers.

Parsons said "a number of respondents" indicated they would offer higher discounts than last year.

Assocom said the food and clothing sectors appeared to expect sales gains of between 15% and 20% over last year's period. Jewelers and other retailers dependent on imported goods were still struggling.

Respondents from Durban, Pretoria and Cape Town said they expected a better Christmas season than the average. Eighty percent of Durban retailers said they planned special promotions, and 60% said they expected customers to use more credit than last year.

But the Witwatersrand, including Johannesburg, appears to be headed toward Christmas sales slightly lower than in other areas.

3/10/86 (30) DD

## Buthlezi snipes at Nafcoc

ULUNDI — It was time black businessmen showed where they stood in the struggle against apartheid, the Chief Minister of KwaZulu and president of Inkatha, Chief Mangosuthu Buthelezi, said yesterday.

“Black businessmen are important opinion-makers. Now, for the first time, white businessmen are prepared to recognise the important role which black business must play.

“I am therefore shocked and appalled at the emerging trends in the National African Federation of Chambers of Commerce (Nafcoc) which are the results of intimidation against it,” he said.

Black businessmen of today were no better than white businessmen of yesterday, who were intimidated by apartheid into doing the wrong thing.

“This trend in Nafcoc emerged first when (its president) Mr Sam Motsuenyane and some of his colleagues trotted off to Lusaka to have discussions with the African National Congress. Nafcoc has never been the same since, and they are now behaving as though they bought immunity from attacks from black radicalism.

“They returned to South Africa to betray their black customers,” Chief Buthelezi said. — Sapa

# Assocom sees pre-Christmas sales up 13pc

JOHANNESBURG — Christmas sales of some R7 200 million are expected in the next two months.

Expectations for these sales reflect a substantial improvement on last year's hopes, according to a special report on the subject issued yesterday by the Associated Chambers of Commerce (Assocom).

Based on a canvas of more than 200 companies, the report says: consumer spending will show its usual seasonal upswing in the period before Christmas — and will be characterised by:

- Total retail sales up by about 13 per cent in money terms over the same period in 1985.
- This will take Christmas sales to some R7 200 million for the two-month period.
- Assuming an annual inflation rate of about 16 per cent over the period, retail sales in real terms could be some 3 per cent lower than the corresponding figure for the same period of 1985.

"It must be realised" said Assocom, "that last year Christmas sales in real terms were 7.5 per cent below the 1984 figures".

Of the various sectors investigated, the food sector appears

to expect an increase in sales of between 15 per cent and 20 per cent.

A similar outlook applies to the clothing sector, except that there still appears to be less momentum in the sales of men's clothing than in women's wear sales.

Expectations of traders in furniture and appliances appear to have improved considerably compared with last year.

Jewellers and other traders who are selling imported luxury goods are still struggling, although the position has recently improved.

Apart from sectors experiencing very high unemployment rates, the situation in the black market has become "more positive than it was last year. Consumer boycotts have faded away in several major urban areas.

"Consumers have for some time now suffered increases in salaries and wages below the rate of inflation. Nevertheless, lowered interest rates on hire purchase contracts and repayment of existing debts have brought some relief.

"Traders, in many cases, are giving a discount for cash payments. A number of respondents have indicated that a higher discount would be given, compared with 1985.

"Approximately 85 per cent of the total respondents indicated increased price consciousness of their customers when

compared with last year, whereas nearly 70 per cent were more quality conscious.

"The usual plans for special sales promotions are indicated by the majority of respondents."

Durban appears to have a "reasonably good" Christmas in store. Some 80 per cent of respondents plan special promotions and more than 60 per cent expect customers to use more credit than last year.

"As usual Cape Town appears to be better off than many. Cash sales remain of great importance for Cape Town, and there is a noticeable trend towards increasing credit sales.

"Pretoria also has expectations for a relatively good Christmas. Some 60 per cent of respondents expect their customers to make more use of credit than in the same period in 1985. Around 60 per cent of customers are forecast to be more price-conscious than last year.

"For the Witwatersrand (including Johannesburg which is expected to do better than the rest of the Rand) as a whole, general indications are of slightly less than average Christmas sales in real terms.

In Port Elizabeth, there is still pessimism, chiefly because of widespread unemployment". — Sapa

The second condition for equilibrium, in this case increased savings, therefore, means an increase in income. With a multiplier of 3, this should be shown graphically. (This should be shown graphically.)

1.d Traders holding an increased multiplier (This should be shown graphically.)

2. Every consumer's "level" or volume of consumption is maximised by a given level of income; unlimited consumption is the statement is not correct. Co maximised the total utility derived from a given level of income. Total utility is maximised (for marginal utilities of all goods

$$\frac{MU_A}{P_A} = \frac{MU_B}{P_B} = \frac{MU_C}{P_C} \text{ et cetera}$$

This is known as the equimarginal principle. When the equimarginal principle holds, a consumer will consume a bundle of goods and services that generate "utility" for the consumer which is simple. The answer is simple: they consumed the first unit of marginal utility in the equimarginal principle.

A good example is a Rolls-Royce car. This is due to the fact that the first Rolls Royce, MU utilities, due to the car's high price.

3. According to current consumption:

$$\frac{MU_A}{P_A} = \frac{10}{5} = 2 \text{ and } \frac{MU_B}{P_B} = \frac{10}{5} = 2$$

In order to reach equilibrium the consumer will stop this adjustment.

# An impatient mood

If the State President thinks he can (once again) easily seduce the business community at the November 7 business indaba, he could be in for an unpleasant surprise — that's if last week's Assocom Congress is anything to go by. There were few signs at the congress that the mounting pressures of sanctions and disinvestment will induce business to rally behind the government in preparation for a siege economy, or halt its demands for real change.

All the resolutions — with the minor exception of one involving daylight saving — were carried unanimously, including one urging government to abolish all remaining discriminatory measures, especially the Group Areas Act. This resolution was supported on the floor by Witbank, hardly the centre of South African liberalism.

Indeed, if there was one characteristic of the mood of the congress it was impatience — whether at the slow implementation of transport deregulation, or at the feebleness of attempts to rein in government spending.

Indeed, the only man to get a rough reception in the generally courteous congress was President's Council member Japie Basson, who suggested that President P W Botha had to move slowly because he was constrained by "democratic" considerations. Delegates felt rather that government had for too long been constrained by narrow, sectional interests.

The spectre of a siege economy hung over the congress. Delegates privately expressed disquiet at the influence of Sanlam's Fred du Plessis' corporatist — some even said socialist — ideas, and at tightening up of government control in the political and economic fields.

The opening speaker, Denis Worrall, sug-



**Assocom's Groom ... keeping up the pressure**

gested that further reform was impossible until order and stability had been achieved; but in the main session of the congress delegate after delegate suggested this meant putting the cart before the horse. Economic reforms like privatisation, and genuine political reform, are prerequisites for restoration of order, it was felt. Some even discerned a mood of self-congratulation at business's contribution to the erosion of apartheid.

To coincide with the congress, correspondence dating back to 1960 — between then Prime Minister Hendrik Verwoerd and As-

socom president Denis Mosenthal — was released to the press. Assocom's recommendations of the time — labour mobility, an end to job reservation, and the legalisation of black trade unions — are now all government policy; business must take a lot of the credit for this.

But while there has been progress at the legislative level, it has been much slower at grassroots. As Indian Budget Minister J N Reddy pointed out, the lack of black, coloured and Indian faces in the corporate boardrooms of SA shows how much more progress must be made.

New Assocom president Harold Groom has promised to try to rectify this, and the promotion of black staff — doubly important during the current brain drain — will be given top priority by many members.

Groom hopes that business will be a vital agent for peaceful, and not piecemeal change; but if the National Party has decided that reform has gone far enough there is little business can do but keep up the pressure. "Business does not govern the country," says Assocom CE Raymond Parsons, "but it has an unusual role in South African circumstances to keep the country governable."

The new assertive, united business approach will be seeking concrete results — with the scrapping of group areas in those municipalities that want it the minimum requirement.

At the time of the Verwoerd-Mosenthal dispute it was argued that government was talking politics and business talking sense. Now business is arguing for the removal of any legislation, whether social or economic, which restrains the economy — and it's difficult to argue with that.



DD 3/10/26  
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# Supermarket strike ends as fired worker gets job back

Dispatch Reporter

EAST LONDON — A strike at the Checkers supermarket branches in Amalinda, Nahoon and Mdantsane ended yesterday when a shop steward who had been sacked was reinstated and a charge of theft against him was withdrawn, workers said.

Workers at the three branches are reported to have staged a sit-in strike when the Amalinda branch shop steward, Mr Sydney Nyamza, was fired on Monday and reported to the police for alleged theft.

Workers said the regional manager of Checkers, Mr Royce Alcock, was called to the Amalinda branch yester-

day. After negotiations with worker representatives, management had agreed to reinstate Mr Nyamza and withdraw the theft charge.

On Saturday Mr Nyamza had been given six loaves of bread and some rolls as a meal for workers. The date stamps had indicated they were old.

Mr Nyamza had made a note on the incident.

On Monday he was called to the manager's office where he was questioned, dismissed and reported to the police for theft, the workers said. Police had arrived and he was taken to the Cambridge police station.

take place... weekend. ... will be held. There will be obedience sections in addition to breed judging on both

## Train service

# Vosloorus to get a R5-m complex

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Joseph  
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**THE SMALL Business Development Corporation is to spend R5-million to build a giant shopping complex in Vosloorus township in the East Rand.**

A spokesman for the SBDC, Mr Gray Thathane, said the complex will be a challenge to the skills of the black supermarketeer.

He said: "The development of a modern shopping centre will present a golden opportunity to the community of Vosloorus. The business community will have a chance to operate from new high class premises where consumer traffic is going to be concentrated on one locality.

"It will also give opportunity to aspirant entrepreneurs to get into business and the community will have convenient shopping in their town, offering a wide variety of services."

**By JOSHUA RABOROKO**

It will be located on M C Botha Drive and will form the heart of Vosloorus' Central Business District. Around it will develop a hotel, indoor

stadium, youth cultural centre, filling station, make-and-sell units, office blocks, cinema and other businesses.

Mr Thathane said the East Rand has been earmarked for major black housing development to provide the needs of the whole Witwatersrand area. Vosloorus was central to that development.

The Vosloorus Town Council has budgeted R38 million in recent months for the provision

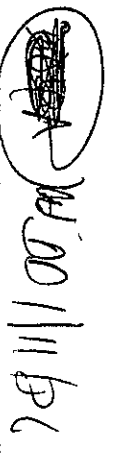
of housing, tarring of roads, upgrading of the water supply system and the construction of a holiday resort.

"All this is an indication of a booming town; a good environment for a shopping centre of this size," Mr Thathane said.

All those interested should apply to: The Property Department, Small Business Development Corporation Limited, P.O. Box 4300, Johannesburg 2000, or telephone 643-7351.



**MR GRAY Thathane: New shopping complex in Vosloorus will be a challenge to black businessmen.**

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# Getting down to business

The meeting next week between Government and business promises to be a seminal event.

Over the past two years the South African business community has established itself as a credible agent for fundamental political change in the eyes of the international community.

There has been a wide measure of consensus achieved between SA business and Western business interests on the necessary steps leading up to a negotiated settlement between black and white.

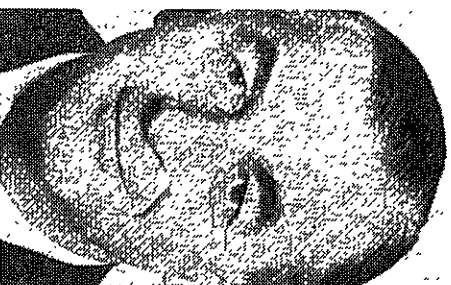
An important element of that process has been establishing the African National Congress (ANC) as an essential actor on the stage.

And when Anglo American chief Gavin Relly led a small party of businessmen to meet Oliver Tambo and his ANC colleagues in the Zambian bush just over a year ago it was widely perceived in the West as an imaginative and significant development which boosted the chances for negotiations.

Since that meeting the prospects for negotiation and peace have suffered an alarming setback and both South Africa and the whole the sub-continent have drifted into deeper conflict.

Growing international isolation and the first concerted economic sanctions by the West have put immense strain on the business community's new-found unity and much of its collective energy and resources have been directed towards the need to circumvent sanctions and find new ways of prospering in an increasingly hostile world.

It is not surprising, therefore, that President Botha should have chosen this moment to



MR RELLY

seek a rapprochement with the captains of industry.

The manner in which business responds to this awkward challenge will be closely watched in Washington and Whitehall as well as by US and UK-based multinationals.

The world will be watching to see whether SA business is able to look after its short-term economic interests in the face of sanctions without emasculating its role as an agent of change cajoling the government into negotiations with credible black leaders to discuss political power-sharing.

Their actions are also being closely watched by the ANC leadership which has been given an enormous propaganda boost by recent meetings with the British and US governments.

Significantly, the ANC has opened its armed wing, Umkhonto We Sizwe, and its ANC and SA Communist Party leadership to the full scrutiny of the international media. Profiles of

and interviews with ANC leaders have become commonplace in the past week.

The ANC values its contact with the captains of industry but feels that the time has come for SA business to take a more decisive stand to show its rejection of apartheid.

I understand that a significant proportion of the 200-odd businessmen invited to attend next week's indaba will find themselves conveniently out of town on the day of the meeting. Others have not been invited and they will acquire a status of absenteees is likely to become more important than the list of those who attend.

Given the Government's propaganda coups with the Carlton Conference (1979) and Good Hope Conference (1980) it is not surprising that businessmen are wary of being duped a third time, particularly at such a critical juncture.

Shell MD John Wilson articulated this concern in unusually frank terms when he addressed a Shell staff conference at the beginning of August.

"There was a period when businessmen thought they had broken through the communication barrier, and that the age of close consultation had arrived. Government seemed ready to talk and listen to the private sector through the Carlton and Good Hope conferences.

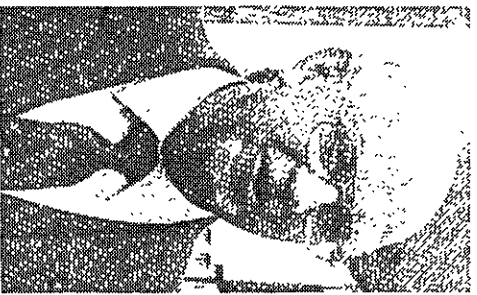
"What we, rather naive, businessmen failed to realise was that we were, in fact, being set-up — that those con-

## John Battersby: London Bureau

ferences were nothing more than a forum for the propagation of government policies.

"What government was trying hard to achieve, and indeed for a while did, was the creation of the impression that business and government were one," Mr Wilson said.

His vision of change also reflected the impact of the business dialogue with the ANC about a future economic compromise.



PRESIDENT BOTHA

"In post-apartheid South Africa, the negotiated compromise between free enterprise and socialism could well lie in the greater involvement of capitalism and labour in industrial planning, strategy formulation and direction, and the allocation and use of resources to allow for more equitable distribution of wealth."

Recent speeches by

Mr Relly and Mr Jan Steyn, director of the Urban Foundation who spoke at the South Africa Club here last week, have reflected the same pre-occupation with a more equitable allocation of wealth.

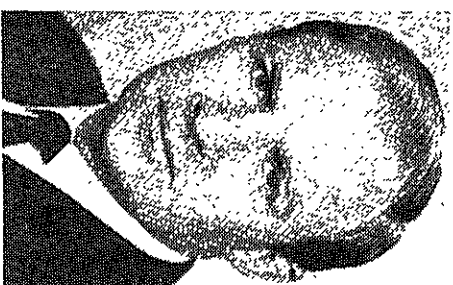
Mr Wilson's speech amounted to a treatise for continued investment in South Africa which presents a challenge to the more opportunistic disinvestment of US companies such as General Motors and IBM which, in fact, paves the way for expanding their share of the market by circumventing US-monitored employment practices and restrictions on trade.

But the deep doubts raised by Mr Wilson about President Botha's intentions with the business community mean that those businessmen who attend next week's meeting bear an even greater burden.

The controversy surrounding the reported remarks of Finance Minister Barond Du Plessis — that the Government was monitoring businessmen who spoke to the ANC and would deal with them when at the appropriate time — is a pointer to the Government's McCarthyist strategy.

The controversy has certainly served to alert businessmen to the danger of being manipulated for the third time. I understand the government agenda, and the business response to it, promise to be the most re-drafted documents in contemporary history.

It is clearly the Government's intention to use the occasion for a



MR WILSON

united stand against sanctions, launch the State President's 10-year blueprint for economic change and — possibly — a new political initiative on city states for blacks.

But the priority for business must surely be to press the Government to spell out how it intends to restore local and international investment for confidence in the SA economy. It is now common cause that investor confidence can only be restored with an act of political vision.

Unless the Government is able to take political action leading to renewed access to the international capital markets and to draw the necessary foreign investment to finance reform, the alarming dictatorship by the US Congress in Johannesburg might come to pass.

To avoid this scenario the Government will have to show that it is capable of restoring the necessary stability for businessmen to take the long-term decisions which will restore

healthier levels of fixed capital investment. Business will also need to challenge the Government on its own commitment to the long-delayed deregulation and privatisation of the economy which appears less likely than ever in the current drift towards a stege-like situation and increasing international isolation.

The businessmen who do not attend next week's meeting might be making as important a contribution as those who do.

There is a school of thought and I believe it is gaining ground, that business should withdraw entirely from the political arena. As an act of self-interest this argument is compelling because it would at once satisfy the demands of the ANC for business to withdraw from its collaboration in the Government's security machinery and present it with a defence to government that "it is not the role of business to meddle in politics."

There are already signs that the white business community in Zimbabwe has accepted that South Africa is drifting into a state of cold war with the Front-line States and they are looking increasingly to the Western plan to open the Beira corridor as Zimbabwe's main trading route.

There is much more than the credibility of the South African business community at stake next week.

The meeting could well mark the turning point between war and peace in southern Africa.

from R2,8-million to R18,5-million for the year to June. SA scaffolding and formwork business contributed only 12,5% of revenue.

Earnings a share soared from 7c to 24c and the annual dividend rose from 2c to 6c.

### Rough patch

Mr Liebesman ascribes the results to rationalisation, aggressive growth programmes and vigorous diversification abroad.

"The company is often incorrectly seen as being solely in the construction market. Although part of our revenue is exposed to conditions on the SA market we are not restricted to the construction industry which has been through a particularly rough patch.

"We have a broad diversity of operations, including interests in shoring, agriculture and the mining industry.

National Bolts, which bought the industrial fastener busi-

ness. The group now dominates the SA fastener market.

## Metro on course

IN spite of intense competitive pressures, Metro Group is on target for earnings of 31,5c a share in the year to June 1987, says chairman Mervyn King.

He told the annual meeting in Johannesburg: "Our results for the first three months of the financial year, from July to September, are in line with the projections made by Metro in its prospectus and we are confident of reporting attributable net income slightly ahead of R14-million for the year. This is equivalent to earnings of 31,5c a share.

"Shareholders must, however, realise that Metro's

profits do not accrue evenly throughout the year. The bulk of profits are earned in the second half, so the interim report for the six months ending December, which will be published in February, will show earnings of some 12,5c a share.

"We expect to pay an interim dividend of 6c a share.

"Margins are being squeezed throughout the cash-and-carry industry, but our management teams' focus on customer satisfaction and tight control of costs means that we are on target for achieving the 25% growth looked for in our prospectus."

## Sappi gets 99%

SAPPI'S rights issue to raise R201-million by way of 14,4-million new preferred ordinary shares at R14 each was 99% subscribed. The remaining 147 000 shares will be taken up by underwriter Gencor.

Sappi managing director Eugene van As says: "Shareholders were quick to appreciate that the company would be repaying debt. Because of Sappi's tax position, the company's marginal cash cost of borrowing is at, or related to, prime overdraft rates.

"This means the return that Sappi will obtain on a substantial portion of the R201-million we raised will approximate the prime overdraft rate, an attractive after-tax return."

Mr van As confirms that Sappi expects to pay a dividend of about 40c on ordinary shares for the year to December. The new plant at Ngodwana is doing well.

## TELEVIS

### Make W

Our Central Televis experienced person would like to see this experience in either mixing or 1" VTR editing. Duties include liaison with University, research educational televisio

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# Blacks spend with rent money

# Blacks splash out

11/13/80

**JOHANNESBURG**—Retail sales are being boosted by between R60 million and R80 million a month because of rent boycotts in black areas throughout the country. Economists say the boycott is effectively a massive subsidy to the black consumer.

The huge cash injection into the economy is said to be as high as R400 million.

Blacks in 54 townships nationwide are not paying their rents and retail executives report a direct connection between rent boycotts and increased sales.

Retailers, while reluctant to release exact figures, say sales have risen by 10% to 20% in real terms in the past six months.

Checkers managing director Clive Weil explains: 'Blacks do not put their money aside as more sophisticated consumers do. The (rent) money is being spent'.

Edgars managing director Vic Hammond says consumer spending is strong, particularly in black areas. Edgars has increased sales by a massive 24% to R423 million for the 26 weeks to September 28.

OK Bazaars sales director Ken Coote says it is difficult to measure the effect of the rent boycott. Still, he says, OK will show an increase in sales in real terms for the past six months — and he admits the rent boycott has played a role.

At Spar, volume is up 5% in real terms for the current six months, compared with the same period last year. Spar executive-director Matus says turn-

## Mercury Correspondent

over has been particularly high at stores popular with blacks.

The rent boycott and a feeling of safety among black shoppers explains Spar's success, he said.

Mr Mark Swilling, head of the University of Witwatersrand-based community research group, conservatively estimates that black councils are losing R40 million a month, but says he would not be surprised if the figure was closer to R80 million.

Real gross domestic expenditure in the third quarter increased at a runaway annual rate of 20% and real gross domestic product by 2% to 3% in the third quarter.

## Bankruptcy

Market research shows black spending has been on the upswing for six months. Retail industry sources report blacks also feel more comfortable shopping in white areas since the state of emergency was imposed.

A private market survey on buying trends, commissioned by Checkers, confirms the boom in grocery sales since the rent boycott was imposed.

Using 100 as a base figure, black spending jumped from 86 in February this year to 109 by July.

Private stockpiling by black buyers anticipating another consumer boycott has also spurred sales to some extent.

Township unrest has provided an added boost for large retail chains as black shoppers have been reluctant to carry large stocks, fearing burglary and looting.

Metro Cash and Carry managing director Cecil Smith says this has sent many blacks into white shopping areas with their rent money. Metro expects earnings target forecast and to pay an interim dividend of 6c.

Meanwhile, the rent boycotts have led numerous township councils to the brink of bankruptcy.

In Soweto, where 94% of residents are not paying rent, Town Clerk Nico Mafan estimates the council has lost R59 million since the boycott began in June.

Mr Tom Boya, deputy president of the Urban Councils Association of South Africa, says: 'The fact that rent — the main source of income — has not been paid has made the townships ungovernable and has resulted in their collapsing.'

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# Boycott in PE back on again

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By JIMMY MATYU  
THE consumer boycott, which was suspended in Port Elizabeth on September 12, resumed today.

The Consumer Boycott Committee (CBC) has called on the Port Elizabeth Chamber of Commerce and the Midland Chamber of Industries to play a more meaningful role by influencing the Government to meet its short-term demands and dismantle apartheid.

Mr Michael Xhego, acting spokesman for the CBC, said consumer boycotts were implemented as a non-violent weapon against apartheid.

"Consumer boycotts

are not anti-white, but a signal to white voters to remind them about the hardships they cause our people by voting for the Government term after term."

Mr Xhego said the CBC was committed to finding a peaceful solution, but as long as the Government was stubborn, anti-apartheid protests like consumer boycotts would remain.

"The time has come for white voters to realise their mistakes, because it is they who keep defying their liberal leaders who talk of change.

"Take the Port Elizabeth beach issue spear-headed by Mr Ivan Krige.

"White voters wanted a

referendum whether to allow Africans to swim at the same beach as whites.

"Does such an issue need a referendum?

"Where are the other Kriges of Port Elizabeth?"

The East Cape African Chamber of Commerce had drawn up a price list which would be displayed at member's shops and distributed to residents to avoid exploitation.

Traders had agreed to give a 5% discount to old-age pensioners who produced identity cards.

Mr Carl Coetzer, president of the Port Elizabeth Chamber of Commerce, said today they had on several occasions asked

with the Consumer Boycott Committee to meet

"There has been a total lack of communication between the committee and us," he said.

"The business community will do anything in its power to bring about a settlement of these problems in the Eastern Cape. We are committed to bringing about peace and normality in the Eastern Cape, but we find it difficult to speak with people when most of them are in detention."

Mr Coetzer said they could only appeal to those not in detention to make contact with either his director, Mr Tony Gilson, or himself

# Nafcoc says it won't discourage sanctions

By JIMMY MATYU

THE National African Federated Chamber of Commerce and Industry (Nafcoc) had decided not to urge the international community to discontinue sanctions against South Africa, Dr Sam Motsuenyane, Nafcoc president, said in Port Elizabeth at the weekend.

Addressing a dinner of the Eastern Cape African Chamber of Commerce, he said: "Nafcoc has decided to make no attempt to urge the international community to discontinue sanctions against South Africa until the Government takes steps towards meeting legitimate black political demands and aspirations.

"We have chosen to endure the hardships of sanctions in the hope that these would help bring such pressures on the Government and the white community so as to prompt the desired fundamental changes in the country's political policies.

"It is only by realising that our best future as a disadvantaged people lies in togetherness, not in isolation, that we shall overcome the trivial differences dividing us."

Dr Motsuenyane said South Africa was passing through a period of increasing upheaval, insecurity and turmoil.

"This is evidenced by continuing political unrest, the unending state of emergency involving the whole of South Africa, the imposition of economic sanctions against South Africa by her erstwhile traditional Western partners and disinvestment by foreign companies.

"Further, by soaring levels of unemployment and inflation, the virtual collapse of the black educational system, the low level of economic growth, continual strikes and boycotts in the major urban areas and a general air of uncertainty about the future.

"This is the climate in

which black businessmen operate.

"The Eastern Cape has remained a front runner in the conflict that has engulfed our country and has experienced the greatest measures of turbulence during the past two years.

"As responsible South Africans, we have endeavoured to propose what we construe as the appropriate and effective solutions to the existing problems which mainly emanate from the major problem in South Africa.

"This is the policy of apartheid, which the majority of South Africans and the world have constantly rejected and opposed, but to which the South African Government has clung to and defied widespread criticism and opposition from all quarters.

"The Government recently conceded apartheid was a discredited and obsolete concept, but has failed to practically demonstrate their sincerity in practice."

Dr Motsuenyane said Nafcoc last year asked the Government for:

- The unconditional release of political prisoners.
- The unbanning of black political organisations.
- The scrapping of all racial policies.
- The opening of schools and tertiary institutions to all races.
- The involvement in negotiations with credible black leaders, leading to the formulation of a new constitution for South Africa
- The lifting of the state of emergency.



# Things are looking OK as earnings rise 16,7%

BUS 004  
4/11/76  
BRIAN ZLOTNICK

OK BAZAARS, thanks mainly to a lower effective tax rate, has bucked a four-year trend of falling interim profits to lift earnings by 16,7% to 35c a share in the six months to September.

The 3c hike to 21c a share in the interim dividend reflects the earnings advance and signals the OK's expectations of a further improvement in second half profits.

The improvement in earnings is off an extremely low base with last year's interim earnings plunging 45%, while dividends have declined steeply over the previous four years.

MD Gordon Hood says: "Sales in the second quarter rebounded strongly after a sluggish first quarter with the pre-Christmas pick-up continuing to be most encouraging."

He notes that in the middle to lower income groups a mild revival in consumer spending, which is showing signs of gaining momentum, has occurred across the board.

However, with the major supermarket chains fighting a bloody food price war,

turnover failed to match the rate of inflation with a 14,5% rise to R1,1bn.

Moreover, while Checkers launched a costly onslaught to gain market share — which it seems to have — the OK found it had to fight back hard with expensive advertising campaigns that hurt profits.

So even though the OK enjoyed sharply higher furniture and clothing sales, the benefits of much better margins (than foodstuffs) and higher volumes failed to flow through to profits.

Margins on foodstuffs were shaved to the bone and so pre-tax profits were up only 5,5% at R9,3m (R8,8m).

Hood admits that initially the OK lost market share because of the food price war, but now finds it has increased market penetration through effective advertising campaigns.

Finance director Barry Jack said pre-tax profit received no boost from falling interest rates as the benefits of lower interest charges were offset by reduced interest receipts.

A sharply lower effective tax rate greased the earnings advance with taxed profits moving up 13,7% from the 5,5% pre-tax increase.

# Unpaid rents boost sales

JOHANNESBURG. — Rent boycotts in black areas have boosted retail sales by between R60 million and R80 million a month, economists say, but have brought numerous township councils to the brink of collapse.

Economists describe the boycott as a huge subsidy — some say as much as R400 million — to the black consumer. This was money which should have been paid for rent.

Reef retailers' estimates — they are reluctant to give exact figures — put the increase in sales by between 10 and 20 percent in the past six months.

Mr Mark Swilling, head of the Wits University-based Community Research Group, puts the loss to black councils "conservatively" at R40 million a month.

They could be as much as R60m to R80m a month.

Real gross domestic expenditure in the third quarter increased dramatically to an annual rate of 20 percent and the real gross domestic product by two percent to three percent in the third quarter.

A private market survey on buying trends, commissioned by Checkers, confirmed the boost in grocery sales since the rent boycott.

The managing director of Checkers, Mr Clive Weil, said that the black consumer did not put aside money and the money was being spent.

The sales director of OK Bazaars, Mr Ken Coote, said sales were higher in real terms during the past six months, but it was not easy to quantify the effect of the rent boycott, but it had played a part.

The managing director of Edgars, Mr Vic Hammond, said spending in the quarter to September was 30 percent higher.

The executive director of Spar, Mr Sidney Matus, said turnover had increased by 19 percent for the current six months.

Because black shop owners who feared burglary and looting would not carry large stocks many blacks spent their rent money in white shopping areas, Metro Cash and Carry managing director Mr Cecil Smith, said.

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# Interdict puts end to sleep-in

Staff Reporters

CNA employees last night abandoned their sleep-in strike on several company premises countrywide after a provisional order was issued by a Rand Supreme Court judge early in the evening.

The interdict was granted against the Commercial, Catering and Allied Workers' Union of South Africa (CCAWUSA) and its members.

It was lodged after 1 000 CNA employees yesterday staged sit-in wage strikes and demonstrations in several stores.

Premises at the Carlton Centre were vacated shortly after Mr Justice van Schalkwyk granted the application that employees be prevented from sleeping in the stores and from "singing, dancing, playing music, clapping, shouting, waving placards" and "inciting any other person" to commit these acts.

## HEALTH RISK

The company submitted that a sleep-in would be unlawful and constituted a security and health risk.

A spokesman for the union said the strike centred on wages. Workers are demanding a R105 a month across-the-board increase, and that May 1 and June 16 be declared public holidays.

The company is offering an R85 a month across-the-board increase.

Negotiations began in mid May. The union declared a dispute in July. A conciliation board was convened in an attempt to resolve the dispute, but failed on October 8.

Strike ballots were held, according to a union spokesman, and workers voted to strike.

# OK

# OK BAZAARS (1929) LIMITED

Registration Number 05/01817/06

Directors: J.M. Kahn (Chairman), G.W. Hood (Managing Director), R.T. Blackwell, J. Coombes, K.E. Coote, A.A. Fabig, D.T.R. Hewson, H.R. Horwitz, B.H. Jack, W.S. MacFarlane, G. Manne, J. Metville Pels, C. Pullini, H.M. Serebro, A.D. Solomon.

Alternate Directors: A.D. Coppin, G.J.H. Snyman, R.J. van Coller.

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## Interim Report for the half year ended 30 September 1986

BUS. DAY

4/11/86

### 1. CONSOLIDATED INCOME STATEMENTS

The unaudited group results for the half year ended 30 September 1986 are as follows:

	Half year ended 30 September			Year ended 31 March
	1986	1985	Increase (Decrease)	1986
	R000's	R000's	%	R000's
Sales.....	1 103 872	964 415	14,5	2 041 883
Profit before taxation.....	9 331	8 844	5,5	24 138
Taxation.....	4 751	4 816	1,3	11 096
Profit after taxation.....	4 580	4 028	13,7	13 042
Attributable to outside shareholders and preference dividends.....	299	366	18,3	735
Earnings attributable to ordinary shareholders.....	4 281	3 662	16,9	12 307
Weighted average number of shares ranking for dividend (000's).....	12 232	12 207	-	12 207
	Cents	Cents	%	Cents
Earnings per ordinary share.....	35,0	30,0	16,7	100,8
Dividend per ordinary share.....	21,0	18,0	16,7	60,0

### 2. CONSOLIDATED BALANCE SHEETS

	Half year ended 30 September		Year ended 31 March
	1986	1985	1986
	Rm	Rm	Rm
<b>Shareholders' funds</b>			
Ordinary.....	336,3	326,3	330,0
Preference.....	2,1	2,1	2,1
Outside.....	6,3	5,7	6,1
	344,7	334,1	338,2
<b>Interest bearing debt</b>			
Long term.....	75,5	81,7	76,6
Short term.....	102,1	52,3	27,8
	177,6	134,0	104,4
<b>Total capital employed</b> .....	522,3	468,1	442,6
<b>Fixed assets</b>			
Operating assets.....	232,8	219,7	223,9
Investments and loans.....	30,3	28,2	30,4
	263,1	247,9	254,3
<b>Current assets</b> .....	566,5	488,1	462,3
<b>Total assets</b> .....	829,6	736,0	716,6
<b>Interest free liabilities</b>			
Current.....	295,8	260,7	262,6
Deferred.....	11,5	7,2	11,4
	307,3	267,9	274,0
<b>Net assets</b> .....	522,3	468,1	442,6
<b>Gearing ratio</b>			
Interest bearing debt: Shareholders' funds.....	0,51	0,40	0,32
<b>Net worth per ordinary share (cents)</b> .....	2 749	2 673	2 703
<b>Finance leases (Rm)</b>			
Aggregate net present value of future finance lease commitments discounted at 16%.....	9,8	1,2	4,2
<b>Contingent liabilities (Rm)</b> .....	0,5	3,4	2,6
<b>Capital expenditure (Rm)</b>			
Incurred during year.....	13,6	10,3	24,2
Outstanding commitments.....	8,9	40,3	4,8
Authorised expenditure not yet committed.....	22,4	36,5	44,6

### 3. EARNINGS AND DIVIDENDS

Against a background of rising unemployment and with most salary increases being below the inflation rate, there has been no real increase in the disposable income of consumers in the lower and middle income groups. The depressed economic conditions, coupled with high inflation, continued to impact adversely on the retail industry during the first quarter. At the same time, the fight for the consumer rand, particularly in food, has never been more intense, with a resultant downward pressure on margins.

Nevertheless, despite the poor sales results in the first quarter of the period under review, group sales improved by 14,5% due primarily to a strong marketing campaign effective from July. The cost of launching this ongoing campaign contributed to the curtailment of profits before tax for the period. In the event, earnings attributable to ordinary shareholders improved by 16,9% enabling dividends per ordinary share to be increased by a similar amount to 21 cents.

### 4. FINANCIAL POSITION

In consequence of the higher level of sales achieved and anticipated, investment in working capital has been increased. However, the group's level of gearing at only 51% of shareholders' funds is evidence of continued financial strength.

The following preference dividends have been paid:

6% First - 6,0 cents paid on 30 September 1986

6% Second - 6,0 cents paid on 30 May 1986

5% Third - 5,0 cents paid on 30 September 1986

Capital commitments have been severely curtailed.

### 5. PROSPECTS

There have been encouraging signs, during the past two months, of an upswing in economic activity and group sales have benefitted.

The board is therefore of the opinion that the trading performance and earnings of the group will continue to improve in the second half of the year provided there is no further deterioration in the socio-political situation.

By order of the board,  
P. E. Kritzinger, Secretary

### DECLARATION OF DIVIDEND NO. 110

NOTICE IS HEREBY GIVEN that interim dividend No. 110 of 21,0 cents per share has been declared payable on Monday, 29 December 1986, in the currency of the Republic of South Africa, to all holders of ordinary shares registered in the books of the company at close of business on Friday 14 November 1986. Non-resident shareholders tax of 15% will be deducted where applicable.

The registers of members will be closed in Johannesburg and London from 15 to 22 November 1986, both days inclusive, for the purpose of processing the above dividend.

By order of the board,  
P. E. Kritzinger, Secretary

Registered Office:  
OK Buildings  
80 Eloff Street  
Johannesburg  
2001

Transfer Secretaries:  
Hill Samuel Registrars  
(SA) Limited  
94 President Street  
Johannesburg, 2001.

3 November 1986

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# Discuss real issues, says big business

## *Pressure on PW's summit*

Dispatch Correspondent

JOHANNESBURG — Pressure is mounting for the State President, Mr P. W. Botha, to include political issues on Friday's summit agenda as business leaders meet to hold discussions over the issues.

The giant Anglo-American corporation added its voice to the call for the critical social and political issues facing the country to be debated.

The deputy chairman, Mr Graham Boustred, who will be attending the summit, said the executive committee of Anglo had debated the crucial common items to be raised and reached the view that "there can be no meaningful conference unless the pol-

itical dimension is included as a crucial component.

"You cannot debate this attempt to get the economy going again and to normalise our relationships with our trading partners without referring specifically to what is happening on the political front," Mr Boustred emphasised.

He said the Anglo group and its associates would be "well-represented" at the summit.

The summit agenda consists of the government's White Paper on privatisation and the proposals of the Economic Advisory Council (EAC) on economic strategy.

Economists said yesterday that South Africa

was looking to Mr Botha to announce urgent measures to re-activate the stalled reform programme and said what the country did not need was a defiant State President ignoring the harsh realities of South Africa's growing isolation, and its causes.

Copies of the white paper and the EAC proposals are expected to reach delegates this week. No official list of invitees will be released.

Progressive Federal Party finance spokesman, Mr Harry Schwarz, said the representatives of big business should, as a priority, raise the political issues which stood in the way of solving the country's worsening economic problems.

D-

# 'Apartheid caused boycott'

**Post Reporter**  
APARTHEID and the exclusion of black people from political processes were the underlying causes of the local consumer boycott, the director of the PE Chamber of Commerce, Mr Tony Gilson, said in an interview today.

The boycott was relaunched indefinitely yesterday.

The chamber "stood a good chance" of solving the problems underlying the boycott, by negotiating with black people, but could not negotiate because of obstacles created by the Government.

"The state of emergency, the detention of black leaders, with whom the chamber wished to confer, black people's fear of detention — these fac-

tors," Mr Gilson said, "do not make negotiations impossible, but they create a climate that is hardly conducive."

It was "extremely serious for business" and the chamber was "not stopping at any stage" in its efforts to satisfy legitimate demands of black people.

"But it is not in our power to remove apartheid and satisfy these demands," Mr Gilson said.

A snap survey conducted today showed that the effectiveness of the consumer boycotted ranged from total to minimal. And in the city's black townships, the flow of shoppers to black-owned stores did not appear to have picked up appreciably by this morning, residents said.

This morning, black people were still trickling to the city to buy, apparently unaware the boycott had resumed.

No signs of intimidation were reported when consumers took their goods home yesterday.

The owner of a North End outfitters said the boycott "hasn't had a profound effect, although it is reasonably effective".

He believed the partial effectiveness was due to fear of intimidation and seemed to be aimed at benefiting black shopkeepers.

"If blacks are so happy shopping in the locations, why did they come back (to town) in their thousands, when the last boycott was lifted?" he asked.

This view was echoed by the owner of a North

End shoe shop, who said he had heard from black customers that the boycott had nothing to do with politics but that "black shopkeepers are behind it".

He said some black customers continued to shop at his store.

Both said they did not see what white shopkeepers could do to meet the boycotters' demands, which, they said, were out of their scope.

Another Main Street outfitter said today he had had "no black people" in today.

He said the Press "shouldn't have published anything" on the boycott, because he had heard that there was indecision about implementing the boycott before black pensioners got paid at the end of the month.

30 4/11/86

# CNA wins court order over sit-in

Business Day Reporters

CNA was awarded a Rand Supreme Court order last night to eject 347 employees from two of its Johannesburg warehouses and its Carlton Centre retail store.

Mr Justice van Schaikwyk ruled against the Commercial, Catering and Allied Workers Union of SA (Ccawusa), which had opposed the application.

CNA's group personnel manager Michael Wright claimed in court papers the employees had begun a sit-in at the three premises yesterday morning over a wage dispute. The workers went on strike after rejecting a company offer of R85 across-the-board wage increases. Ccawusa is demanding R105.



# Council Yes to Shops Complex

Dispatch Reporter  
EAST LONDON — The city council has given the go-ahead for the controversial R45 million Clarendon Gardens shopping complex.

This became evident here yesterday in a letter to the town clerk, Mr Les Kumm, from a councillor, Mr Donald Card, calling for a rescindment of Monday night's decision.

The third-time-lucky decision for the East London developers, Elcorp, was withheld from the press on Monday because the chairman of the meeting, Mr Robert de Lange (jun), said the matter had been discussed in committee.

In his notice of motion for a rescindment for the go-ahead of the project off Union Avenue, which is being opposed by some organisations, Mr Card said:

"The reasons for calling for a rescindment is that I cannot believe that a responsible body such as the city council can make such a decision in a hurry. There are far-reaching consequences that have to be considered before a decision to sell the land can become a reality.

"These are:

"Whether the schools have sufficient land for future development (such as sports fields);

"Whether the administrator is satisfied with us using up further open space in the Selborne

area;  
"Whether the Selborne residents, the highest ratepayers in East London, are happy about a complex going up in Clarendon Gardens.

"To date we have not even established what ground we intend to sell.

"Council is not sure whether the South African Transport Services will sell their piece of ground alongside the present Clarendon Gardens land. We still have not established the cost to remove existing services in the area.

"The existing sports fields at Clarendon are used to capacity at present and it is obvious that if we should sell this land, alternate fields would have to be completed before the existing fields are built on.

"To date the selling price of the land has not been established and it is very difficult for us to establish the market price if we do not go to tender (public).

"Whenever we sell land to developers, council first calls for reports on the financial position of the group prior to acceptance, yet in this instance it has not been done.

"It has not been established what is behind the majority of councillors calling for a direct sale to Elcorp when the normal procedure is to go out to public tender."

Mr Card said the matter should be investigated.

Mr Card also asked that the rescission be discussed in open council and not in committee.

"There is no need at all to keep all the information away from ratepayers."

● The chairman of the joint Selborne and Clarendon school's committee, Mr Richard Howard, last night backed the motion of rescission.

However, he announced that the committee would meet the developers tomorrow. "The developers will then have a chance to present their case to the committee," he said.

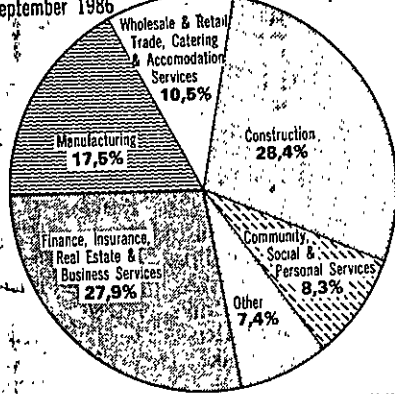
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5/11/86  
BUDM  
30

### LIQUIDATIONS BY INDUSTRY SECTOR

For the month  
September 1986



Source: DUN & BRADSTREET

### VCR picture fading

Industrial Staff

SALES of video cassette recorders have shrunk by at least 25% compared with 1985 and by 60% compared with 1984.

Next year is expected to be no better, with a projected fall in sales of 5 000 units.

A report compiled by National Panasonic shows blacks are not taking up the slack.

In 1984, 240 000 VCRs were sold in SA, and 120 000 last year. Sales of 80 000 are expected by the end of this year.

Saturation levels (VCR household ownership) for end-1986 are: whites 45%, Asians 42%, coloureds 8% and urban blacks 3%.

### Upturn too late for some

5/11/86  
BUDM

MICK COLLINS

LIQUIDATIONS are continuing at a high rate even though there are definite signs of the long-awaited upturn in the economy.

A spokesman for Dun & Bradstreet (D & B) said manufacturing, construction and financial services continued to bear the brunt of the tail-end of the recession.

September's liquidations numbered 229 — slightly up on August's 205 but below the 1985 average of 255.

D & B marketing director Paul Edwards said the pace of the upturn was not yet sufficient to save many marginal companies in the affected sectors.

He said liquidations in the wholesale and retail sectors seemed to be decreasing, presumably because of the impact

of consumer spending. These had fallen from July's 78 to 24 in September.

Failures in the manufacturing sector increased over the past few months from 29 in August to 40 in September.

He said this was possibly because cash-strapped companies could not survive until the cash-flows from the increased level of orders were received.

The construction industry had been badly hit and continued to experience a high level of failures, accounting for 28% of September's liquidations. And the financial services sector — real estate, insurance, finance and business services — accounted for almost 28% of failures.



# 'Scrap apartheid'

THE Johannesburg Chamber of Commerce is making radical proposals that municipalities scrap all racial segregation in housing and schools inside their boundaries.

"Undoubtedly the phasing out of segregation in housing and schools is a complex and difficult undertaking," the chamber says.

"Nevertheless, in a South African metropolitan context, demographics and morality - and international pressure - leave us with no feasible alternative.

"Properly managed evolutionary change will be far more comfortable and constructive than the revolutionary alternative," the JCC says.

The central business districts of Johannesburg and elsewhere are already "grey areas" where people of all races live together, according to the chamber.

The proposal says there is no valid reason to maintain the fiction that they are "white areas". They should be formally declared fully open, the JCC said.

the subjects which may be studied.

However preference is given to subjects which will result in a profession that will be of help to the communities.

The 20 British awards and applicants are selected on the basis of having achieved high marks at school and show leadership qualities and a strong commitment to serving their communities.

One condition of the awards is that students must return to South Africa.

Applicants have to pass an examination and must be interviewed.

**Mhlophe nominated**



Sports

photo

Sunday Times Reporter  
THE boycott of shops in Port Elizabeth by black consumers resumed this week and was described as "very effective" in certain stores by the president of the Port Elizabeth Chamber of Commerce, Mr Carl Coetzer.

But he said the boycott was not fully effective in all stores.

The message he had received at a meeting with boycott organisers at a secret venue in New Brighton this week was that the boycott would continue.

Earlier this year several shops closed down or went into liquidation during a crippling four-month boycott which was lifted for the month of October, but re-imposed on Monday.

### Determined

Mr Coetzer said he went to New Brighton this week with the director of the Port Elizabeth Chamber of Commerce, Mr Tony Gilson, to meet with members of the Port Elizabeth Youth Congress (PEYCO).

Mr Coetzer said the

# 'Very effective' black consumer boycott resumes amid complaints of intimidation

spokesman for PEYCO, Mr Michael Xhego, told him they were quite determined that the boycott would continue.

He said that although the meeting took place secretly amid elaborate precautions, Peyco members were quite relaxed.

The police liaison officer for the Eastern Cape, Major Eddie Everson, said reports of intimidation of black shoppers were being received by the police.

He said the boycott did not appear to be 100 per cent effective, with a trickle of black shoppers still seen in city stores.

He said that reports had been received that

the Amabutho (youth wing of the United Democratic Front) were searching commuters on their way to work in the mornings. Those not in possession of lunch boxes or sandwiches to take to work were sent back home to fetch their lunch.

### Searching

Reports had also been received that blacks were being charged R10 for permission to shop in city stores by youths loitering outside the stores.

But shoppers who paid their R10 did not have any guarantee that their parcels would not be confiscated on their return to the townships.

RUMOR 2/11/86

METRO

# Competition mounts

**Activities:** Largest cash and carry wholesaler in SA, with 131 outlets.

**Control:** Tradegro has 61,4% of the equity. Ultimate controlling group is Sanlam.

**Chairman:** Mervyn King; managing director: Cecil Smith.

**Capital structure:** 45m ords of NPV. Market capitalisation: R270m.

**Share market:** Price: 580c. Yields: 4,4% on earnings; PE ratio, 22,8. 12-month high, 810c; low, 530c. Trading volume last quarter, 1,08m shares.

**Financial:** Year to June 28

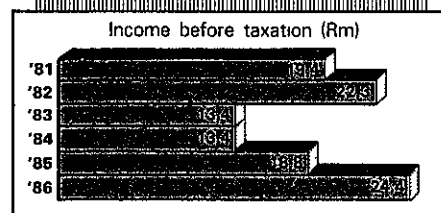
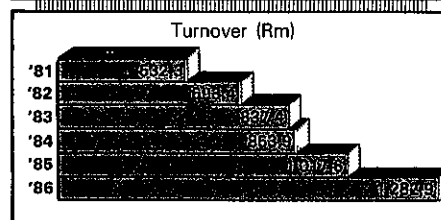
	'85	'86
Debt:		
Short-term (Rm)	11,9	4,7
Long-term (Rm)	0,9	0,3
Debt:equity ratio	0,12	0,04
Shareholders' interest	0,99	0,99
Performance:		
Return on cap (%)	N/A*	8,6
Turnover (Rm)	1 017,6	1 282,9
Pre-int profit (Rm)	N/A*	27,5
Pre-int margin (%)	N/A*	2,1
Taxed profit (Rm)	9,9	12,9
Earnings (c)	19,8	26,3
Net worth (c)	N/A*	256

N/A\* = Not available

Metro's return to the JSE last June could hardly have been better timed, coinciding as it did with a booming stockmarket and with changes sweeping through the cash and carry market, which many perceive to be in a powerful growth phase.

As the largest cash and carry distributor, owning 131 branches turning over R1,28 billion, Metro will benefit from a growing shift in the food industry towards cash and carry distribution. Wholesalers like Metro act as middle men between food manufacturers and the smaller, especially black, traders. Increasingly, manufacturers have been using

## Growth restored



Metro's Smith ... defending market share

wholesalers as a means of cutting distribution costs and bad debt exposure.

But some tough competition has emerged. Score's Trador chain continues to expand aggressively, and recently Pick 'n Pay announced its intention to enter the market. Metro MD Cecil Smith recently warned that "we will jealously defend our market share; it is less expensive to protect your market than to have to buy it back later."

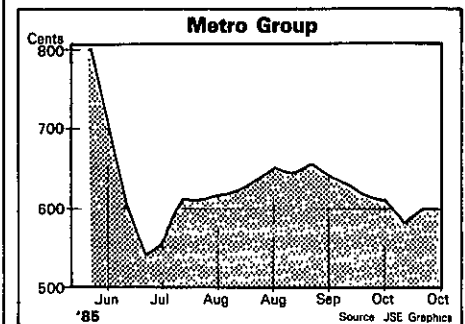
At Metro's annual meeting last week, chairman Mervyn King hinted at some slowdown in the market, when he told shareholders: "The traditional cash and carry marketplace is going through a consolidation phase, following the surge recorded in the second half of 1985 and the early months of 1986. In some areas, there is no growth in real terms. Aggressive promotions and the successful development of our Trade Centre stores are enabling Metro to continue to increase its market share."

Smith took over as MD recently, following the death of Metro's founder Lionel Katz. It was the prescient Katz who, realising the direction food marketing would take, many years ago established the first cash and carry chain in SA. Metro under his direction has not been without its problems, and profits have only recently recovered fully from the steep slide in 1983 that followed the departure of a string of senior managers led by Carlos dos Santos who founded the Score group.

On prospects for the 1987 year, Smith indicates that "sales are running at acceptable levels and we are confident of exceeding our projected turnover of R1 574m ... and the projected attributable profit of R14m." Based on a forecast dividend this year of at least 15,7c, Metro shares, trading at 580c,

offer a projected yield of 2,7% — an excellent rating, but not quite as good as that accorded the relative newcomer, Score.

Assuming that Metro can maintain its forecast earnings and dividend performance, which projects a growth rate of some 20%, the share is probably fairly priced. But there



must be some cause for concern in the increasingly intensive competition in this market. This could mean growing pressure on already thin margins; but what can be said is that the goals set by Metro — on which the share price has been assessed — look more easily attainable than the high expectations held by investors in Score.

## TRUST BANK

### Caution continues

**Activities:** Bank providing full range of financing and investment facilities.

**Control:** Holding company is Bankorp and Sanlam is the ultimate controlling shareholder.

**Chairman:** F J du Plessis; managing director: C J van Wyk.

# 'End boycotts by helping small man'

By DIRK VAN ZYL

OWNERS of businesses in central business districts (CBDs) should be prepared to help the "small man" to establish himself there if they wanted consumer boycotts to end.

"It's not just a question of getting rid of apartheid in all spheres."

These views were expressed last night by the chairman of the House of Delegates Ministers' Council and member of the central Cabinet, Mr Amichand Rajbansi, at the annual report-back conference of the ruling National Peoples' Party in the PE City Hall.

All the NPP Ministers were present, as well as the chairman of the House of Delegates and MP for Malabar, Mr Raman Bhana, who had to leave early because of a sudden death in his family.

"Can you imagine if blacks in PE are owning shops and trading in the CBD — can there be a consumer boycott of businesses in the CBD?" Mr Rajbansi continued.

All the Group Areas Act provisions should be lifted from CBDs.

Referring to this week's Cabinet reshuffle, Mr Rajbansi said jokingly: "I am still Minister of No Affairs!"

He appealed for next month to be one of recon-

## Bhana leaves report-back

Weekend Post Reporter

THE chairman of the House of Delegates, Mr Raman Bhana, MP for Malabar, was called from the stage at the National Peoples' Party's report-back meeting in the Port Elizabeth City Hall last night because of the sudden death of his mother-in-law in Cape Town.

He was sharing the platform with Indian Ministers' Council chairman Mr Amichand Rajbansi when his son, Mr Jagdish Bhana, brought the news. Mr Bhana, who had already delivered his speech, then left for Cape Town.

ciliation between all South Africans.

And he called on the "radicals" and parties participating in the system — but who shared the same ultimate goal of freedom from discrimination — to bury the hatchet and work together, even if at first for a trial period.

"Each group has the democratic right to go their own way, but the insults are only retarding progress in South Africa."

Mr Rajbansi said that, while conceding that there had been failures during his party's participation, the tricameral Parliament had nevertheless "brought about some of the most far-reaching reforms since the Nats took over in 1948".

He added: "And these are the words of none other than the Institute of Race Relations."

Mr Rajbansi said South

Africa would not be toppled by revolution, as had for instance happened in Iran and the Philippines, as the fundamental prerequisite of the majority of the members of the armed forces supporting such a movement was absent in SA.

Mr Bhana said: "I would recommend to those who call us sell-outs to read Hansard and see for themselves what we do for the future of South Africa."

While the opening of seven free trade areas in PE this week was welcome, it was a pity the Government had not gone as far as declaring all areas in PE open, he added.

The NPP's PE branch chairman, Mr Jay Kathan, said the days of boycott politics were over. The party had decided to start a branch to express its aspirations and views in Parliament through its MP.

N/M 8/11/80 20

# Big business backs plans for economy

S P C A V S F

PRETORIA—The Economic Advisory Council's long-term economic strategy and the Government's initial response to it was 'endorsed' yesterday when 200 of South Africa's leading businessmen met Government for the 'Carlton III' discussions in Pretoria.

It also emerged at a Press conference after the day-long discussions that more meetings between Government and the private sector will be held as soon as possible.

President Botha, who addressed the Press conference briefly, said the meeting had been 'a success and its purpose was fulfilled'.

He said he hoped the Economic Advisory Council would in future apply itself to finding a way in which the Government could meet the private sector to facilitate an exchange of views.

Dr Kerneels Human, chairman of the Economic Advisory Council, and of yesterday's discussions, emphasised that the meeting had been 'positive'.

'The strategic (economic) document was accepted by the conference,' he said.

The Minister of Finance, Mr Barend du Plessis said serious attention would be given to the Economic Development Programme envisaged in the strategy, and that although there was no specific time scale, the matter was regarded as urgent.

Mr Warren Clewlow, of the South African Foreign Trade Organisation, who represented the private sector with Mr Meyer Khan of S A Breweries, at the Press conference, emphasised the fullest support of the businessmen for the economic strategy.

## Group Areas

If it succeeded it would definitely clear the way for a better South Africa for all and the degree of support it received would determine its success, he said.

Mr Clewlow and Mr Khan conceded that political issues had featured strongly in the discussions, particularly calls for the abolition of the Group Areas Act, but emphasised that 'specifics' had not been dealt with.

Generally, the need for Government to speed up

its reform process had been emphasised and the Government response had been 'sympathetic'.

'We made it clear we want a free and open society for all,' Mr Khan said.

The African National Congress and its jailed leader Nelson Mandela had not been raised.

In Johannesburg, the Association of Chambers of Commerce and the S A Federated Chamber of Industries said business confidence would only be boosted when both political and economic problems were addressed.

In a joint statement the leaders of the two organisations — FCI president Dr Hugo Snyckers and Assocom president Mr Harold Groom — said 'economic performance and political reform are totally interdependent in South Africa, and both the Government and the private sector will urgently have to promote policy steps that recognise this reality'.

The organisations also emphasised the need for 'the complete elimination of racial discrimination at all levels of South African society'. — (Sapa)

# 30 BODY FASHIONS



Body Fashions in PE - no black customers, thank you very much.

# NOT ANYWHERE

Black people aren't allowed to shop here - but they're not shopping ANYWHERE, anyway!

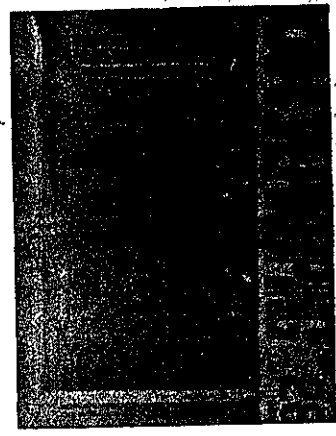
**CP Correspondent**  
THE writing is back on the township walls in "boycott city".

Port Elizabeth townships awoke to the message "Akulungwa". "No shopping sprayed across the walls on Monday morning - announcing another consumer boycott of white shops.

It is the third in PE - which has enjoyed only six boycott-free shopping months since the first boycott called in July 1985 to protest the death of Cardock leader Mathew Goniwe and three other and the mysterious disappearance of three Peboco leaders.

This week, deserted city streets bore stark testimony to black feelings about the state of emergency as thousands of angry shoppers stayed away.

This was despite the emergency detention of 1 400 PE residents, according to the Black



The sale's on at OK in PE - but there are no customers.

Sash. Among them is the charismatic consumer boycott leader Mkhusehi Jack who, it was reliably learnt, was hospitalised briefly in PE this week for an eye complaint.

Delinquents have left

According to Mike Xhenga, the one surviving voice of the consumer boycott committee, the main aim of PE residents is to have their freedom of movement restored.

Xhenga said "established street structures" are leading the campaign. They also want authorities to:

- Release local leaders - including Henry Fazzic and Mkhusehi Jack.
- Unban the ANC and other political organisations.
- Allow the unconditional return of exiles.
- Dismantle apartheid.
- Rebuild damaged schools.

boycotted while businessmen desperate for someone to negotiate with.

PE Chamber of Commerce president Carl Coetzee this week appealed to community leaders "not in detour" to make contact with him and Tony Gilson.

Chamber director Gilson said that despite "confusion" among consumers, the boycott was likely to be damaging to PE's bludgeoned economy.

But Gilson confirmed contact with the CBC and a meeting was in the offing.

He said: "We have been in contact with the committee and will set up a meeting with them soon."



When she finished on being served a used white customer in the shop supported her - owner Ude-mans asked them "would you like to try on our garments after they've been just on by a would-be black buyer?" and refused to serve her.

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After the incident, witnessed by white customers and a local journalist, Doo-dolo said she had been shocked and appealed to find out there are still white traders in the city who bar Africans from their shops.



# Piggy-bank

By Ruth Golembo

RETAILERS expect a Christmas shopping boom — but customers are emptying their piggy banks for the splurge and prospects for the first quarter of 1987 are flat, experts warn.

Although consumer spending has picked up, making for spectacular results from retail giants Amrel, Edgars and OK Bazaars, economists warn about premature optimism.

Some black business leaders, who do not wish to be named, say the shopping spree comes in anticipation of a consumer boycott.

One says: "In the past two years we were told without warning that the boycotts would be implemented in December. Many shoppers are getting in early now."

"I don't think they are spending rent money — what will happen if they are suddenly told to repay it and they no longer have it?"

## Easy credit

Rand Merchant bank economist Rudolph Gouws says consumers are financially more strapped than ever.

"Real personal disposable incomes are down. Many consumers are digging into personal savings. But the cost of credit is low and debt is down, so some splashing out is acceptable."

"The bad news is that if the shopping spree is as great as traders expect we could see a subsequent weakening which will be worse than the usual post-Christmas slump."

Barclays Bank group economist Cees Bruggemans says the buoyant conditions certainly do not signify a boom.

"The third-quarter rally is by no

# spending splurge

means a boom. It is largely due to easy credit and consumer buying ahead of inflation.

"Increased demand is only in certain consumer durables. Consumer durables make up only a tenth of the consumer market so there will be little effect on inflation, interest rates and the economy in general."

Business and credit information bureau Dun & Bradstreet joins economists in a gloomy view of things.

Marketing director Paul Edwards says consumers and businessmen are being enticed to take up credit at low interest rates.

He predicts an upward move in interest rates soon because of SA's foreign-debt standstill and the need to generate domestic savings.

"Demand could fuel inflation and the Government will have to apply fiscal and monetary restraints which could cause higher interest rates. We are putting on a red light credit warning."

"Easy credit could add to the rapidly growing pile of bankruptcies that have plagued SA in recent years if interest rates head back to inflation-related levels."

"We have seen false booms before and it seems history is repeating itself. One need look no further than the

mini-boom that petered out in the second half of 1985 because it lacked a sound base."

In spite of cautious views from practitioners of the dismal science and "morticians" Dun & Bradstreet, retailers are stocking up. Some even fear they will may not have enough goods to meet demand.

## Some shortages

Amrel's Ronnie Cohen cannot hide his optimism, saying: "Consumers have paid their debts, credit is available and they are ready to start buying again."

"We expect real demand in especially the furniture and durable markets. Clothing will also do well. We are prepared for increased sales, but could find a shortage of supply in certain lines."

After seeing his company's first-half earnings soar by 128%, Edgars managing director Vic Hammond expects strong sales to continue until the end of the year.

"We have stocked up. I expect sales to rise by at least 3% in real terms, inflation coming down to about 17%."

Some businessmen say consumers'

To Page 3  To Page 2

## Splurge

From Page 1

money is burning holes in their pockets.

Personnel expert Ib Ravensborg, managing director of Hay Management Consultants, says that although salary increases in the past three years have lagged behind inflation, bonuses and changed lifestyles have made consumers cash rich.

"About 90% of businesses usually give a 13th cheque. This is generally put into salary budgets in advance and will be paid this year. It will end up in shopkeepers' tills."

"In the past three years, consumers have changed their spending patterns and tightened their belts — so they do now have more money than before."

Checkers managing director Clive Weil says the surge in spending comes largely from the black market.

# Fifty check out

ABOUT 50 Checkers workers went on strike this week in sympathy with the workers who were dismissed from the Mdantsane Checkers Supermarket last Saturday.

Negotiations in the dispute are handled by the SA Allied Workers' Union.

A spokesman for the workers in King Williams Town, Godfrey Ntywabi, said management could not meet workers' demands for the reinstatement of the dismissed Mdantsane workers.

Ntywabi said Border regional manager Royce Alcock was at the King William's Town store when a sit-in was staged in the canteen and said he would speak to the workers.

Ntywabi said when they came to the store on Tuesday morning they found their belongings and clock cards had been taken by management.

30  
ELIY PRE →  
9/11/86

# NO MAN'S LAND

Black people aren't allowed to shop here — but they're not shopping ANYWHERE, anyway!

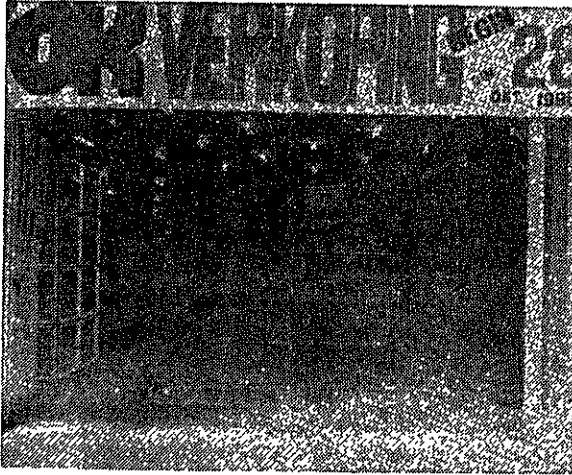
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In spite of the recession . . .

*CMT 7/11/86*

# Waltons lifts earnings 71,8%

*11/10/86*

*2*

*3*

By AUDREY D'ANGELO  
Assistant Financial Editor

WALTONS, SA's largest commercial stationers, lifted earnings for the six months to August by an impressive 71,8% to 33c (19,2c) a share and the interim dividend by 35,7% to 9,5c (7c) a share, conservatively covered 3,4 times.

And, unlike other encouraging results reported in the past few days, these were not achieved from a low base.

In spite of the recession Waltons has increased profits consistently in the eight years since it was listed.

### Acquisitions' earnings

Turnover for the six months rose to R89,8m (R61,7m), operating income before net interest and taxation to R12,1m (R6,1m) and net income to R5,1m (R2,5m). Attributable income rose to R4m (R2,3m) and the tax bill to R5,8m (R2,4m).

MD Frank Robarts pointed out in an interview that turnover had grown steadily from R11m in 1978/79 to R144,3m in the year to February.

"Our profits in the past six months exceeded our turnover for our first whole year as a listed company."

Apart from inflation, the earnings of acquisitions have contributed greatly to this growth.

"We buy companies which have not been doing very well and use our management expertise to turn them round," Robarts said.

Waltons spent R15m on acquisitions in the past six months. The latest, Gala, was bought for R7,5m in cash too recently for its figures to appear in the interim results.

Robarts and chairman J M Parrington say in the interim report that the increased profits were due to improved performances by all companies.

The existing Waltons operation contributed about 25% to the rise in earnings. Another 25% came from subsidiary and associated companies and

the remaining 21% from companies acquired in the current year.

The only sad note is that Waltons is now considering disposing of its two Australian outlets through a management buy-out because the political situation has caused difficulties.

The interim report says "to date these operations have made no contribution to group profits and if necessary could be discontinued at an insignificant cost."

Robarts said: "The Australian venture cannot grow because people do not like the SA connection."



Frank Robarts

There were difficulties in getting containers unloaded and with financing the venture from SA.

The interim report forecasts that earnings for the whole year will be about 40% higher than in 1986.

It explains that "as a result of the additional profits now arising from companies who, for the first time, form part of our group, a more balanced spread of earnings will in future occur between the first and second six month periods."

● The holding company, Walhold, lifted earnings to 64,9c (37,8c) a share and the dividend to 19c (14c).

# Project developers welcome decision

5/11/86

DD  
30  
268  
Dispatch Reporter

EAST LONDON — The developers of the proposed R45-million shopping complex here have welcomed the city council's decision to give the project the go-ahead.

A spokesman for Elcorp, Mr David Denison, said last night: "We hope the recriminations which have surrounded the scheme will now be set aside.

"We believe Clarendon High and Clarendon Primary have very legitimate additional sports fields needs and Elcorp has gone to enormous trouble and expense to provide two additional hockey fields, two additional netball courts and three additional tennis courts — or whatever alternate choice the school might make within the additional 2 ha Elcorp has made available to the two schools.

"Elcorp has the financial backing for the development and the committed co-operation of one of South Africa's leading chainstore groups, who propose to include a 13 000 square-metre Hyperama in the centre.

"We are also concerned there are so many misconceptions about Clarendon Gardens and would be happy to try to allay the fears of any ratepayers," he said.

Commenting on a bid by Mr Donald Card to rescind the council decision taken on Monday night, Mr Denison said the developers had been surprised by the statements made by Mr Card as he had given an assurance earlier this year that he would support the project if specific items were resolved.

"All these issues are incorporated in the voluminous document submitted to all councillors for their consideration.

"The issues which Mr Card is now raising were all resolved in conjunction with experts in their respective fields and discussed in detail with the various municipal departmental heads.

"We are frankly amazed at this continued effort by Mr Card to stifle development in East London at a time when the economy is under enormous pressure.

"We believe Mr Card is now adopting the same negative attitude that retarded positive development in East London for many years.

"We are heartened that Mr R. Harwood, chairman of the Selborne-Clarendon schools amenities committee, is now prepared to meet the developers to discuss the proposed Clarendon Gardens shopping centre," Mr Denison said. — DDR

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# FCI taken by surprise by warning from ANC

By Michael Chester

Members of the National Council of the Federated Chamber of Industries have been taken "completely by surprise" by a telex from the banned African National Congress, warning them about the November 7 summit called by President P W Botha.

The telex, signed by ANC spokesman Mr Tom Sebina, said the summit discussions were "only intended to give the impression of interest in dialogue in order to buy time to continue and entrench old policies".

Dr Johan van Zyl, executive director of the FCI, said he did not plan to reply directly to the ANC.

"They will see our response when they read the Press statement we intend to issue at the end of the summit session," he said.

Mr Sebina's telex said: "It would be most unfortunate for our country if concerned business people were to allow themselves to be diverted from the path towards a democratic society and to be used to improve the public image of those who have plunged our country into a deep crisis."

# Assocom calls for flexibility in agenda for PW's economic summit

30 30  
SMR  
4/11/86

By Michael Chester

The Association of Chambers of Commerce has appealed to President P W Botha to ensure flexibility in the agenda for the economic summit, which starts tomorrow, to allow a full airing of views on political and social issues aside from purely economic affairs, according to Assocom's chief executive, Mr Raymond Parsons.

Mr Parsons said in Bloemfontein that the main items on the agenda revolved around economic strategy, privatisation and deregulation matters.

But, because of the inextricable links between politics and social questions in the current situation, a flexible approach to the summit discussions was vital.

"There must be genuine two-way communication between the public and private sectors, each side willing to express its hopes and fears frankly," he told the Orange Free State Chamber of Commerce.

"Let neither side be suspicious of the other — but let all be watchful. The credibility of both the public and private sectors is at stake.

## RESPECTIVE ROLES

"There should be a clear understanding of the respective roles of business and government. There are certain political decisions which only the Government can make. But, in the unusual circumstances prevailing in South Africa, business has a special role to play to keep the country governable.

"In particular, the private sector must promote black advancement, contribute to the constitutional debate and concentrate on neutralising intensified economic sanctions.

"It is an opportunity to assess our strategy for coping with sanctions and disinvestments in a rational, calm, level-headed way.

"We must not expect the meeting to find solutions, but rather to put South Africa in a better position to make intelligent choices about the future."

# Assocom in ~~23~~ strategy talks ~~30~~ for PW summit <sup>SMK.</sup>

Political Reporter 6/11/86

Delegates from the Association of Chambers of Commerce (Assocom) were scheduled to meet today to discuss a strategy for tomorrow's economic summit with the State President.

The "Forward with Confidence" conference at the presidential guest house in Pretoria will be opened by Mr P W Botha.

The 200 business leaders attending the summit will also be addressed by the Minister of Finance, Mr Barend du Plessis, and the Minister of Economic Advisory Services in the Office of the State President, Mr Eli Louw.

Mr Joe Steggman, the chairman of a subcommittee of the Economic Advisory Council, will discuss the report outlining a long-term national economic strategy for South Africa. Privatisation will also be on the agenda.

The delegates will then divide into 10 groups to discuss important issues and will reconvene in the afternoon for a report-back session.

Progressive Federal Party spokesman on finance, Mr Harry Schwarz, said it was important that the meeting be held in a positive atmosphere. He said it was essential the conference address South Africa's most immediate problem of growing unemployment.

The acting national publicity secretary of the United Democratic Front, Mr Murphy Morobe, said in a statement today the conference "is a waste of time".

"Any attempt to help Mr Botha in his move towards a siege economy will be construed as direct business collusion in the perpetuation of white domination," he said.

● See Page 11.



## Durban coasts on

The Durban Metropolitan Chamber of Commerce (DMCC), Assocom's largest single affiliate, is emerging as a powerful force in the chamber movement.

Already the body has 5 700 members — more than the Johannesburg chamber — and it is rapidly drawing other associate branches into the fold.

Last year the Durban chamber regionalised activities by incorporating the Pinetown Chamber of Commerce into an expanded body now known as the DMCC.

In addition it operates sub-branches in Westville and Queensburgh, and is involved in negotiations with the commercial association in Umhlanga to establish a fully fledged sub-branch there too.

Chamber CE Ken Hobson says the incorporation of Pinetown has been a success. Pinetown members, he says, still enjoy a fair degree of autonomy through their divisional committee and their seat on the DMCC's management committee. Moreover, the DMCC is now by far the largest employer body in the province.

"The extent to which our views are sought by province, city councils and State bodies indicates that we are thought to be a fairly representative body," he observes.

Hobson feels Durban would probably have a bigger impact on Assocom policy formulation were it not for the logistics and time involved in members commuting to meetings. As it is, he notes, a Durban member is chairman of Assocom's council and two others sit on its board of management.

As a result of its higher profile, the DMCC is involving itself in a wider range of issues, many of them more political in nature. Last year Chamber President Bruce Forssman joined representatives of other commercial organisations on a goodwill mission to London to help stave off sanctions and promote the Natal Indaba. The chamber was a prime mover in the Indaba, and its delegation has been in constant attendance since discussions started.

It has even been known to take the initiative on national issues. For example, it has been a vocal critic of regional services councils ever since government's intentions became known. While it accepts that some form of regionalisation is probably necessary, its main contention is that the move lacks legitimacy and its complicated tax provisions could be avoided by a local surcharge on GST.

In addition, Hobson says, the chamber is spending more time helping small businessmen, particularly blacks, is promoting dere-

gulation and the informal sector and helping members retain international trading links under sanctions.

"We are merely responding to the needs of the day," he says. "There's no point in dealing with normal business matters like credit sale agreements and tariffs when there are more pressing matters."

Its latest undertaking, in conjunction with the city council, is to establish a bureau to market Durban as a commercial and industrial centre — a move, the promoters say, which will see "the whole of Durban's economic structure being marketed, not just tourism."

Hobson says there's much more the chamber would like to do. But, as always in tight economic circumstances, budgets remain a constraint.

STAK  
7/11/86. (30)

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## Edgars five refused leave to appeal

**BLOEMFONTEIN** —  
Five men, who were employed by Edgars in Johannesburg and were members of the Federal Council of Retail and Allied Workers Union, have been refused leave by the Appeal Court in Bloemfontein to appeal against their convictions and sentences for intimidation.

The convictions arose from the assault of a fellow worker who had returned to work during a strike in September 1985.

Ben Twala, Jeffrey Mkhize, Vincent Mkhize, Sazengani Chiyi and Lenox Ngobo were convicted in the Johannesburg Regional Court on November 12 1985.

They were sentenced to imprisonment of five years, of which two years was conditionally suspended.

On appeal to the Witwatersrand Local Supreme Court the convictions were confirmed, but the sentences altered to fines of R450 or three months, plus three months conditionally suspended. — Sapa.

# More SA firms trading in Africa

7/11/86  
JUDAY  
DAVID FURLONGER

MORE South African companies are trading with the rest of Africa, says the SA Foreign Trade Organisation (Safto).

Its annual report says there has been a "sharp rise" in the number of smaller companies doing business with African countries.

A region-by-region analysis paints an optimistic picture of export opportunities. Only Oceania, where Australia and New Zealand are already applying limited sanctions, is singled out as a no-growth area.

Western Europe remains the most important market, says Safto. While political action places restraints, "innovative" marketing techniques offer major opportunities.

North Americans, while wary of goods with an obvious SA identity, cannot resist the price advantages of a weak rand, although exports of certain products could be curtailed in the future.

The west coast markets of South America are taking record shipments of SA industrial goods. The Middle East, already exploited by some SA exporters, is likely to become more important as business seeks alternative markets for its goods.

Exports to the Far East have risen "dramatically". Where this region used to take mainly primary goods, there is increasing demand for manufactured goods.

# Face bar goes in seven PE areas

7/11/86 Ewe Post

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By DENISE BOUTALL

**SEVEN free trade areas have been proclaimed in Port Elizabeth, according to a notice published in the Government Gazette today.**

The areas include two in the city centre, Newton Park, Greenacres, North End, Korsten and the Produce Street area next to the Baakens River.

The president of the PE Chamber of Commerce, Mr Carl Coetzer, welcomed the news, but added: "It's not good enough."

The limited free trade areas were contrary to the wishes of both the chamber and the City Council.

"The announcement today won't stop us from pushing as hard as we can to eliminate all forms of discrimination on the grounds of colour in all aspects of business," he said.

In terms of the notice, people of all races are allowed to "use, occupy or acquire" buildings and land in these areas for trading, commercial, professional, religious or educational purposes.

According a statement released by the Department of Constitutional Development and Planning, the possibility of deproclaiming certain industrial areas in the white group area for use by all races is also being investigated.

Established trading areas which have not been opened include the Commercial Road area, the Hill area, Walmer, the western suburbs and the beachfront.

The Produce Street and Cottrell Street areas have been open for years.

The North End area stretches from the Showgrounds in the north to Myrtle Avenue in the south. The two central areas are to the south and include the CBD. The Newton Park area falls between Second and Fifth Avenues.

Today's notice comes 21 months after the Minister of Constitutional Development and Planning, Mr Chris Heunis, announced that all the CBDs would be opened "without delay".

# PW calls on business 'to serve country's interests'

*Botha Eye Post 7/11/86*

*30*

PRETORIA — The 200 top South African businessmen attending today's economic conference with the Government in Pretoria were told at the start by the State President, Mr P W Botha, they were expected to "act with realistic idealism towards your fatherland".

In his opening address he said: "This includes the realisation that our present economic and other circumstances cannot be attributed to a few simple causes."

Mr Botha also warned businessmen that requests for money and that it would have to be accepted that both the Government and the private sector had to be involved in its financing.

Orderly Government and reform were important to the private sector, just as an active, positive and constructive private

sector was important to the country and the Government.

"You must also act in such a way as to serve the interests of our country."

Mr Botha rejected the "opportunistic and irresponsible way" Government was blamed in some circles as being solely to blame for South Africa's economic and political problems.

Mr Botha said he also wanted to react to the allegation that the Government was not making sufficient progress with reform and negotiation.

The Government was expected from all quarters to find what was called a "negotiated settlement" for South Africa.

"It is the old superficial story of 'find a political solution between dusk and dawn and Utopia will suddenly and magically arise'.

"Give me one country

in Africa or in the ranks of the developing and underdeveloped countries where that is the case... show me a country that has found an instant solution along the constitutional path," he said.

Among the probable causes of South Africa's problems were the oil crisis in the 1970s, the world recession, severe droughts, international political factors and expediency, and the terrorist onslaught orchestrated by international forces from abroad.

On privatisation, one of the official agenda items for today, Mr Botha said the Government was in favour of it if it was to the long-term advantage of the service, the taxpayer or the community at large.

He said the formulation of strategies in the economic field was nothing new, but that what had

become necessary was the combination of a variety of strategies into one coherent and all-encompassing strategy.

The Government was committed to reform, modernisation and development of South Africa, and it would follow this road with "balance and determination".

He said, that it was not a party-political congress.

A variety of "non-economic matters" might, however, be raised.

Secondly, "this is not an attempt on the part of the Government at collusion with 'big business' or the 'giants' in the business world."

"Our activities here today also involve the small businessman, farmers, employees, entrepreneurs and academics." — Sapa

... damage to The Prisons Department has denied offered the attack

WEEKLY MAIL 7/11/85

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# The strange men in blue who frighten the activists

VIGILANTES may be poised to take action against those involved in the third Port Elizabeth consumer boycott which started on Monday.

Port Elizabeth activists fear the men in blue overalls, who have been seen helping staff roadblocks, are the same notorious "wit doeke" vigilantes who helped smash the Crossroads communities outside Cape Town earlier this year.

Boycott leader Mike Xhego said from hiding this week that the vigilantes were being identified by their "blue overalls".

They have helped staff security force roadblocks but have not "as yet gone on a rampage, but we are watching the situation".

The boycott, which so far has left many white businesses in the area bankrupt and forced many to close, was conditionally suspended at a mass meeting on September 12, to give the government a chance to respond to the demands of Port Elizabeth's black community.

Port Elizabeth has experienced six boycott-free months out of the past 18.

The boycott resumed on the scheduled date of November 3, despite the prolonged detention of two key Consumer Boycott Committee leaders, the PE Youth Congress president, Mkhusele Jack, and East

Leaders of the PE boycott, which started on Monday, claim that groups of 'witdoek' vigilantes have been seen about the townships

Cape United Democratic Front vice president Henry Fazzie. Other members are in hiding.

On Monday Port Elizabeth's Chamber of Commerce appealed for community leaders "not in detention" to make contact with the chamber.

Tony Gilson, director of the chamber, when pressed by Weekly Mail about planned meetings with the fugitive boycott committee, said: "It's a delicate situation. We don't want to blow our negotiating procedures."

Xhego said that the boycott was called after consultation with "established street structures". No pamphlets were issued, he said.

However, graffiti proclaiming "No shopping!" appeared on township walls during the weekend.

He said that if the State President did not lift the State of Emergency and release community leaders — Jack and Fazzie among others — the boycott "will certainly continue over the Christmas period".

Xhego said an arrangement had been made with the eastern Cape African Chamber of Commerce (ECACOC) for pensioners, provided

they show proof, to be given a five percent discount at all shops in the townships.

The major boycott demands are:

- Release Nelson Mandela and all political prisoners;
- Unban the African National Congress and other political organisations;
- Allow an unconditional return of exiles; and
- Abolish apartheid.

Immediate demands are:

- Release Mkhusele Jack and other emergency detainees;
- Lift the State of Emergency;
- Remove the razor wire surrounding New Brighton, Port Elizabeth's oldest township;
- Rebuild damaged schools; and
- Scrap the dompas issued to residents by the SA Police and the Ibhayi Town Council.

Xhego said the boycotts were not anti-white, but were "a signal to white voters to remind them of the hardships they cause our people by voting for the government term after term".

Meanwhile "To let" signs, and shuttered shops line Main Street, North End — where black consumers usually shop, attesting to Gilson's comment: "We know how damaging the boycott is to Port Elizabeth's economy."

FUN MATC  
7/11/86  
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nounced earnings more than doubled, and the dividend up by 145%; turnover rose only 6% but operating profit advanced 33%.

Apart from SA Brews and Barlow, there are many others. Waltons publishes another good set of interims this week, IGI shows evidence of continued recovery with attributable income up from R277 000 to R1,4m, and both Boumat and Hill Samuel have raised pre-tax profits.

Leaving aside profit announcements, there have been favourable reratings of certain new listings. These included AOS which has so far been low profile, but has improved its rating against the rest of the computer sector. Results are due shortly from Eureka/Eurefin/Computermatic group, all of which have been strong. What may also be helping some of the smaller new listings is demand for their shares from institutions. A large insurance company has apparently taken a stake in Publico. Price gains were also recorded by the already highly rated Columbia, which has issued a cautionary notice.

All these developments helped lift the Industrial index to an all-time high of 1 402 on Tuesday morning. More good profit announcements could help keep industrials buoyant and delay a correction until nearer Christmas. But the gold price will remain pivotal. As one analyst says, "the gold price causes very quick swings of mood in this market."  
*Andrew McNulty*

## OK BAZAARS

### Stocking up

OK has failed to carry through the powerful recovery it achieved in the latter half of the year to end-March. Interim earnings to end September were up by 16,7%, but it should be borne in mind that the comparison is against an extremely low base; the 1985 interim earnings figure was 45% down on the previous year.

Some analysts are likely to have been surprised, as many were expecting further recovery based on the recent revival in spending on semi-durables, a source of high margin business for OK. But with some 64% of OK's profits emanating from foods, the battle against Checkers and Pick 'n Pay for market share clearly strained margins in the first quarter.

Checkers' advertising campaign appeared initially to take some market share off OK, says MD Gordon Hood. But since July, when OK retaliated with an aggressive "price awareness" campaign of its own, Hood claims that "food sales have improved appreciably each month."

Because of OK's trading format it is crucial that the chain maintains high turnover of foodstuffs. In the OK, food products are placed in the back of the store, where they act as a magnet drawing customers past

## OK STALLS

Six months to	Sep 30 '85	Mar 31 '86	Sep 30 '86
Turnover (Rm) .....	964,4	1 077,5	1 103,9
Pre-tax profit (Rm) .....	8,8	15,3	9,3
Attributable (Rm) ..	3,7	8,6	4,3
Earnings (c) .....	30,0	70,8	35,0
Dividends (c) .....	18	42	21

other, higher-margin, semi-durables. If customer traffic to the food counter falls, sales of high-margin items can be pulled down too. Hence OK's extremely aggressive campaign to recover foodstuff customers.

Hood is particularly encouraged by the strong trading pattern seen since September. This, he argues, reflects fundamental improvement in economic activity. The group has stocked up aggressively for the Christmas season, the extent of this being shown in the soaring value of current assets, up from R462,3m at end-March to R566,5m, and a corresponding rise in short-term debt to R102,1m (R27,8m).

For the year as a whole, Hood expects a "reasonable improvement" on last year's EPS of 100,8c, implying sharp recovery in the current half-year, with EPS in the second half of perhaps 75c-85c. The full year's dividend could be around 71c, for a prospective dividend yield of 3,8%, on the current share price of 1 875c. When the FM went to press on Tuesday, OK shares had not traded since results were released in the morning. The bid price was 1 890c.  
*Neville Glaser*

## Notice of management buy-out

The management of Republic Buff Manufacturers (Proprietary) Limited

has acquired

**REPUBLIC BUFF MANUFACTURERS (PROPRIETARY) LIMITED**

in a management buy-out transaction.

Johannesburg, 3 November 1986

IDEC advised management during the negotiations, structured the deal, and arranged the finance.



Financial Services

# Business and liberation under Natreco spotlight

NAFCO's Transvaal Regional Convention (Natreco) is to host a summit of "progressive" black organisations in Johannesburg later this month, in an attempt to find a place for black business in the liberation movement.

This was announced

at a Press conference addressed by Natreco's president, Moss Nxumalo, who stressed that the summit would be open to blacks only.

Describing Nafcoc as the economic organ of the "people's movement", Mr Nxumalo said the time had

come for links between black organised commerce and industry and the various political, religious, labour, educational, sporting and cultural groups to be strengthened.

He said: "To any concerned black observer of the South African economy, it is

clear that the economic high-way to power has few entry lanes for black South Africans.

"Nothing so vividly reveals the devastating impact of apartheid and the legacy of exclusion as the limited dimension of black business participation

in what is arguably the most powerful economy in Africa.

Mr Nxumalo would not name speakers or organisations that have been invited to the summit to be held at the Portuguese Hall in Turffontein on November 27 and 28, 1986.

JOHANNESBURG



Politics  
to feature  
in this  
summit

GERALD REILLY

ANOTHER economic summit will be held in Johannesburg on Wednesday — and at this one the realities of the impact of politics on the economy are expected to feature.

National African Federated Chamber of Commerce (Nafcoc) president Sam Motsuenyane, who boycotted the State President's summit last week, is among the speakers expected to stress that without swift and real reform, the economy is heading for serious trouble.

The conference is being organised by Unisa's School of Business Leadership. It will focus on constitutional priorities, economic and financial priorities, educational issues and industrial relations.

Speakers will include constitutional law specialist Marinus Wicchers, Auditor-General Joop de Loor, Development Bank CE Simon Brand and Director-General of Finance Chris Stals.

Unisa's principal, Theo van Wyk, and Cape Peninsula Technikon rector Franklin Sonn will discuss educational priorities. Prof Backer of Rand Afrikaans University, Prof Johan Coetsee of Potchefstroom University and Dawie de Villiers of the School of Business Leadership will discuss labour relations.

School of Business Leadership director Nic Wiehahn will speak on negotiating with vested interests. Prof Jan Hupkes will chair the conference.

The aim of the conference, Hupkes says, is to force people to sharpen their thoughts on a variety of issues which affect the future of SA.

# How to cope with sanctions

WITH the sanctions net drawing tighter around SA, government and many private bodies are presently exploring various means to circumvent these punitive measures.

Pat Corbin, president of the Johannesburg Chamber of Commerce, believes, however, that we may be premature in drawing conclusions on the effects of sanctions.

"Although a lot of sanctions legislation has been passed (in Europe and America) we do not yet know how punitive the final laws will be in practice."

This was illustrated recently when Denmark voted to ban trade links with SA.

However, Danish firms were given a six-month period to adjust, and those heavily dependant on SA goods may apply for an exemption period of up to two years.

"If we take the original EC proposals to ban coal exports there are still too many questions unanswered. Will it affect current contracts? How will it affect quasi-government bodies that have contracts with SA?"

"Furthermore, the element of self interest must be taken into account. West Germany is showing considerable opposition to the proposed ban because she is a major customer, while other countries not affected are making renewed sanctions demands."

But most people believe it is inevitable some form of effective multi-lateral sanctions will be implemented. What effect will this have on the SA economy?

"Sanctions — which will concentrate primarily on our exports — will deprive SA of vital foreign exchange earnings," says Corbin.

Exporters are already subject to "informal" sanctions and have lost orders, been forced to export at lower prices or to provide special terms and conditions in order to retain markets, as foreign customers levy a political discount on SA goods.

*With the uncertainty over the outcome of sanctions it is difficult for businessmen to plan ahead, but government and the private sector are currently examining ways of circumventing these punitive measures, reports STEPHEN ROGERS*

Exports to the US and Scandinavian countries have been particularly affected in this manner.

Furthermore, although the fall in the rand has assisted exporters, this advantage has been negated by exporters being required to give extended credit terms to retain markets.

As the rand starts to rise and with SA's relatively high inflation so exports will further lose their competitive edge.

The restriction on exports through sanctions — formal and informal — will lead to a shortage of foreign exchange.

Not only will this reduce SA's ability to import but will also, in all likelihood, lead to government tightening its control on an already highly regulated economy.

Measures may be introduced to regulate imports, the allocation of foreign exchange, and ultimately the means of allocation of scarce resources in the economy.

Financial sanctions — which caused an outflow of foreign capital and resulted in the foreign debt standstill — have already retarded economic growth. Furthermore, it has been estimated multi-lateral sanctions will result in over one million jobs being lost, primarily in export-related industries.

Another effect sanctions have already had is the draining of confidence from the business community.

How then does SA cope with the sanctions threat?

"The sanctions problem cannot be dealt with by one party in isolation. There must be an awareness that all sections of the community have a vested interest in fighting sanctions and keeping our export markets open.

For example, importers may not believe that they will be affected but if SA does not earn sufficient foreign exchange then the supply to importers will have to be rationed."

The private sector has already been in consultation with government on the need to maintain exports.

Apart from earning vital foreign exchange, exports serve to keep trade links open, thereby negating the desired effect of sanctions.

With the emphasis on exports it has been suggested that government provide financial assistance to those exporters faced with cashflow problems. It is believed government export incentives are presently being revised.

As sanctions are applied to SA's primary markets, alternative markets will be found through which exports can be channelled.

"Creating alternative markets shouldn't be too difficult. We have had numerous offers of help from abroad in this matter. However, it may mean we will have to enter less sophisticated markets with a reduction in profitability," says Corbin.

SA goods could also be pass sanctions by legitimately changing their country of origin. If the final process of production takes place, for example, in Swaziland, then goods may be classified as produced in that country.

This practice already exists in Europe where US set up the final stage of production in an EC country in order to avoid the community tariffs.

Counter-trading agreements — which are practised in many Western countries — could also be adopted. In these agreements foreign tenderers, in return for contracts, are asked to give a commitment to develop SA exports.

It is estimated that more than 25% of SA's trade passes through international trading houses at present. With international associates ensuring an effective spread of SA goods in world markets, these institutions could be used to funnel further trade abroad.

SA has the means, to a certain extent, to circumvent the sanctions campaign, albeit at the cost of restricted economic growth and higher unemployment.

However, the success of any counter-sanctions move will depend on measures being adopted in anticipation of sanctions rather than in response to them.

"If a foreign market is lost through sanctions it will be difficult for us to regain it," Corbin warns.

WILLIAMS DAY

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# Weil warns of unemployment 'time-bomb'

STAR 11/11/86 (30)



Mr Clive Weil ...  
'full employment  
must be priority'

The unemployment situation in South Africa was "an enormous time-bomb ticking away, ready to explode far sooner than anyone would like to believe", the managing director of Checkers, Mr Clive Weil, said last night.

Mr Weil told members of the Institute of Race Relations it was important that fuller employment should be a national priority.

He said the whites would inevitably lose their political power base but busi-

nessmen had a duty to see what they had built up was not destroyed.

"We will have to move closer towards the black perspective and, in doing so, embrace some of the socialist concepts espoused by black thinkers," said Mr Weil.

Government projects to train unemployed masses in an attempt to create self-employment would not have the desired results unless there was a massive deregulation of the economy, Mr Weil said.

Witwatersrand draft plan slated

# Business groups unite against 'restrictive' ideas

THE Johannesburg Chamber of Commerce (JCC) and the Johannesburg Central Business District Association (CBDA) have attacked the Draft Guide Plan for the Central Witwatersrand as "a restrictive and negative document which lacks proposals for development".

The objective of those who compiled the plan "appears to have been to co-ordinate the actions of various government departments in pursuit of a preconceived State policy rather than to undertake proper and realistic forward planning", said a joint document to be submitted to government.

"Past experience here and in other countries shows that socio-political 'engineering' often has negative results or — at best — is ineffective. In practice officials tend to apply such guidelines in a static and restrictive manner."

A major conference to formulate a joint professional response to the draft plan is to be held in Johannesburg on November 18.

It has been organised by the Witwatersrand branch of the SA Institute of Civil Engineers with the support of the Institute of Town Planners, the JCC, the Afrikaanse Sakekamer, the Institute of Architects, the Transvaal Chamber of Industries, the Institute of Landscape

LINDA ENSOR

Architects and the Institute of Land Surveyors.

The joint JCC/CBDA document disputes the plan's claim that the Johannesburg metropolis is "over-concentrated" by world standards and argues that a greater degree of concentration will "assist in making public transport more viable".

It also disputes the contention that further industrial land is not needed, and condemns the proposal for a deliberate scarcity to be created to promote the decentralisation of economic activities.

"National interests would be ill-served by measures aimed at restraining development here in the hope that it would then occur elsewhere. Around the world incentives to order urbanisation have consistently disappointed expectations," the document says.

"Decentralisation and deconcentration must lead to large and ever-escalating transport subsidies and ever-greater commuting distances."

Restricted residential development in terms of the Group Areas Act also comes under fire. It is stated: "It will not be possible to prepare sensible and practical plans for the future of this metropolis while such outdated and impractical restrictions remain."

# No rush to PE's free trade areas

30 Eve Post 12/11/86

By DENISE BOUTALL

THERE has been no dramatic demand by blacks for property in Port Elizabeth's newly proclaimed free trade areas.

However, estate agents confirm that they have had a number of inquiries over the past few months and believe that the new opportunity to trade in the city's former whites-only business areas will soon be taken up.

The proclamation of seven free trade areas last Friday came 21 months after the Government announced plans to open all the country's central business districts. Two of the five areas had been free trade areas for some years.

One estate agent, Mr Derek Smith, said the maps depicting the free trade areas were so complex that it took him two hours to figure which properties were affected in the central area alone.

"It's a crazy jigsaw puzzle. I can't see why they didn't open all the business areas. I see no justification for this," he said.

Despite these reservations, it was "at least a step in the right direction. Free competition must lead to better prices for the consumers."

Mr Smith said it was impossible to gauge the impact of the proclamation at this stage.

"We had some inquiries in recent months from people who want to buy property for investment purposes, people who want to rent premises as well as

people who want to buy business properties for their own use," he said.

The establishment of free trade areas could take up the slack in available business premises in the city. The vacancy rate in PE was no worse than in the other major cities because there had been virtually no development in the last few years.

Mr Phillip Bowman said he had had inquiries from time to time this year and predicted that North End would be the first area to benefit from the proclamation. He said demand would be mainly for ground floor retail space.

He, too, criticised the limitations of the proclamation.

He also expressed concern over the fact that the Commercial Road shopping area had not been opened.

In terms of maps provided by the Department of Constitutional Development and Planning the free trade areas are: Greenacres: the entire shopping complex as well as the peripheral office buildings.

Newton Park: this area falls between Second and Fifth Avenue.

Korsten: the area bounded by Kempston Road, Standford Road, Cottrell Street, Caseley Street, Kay Street, Dudley Street, Lynn Street and the Dry Lake.

North End: from the Showgrounds in the North to Myrtle Avenue in the south. The free trade area consists mainly of a long narrow strip on both sides of Main Street.

Central: This includes the central business district and Produce Street.

# Boycott committee <sup>12/11/86</sup> wants <sup>(30) Eve Post</sup> members released for talks

By JIMMY MATYU

THE Consumer Boycott Committee (CBC) today demanded the immediate release of all its detained executive members so that "meaningful negotiations" could take place between it and the Port Elizabeth Chamber of Commerce.

CBC also called on the Department of Education and Training to reconsider its recent decision that 40 schools in PE black townships would not automatically recommence their educa-

tion programmes next year.

Mr Mzimasi Mangcotywa, who has now taken over the role of acting spokesman for the CBC, said the harassment and detention of their members was "gravely hampering" the process of peaceful negotiations.

He said his committee was still awaiting a report from Mr Carl Coetzer and Mr Tony Gilson, president and director of the chamber respectively, on

developments following their recent meeting.

"Our doors remain open for negotiations on the consumer boycott but the continued detention of our executives has now tied our hands and we feel we will have to postpone the question of further negotiations until after the release of our members," he said.

Mr Mangcotywa said he was appointed acting spokesman after four of the CBC members were allegedly "picked up" at the weekend.

# Capital's central business district opened to all races

12/1/86 N/M

30

## Pietermaritzburg Bureau

THE creation of a central free trade area here was yesterday welcomed by Mr Buddy de Klerk, president of the Pietermaritzburg Chamber of Commerce, as a move which would 'give a spurt to the economy'.

Other bodies representing business interests in the city have generally supported the declaration of the open area, proclaimed in the Government Gazette last Friday.

Mr de Klerk said the opening-up of the CBD to businessmen of all races

would both help traders and boost the economy.

People of all races will be allowed to own or rent property in the central area zoned for business, commercial and professional use. The area is not, however, open to all races for residential purposes.

Mr de Klerk said the creation of the free area had been hampered by technical delays, but was 'most welcome' now that it had materialised.

Mr de Klerk said the Chamber of Commerce had been hoping to have the free trade area set up be-

tween the Dorpspruit and the Umsindusi River — which demarcate the northern and southern boundaries of the city centre — and that it was 'not unhappy although a little disappointed' by the size of the area granted.

He said the chamber hoped the area could be extended with the passage of time to occupy the whole of the city and not only the CBD. This could then incorporate a number of ancillary business sites which fell outside the CBD but were inside the city boundaries, he said.

14/11/86 Soweto 30

# SCCI to hold third convention

THE Greater Soweto Chamber of Commerce and Industries is to convene and host a convention on economic development at the Funda Centre in Diepkloof, Soweto, next Wednesday.

The convention is an annual forum designed to stimulate thought and discussion on ways of integrating black business into the mainstream of the economy. It is the third held by the SCCI.

The chamber has chosen "From Venture Capital to Business Ventures" as this year's theme.

According to Mr David Mailoane, chairman of the SCCI, businesspeople should be examining practical ways of utilising vehicles such as venture capital.

The keynote address on this theme will be given by Mr A S Nkonyeni, director of African Bank and a successful businessman, while guest speaker, Mr Ted Holmes, president of APS Incorporated, an investment company based in Baltimore in the United States, will give a talk on "Application of Venture Capital — The US experience and the Possible Application to South Africa."

Other speakers will include Mr Eric Mafuna, managing director of Consumer Behaviour (Pty) Ltd, Mr P Flanagan, managing director of RMS Syfrets in the Transvaal and Mr B Bloom, a columnist on the finance section of the *Sunday Star*.



# PE traders plan to fight R11m new road

W/E Post 15/11/86 (36)

Weekend Post Reporter

A PUBLIC meeting of traders is to be held next week in the Korsten area to object to the closure of the intersection of Durban Road and Kempston Road as part of the construction of the proposed R11-million Langenhoven Drive.

The meeting was originally scheduled for Tuesday next week but because of tremendous response it had been decided to switch to a larger venue, said Mr Gopal Govindsamy, one of the conveners.

Interested traders can ring 43 2560 for details of the new venue and date of the meeting, which had not been finalised at the time of going to press.

In another development the East Cape Traders Association is to object strongly to the closure of several intersections — including the intersection of Durban Road and Kempston Road — as part of the construction of Langenhoven Drive.

A spokesman for the association, which represents most traders in Korsten, said the association's executive was strongly opposed to the closure of Kempston Road intersections with Larch Avenue, Durban Road, Highfield Road and Cottrell Street.

Other intersections which will be closed to make way for the construction of Langenhoven Drive are the intersection of Second Avenue with Burt Drive and Aragon Road, Nile Road, Worraker Street and Oxford Street with First Avenue.

"It is clearly an indication that council wants to provide easy access to Greenacres at the expense of many traders who have served PE faithfully for many years," said the spokesman for the East Cape Traders Association.

"We are going through a difficult period in a depressed economy. More and more people in PE are becoming negative and we must become more positive if we are to make it," he said.

"This project is something that dampens any positive spirit. If they have R11 million to spend why not spend it where it is needed most, for instance housing.

A spokesman for the City Engineer's Department was quoted in the Weekend Post as saying that the road had been planned for 20 years and councillors had walked the route.

"We believe that they walked the wrong route and should change direction. It is unfair that a highway should be provided at such expense to provide easy access to Greenacres."

"The road was planned 20 years ago when PE was an industrial giant. It is becoming a fishing village. Plans designed 20 years ago no longer apply today," the statement said.

# son ahead after long downturn

30 W/E Post  
15/11/86

RETAILERS are facing one of their most crucial Christmas periods ever after two years of surviving through traumatic economic times.

And amid definite signs that the economy has finally pulled out of the trough, they are gearing up for increased sales by mounting aggressive marketing campaigns and holding down prices to convince consumers that now is the time to spend.

In Port Elizabeth this week for the annual meeting of the Giddy's furniture and appliance group, founder and chairman of the board Mr Allan Giddy told local businessmen that prospects for the end of the year were looking up.

Managing director Mr Rocky Ridgway said in an interview afterwards that an upsurge in sales was already underway this month, and turnover was expected to double in December.

"Comparing figures for 1984-85 — which was a traumatic time for many companies many of whom were making losses — we are looking forward to making a respectable profit in 1985-86.

"Sales are going reasonably well and we are looking at a fairly good turnaround, comparable to what we were achieving two years ago," said Mr Ridgway, until recently president of the Association of Chambers of Commerce.

The only potential bleak spot among the group's 10 stores in the Cape was Port Elizabeth, which could feel the upturn less than its counterparts because of the consumer boycott.

"But apart from this, prospects look bright."

Mr Ridgway identified aggressive marketing and keeping profit margins low as being key factors

"Market conditions are highly competitive and the consumer extremely price sensitive, especially as the individual's disposable income is not growing in line



By Bob Kernohan  
Business Editor

with cost increases, many of which have been caused by foreign exchange rates."

Looking further ahead, Mr Ridgway said that he believed fundamental economic factors would remain favourable for the next 12 months, but if conditions were to remain that way specific political reforms would have to be implemented.

These included the scrapping of the Group Areas and Land Acts and negotiations getting underway for representation of all race groups in Parliament.

"We have been talking about these actions for too long — now it is necessary to get some action."

Further concrete proof of the turnaround came earlier this week when car sales figures increased above expectations, admittedly — like sales in most consumer fields — off a very low base.

Mr Nico Vermeulen, director of the National Association of Automobile Manufacturers (Naamsa), attributed the increase to official stimulatory measures, improved consumer confidence, pent-up replacement demand and aggressive sales campaigns.

With more campaigns getting underway — notably one by Ford offering current company product owners high trade-ins on Lasers and Meteors — continued sales increases look certain.

Economists share the view that the turnaround is underway — but question how long it will last.

Standard Bank's current review says that although official figures are not yet available, "there is little doubt that private consumption grew significantly in real terms in the third quarter".

It identifies two factors as being vital to this continuing:

- Disposable income must accelerate to a level approximating the inflation rate, either through salary increases, more employment becoming available, or tax cuts.

- Households must have sufficient confidence, especially about their security of employment, in order to obtain credit to finance spending.

The bank believes both factors could be realised and is optimistic that the present recovery should continue, particularly if agricultural conditions remain as promising as they appear now — but, the bank adds, the recovery's "longevity is still by no means assured".

It, like Rocky Ridgway, sees political solutions, reinforced by a longer-term economic strategy — one was outlined last week at the "Carlton III" summit in Pretoria — as being vital to long-term growth.

Old Mutual's chief economist, Rob Lee, describes the current economic scenario as being "the transition phase from a shakily based export-led recovery to the more broadly based domestic demand phase of the business cycle".

While conceding that the positive factors are coming through, he warns that this transition phase is likely to be "bumpy".

But since the roller-coaster ride for the past two years has mostly been downhill, it's safe to assume that most businessmen will be happy to ride out the bumps — as long as they're on the

# Appeal of fired workers set for Monday

15/11/86

(2)

(30)

## Dispatch Reporter

EAST LONDON — Workers at Checkers stores in Mdantsane and Amalinda, who were dismissed earlier this month, have appealed against their dismissal.

Their appeal will be heard by management on Monday.

This follows the dismissal of approximately 116 workers from Mdantsane and Amalinda stores earlier this month.

Workers at the Mdantsane store went on strike over a change in shifts and fellow union members at the Nahoon and Oxford Street stores staged sit-in strikes in sympathy with their dismissed colleagues.

A spokesman for the management at the Oxford Street branch said yesterday that his workers were still staging a sit-in.

He said that the store was running normally apart from a few minor hitches.

The spokesman added that casual workers had been employed at his branch in Oxford Street since last Thursday.

Comment could not be obtained yesterday from either the regional manager's office or from the supermarket chain's head office in Johannesburg.

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Cape Times 15/11/86

# City's security slack

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**SECURITY** in Cape Town shops just over a month before Christmas was found to be dangerously slack by a Cape Times lunch-time survey.

Three of the largest departmental stores and a banking hall had no security guards at any entrance.

The survey found a seeming "it-will-never-happen-to-us" attitude towards possible bomb blasts. It was prompted by the Newcastle bomb blasts and a police warning of possible "deeds of terror" by the ANC military wing over the Christmas season.

A uniformed security guard in the Golden Acre shopping

complex yesterday stepped on a "suspicious looking" black plastic bag, placed next to an elevator by this reporter.

After four minutes, two uniformed security guards spotted the black bag where it was placed next to the elevator where thousands of people pass daily.

One of the guards walked up to the bag, which contained rolled-up newspapers, looked at it for a while without touching it, and then stepped on it.

Another "suspect" bag was conspicuously placed against a shelf in one of the largest book shops in the Golden Acre. Shop attendants spotted the bag 15 minutes after it had been placed and handled it while asking whose bag it was.

At one banking hall, six empty money boxes, which can easily be confused with certain ammunition cases, were stacked for more than an hour against a wall where it was possible to briefly handle them without being seen.

Only one shop checked in Adlerley Street, a women's clothing outlet, had a security guard searching bags at the entrance.

By RIAAN SMIT

# Small businesses helped in G'town

WTE Post 15/11/82  
30  
Weekend Post Reporter

THE Grahamstown Chamber of Commerce has been instrumental in granting five loans totalling R6 000 to entrepreneurs in the city wanting to start small businesses.

These include a bicycle repair expert, a woman baker and an electrician.

The chamber took over the loan-giving function from the municipality on behalf of the Small Business Development Corporation (SBDC) — at its request — four months ago.

The SBDC felt the chamber was better placed to handle the function.

A Grahamstown businessman, Mr Tim Leach, an executive member of the chamber who, with four members of the National African Federated Chamber of Commerce in Grahamstown, vets applications, said loans were available to all. Most applicants were black.

When he took over, three loans, totalling R400, had been granted.

He and his committee, who have approved another 10 applications, have the authority to grant loans of up to R2 000.

Prospective entrepreneurs wanting more have to apply to the SBDC in Port Elizabeth.

Mr Leach said they aimed to recover the loans as soon as possible — "the idea is to keep a revolving fund with money in circulation".

# PE's boycott leader has gone 'missing'

By MONO BADELA

PORT ELIZABETH Consumer Boycott Committee leader and former Robben Island prisoner Michael Xhego has been reported "missing".

Xhego's disappearance follows barely a week after he launched the third consumer boycott of white businesses in PE in the past 18 months.

But residents of PE's Zwide township believe he has been detained along with colleague Mpumelelo Odolo.

Civil rights lawyer David Naidoo confirmed that parents claimed their sons had been detained by the security police.

They were apparently cornered in Zwide where they have been in hiding.

Naidoo said the owner of the house had reported this to the parents.

But a telex from the SA police public relations division in Pretoria said according to their records, none of the people mentioned has been detained in terms of security legislation.

The police telex also denied the detention of CBC member Alex Rala of Kwazakhele, former national publicity secretary of the outlawed Congress of SA Students Siseko Lutywantsi and top New Brighton businessman Winkle Ximiya.

Xhego, who is also vice-president of the PE Youth Congress, took over as leader of the CBC when head Mkhuseleli Jack was detained early September.

Meanwhile, it has been reported that both Jack and Winkle Ximiya have been admitted to the Livingstone Hospital.

Jack is said to be suffering from an eye infection, while Ximiya has cardiac problems.

rest. He currently faces 22 charges, including one of murder. Sapa

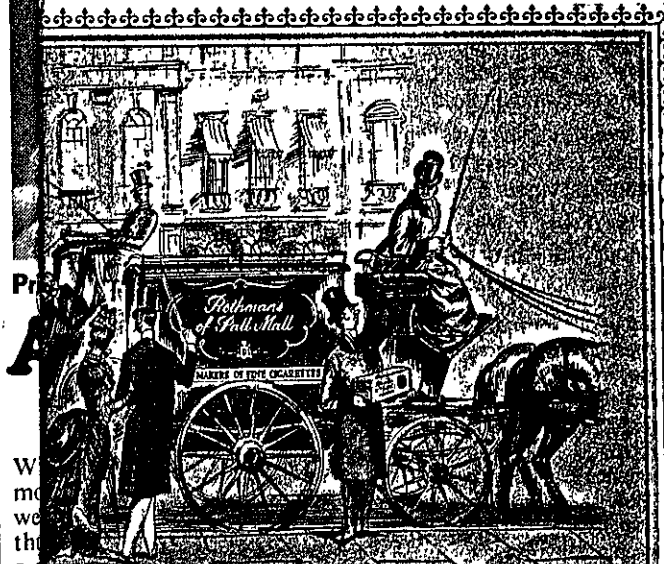
# Grooms at work

CP Correspondent

CAPE TOWN grooms who went on strike for higher wages at the weekend have returned to the stables.

The men said they had accepted an increase to R64 but are still not happy. They were earning R50,50 of which R4,50 was deducted for food and accommodation.

Initially they demanded R150 a week and later dropped the demand to R90.



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# 'Denial of right'

**BLACKS** in South Africa are denied the right to participate in Parliament and are being ruled by a white government without their concern, Mr Joe Hlongwane, president of the Mamelodi Chamber of Commerce and Industries, said yesterday.

Speaking at the inauguration function of the chamber in Watloo near Pretoria, Mr Hlongwane asked if a settlement would ever

## SOWETAN Reporter

be reached while the Government "is wielding a political stick which is aimed at dividing and ruling with a heavy hand and while the governed are on the run and silenced."

Mr Hlongwane, who is also secretary general of the Southern Transvaal Chamber of Commerce, also asked how the Government hoped to talk to black leaders

when the authorities denied them freedom of expression and the freedom to choose where to stay and to work and which political direction to take. (30) SOWETAN

He said that the aims of the local chamber included working towards the removal of business obstacles such as regulations that were designed especially for the destruction of a black man's advancement in business. 17/11/86

MAJOR supermarkets are enjoying the benefits of a false and unsustainable spending spree, top retailers warn.

Checkers, OK Bazaars and Spar executives admit they have been riding a crest of increased black spending since mid-year which cannot last.

A *Business Day* survey of leading retailers reveals a strong belief the false boom, and premature optimism, is being fuelled by:

- A sense of security in terms of the state of emergency;
- Rent boycotts injecting R50m a month into the economy;
- Shopper anticipation of consumer boycotts;
- Easy credit, and consumers buying ahead of inflation.

Checkers MD Clive Weil says there has been no increase in real terms this year in white spending.

He warns the timing of any government decision on rent collection, particularly if it comes before Christmas, could have "a severe effect on the industry and the economy."

Spar executive-director Sidney Matus says the spree is unsustainable.

# Retailers warn of false prosperity

BUS DAY 30 18/11/86

And even at OK Bazaars, where director Alan Fabig admits "things have been exciting the last few months", management has adopted a strategy of caution and conservatism.

Fabig says: "We are not gearing up for any massive spending spree."

Spar has seen a steady increase in sales since June. But Matus says any hopes for the Christmas season must be further tempered by the mood of trade unions.

He says boycotts and stay-aways are "real threats".

Commercial, Catering and Allied Workers Union general-secretary Vivian Mtwana said no industrial strife was anticipated, but developments on the negotiating front before Christmas could change the situation.

Pick 'n Pay MD Hugh Herman was slightly more optimistic than his competitors.



# Lift emergency to improve economy, SA urges

No plan for economic progress in South Africa could be successfully implemented until the state of emergency was lifted, the president of the South Africa-Britain Trade Association (Sabrita), Mr Murray Hofmeyr, said yesterday.

Addressing Sabrita's annual general meeting in Johannesburg yesterday, Mr Hofmeyr said action was needed on the political front and on the socio-economic front.

"For political reform to be effective it must have support from the population as a whole. Changes will have to be imaginative and far-reaching. If they are not brought about, unrest will continue, political polarisation will get worse and our international position will deteriorate further," Mr Hofmeyr said.

He urged the Government to call on black leaders to take part in building a future South Africa. "It must surely be clear by now that

unless the Government is prepared to speak to everyone, they will not speak to anyone.

"The risks inherent in urgent and effective political reform are considerable, but no greater than those implicit in doing nothing," he said.

There had been a fall-off in trade between South Africa and Britain during the first six months of this year, Mr Hofmeyr said. Events in South Africa over the last year had seen the heightening of this country's political and social crisis and its further isolation from the mainstream of international intercourse.

Discussing sanctions, Mr Hofmeyr said resistance to sanctions by key Western governments had been undermined by "Pretoria's evident willingness to confront the reality of sanctions, rather than be indefinitely burdened by the threat of their imposition".

SPK 13/11/85

## Hive creates jobs for 120

AT LEAST 120 new jobs will be created in the Eastern Cape when a third Small Business Development Corporation (SBDC) industrial hive opens in Uitenhage early next year.

And negotiations for a fourth local hive — in East London — were in the final stages, the manager special projects for the SBDC in the Eastern Cape, Mr Willie Fouché,

announced today.

He said a capital investment of R200 000 had been approved for the establishment of 22 workshops in the Kruis River Road industrial area in Uitenhage. Doors were scheduled to be opened early in January.

To date, 15 applications had been received for the pilot project and a further 11 entrepreneurs had expressed interest in leasing

units.

There are already two hives in the East Cape, one in Stutterheim and the other in Lindsay Road, Port Elizabeth.

Mr Fouché said the SBDC had also reached the planning stages for two further hives. Negotiations for the East London hive, to be housed in the old jail, were nearing the final stages.

# Shoprite gearing up to lend a helping hand at Pepkor 30

By Michael Menof

The new Shoprite prospectus has the objective of a JSE listing to give the company a clear corporate identity and to provide both management employees and business associates of the company, as well as Pepkor and Peggro equity holders, an opportunity of participating directly in Shoprite's future growth.

In addition, funds from the issue will be used for the part repayment of certain amounts owing to Pepkor.

A total of 4,55 million ordinary shares of four cents each are being offered at a 100 cents a share. The 25 million shares already issued will remain in the hands of Pepkor and the company's board of directors.

Shoprite's management believes that the company can achieve an average compound growth rate in pre-tax profits of at least 25 percent a year from 1986 to 1991.

Earnings for the year-ending February next will be not less than R2,48 million, equivalent to 8,4 cents a share while for 1988 the forecast is R3,09 million, equivalent to 10,9 cents a share.

Prospective shareholders should be alerted to the fact that they cannot expect their first dividend until after the year-

ending February 1988, possibly some time in May? Dividend cover will be at least two times hence shareholders could look forward to a dividend of around five cents provided the above forecasts are met.

The hefty premium of 96 cents on the issue price is justified by the past trading success of the company and its future prospects, state the directors.

The net assets value after receipt of the R4,55 million cash from the new shares, which includes the premium of 96 cents, amounts to 27,1 cents.

The balance sheet at February 1986 shows a working capital position of current assets R27,1 million and current liabilities R23 million. However, included in current assets is R21,53 million stock.

Shareholders funds appear rather thin at only R8 million to support a forecast turnover of R158 million and bottom line of R2,5 million. Interest expense is estimated at only R613 000 which could be on the low side.

As at February 1986 Shoprite owes Pepkor Finance (Pty) Limited, a subsidiary of Pepkor, R2 793 million which is unsecured. In addition, Shoprite declared a dividend of R4 24 million on October 22 1986, out of retained income. The full R4,55 million cash is earmarked

to settle Pepkor for this dividend owing, together with funding the expenses of this issue amounting to R310 000.

Unfortunately, Shoprite's profit history is not that impressive. While turnover has quadrupled from R32 million in 1982 to R126 million in 1986, the bottom line has failed to show such spectacular growth.

In 1982 group attributable net income was R1,55 million from 15 stores whereas in 1986 it was R1,91 million from 37 stores.

The dividend history during the past five years is poor with only two cents declared in 1982 and 1,6 cents in 1984. No doubt holding company Pepkor's escalating borrowing situation and forex losses must have adversely affected Shoprite.

The group now has a single-minded purpose and should Pepkor's problems be over, exciting things could still happen. However, at this moment shareholders will be living on hope and with disposable incomes declining, shopping groups might have to fight hard to deliver profits in the future.

Since the full R4,5 million cash has been used to repay Pepkor it means that Shoprite is going to have to resort to borrowings to fund any expansion drive. This could mean starting on the wrong foot.

...impressive stained-glass ... of residential use

# Small business development plea

N/M Pietermaritzburg Bureau 18/11/86 30

THE need for small business development in South Africa was emphasised by South Africa's unemployment figure of 25% which equalled that of the United States during the great depression, Dr W B Vosloo, managing director of the Small Business Development Corporation (SBDC), said at the opening of an information centre here yesterday.

The entrepreneurial training and development workshop and information office recently created by the SBDC, was officially declared open by Pietermaritzburg's Mayor, Mr Mark Cornell.

Dr Vosloo said the unemployment level in certain black townships in South Africa was as high as 50%.

He said 22 of the 25 work sites at the entrepreneurial training workshop in Pietermaritzburg were already occupied by 64 previously unemployed people.

There were eight of these workshops throughout the country — three in Natal at Chatsworth, Phoenix and in the capital.

He added that the SBDC dealt with 2 500 inquiries in connection with new business development in Natal and 18 000 inquiries countrywide every month.

Mr Cornell congratulated the SBDC on its 'foresight and wisdom' in opening an information centre in the capital and said the potential in the city and its environs was enormous.

## Looking for allies

Apparently motivated by a realisation that political liberation can never really be achieved without economic clout, the Transvaal region of the National African Federated Chambers of Commerce (Nafcoc) is planning an exclusively black mini-summit in Johannesburg later this month.

Among its aims: to create "a vehicle for constructive nationalisation of economic interests" in SA; to forge and strengthen links between black business and various political, trade union and religious groups in SA; and to "unravel corporate camouflage" and spell out Nafcoc's views on the corporate responsibility of multinationals.

Moss Nxumalo, president of Nafcoc's Transvaal Regional Convention, who is organising the two-day conference, scheduled to kick off on November 27, affirms that the indaba will be open to blacks only. That includes African, coloured and Indian businessmen; whites will not participate.

This reflects a hardening of black attitudes in even the business sphere despite the fact that big (that is, white) business has in recent years adopted a strong political profile critical of government's tardiness over reform.

The purpose of the black business summit, Nxumalo explains, "is to address and formulate strategies on what role black business can play in the prevailing crisis. Besides, Nafcoc wants to realign black business with other relevant black political, labour, educational, religious and cultural bodies within the country."

Perhaps it was no coincidence that the black mini-summit was announced a day before President P W Botha's meeting with commerce and industry in Pretoria last week (see *Leaders*). Nxumalo says three Nafcoc representatives were invited, but declined because it was felt their presence would serve no useful purpose.

"To any concerned black observer of the South African economy," Nxumalo says, "it is clear that the economic highway to power has few entry lanes for black people. Nothing so vividly reveals the devastating impact of apartheid and the legacy of exclusion than the limited dimension of black business par-

ticipation in what is arguably the most powerful economy in Africa.

"SA's wealth and industrial production rank among the best in the world. But, within it, the production of black business is so small that it can scarcely be measured on any definable scale — despite the fact that blacks constitute 75% of the population."

According to Nxumalo this raises crucial questions: "What are blacks going to do about their heritage of dispossession, economic exclusion and exploitation? What are they doing about the question of acquisition of both political and economic power as they travel towards the promised land of justice and equitable opportunity?"

"Momentous forces are currently hard at work to secure political power for the dispossessed and the disenfranchised of this country. Proponents of 'people's education' are grappling with the challenges of what sound education is, and how best to put it in place. Liberation in these and other spheres without concomitant economic liberation will indeed be a hollow victory for blacks."

Nxumalo adds that Nafcoc will continue to address economic issues, but that this must be done based on a clearly defined "progressive national agenda to avoid operating at cross-purposes."

# Spree puzzles economists

ECONOMISTS do not seem to know where the funds for the consumer spending surge come from.

What confuses economists are differences between Reserve Bank statistics and shop-floor reports of retailers, and what is happening in the banking halls.

Reserve Bank Governor Gerhard de Kock said last week official estimates of third-quarter growth in SA's real gross domestic expendi-

ture were at a surprising seasonally-adjusted annual high of 26%.

This statistical view is reinforced by the retailing sector, with firms reporting substantial increases in consumer spending.

But there is no sustained increase in demand for credit from the banks, and no increased inflows as consumer debt is being repaid. And there appears to have been very little decline in savings.

Healthy year-end now in sight

# Trading starts to gather steam

21/11/86  
BUDAH  
20  
20

MICK COLLINS

WITH three of the main economic sectors — manufacture, retail and wholesale — all hoisting resurgence signals, indications for healthy year-end trading are strong.

There are now definite signs of an increase in economic activity in the manufacturing sector, after a poor performance earlier in the year.

The physical volume of manufacturing production, for the most recent three months up to September 1986, reflects a seasonally adjusted increase of 2,5% compared with the previous three months.

This reflects an increase of 1,5% compared with the period July to September 1985.

Central Statistical Service figures (calculated on the basis of 1980 equaling 100) show food (3,7), beverages (3,4), tobacco (9,9) and textiles (3,1), all moving upwards.

The strongest performances came from leather and leather products (20,1), paper and paper products (20,7) and transport equipment, excluding motor vehicles, parts and accessories (23,3).

The expected retail trade sales of R3 212,5m for November 1986 show an increase of 15,3% compared with November 1985.

The upward trend in real retail trade sales (at constant 1980 prices)

which started in May 1986, still continues.

Before this upward move, real retail trade sales were on the lowest level since the start of 1982.

Real retail trade sales for the most recent three months up to November 1986 show a seasonally adjusted increase of 2% compared with the previous three months.

Total wholesale trade sales, excluding diamonds, for August 1986 show an increase of 9,1% compared with August 1985.

Although real wholesale trade figures, excluding diamonds (at constant 1980 prices), for August 1986 were 6% lower than those for August 1985, real sales for the three months up to August 1986 show a seasonally adjusted increase of 1,4% compared with the previous three months.

One of the strongest sectors was machinery and equipment (mining industrial and agricultural) which rose to R1 031m compared with R884,9m for August 1985.

Other sectors exhibiting strong upward movement were foodstuffs, beverages and tobacco R899,2m (R756,1m), furniture and household requisites R188,3m (R155,5m), pharmaceutical and chemical products R468,1m (R367,7m) and construction and building materials R561,4m (R484,4m).

Cape Town 28/11/86

# Reassurance for the corner store

Deputy Financial Editor 30

SHOPKEEPERS whose turnover is less than R50 000 will not be forced out of business by a requirement that they pay tax on all existing stock, the Cape Town Receiver of Revenue, Ernst Conradie, said yesterday.

His reassurance was echoed by the director of the Cape Town Chamber of Commerce, Alan Lighton, who said: "Reaction received by the chamber does not indicate the change is causing much concern to large numbers of retailers."

Under a change in the regulations, retailers whose turnover is less than R50 000 a year will no longer be exempted from GST and will no longer collect it from their customers.

They will have to take stock on a given date and pay the tax on all items bought tax-free.

But the Receiver said: "We have discretion to continue the exemption of traders who can make out a case for this. A number have come to us, and a number will continue to be exempt."

"Even those who will no longer be exempt will not have to pay GST on existing stock all at once."

"They can do so in reasonable instalments and will not be charged interest."

The Receiver said small manufacturers with a turnover of less than R50 000 a year would still be exempt from paying GST on their requirements.

To withdraw their exemption would mean pushing up the cost of locally manufactured items.

Lighton said shopkeepers who had to pay GST on their stock would be entitled to pass this extra cost on to their customers.

They would not be at a disadvantage in doing this since larger competitors would have to charge GST.



CITY PRESS  
23/11/85  
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# 'Look out for chances'

By ZB MOLEFE

IT IS naive to think that sanctions are for the benefit of black people, instead it is a pursuit of self-interest by overseas countries, a Soweto business convention heard this week.

"Why have there not been sanctions against chrome and platinum?" business newspaper columnist B Bloom asked at the Greater Soweto Chamber of Commerce and Industries convention on economic development.

Instead, Bloom suggested, if overseas countries were interested in the welfare of black people, they could help business organisations like Nafcoc form co-ordinated marketing companies.

Earlier the convention at the Funda Centre heard visiting American execu-

tive Ted Holmes tell Soweto businessmen: "There has never been a more decisive moment in your history than now."

Holmes, president of a Baltimore-based investment company, pointed out that black people are still "stagnated, pitifully unemployed".

He told black businessmen to look out for opportunities.

"When apartheid ends, every franchise will try to have its foot in your door. As citizens of Soweto, you might have the key to the future of this country," he said.

SA Perm MD Bob Tucker said that adding limbs to the limbless doll of black business does not mean removing influx control and open CBD's.

"What happens has to be responsive to your needs," he said.

SMR 24/1/86

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# Indian company quits central business group

By Shirley Woodgate,  
Municipal Reporter

A leading Indian-controlled company has resigned from the Central Business District Association (CBDA) at a time when it was hoping to recruit more black members.

Mr Ebrahim Kharsany, managing director of Corporate Property Management and secretary of the Save Pageview Association, questioned the CBDA's claims that it was instrumental in having the CBD opened to trading by all races, the CBDA's adoption of the local option to abolish the Group

Areas Act, and its acceptance of only the city centre as the limit for mixed trading.

"Real change was brought about not by the CBDA, but by people who physically moved in and risked police harassment and suffered the white right-wing backlash," Mr Kharsany said.

"The CBD was 'mixed' long before it was officially opened in February this year, with

black traders operating (via the nominee system) for a number of years. After it was thrown open very few black businessmen moved in."

Mr Kharsany said the CBDA's role in achieving mixed trading was limited to "getting a few permits and having some restaurants opened". He rejected its claims to represent the views of black businessmen as its black membership was limited

to less than five.

Mr Nigel Mandy, CBDA chairman, said he regretted Mr Kharsany's resignation but disputed his allegations that the CBDA had been ineffectual in opening up the CBD.

"The CBDA is a totally non-racial body and one of the main agents in getting mixed trading."

Mr Mandy agreed that the disadvantaged people who took risks by moving into white areas had helped to open the CBD, but said the role of the CBDA could not be underestimated.

## CRUCIAL ROLE

"Admittedly we got only a few permits for blacks, but thereby set important precedents. My organisation has played a crucial role in getting consensus from various bodies to change outmoded laws."

Mr Mandy said the CBD had been defined as only the central areas, but the CBDA had not hesitated to look at adjoining areas. He rejected the allegation that the CBDA had not protested at the removal of Pageview. "We spent half our annual budget having a professional report drawn up for the State President and the President's Council.

"We are now working towards having the central areas desegregated for residential purposes."

# Good reports for SAB and Edgars

25/11/80 By Sven Lünsche

If public companies are to be judged on the efficiency and the effectiveness of their financial reporting, then South African Breweries (SAB) and subsidiary Edgars come out on top.

For the fifth consecutive year SAB and Edgars were yesterday announced winners in their respective sections of the annual report award competition.

The competition, launched on an annual basis by Rapport, the SA Institute of Chartered Secretaries and Administrators (CIS) and the JSE, however, received only 31 entries in the three categories.

SAB was announced the winner in the section for financial companies, while Edgars was won the section for commercial and distributive companies.

Anglo Alpha was not only awarded first prize in the manufacturing companies section, but also received the Business Times and SA Institute of Chartered Accountants best annual report of the year award later on in the day.

Both these awards are also a tribute to the overall design of the report and Graphicor was responsible for the design of both Anglo Alpha's and SAB's annual report, while credit must go to Jeremy Sampson and Associates for the Edgars report.

The judges in the CIS-JSE-Rapport competition noted there was a continued improvement in the overall quality of reports, due to the fact that annual reports were increasingly seen as an important public relations exercise.

They stressed, however, that more prompt reporting should be applied and more attention given to the provision of detailed information which would be of value to investors.

In particular, more definite forecasts for the year ahead were needed, the judges said.

In the area of social responsibility the judges felt that in most cases not enough information was given, particularly on negotiations with trade unions.

2/11/86 BUS-DAY

# Cash stores drink up profits

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LIQUOR sales are booming at cash-and-carry outlets, despite the fact that the industry as a whole is suffering from a three-year hangover.

"It (the liquor market) has undeniably been a growth sector for us," says Metro Cash and Carry marketing director Brian Joseph. "We will open more outlets if we can."

Makro also reports consistent growth, particularly in beer and spirit sales, over the past three to five years.

The strategy is two-fold. Margins are cut to razor-thin levels and aggressive advertising is used to bring in customers.

### Industrial Staff

The latest A C Nielsen research into nationwide liquor sales shows reductions in both volume and rand terms since 1984 for spirits and fortified and unfortified wines.

Beer has registered limited growth over the same period.

Overall, liquor sales have been roughly stagnant, although the cash outlets have made large inroads into the market.

Most of the gains have been made at the expense of small bottle stores and, to a lesser degree, chainstore outlets.

The Federated Hotel, Liquor

and Catering Association (Fedhasa) has seen its share of the market slowly eroded.

Fedhasa executive-secretary Fred Thermann says: "There is such a small market here that the small retail operator is barely able to keep going."

Even large retailers like Benny Goldberg's say they have been losing sales to the cash-and-carry outlets.

"If the cash-and-carries want to sell at cost," says Benny Goldberg manager Tony Tosen, "the customer doesn't notice if they put another two or three cents on a tin of baked beans."

# Recovery is fragile

## — Morkels chief

JOHANNESBURG — Furniture turnover growth for the six months to September 1986 represented a 96 per cent increase in volume over the same period in 1983, the managing director of the Morkels group, Mr Carl Jansen, said in his quarterly report.

This cast "a proper and balanced perspective on an unbroken cycle of progress in the face of adversity and broadly-based economic hardship which had beset the furniture industry in particular," he said.

Trading activity, in an economy characterised by deep-seated fundamental structural change, continued to reflect the impact of lower growth rates, declining fixed investments, rising unemployment, pernicious inflation and depressing contractions of living standards, he said.

The effect of low-level consumer confidence on sales had been aggravated by a worrying lack of continuity in the supply of merchandise which had retarded sales impetus.

The surge in growth enjoyed in the April-June quarter had continued into the second quarter but midway through September there was a disturbing slump in sales industry-wide: Morkels itself saw the monthly growth rate decline from 96.9 per

cent in July, to 67.8 per cent in August and 19.8 per cent in September as the chain fought to achieve growth on the "phenomenal increases" recorded from September in the previous year.

"This decline, compounded by a disappointing October, ran counter to the earlier welcome signs of a mild resurgence in consumer spending, and underlined the fragility of the recovery, which could easily be reversed by adverse economic or political events.

"In the light of these circumstances, the impressive gains in sales and profits contained in recent corporate announcements do not necessarily herald a new continuum of prosperity," Mr Jansen said.

In the furniture sector, the sales revival in recent months had heightened expectations and encouraged most retailers to lay in stocks. If sales expectations were not realised over the approaching peak trading period, the resultant stock overhang would have to be moved at any price, thus decimating margins in an already fiercely competitive market.

Mr Jansen said it was disconcerting to observe a "drift" towards a tightly regimented economic policy; subject to a maze of bureaucratic control which, in es-

sence would dampen competitive forces and limit the scope for free enterprise.

Nevertheless, taking an expected slower growth in the latter half of the financial year to March 1987 into account, the company expected to achieve sales of not less than R110 million (an increase of 31 per cent over last year's R84 million) which would result in profits before interest and tax of not less than R8 million, an advance of 57 per cent over the previous year's R5 million.

Looking ahead, he challenged the view that the economy had entered an expansionary phase.

"For as long as inflation rates continue to erode the growth in disposable income and savings remain negligible, it must be recognised that the consumer's propensity to spend is limited. With unemployment levels on the rise and job security on the wane, the average wage earner will be reluctant or unable to take advantage of the current credit availability." — Sapa

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0025/11/86

# Nissan: price hikes in 87

ROSLYN — Nissan South Africa, expects prices of motor vehicles to rise by between 20 per cent and 25 per cent during 1987, Mr Pieter Coetzee, manager of marketing planning, said.

He said motor vehicle manufacturers once again faced the coming year with little in the way of relief in terms of the increased volumes forecast.

"Nissan forecasts for the coming year are based on a belief that both the economic and political situations will not differ substantially from condition experienced in 1986."

Despite positive economic factors there would still be a degree of caution and uncertainty in the market place which would be a limiting factor for the industry.

"With all these considerations, Nissan believes that the total passenger car market for 1987 will be 175 000 units or much the same as the current year," Mr Coetzee said. — Sapa

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~~Whole sale trade in motor vehicles rose 20%~~  
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# Less control, more space for economic activity

AT THE State President's November Pretoria Indaba with business leaders, privatisation, deregulation and an economic strategy for SA were under the spotlight. But these cannot be discussed in isolation — they must be seen against the background of the need to create jobs, increase real capital investment in the economy, stimulate economic growth, increase confidence and fight inflation.

Everyone supports these ideals — but opinions differ on the measures required to achieve these ends. Which fiscal or monetary measures are required, which financial policy must be followed, what manpower policy do we need and which investment policy? The correct educational, rural development and small business policies are also sought.

We now need to set our priorities regarding these vitally-important and wide-ranging matters. But no solutions can be found during a three-hour meeting, with each participant having, at most, five minutes to state his case.

Nevertheless, the initiative for the discussions on priority policy measures in Pretoria came from the private sector, with the Economic Advisory Council (EAC) providing most of the input. Certain assumptions created a consensus that underlay the discussions — primarily the need to restore economic confidence and to speed up political reform.

## Action programme

But while consensus was reached on the aims we are striving for, the practical implementation programme must now be highlighted. Government's responsibility is to draft and implement an action programme, covering these matters, while the private sector must invest more in the real economy. Privatisation and deregulation — which lie in government's ambit — are universally supported, but the real problem lies with practical implementation.

Today there is a clear reciprocal relationship between politics and economics. Economic prospects for 1986 and further ahead are largely dependent on political prospects — therefore we still await the right political scenario to show the way towards the resolution of our compounded problems.

We need a reform action programme that will be acceptable to all important action groups in SA politics. This must lead to a more representative form of government. The causal link between this outlook and economic growth



**BEN VOSLOO**  
Ben Vosloo is MD of the Small Business Development Corporation, which is at the forefront of stimulating small business, deregulation and entrepreneurial development in South Africa

is now more vital than ever.

Confidence in the political and economic future of SA plays the biggest role in influencing long-term investment decision-making by businessmen and thus in setting off economic growth through increased production and employment. But, like a good reputation, confidence is far easier lost than regained.

It must be underlined that the Indaba did not imply an alliance between business and government, but was merely a discussion between the two estates, with economic matters on the agenda. Participants to the Indaba went away positively inspired on economic matters — but there was a clear consensus that economic policy aims cannot be attained in isolation from political realities.

Political reform must be positive, should not lead to further conflict or violence and should create stability and political satisfaction (*tevrederheid*). This alone will ensure that the current outflow of capital will be replaced by a future inflow, increased confidence and renewed economic growth.

The private sector has a vital role to play in the implementation of this process. This forms

part of the principle of civic responsibility and can be exercised by business through organised commerce and industry. Follow-up talks are vital and on-going private sector initiative remains an important ingredient of political and economic reform. In fact, government expects this initiative from business — after all, we are all in the same boat.

Government is ultimately responsible for implementing the action programme — but this involves such a wide front/area, involving so many state departments and officials, that private sector input remains vitally important.

Privatisation is a case in point — while Government has indicated its willingness to implement this, the private sector must indicate where this is most essential. From this cross-pollination will flow an action programme, where policy can be practically implemented.

## Of the essence

An important priority is the need to create more jobs through private sector business development. But deregulation remains a prerequisite for increased private sector investment. We need more employers, more business organisations with the vitality and strength to make a success of the policy of inward industrialisation that must of necessity accompany increased urbanisation flowing from the scrapping of the pass laws. We need to create space for more entrepreneurs.

Deregulation and the restoration of political confidence are essential — deregulation will create the space needed for providing the products and services the market requires. We must not restrain people from entering the market and thus boosting the economy.

As far as practical deregulation is concerned, this is now the responsibility of the Competition Board (CB), while the new Temporary Removal

of Restrictions on Economic Activities Bill empowers the State President to intercede as ultimate arbiter. Businessmen should utilise this avenue to ensure practical implementation of deregulation.

On the local level, many existing provincial ordinances which restrict the deregulatory activities of municipalities should be reformed; local authorities should be encouraged to practise the right style of management in areas where an amount of discretion already exists.

The style of regulatory control exercised by any such governing body is of the essence — whether it is exercised with empathy and compassion or whether the letter of the law/regulation is imposed dictatorially would make all the difference between acceptability and rejection by the people affected. To ensure a measure of accountability and recourse for the general public, an ombudsman or grievance commissioner should be appointed for each area.

Deregulation is essential to simplify the point of entry to the economy for all budding entrepreneurs. We need to liberalise existing strict licensing requirements, while zoning regulations should also be simplified. Our current zoning policies are too rigid.

Other areas where deregulation can encourage increased economic activity include our strict health regulations, while building regulations, which are based largely on First World standards in a developing Third World economy, should also be liberalised. By simplifying the point of entry for entrepreneurs, deregulation can therefore create increased opportunities for economic growth.

We need less control and more space for economic activity. Although vested interests will always fight to retain their power, we are making progress towards our goal of a freer and more open society. But, to quote Pericles: "The price for freedom is eternal vigilance."

## Small business advisory body under way

26/11/86  
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PRETORIA — The co-ordinating government advisory Council for Small Business established in terms of President's Council recommendations had its first meeting in Pretoria yesterday after an opening ceremony by the Minister of Trade and Industry, Dr Dawie de Villiers.

The self-governing national states will have representation on the new council, which replaces the Council for the Promotion of Small Business, and its main brief will be to advise the government on all policy measures concerning small business development.

Dr De Villiers said the 12-man council which will be headed by Professor N. J. Swart — a prominent figure in small business development moves since the 1960s — had "an open invitation" to consider any matter relating to the promotion of small businessmen's undertakings.

Although the council had a different brief and task, there seemed to be an obvious need for a

formal link to be established with the Small Business Development Corporation, as there were many areas where consultation and co-operation between the two bodies would be useful and well advised, the minister said

The new council would also have the task of co-ordinating the implementation of policy measures concerning small business.

It would accept responsibility for the allocation of public funds voted for training, consultation, advisory, after-care and research services, as well as for control over the efficient use of these funds.

The council would create and maintain an empirical data base on small business activities which could be used for evaluating small business development.

Another task was to evaluate existing and proposed legislation to identify inhibiting implications for small enterprises and to then advise the government or the Competition Board.

— Sapa



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# Spotlight on CBD security, improvements

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**Dispatch Reporter**  
EAST LONDON — The Security and Environment sub-committee of the Central Business District Association met here for the first time last night.

The sub-committee, formed by businessmen concerned about issues affecting the CBD adversely, was convened by Mr Robyn Hobbs, a member of the steering committee which initially formed the CBD Association.

Also present at the meeting were Mr Mike Williams, representing the motor trade, Mr Graham Moore representing the city police, Mr Grant Hobbs who was the secretary, Mr Mike Hazel the spokesman for the municipality, Mr Craig Hobbs who represented

small business and Mr Richard Fuller who represented the chain stores.

Mr Gwyn Bassingthwaite attended in his capacity as chairman of the CBD Association.

Mr Robyn Hobbs was elected chairman and Mr Fuller vice-chairman.

Mr R. Hobbs said that it was in the interests businessmen in the CBD to join the sub-committee.

Ideas which representatives thought were relevant to the maintenance of the CBD as a prime shopping area were put forward at the meeting.

The cleanliness of the city, with particular emphasis on litter and the

general beautification were some of the points raised concerning the environment.

Concerning security, it was felt that there was a need for more uniformed policemen in the area to prevent crime.

The representatives at the meeting also expressed the wish for the provision of safeguards against terrorist attacks.

These included the installation of bomb proof glass in shop windows and the redesigning of waste paper bins.

A need for cooperation among the various interested parties in the CBD was called for.

Mr Hobbs said: "We would like to make the CBD a pleasant place to shop in."

# Store chain takes legal action to get baskets back

Post Reporter

1/1/68  
27/1/68  
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A NATIONAL supermarket chain has given notice that it will institute legal proceedings to combat a financial loss running into thousands of rands annually through the loss of plastic baskets.

Advertisements giving notice of prosecution if the black fresh produce baskets belonging to Checkers were not returned to the company within four weeks appeared in newspapers throughout South Africa this week.

The manager of the chain's fresh produce section in Port Elizabeth, Mr Howard Humphreys, said several hundred baskets were lost annually.

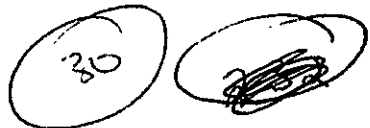
At a replacement cost

of R7 for a single basket and R14 for a double basket, their loss by theft or mistake had cost the company thousands of rands annually. It was a major problem not only for his company, but also for others which dealt with fresh produce on a large scale, Mr Humphreys said.

The baskets were mostly used to transport fresh produce from the chain's depot to outlets. Once the goods had been offloaded, the baskets were put aside for collection.

Often they were picked up by other companies in error or were stolen.

The fresh produce depot had 7 000 single and 5 000 double baskets in circulation at present.



# 'Free those small businessmen'

SMALL businesses in the informal sector made nonsense of economists' predictions and SA planners' blue-prints, Ian Hetherington, MD of the Job Creation SA programme, said yesterday.

Explaining this at a luncheon in his honour, after receiving the 1986 Free Market Foundation Award in Johannesburg, Hetherington said: "Probably as many as two-thirds of all SA households have some cash income other than from wages and salaries.

Perhaps as much as 30% to 40% of all economic activity in

some black areas goes unrecorded.

"This accounts for the unexplained aberrations in official statistics. It has something to do with the shortfalls in GST collections."

Hetherington added: "It suggests that an economic strategy should concentrate on releasing this bursting entrepreneurial energy by swiftly and savagely slashing government interven-

tion, by reducing taxation and by putting in laws to enhance individual economic freedoms whilst repealing those that restrict them...

"But Pretoria clamps down on hawkers. Johannesburg clamps down on home-based businesses. Licensed taxi-owners in Cape Town oppose pirates.

"Almost everybody, it seems, opposes the 'Temporary Removal of Restrictions on Economic

Activities Bill', even before it has actually been used.

"Fortunately, the small business people among whom I work carry on regardless.

"But this does not in any sense remove the obligation to deregulate, scrap licensing and red tape - make the market free..."

Hetherington received the award for "Exceptional Contribution to the Cause of Economic Freedom". - Sapa.

# Getting a look-in

28/10/86 FIN MAIL

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Integrating the black and white business sectors is a long-cherished ideal of many organizations. But it could still take a while to achieve because of negative political perceptions among blacks.

Business integration was an important ingredient of the ill-fated constructive engagement policy which led to the Matchmaker black business fair, organised last April by the American Department of Commerce and the Greater Soweto Chamber of Commerce. The concept is also a driving force behind much of the work of the Small Business Development Corporation (SBDC).

The SBDC has recently developed a Contactmaker Catalogue, which MD Ben Vosloo describes as a shop window to help whites to get a comprehensive picture of available black suppliers.

Says Vosloo: "Blacks in business do not expect handouts, but rather an opportunity to participate in our economy by winning a fair share of our custom." Companies advertising in the pilot edition include printers, shopfitters, stationers, engineering consultants and computer services.

The SBDC has set up a marketing assistance committee under the chairmanship of Milton Stafford, MD of Black Luv Cosmetics. Marketing has been identified as an area where black business tends to have most trouble. The SBDC has also advised white firms to be lenient with black suppliers, to be flexible on delivery times and to consider paying cash upfront.

Inevitably, such projects are little more than a gesture at this stage. Also, although well-intentioned, they do not always meet

black expectations.

Some initiatives are seen by blacks as patronising. For example, some believe that the creation of industrial parks for small businesses does not meet the high, and sometimes unrealistic, expectations of blacks.

Consumer Behaviour MD Eric Mafuna, probably Johannesburg's best-known black business consultant, believes small business initiatives have a role to play, but there are special problems. Explains Mafuna: "In other countries, projects like Matchmaker and Contactmaker would have spectacular results, but in SA we are operating in a negative political environment.

"Until recently, black business was not even supposed to exist and even now it is impossible for, say, our shops to compete with the bargain prices of the large chains. Some 80% of blacks work outside the townships and are bound to shop near where they work."

Mafuna believes blacks are now more aware of their consumer power and are flexing their muscles by becoming intolerant of shoddy goods and bad service. Retailers would be naive to ignore the black market, he says.

At the moment, he adds, whites still do not trust blacks to run businesses satisfactorily, although this may change.

SBDC project manager Mike Smuts says whereas the US government was able to take the initiative in the development of US minority businesses, the emotional associations of government in this country means that the private sector is best placed to get the ball rolling.

Johannesburg CBD Association chairman Nigel Mandy believes it is time to stop placing black and white business in separate compartments. There is a need, he says, to develop the concept of partnership — for example, between electricians and their black foremen, in the legal and accountancy fields and among artisans.

But he has noted an improvement in attitudes since the opening up of the CBDs. "Just 18 months ago, black driving instructors were almost prosecuted because they gave a business address in town. Thankfully, this was dropped after our intervention."

Reg Skosana, black business development officer at the Standard Bank's small business advisory unit, believes black and white economies will eventually merge.

But again there are problems: "Presently, blacks are judged by First World criteria and are expected to understand balance sheets and cashflow projections."

He says turnovers in the townships are increasing, and many black businessmen are, therefore, not motivated to move to CBDs and other white areas. He says partnerships between blacks and whites in the townships and in CBDs are an important source of company strength.

The bank, he adds, has few problems with mature black businessmen who understand that debts have to be repaid. Younger blacks, however, have very high expectations and if things go wrong they tend to put the blame on political subservience.

"Many of them," Skosana finds, "have unrealistic expectations which do not conform to commercial banks' lending criteria."

# Residents complain of mushroom treatment

**Dispatch Reporter**  
**EAST LONDON** — Ratepayers here were being treated like mushrooms — "kept in the dark and fed compost" — over the Clarendon Gardens shopping complex, Selborne residents said yesterday.

In a letter written by Mr K. J. Lloyd, of Alenby Road, and endorsed by 12 other residents of the area, the city council and the developers of the proposed complex, Elcorp, are urged to fully and openly advise ratepayers of all the options available in respect of shopping complex developments.

Mr Lloyd said he and the other opponents of Clarendon Gardens were not against commercial development in East London, but were opposed to development at any price.

"It is the siting adjacent to a residential, educational, cultural and hospital area, as well as being on the doorstep of the main central business district with its consequent drastic effects on all of the above, that is the contentious issue," Mr Lloyd said.

He said Elcorp failed to see the significant difference between Greenacres siting off Port Elizabeth's busy arterial Cape Road and that of Clarendon Gardens — "not only sited as mentioned above but between the bus and rail stops at the hospital and Chiselhurst station means that they should let members of the public into this secret, namely, where did Mr Denison and members of Elcorp purchase their rose tinted spectacles?"

"Presumably such

spectacles were handed to city councillors for the presentation by OK Bazaars and Elcorp of the proposed shopping complex," Mr Lloyd said.

"Here one must presume that the more farsighted councillors — those who voted against the project — refused to wear them.

"One suspects here that the Elcorp complex as proposed is but the tip of the iceberg, with by far the bulkier hidden dangers remaining conveniently submerged only to surface later — much later — as fragmented ugly fangs.

"To mention but a few:

● "The size of the liquor outlet on the architect's plan in proportion to the cinemas and other retail outlets leaves little to the imagination. Controlled it may well be — but only on the premises — as indeed all such outlets are to a degree.

"Its siting, as highlighted above, still remains totally unacceptable. Its proximity to the commuter stops mentioned and their proximity to the Selborne area equally leaves little to the imagination.

"Greenacres also features an off-course tote and this, in conjunction with the bottlestore, is having a markedly undesirable effect on the tone of the immediate surrounding residential area. It is not vagrant and litter free.

"Come, come Elcorp and East London city councillors — stand up and be counted. Surely not even your well-meant development ideals would inflict this horror on Selborne residents... or would you?"

● "Elcorp's ideas of landscaping as revealed on the architectural model, both before and after the slight change, are laughable.

"It is tantamount to trying to make a silk purse out of a cow's ear. Surely, in all seriousness, they don't consider the tarring of the area surrounding the monstrosity to form a car park, with trees dotted

every five parking bays apart, is to be regarded as preserving the silvan setting?"

"Expert botanical opinion, I believe, would not rate the chances of the proposed trees very highly. The Clarendon Preparatory School can confirm with tree problems they have experienced.

● "Yet another fragment of the iceberg is phase two of the project, namely the six storey office block in the complex centre. Heaven forbid! No amount of landscaping will hide that.

● "The R70 000 spent on an independent traffic survey resulting in the apparent recommendation of yet another set of traffic lights at the corners of Smuts Road and Union Avenue to improve the traffic flow is the howler of the year.

"Was the commission involved likewise fitted with rose tinted glasses? The simple fact is that the traffic flow and density will increase to such intensity as to make new robots mandatory to make the scheme viable.

"The desirability of these traffic hindering devices — certainly the case in both the placing and phasing of many in East London — is highly questionable.

● "To accept from Elcorp and the East London City Council that the Clarendon Gardens site is the only acceptable or available site for OK Bazaars means that they are treating the ratepayers as mushrooms; they are keeping them in the dark and feeding them compost. It is high time that the ratepayers were fully and openly advised of all the options available including the proposed sale of railway property adjacent to the Central Business District and the Quigney with the consequent upgrading of both.

"For too long have East London ratepayers been given the mushroom treatment. Now is the time — well before the next election — our city councillors rectify the situation."

# Pamphlets distributed in Soweto

PAMPHLETS were distributed in Soweto yesterday calling for consumer action between December 1 and December 31.

Mr Jabu Ngwenya, chairman of the Consumer Boycott Committee said his organisation was responsible

By LANGA SKOSANA

for the release of the pamphlets.

Among the grievances listed in the pamphlets were an end to the state of emergency, the withdrawal of troops from the townships, immediate

re-opening of all closed schools, the resignation of black and white councillors, immediate stop to all rent evictions and an end to the payment of the general sales tax.

Mr Ngwenya said the demands made in the pamphlets were

aimed at bringing a just society to all the people of South Africa.

• On the advice of our lawyers, we cannot publish the full contents of the pamphlets as they contravene the emergency regulations.

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# Proposed complex a security risk says objectors

Dispatch Reporter

**EAST LONDON** — A group of Selborne residents objecting to the R45-million Clarendon Gardens project is considering writing to the national chain store which is the anchor tenant, OK Bazaars, about the matter.

This was confirmed here yesterday by the chairman of a group petitioning against the project, Mr Chris Lloyd.

"Taking cognisance of the national supermarket's claim to be public spirited we are disturbed that it refuses to consider an alternative siting. We will bring to the chain the basis of our objections," he said.

In a lengthy press release yesterday, Mr Lloyd said: "The implications of the proposed

conversion from sports fields and recreational facilities to a commercial centre have caused concern. Selborne residents to investigate and assess the situation.

"We are unanimously of the opinion that the proposed development will be to the detriment of the area. We see no purpose in becoming embroiled in an emotive mud-slinging exchange and we appreciate the developers presenting their case to us.

"We believe that with the correct site the scheme has merits but that the present position is ill conceived."

Outlining the objections to the scheme, the statement dealt with several factors such as accessibility, zoning, public open space, relocation of facilities, the

needs of educational facilities and the effect of the scheme on the Central Business District.

The group argued that the developers were providing 2,300 parking bays which indicated the extent of the traffic volume anticipated.

"This will increase congestion and hazardous traffic conditions. Rail commuters will increase and the Chislehurst station will be unable to cope with the increased usage."

The statement said Selborne, including the proposed site, was a residential area with an educational and cultural component.

"A major commercial activity will seriously impair the character of the area. The proposal by the developers to es-

tablish a huge parking lot will do little to ameliorate the presence of hundreds of motor vehicles with the consequent pollution and negative environmental impact that will undeniably result.

"We contend that the rezoning of this site for commercial activities is entirely contrary to sound town planning. The proposal could well create a legal precedent whereby dwellings in the Selborne area could demand rezoning to almost any activity such as commercial warehouses or workshops."

The statement said the proposed site was a "green lung" that was an essential component of any residential suburb and that it should be developed to its full potential as a central recreational area.

The group opposed the relocation of sports facilities, saying the cost of upgrading the existing much-used and conveniently situated

sportsfields would be a fraction of the cost of establishing a totally new sports complex in the remote area bordering the James Pearce Park.

The group said security in the area was also at stake as large commercial centres were targets for thieves and that there would be muggings. The planned establishment of a large liquor outlet would attract vagrants and under-classes which would give rise to numerous crime-related problems.

"Commercial centres are a prime target for indiscriminate terrorist bomb attacks and no matter what security force is employed, these hazards will increase."

The project would also be detrimental to the schools which had been asking for the site since the early 60s.

"These requests have been turned down or ignored and it seems inconceivable that now, 20 years later, the

acquisition of the site by a private developer should be accepted.

"Surely the needs of our schoolchildren have far greater implications than this proposed development. We cannot comprehend how the council can even consider the disposal of the site to a private developer, bypassing the usual formalities of public tender."

The site would affect the central business district and there were other sites which would not detract from the CBD.

"In the same way the viability of the Vincent Park Centre will be dramatically affected and the proposed extensions, to which no objections have been received from residents, will not proceed."

The statement also questioned the claim by the developers that they could be operating by Christmas in 1987.

# Poor response to business plan

By DEBBIE MARCH

AN advertisement in local newspapers calling on "small businessmen who would like the support of big business resources" has had little response.

According to a spokesman for the unnamed client, the response, despite extensive local newspaper and radio advertising, had been "very poor and not from the quarter we had expected".

The advertisement,

centred on the "entrepreneurial concept" designed by private enterprise "on a non-racial basis to develop you... the future entrepreneur," appeared in the Evening Post yesterday.

It claimed that "the right combination of expertise and resources in order to make your business successful" could work through the "concept of an entrepreneurial centre".

This centre would "find the kinds of services that could help you make your business work".

These services included providing access to "expertise to build your management skills, administrative support with book-keeping, telephonist, photocopying and typing etc, and marketing assistance and information".

The spokesman, who had been instructed not to

name the client, said at the moment they were only monitoring calls from interested parties.

"Response has been poor and not from the quarter (black) we had expected," he said.

"We want to see what the small businessman needs to make his business work," the spokesman said, adding that he had no idea when work on the "entrepreneurial concept centre" would begin.

28/1/82  
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Even Post



## New finance scheme will aid smaller exporters

CHRIS CAIRNCROSS

BANKORP factoring subsidiary Reffin has devised a new financing scheme to help medium to small companies break into export markets.

The scheme represents an extension to Reffin's domestic factoring operations, and is being launched in conjunction with a major UK-based financial company.

Reffin MD Allan Greyling told *Business Day* yesterday his company had entered into a reciprocal arrangement with an overseas factoring house to provide advance financing for SA exporters.

The scheme provides certain added advantages on the usual methods of financing international trade via letters of credit, or those offered by organisations like Credit Guarantee Insurance Corporation (CGIC).

The Reffin scheme covers the risk as well as the collection element, with exporters paid 80% of their end price up front once the goods are "on the water".

"The concept is quite straightforward," Greyling explained. "The SA exporter negotiates a sale directly with an overseas buyer, and then factors the debt via us."

"We, in turn, arrange collection of payment in the buyer's country through our new international associate," he added, declining to name the organisation.

(30) FINANCIAL  
28/11/85

## Mixed blessings

High hopes of bumper Christmas sales are beginning to be tempered by reality. Although volumes were showing an upturn at the beginning of November, figures now show retail expectations in real terms to be lower than last year.

Central Statistical Services' survey of retail sales expectations for November, which



**Xmas sales ... even handed spending**

excludes motor vehicles, put spending at R3,2 billion against R2,8 billion for the same month last year. This is a 4,5% real decrease on the base year of 1980.

Earlier, an Assocom survey of 200 urban and rural retailers predicted that sales would increase at least 13% in rands spent over the same period in 1985, rising to R7,2 billion for the two-month period.

Yet there is still much optimism in the marketplace. Retailers point out that although Assocom's figure represents an adjusted fall of 3% compared with November and December of 1985, it is better than the 7,5% decline from 1984 to 1985.

Jane Ashburner, of P-E Corporate Services, says a 3% decline in sales would be in line with the fall in salaries, although personal disposable income has fallen more sharply — 95% of the average is now spent on essential items.

This points to the kind of items consumers are likely to buy this season. For example, white goods retailers are confident that this is going to be another "dishwasher" Christmas. What they mean is that spending will

be on useful or necessary items rather than on luxury goods.

Which is good news for some. Kemtrade Holdings, distributor of leading brands of budget toiletries, cosmetics and pharmaceutical sundries, is expecting bumper sales.

The company says demand for its ranges is way ahead of previous years and the indications are that its customers — retail pharmacies and the leading chains — are also experiencing good sales.

Says MD Maurice Gavshon: "We've had good demand, particularly for locally manufactured toiletries, and we've placed additional orders to meet it."

Edgars MD Vic Hammond is another optimist — he's surprised Assocom has been so cautious. "In the year's third quarter, clothing and footwear sales were 21% higher than in the same quarter last year." This represents real sales growth of 4%, and he expects real growth of a further 2% in the fourth quarter — even if inflation rises to 20%.

And he says furniture and appliances are doing even better than clothing.

Yet many retailers, particularly in urban areas, are concerned at the threat of black consumer boycotts and labour militancy — although, ironically, the black sector has been a major growth area in recent months.

Checkers MD Clive Weil says his company surveys show a considerable increase in sales to blacks from "white" shops: "This can partly be attributed to increased black consumer awareness."

Yet he has seen no evidence of the mini-boom that was predicted a month ago. "Some people," he says, "must have been trying to talk up a boom through bluff and double bluff."

**QUEUING FOR MORE** 26

Faced with burgeoning demand for its services, the Small Business Development Corporation (SBDC) is set to expand its countrywide network of 15 regional offices. New areas to be covered in the next five years include the eastern and northern Cape and the Orange Free State.

The need for expanded coverage is evident from the SBDC's operational statistics, just five years after its inception.

In October, the corporation received 18 000 inquiries from small businessmen — of whom about 40% were black. This compares with a monthly rate of some 2 000 inquiries in 1985, MD Ben Vosloo tells the *FM*.

Demand for SBDC finance is also increasing rapidly. The 88 loans worth R11m granted during its first year in operation grew to 3 600 loans worth R102m in 1985.

And by the end of September — six months into the current financial year — the SBDC had already granted 3 150 loans totalling R82m. On an annualised basis, this represents a 60% hike over the preceding year.

The stats are thus impressive and, as Vosloo says, they provide sufficient proof of the growing need for the SBDC's wide range of services.

# Shops crowded as optimism returns

W/E Post 29/12/86  
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**Weekend Post Reporter**  
SHOPS in all the main areas of Port Elizabeth were crowded today — the last month-end shopping Saturday before Christmas.

Store managers said there seemed to be a "more positive feeling for the future" among shoppers than was the case this time last year.

Some firms had paid year-end bonuses with the November pay packets.

Spokesman said that for the past year people had been frugal, but during the past few months a feeling of optimism had set in.

Because consumers had saved some money during the frugal months, they were now selecting early for Christmas.

"I think we will have

fewer returns after this Christmas than in other years, because I can see how carefully customers are selecting," Mr Reid Bailie, manager of a large chain store in Main Street.

Customers knew what they wanted, where to get it and what to pay.

There was "no longer a look of depression about them", he said.

"Ever since the Governor of the Reserve Bank said that things were on the upswing, people started getting back their confidence and I noted the changing pattern in buying," Mr Bailie said.

Mr Louis Mundell, manager of a large Greenacres store, said the shop had been packed with customers both yesterday and today.

DD 29/11/76 (30)

# Focus on wider social issues

**Dispatch Reporter**  
EAST LONDON — Over the past decade, management's role had changed and diverted its attention towards a greater involvement in wider social issues, delegates at a national Community Chest conference here were told yesterday.

The regional manager of United Tobacco, Mr P. J. W. Brown, who delivered the conference's keynote address: The Private Sector and Community Chests — Have they a common goal?, said that in Port Elizabeth, with its heavy multi-national involvement, the Sullivan principles and the European Community's code of conduct had been important elements in diverting management's attention in this way.

"There is no doubt that 20 years ago most businessmen confined their business interests to customers, funding and the factory floor. Few, if any, saw a role for their companies to play in the broader social scene."

Gradually trade organisations' labour committees had moved from discussing business matters to debating housing and education issues. It was not long before commerce and industry moved actively into these non-business spheres.

"Today specific permanent committees deal with these matters and the importance of other ancillary issues, such as the provision of sports facilities and improved social and health services, on a regular basis."

Mr Brown said it had been an era where business had tended to con-

centrate its efforts on matters that had been of particular concern to international observers. During this period there had been a reduced interest in the role of the private sector's welfare services.

"The ever increasing numbers of unemployed, exacerbated by the general trend towards staff reduction, finds management much more mindful of the plight of its former employees.

"Management is again looking to the Chest and its associates to provide an humane service to those unfortunates who have been caught up in the economic consequences. It is a pity, though, that management now finds itself financially less well equipped to support these hard pressed organisations already loaded down with increased responsibilities," Mr Brown said.

"You have only to add to this the substantial increase in life expectancy and the fact that refinements in world health care have greatly increased the numbers that survive infancy and you have the dimensions

of an ever increasing problem embracing the aged, infirm and the unemployed that any community ignores at its peril."

A report published by the science committee of the President's Council indicated that the life expectancy of white South Africans had increased by 10 years in the past 50 years while coloureds, Indians and blacks' life expectancy had all increased by over 15 years in the same period, Mr Brown said.

Similarly, infant mortality rates had dropped drastically for all racial groups since 1940. Both the coloured and black groups had reduced from 180 per 1000 to under 90 per 1000.

"By consolidating and rationalising the social services in the community one can hope for reduced running costs, and then by marshalling the skills and encouraging the participation of the entire community a more extensive campaign for funds could be mounted than had been possible in the past," Mr Brown said.

"So — to answer the

question posed in the title of my address — yes, I do believe that the private sector and the Community Chest have a common goal and I believe that this goal can best be achieved by a closer form of involvement than has perhaps been envisaged in the past.

"What then is the special contribution that can be made by the private business sector? Mainly, it is its ability to marshal forces in a professional manner. Let us look then at what can be achieved through this partnership."

There was no doubt that the current government taxation policy did nothing to encourage big business to support charity and social service organisations.

Were company donations to the Community Chest to benefit in the same manner as donations for tertiary education there would be a lot more enthusiasm in the minds of businessmen towards such organisations.

"While it is known that many organisations have made individual

representations to the Margo Commission in this connection it might well be an idea to mount a concerted, if belated, appeal to government to consider tax rebates on donations to charity when they reformulate tax legislation after considering the Margo report — irrespective of the commission's recommendations," Mr Brown said.

He noted that it had to be acknowledged by all in business that the Community Chest had helped to reduce the number of appeals to business, particularly those businesses that were more visible through their regular exposure to the public.

In return, a more concerted promotion of the Community Chest's "give as you earn" scheme would undoubtedly generate a substantial increase in the Chest's funding.

Currently, using Port Elizabeth as an example, it was estimated that there were 8824 businesses operating of which only 641 — less than 10 per cent — were regular contributors to the Community Chest.

CIT PRESS 30/11/86

# Call for township buying

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By MONO RADELA

THIS weekend will be the last one in which township residents supporting the Christmas Against the Emergency Campaign will shop in the city centre, said campaign spokesman Jabu Ngwenya.

"Over 22 000 of our people - including about 8 000 children - have been detained, and some have been shot and killed," said Ngwenya in motivation for the campaign.

The call to buy in the townships is in addition to another call by the United Democratic Front for a "Christmas against the emergency" - which is scheduled from December 16 until December 26.

The UDF called for the ten days to be observed as a time of rededication to the struggle, a time to remember those in jail and "particularly" time to remember the countless children doomed to spend this Christmas in jail.

The UDF said it would above all be a time of "unity".

Ngwenya said the campaign's aims were:

- The lifting of the state of emergency.
- The withdrawal of soldiers from townships.
- The reopening of all closed schools.
- The resignation of all councillors, including members of white, coloured and Indian councils, to pave the way for one municipality for Johannesburg.
- The introduction of a common local government structure for all people, black and white.
- An immediate stop to all rent evictions

and an end to general sales tax.

"We shall not buy in town or from businesses owned by councillors in the townships," said Ngwenya.

Sheebens will be asked not to operate after December 16 and people will be asked not to organise music festivals after December 15.

Ngwenya said chemists and doctors in the city centre would still be patronised.

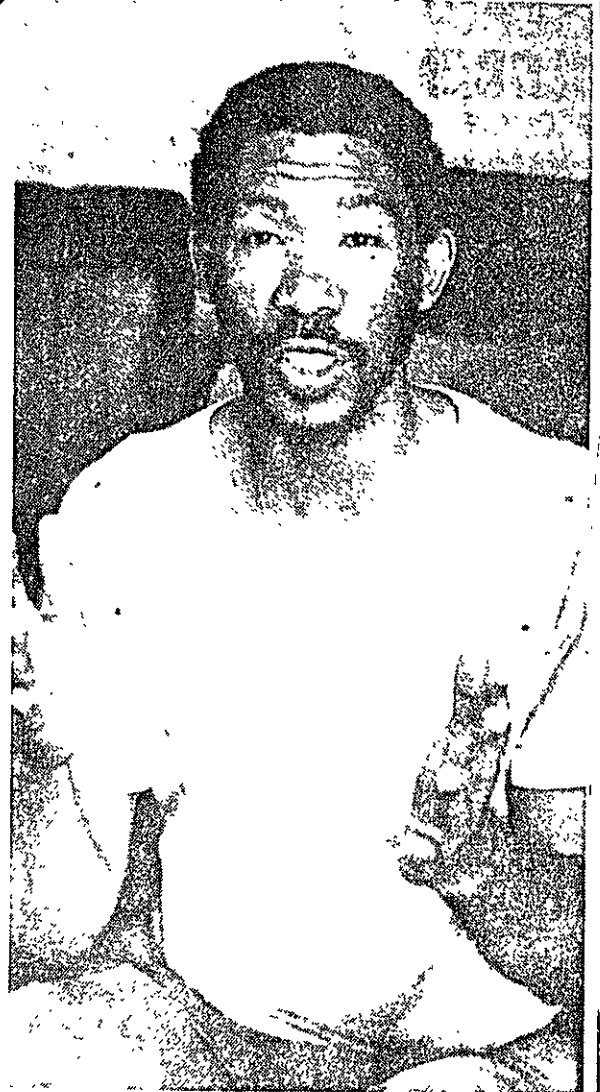
A consumer boycott in Johannesburg was called for the month of December last year and was not very effective. But with the establishment of street and area committees in townships such as Soweto, Duduza, Tembisa, Randfontein, Alexandra, Daveyton, Sebokeng, Sharpeville, Evaton, Kagiso KwaTema, Katlehong and Tsakane, Ngwenya feels this year's campaign will be effective because of the wish of the people to stand together.

Ngwenya said 23 498 people had been detained since January this year, 10 people had died in custody, thousands of students had been locked out of classrooms, over six-million workers were without jobs and thousands of troops were occupying black townships. The 10-day "Christmas against the emergency" is to be observed with dignity, the UDF said. It called on people to avoid drunkenness, especially in the streets. From December 16 to December 24 between 7pm and 9pm people will be asked to switch off all electric lights and light candles instead.

The UDF urged people to sing freedom songs and to observe a moment of silence and sing the national anthem.

The UDF also called on sheebens to close at 6.45pm - and thereafter to serve "takeaways" only until 8pm.

The "Christmas against the emergency" will begin with the ringing of church bells at 6am on December 16.



Campaign spokesman Jabu Ngwenya

CITY PRESS  
20/11/85  
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# Challenge facing black business growth

**B**LACK businessmen are challenged as never before to abandon what hitherto may have appeared like a complacent attitude of non or partial involvement in the struggles of the black community for total liberation.

"The enormous suffering and set-backs experienced by our members during the past year clearly indicate that we cannot escape unharmed and unaffected if and when our community faces calamities of whatever kind," says Dr Sam Motsuenyane.

"We as a distinct group in our community have vested interests in peace and stability, for it is only in that type of climate that our businesses can thrive and flourish.

But we must bear in mind that peace will come only when justice and freedom prevails.

In the final analysis, we must be identified with those men and women in our land who are struggling to create conditions in our country which will be conducive to the creation of lasting peace and happiness, not only for this generation, but for many more generations to come."

**T**here can be little doubt that over the past decade the National Federated Chamber of Commerce (NAFCOC), under Dr Motsuenyane, has evolved as one of the most respected and influential voices of black interests in South Africa.

Yet, the traditional pragmatism of small business - including black small business - towards government and the existing power structure, as well as the capitalist system has brought black business to the brink of headlong confrontation with the progressive forces and the younger generation in the black community.

In order to meet this challenge NAFCOC took

a number of far-reaching resolutions at congresses during the past years and started playing an active role in the search for socio-political solutions for Southern Africa.

Dr Motsuenyane's presidential address to the 22nd NAFCOC Annual Conference, held in Cape Town during July 1985, gives a good insight into this role and the thinking going on amongst NAFCOC's leadership.

**T**he address consisted of three major parts. In the first part the president reviewed recent trends in the South African economy, emphasising the perceived inter-relationship between apartheid and the central economic issues of unemployment and inflation.

Whilst he welcomed stimulatory measures introduced by government, he stressed the need, first and foremost of "a bold programme of accelerated and meaningful political change".

In this context he noted that "an appreciable number of positive developments did take place in South Africa during the year".

Referring more specifically to measures announced by the State President during his opening speech to Parliament on January 31, 1986. But he added that "the impact of such initiatives have unfortunately been quite minimal in as far as black political aspirations are concerned.

**T**o accelerate progress in this latter field NAFCOC undertook a number of steps during the preceding 12 months which were reviewed by the president in his address and which are reproduced in part below. These excerpts are supplemented with a more recent assessment by the president of a

possible post-apartheid economic system for South Africa.

A delegation, including Mrs Ellen Khuzwayo, Mr MPG Gumede, the deputy president, MR AN Gadi, senior vice-president, Dr AMS Mankunyan, vice-president, MR SP Kutumela, treasurer and Dr Motsuenyane, the president, met with Mr Pik Botha in Pretoria, on August 11, 1985.

**T**he discussion with the Foreign Minister, which took place in an atmosphere of complete frankness, centred around the following key resolutions of the preceding NAFCOC conference:

- Nelson Mandela and all political prisoners should be freed unconditionally; that both the ANC and PAC should be unbanned in order that peaceful dialogue be initiated with them and other relevant organisations in the country;
- the partial state of emergency in the country has to be lifted immediately;
- all discriminatory legislation against black people, including such patently offensive laws as the Black Urban Areas Act, Group Areas Act, Land Act of 1936, Population Registration Act (1950) and the Separate Amenities Act, be totally scrapped;
- all public schools and tertiary institutions should

be thrown open to all races; ● the dismantling of apartheid should become a firm objective of the then envisaged Presidential Forum; and ● business opportunities should be open to all races everywhere and social and residential segregation has to be abolished.

In his response, Botha strongly warned against what he said was the false hope or impression among blacks that the white community was about to surrender power. The right wing could be very dangerous if not dealt with tactfully.

The government is committed to some power sharing with blacks and has offered to negotiate on the basis of an open agenda with black leaders, who were, however, not coming forward.

He also promised to convey NAFCOC's concern and proposals to the State President who would possibly respond in due course.

**I**n his "Rubicon speech" to the Natal Congress of the National Party in August 1985, none of the NAFCOC proposals were given any special attention by the State President.

No mention was made of a possible unbanning of black leaders and organisations and the State President gave no assurance

about the total removal of racial discrimination within the South African community.

Although the president indicated a willingness on the part of the South African Government to negotiate with black leaders, it must be made quite clear that this is unlikely to happen until black political prisoners like Nelson Mandela and others are released and their organisations are also unbanned.

**A**ny political negotiations without the inclusion of credible black leaders will carry little credibility in the eyes of the world and the black community in particular.

## NAFCOC CONFERENCE RESOLUTIONS

IN view of the strongly felt need for some urgent solutions and following what may have seemed like a radical departure from the past, the 21st Annual Conference of NAFCOC requested the president to free himself from the obligations of Conference in order to arrange an urgent meeting with the State President or the Minister of Foreign Affairs, for the purpose of putting before them in the strongest terms possible, a list of concrete proposals which, if implemented within a reasonably short period, would free the country from the threats of constant internal instability and as well as from the claws of international sanctions.

formulate broad principles of agreement on vital issues, as well as to evolve suitable strategies on the basis of which they may want to enter into any negotiations for the creation of a new and peaceful South Africa of the future.

**N**AFCO's initiatives at promoting dialogue among black organisations and leaders during the past year began with the holding of a broadly based National Conference on Disinvestment in Johannesburg to which a wide diversity of black organisations was invited, including trade unions, cultural, political, civic and professional bodies.

The consensus reached at that conference provided NAFCOC with an excellent opportunity to re-evaluate its long-standing policy supportive of conditional investment in South Africa against a wider background of divergent points of view and perceptions held by the various organisations operating within the black community.

**I**n particular it was agreed that the strategy of conditional investment is acceptable provided that the terms of the conditionality are clearly defined and based on a time-frame of 24 months.

In addition the terms under which foreign investment could best serve to advance the cause of black progress and freedom were outlined as follows:

● Foreign investments must in all cases be perceived to benefit all South Africans whilst some of those investments must also be channelled into black projects.

● Foreign investments must serve as an instrument that helps deracialise the South African economy in a manner that will enable blacks to obtain shareholding in white companies and to occupy positions on boards of companies and also be able to rise to top management posts. Such involvement should, however, not just be tokenism.

● Blacks should evolve an overriding code of business conduct for local and foreign corporations in which would be set out the conditions under which black people expect these companies to operate.

The code should make specific demands on companies and the South African government to adhere to certain stated fundamental political and economic precepts.

● Aid to the black community by local and foreign companies should be channelled through institutions such as the African Bank in order to hasten the process of black economic development in South Africa.

ways of channelling and mobilising black potential power at various levels of economic activity, it, at consumer, labour, managerial and professional ranks, for the purpose of accelerating the tempo of black advancement.

Unless black South Africans move much closer together, despite their existing racial, ethnic and ideological differences, the chances of ultimately achieving a peaceful, non-racial democratic South Africa, are indeed quite remote.

The essential dialogue which must finally take place between the black and white people of South Africa will succeed only, if the black people are themselves united, more or less in the same way as white South Africans see themselves as representing one nation and one country.

**CONTACT WITH THE ANC**  
NAFCOC's 21st annual conference came to the conclusion that in the search for viable solutions to South Africa's tangled political problems, the unbanning of the ANC and the PAC, the release of Nelson Mandela, and all political prisoners unconditionally and their involvement in any negotiations for meaningful political change represented options which formed part and parcel of the final solution to the problems we face.

In that light the conference felt that it would serve a useful purpose for NAFCOC to initiate discussions and contact with Mandela or Tambo and the ANC executive in Lusaka.

After making appropriate arrangements for a meeting with the ANC executive, NAFCOC formulated the agenda which formed the basis of the discussions between the two organisations, at a meeting held in Lusaka on May 24 and 25, 1986.

**R**epresenting NAFCOC at the joint meetings were members of the NAFCOC Management Committee, plus a few additional Council members whilst the ANC side included ANC president Oliver Tambo and most of the members of his executive.

The meeting, which embraced frank and exhaustive policy discussions, took place in a friendly atmosphere of warmth and brotherly understanding, with both delegations regarding the meeting as significant and historic.

The issues discussed can be summarised under the following points on the agenda:

□ *Black business and the liberation struggle*

Under this category the discussion touched on aspects such as the evolution of black business, impeding legislative constraints, the development of a truly "free enterprise" economy and the strategic immor-



## GOING WITH BLACK LEADERS AND ORGANISATIONS

ACTING in conformity with one of NAFCOOC's primary objectives - to build black unity - the Chamber devoted some considerable time during the year towards promoting contact and dialogue with black leaders and black organisations.

**I**n bringing black leaders and organisations together, NAFCOOC was deeply concerned about the increasing fragmentation of the black community into rival political factions, which not only destroy the essential spirit of oneness among them, but also progressively diminishes their bargaining power for meaningful socio-political change in South Africa.

The object of engaging black leaders and organisations in a purposeful dialogue at this time is primarily to enable them to

tance of developing African markets.

Attention was also focused on future challenges to black business, like job creation, training and the development of managerial skills.

In general NAFCOOC was applauded for its pioneering role in the development of black business ventures in South Africa.

**B**lack business was perceived as having a definite role in the liberation struggle of black people, in particular since its development up to now has been subject to the very constraints which handicap the black community generally.

*Desirable economic strategies in post-apartheid South Africa*

The discussion here included the elimination of racialism in the economy, land distribution, the freehold land ownership system and the ending of residential apartheid, privatisation of services, full participation in the economy by all racial groups with minimum government interference, elimination of discrimination in employment and the reduction of regional and sectoral economic dualisms.

*The future of the homelands*

In discussing this issue it was noted that:

- The policy in terms of which the homelands were created lays heavy emphasis upon ethnic and tribal differences among black South Africans;
- The present homelands

Finally, the conference accepted in principle the idea of evolving a unified black strategy for the purpose of bringing about realistic and meaningful adjustments in the future, especially in so far as economic, political and technological development is concerned.

Following a year of unbating conflict and violence in the country many of the organisations and black leaders who accepted these principles in 1985, are no longer committed to the objective of supporting condition investment in South Africa, but rather advocate total disinvestment and the application of sanctions against South Africa, which has already caused incalculable harm in terms of loss of life and property.

Recognising black unity as an important element of national unity and black deliberation in South Africa, a subsequent Black Leaders Conference strongly encouraged NAFCOOC - with the help of other interested black organisations - to speed up the process of initiating the essential dialogue among various black organisations and leaders.

**T**he immediate problems and challenges which necessitated the coming together of black leaders and organisations centred around the formulation of joint unified strategies for the purpose of addressing burning social and political issues and finding efficient

Equality in teacher-pupil ratios;

● Higher standards in teacher training colleges;

● The revision of textbooks to give prominence to black history, culture and achievements;

● The reviewing of present black education curricula, with greater emphasis on mathematics and science subjects as well as technical training; and

● Equalising average per capita expenditure on education for all communities.

□ *Disinvestment as a means of dismantling apartheid*

NAFCOC has for many years pursued a policy of "conditional investment" as a strategic position between the advocates of unconditional investment on the one hand and those who agitate for total disinvestment on the other.

In the face of growing social turbulence and a disappointingly slow pace of socio-political reform in the country, coupled with the demand for an urgent and accelerated process of change, the question is being constantly asked whether NAFCOOC's policy can still be justified.

During the discussions NAFCOOC indicated the extent to which it felt bound to its policy of conditional investment even though the organisation was prepared to impose new demands on foreign investors.

Thus, NAFOC accepts in principle selective economic pressure as a non-violent instrument for the dismantling of apartheid and the means of creating a political and economic

climate necessary for meaningful change.

**T**he organisation is opposed to continue foreign investment geared to benefit the white community at the expense of blacks. In addition, NAFCOOC will not participate in any future efforts aimed at encouraging new investments in the country unless:

● Blacks have achieved an effective share of political and economic power;

● Government eliminates all repressive measures;

● The investments directly benefit the black community

● Political leaders are released and black political organisations unbanned; and

● Serious dialogue is started with credible black leaders with a view to bringing about meaningful constitutional changes.

The NAFCOOC delegation had no mandate at the time to give support to the withdrawal of foreign investments in South Africa, but the organisation is certainly encouraging increasing pressure to align more with other black organisations who have already declared themselves to be in favour of disinvestment.

What, however, enormously intrigued the NAFCOOC delegation about those discussions, was not only the friendly atmosphere in which they were conducted but also the astonishing degree of acceptability to the ANC of most of NAFCOOC's policies and projects

cies NAFCOOC and the ANC were in agreement on (i.a) the following general economic policy considerations:

● It is in the country's best interest to nurture and encourage rather than crush the spirit of entrepreneurship;

● Private ownership of property is to be allowed at all levels;

● Privatisation should be allowed within the context of mixed economy managed skilled persons;

● There should be redistribution of land among the people who work on it, thus ensuring a greater spread of wealth in the country;

● Positive discrimination or affirmative action may have to be sanctioned in the short term to enable blacks to breach the economic backlog which centuries of discriminatory policies have given rise to; and

● Appropriate economic policies should seek to remedy existing social problems and generally aim at the upgrading of the living standard of all people.

**T**o conclude this section, South Africa just cannot afford to be isolated and governed continuously under the state of emergency, which is the only alternative for not negotiating with the ANC and other credible black leaders.

There is surely nothing to be gained in procrastinating about this issue.

□ FROM: THE SOUTH AFRICA INTER-NATIONAL QUARTERLY (OCTOBER 1986)



## A chance to run a shop

THE Small Business Development Corporation is to spend R5-million on building a huge shopping complex in Vosloorus township in the East Rand.

SBDC spokesman Gray Thathane said the complex will challenge the skills of the black supermarketeer.

"The development of a modern shopping centre will present a golden opportunity to the Vosloorus community. The business community will have a chance to operate from new high-class premises where consumer traffic will be concentrated on one locality," he said.

"It will also give aspiring entrepreneurs a chance to get into business and the community will have convenient shopping in their town, offering a wide variety of services."

The complex is situated on MC Botha Drive and will form the heart of Vosloorus' Central Business District.

A hotel, indoor stadium,

youth cultural centre, filling station, make-and-sell units, office blocks, cinema and other businesses are expected to develop around it.

Thathane said the East Rand has been earmarked for major black housing development to provide for the needs of the whole Witwatersrand area. Vosloorus was central to that development.

The Vosloorus Town Council has budgeted R38-million for housing, tarring of roads, upgrading the water supply system and constructing a holiday resort.

Thakane said, "this is an indication of a booming town and a good environment for a shopping centre of this size."

People interested should apply to:

● The Property Department, Small Business Development Corporation Limited, PO Box 4300, Johannesburg 2000, or telephone (011) 643-7351.

11/2/86 Eve Post

# Christmas sales off to a good start

(30)

Post Reporter

CHRISTMAS sales have started with a "strong kick-off", says the general manager of a Port Elizabeth hypermarket.

Mr Fred Pearl, general manager of Pick-n-Pay Hypermarket, said: "Toys are selling particularly well this year. So are textiles such as off-the-peg clothes.

"Large appliances are also selling well, but I'm not sure that these can be regarded as Christmas sales as such. I think people are buying appliances now because of rumours that prices are going up next year.

"Another positive move is in the sports equipment department. Bicycles are doing well," he said.

"People are being extremely practical about what they buy. They compare prices very carefully before they buy and take a good long look before they pay."

The regional director of Joshua Doore, Mr Gerald

Baird, said sales were "fair to good".

"So far," he said, "the pattern of sales this year is no different from last year's - except that the trend now largely is that people are shopping for semi-expensive goods - nothing on the very pricey side."

The general manager of Checkers Hypermarket, Mr Johan Spies, said he expected a "shopping spree" this season.

People might complain of poverty "but there must be money around somewhere", he said.

"We're very happy so far. The sales of all our lines are good. Now we're waiting for the arrival of the holidaymakers next week."

The general manager of Kahns, Mr Brian van Vuuren, said: "People are very much aware that prices are going up soon, so they're buying now. We expect a big splurge of shopping between now and Christmas."

# Shopping boycott has new direction

17/2/86 BUS DAY 30

THE Christmas consumer boycott of white and Soweto councillor-owned businesses starts today with a new direction.

The new approach is strictly against township intimidators who either seize groceries from defiant shoppers or force them to eat or drink the purchased goods such as raw meat, detergents and cooking oil.

The boycott is aimed at the lifting of the state of emergency and the withdrawal of soldiers from townships.

It is also aimed at the re-opening of all schools closed by the Department of Education and Training, and the resignation of all councillors.

Another new dimension is the call for a single municipality for Johannesburg, which asks that all councillors — black, white or coloured — resign to pave the way for a new council incorporating So-

SIPHO NGCOBO

weto and other black townships.

The boycott, which ends on December 31, will exclude chemists and doctors' surgeries.

Consumer Boycott Committee (CBC) spokesman Jabu Ngwenya said strict disciplinary action would be taken against intimidators.

The boycott would be monitored by the township's Street Committee members to ensure orderliness and to protect the people against intimidators.

Ngwenya said: "Whoever is being intimidated or having his groceries seized must immediately report the matter to the street committees."

He appealed to activists not to hijack or damage newspaper vehicles and not to tamper with hired cars.

# 30 SOLVING THE BIG DILEMMA

## Blacks must unite around common goals says Nafcoc

THE National African Federated Chamber of Commerce Transvaal convention which ended on Friday resolved that the dilemma facing blacks in South Africa will of necessity require that black people unite around common goals.

The two-day convention,

By ALL MPHAKI

which was held in Johannesburg, also condemned violence in all its forms and appealed for an immediate end to all hostilities among warring parties in the black community.

The convention was called as a forum for black business involvement in the struggle against apartheid.

Anglican Archbishop Desmond Tutu, Dr Sam Motsenyane, president of Nafcoc, and Mr Pandelani Nefolohodwe, assistant general secretary of Council Unions of South Africa, were among those who addressed the convention.

Other resolutions adopted at the convention are:

- That new guidelines, policies and objectives for a new economic order that will reflect the demographic realities of South Africa be set out, a system which will ensure that the riches of the country are shared equitably to benefit all the peoples of South Africa.
- That a properly and carefully thought out and orchestrated strategy be worked out to use the black people's economic muscle as leverage for desired change.

- That all efforts by black parents and black organisations to find new and innovative ways to provide alternative education for blacks be encouraged even if this entails the establishment of black controlled schools and colleges.
- That a national Black Development Fund, initiated, controlled and entirely managed by blacks be established as a matter of urgency.

### Managers

- That a campaign be mounted to expose corporate camouflage in South Africa and that ways and means be found to encourage the development of black managers with a mission and able to conscientiously represent black national interests.
- That efforts be made to establish media organisations and publishing houses wholly owned by blacks or to maximise support for those already in existence and that this convention condemns the way the SABC reported the composition of the convention on November 27.

- That guidelines for fair employment practices be established by black business to ensure that the interests of the workers are assured and guaranteed.
- That the Government release all political prisoners.

BUS DAY  
2/12/86  
30

## Call for 'black Christmas' is ignored on first day of boycott

SIPHO NGCOBO and  
Industrial Staff

ALL was quiet in Soweto yesterday, the first day of the Christmas consumer boycott of white businesses. Scores of shoppers carried their purchases in bags bearing names of popular Johannesburg chainstores.

While white retailers have adopted a "wait-and-see" attitude to the Christmas consumer boycott, many believe it will not be effective.

Although the situation in Soweto was tense, railway stations, bus stops and even taxi ranks were filled with commuters who appeared not too concerned about the boycott.

Activists, who in the past have kept a close watch on defiant shoppers, were absent at bus stops, taxi ranks and railway stations visited by *Business Day*. Unlike last year, no cars were searched and nobody was stopped to have purchases checked.

The Consumer Boycott Committee has said the strategy this year is to persuade defiant shoppers to stop buying from town rather than force them.

Executives surveyed by *Business Day* voiced concern about the boycott's potential — and scepticism that it would get off the ground.

"It might have been successful if it were any time except the Christmas holidays," said Afrikaanse Handelsinstituut president Chris Kuun. "The boycott won't be half as bad as 1985."

Leading retail chains reported strong sales figures for the past eight weeks and expected the mini-boom to continue to the new year.

Checkers MD Clive Weil predicted the boycott's effect would be known within a week. He warned it could have a "huge impact". But sales at Checkers were strong in the last week of November and Weil was hoping for a late rush as Christmas neared.

The Associated Chambers of Commerce (Assocom) did not believe the boycotts would be successful. Assocom legal adviser Ken Warren explained: "In the long run we believe boycotts are an exercise in futility."

# Firms may adopt civil rights charter

## Post Reporter

A CREED committing members to strive for greater civil liberties in South Africa is being proposed for adoption at a special general meeting of the Port Elizabeth Chamber of Commerce tomorrow.

Among other things, it embraces universal citizenship, equal education and a free-market related economic system.

The chamber, which has more than 1 000 member companies, is believed to be the first in the country to consider the

formal adoption of such a charter.

The draft of the creed, according to the chamber's director, Mr Tony Gilson, "restates long-held chamber beliefs and principles (including those embodied in the manifesto adopted on August 23, last year)".

While certainly focusing on economic matters, it is an overtly political charter — indicative of the politicisation that has occurred in the Eastern Cape over the past few years.

According to the draft,

the chamber would, inter alia, strive for:

- The attainment of a constitution ensuring universal citizenship for all South Africans.

- The individual's right to freedom of association, and to participate in the affairs of his country without discrimination on the grounds of race, colour or creed.

- The right of all South Africans to access to equal educational opportunities within a single educational system, designed to ensure that all have fair access to the

knowledge and skills.

- The right to unrestricted access to a strong and independent judiciary, with the administration of justice being safeguarded by the courts.

- The principle of minimum Government interference in business and social affairs.

- The creation of a free-market related economic system and a business environment which would accommodate the needs of all South Africans and in which all would have equal opportunities.

# Vlok warns on consumer boycotts

THE organisation of black consumer boycotts for the Christmas season is illegal in terms of emergency regulations. And action can be expected against those who propagate them, says Law and Order Minister Adriaan Vlok.



● VLOK

The Minister and his deputy, Roelf Meyer, spoke in Pretoria to journalists yesterday, at the end of their second day in office, on how they saw their tasks and their plans for the future.

Asked if police would be taking specific action against consumer boycotters, Vlok said it was an individual's right to decide whether or not to buy goods from a particular shop.

Propagating boycotts, however, was illegal in terms of the emergency.

Asked if this meant boycott committees and organisers in the townships "had better watch out", he replied: "You couldn't have put it better."

Vlok and Meyer said they saw their priority to be improving the image of the police — particularly in the townships — as those who "protect and serve".

3/12/80  
BUNDY  
30  
Vlok said he would like to provide the public with the maximum information possible on what was happening in SA, but security considerations had to be taken into account.

Vlok and Meyer, who is responsible for administering the controversial Joint Security Management System, defended the set-up and said it was proving highly successful.

On reports that the ANC was receiving more Soviet equipment to step up its insurgency campaign, Vlok said: "We are ready, as far as possible, for any escalation." — Sapa.

# New minister warns boycott organisers

3/12/86

N/M

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PRETORIA—Consumer boycotts which were reportedly being organised for the Christmas season were illegal in terms of the state of emergency regulations and action could be expected against those who propagated them, the new Minister of Law and Order, Mr Adriaan Vlok, said yesterday.

The minister and his new deputy, Mr Roelf Meyer, were speaking informally to journalists at the end of their second day in office on how they saw their tasks and their plans.

Asked whether, in the light of recent reports, police would take specific action against consumer boycotters, Mr Vlok said it was an individual's right to decide whether or not to buy goods from a particular shop.

Propagating boycotts was illegal in terms of the emergency regulations.

Asked if that meant boycott committees and organisers in the black townships 'had better watch out', he replied: 'You couldn't have put it better.'

The minister and Mr Meyer emphasised that they saw their priority as improving the image of the police, particularly in the townships, 'as those who protect and serve'.

They hinted at a number

of plans and ideas they had in mind but said it was too early yet to make details known.

Police 'self-examination' of problems relating to their public image would also play an important role.

Mr Vlok said he would like to give the public as much information as possible on what was happening in South Africa, as an informed public was vital, but security considerations had to be taken into account.

The minister and Mr Meyer, who is responsible for administering the Joint Security Management System, defended the set-up.

Mr Vlok said the system had been in operation for six years but had only really come into its own during the past year.

'There is no secrecy about it at all ... details were disclosed in Parliament this year,' he said.

Mr Meyer said the system 'obviously' had to address issues in the political field, but that was not its primary task.

The main purpose of the system was to address grievances and problems, particularly in the townships, through co-ordinated action of various Government departments and other institutions. — (Sapa)



# Nafcoc in big row

THE National African Federated Chamber of Commerce has not yet heard directly from the Inyanda Chamber of Commerce about its decision to disassociate itself from Nafcoc over its stand on sanctions and disinvestment.

Mr. Gabriel Mokgoko, Nafcoc's public relations manager and national co-ordinator, told the *Sowetan* yesterday that at this point they had no comment to make. They were still awaiting to hear officially from the chamber — one of Nafcoc's largest regions.

According to a weekend report, the Inyanda region last week made a decision on Nafcoc's recent summit conference at which the organisation resolved not to campaign to oppose sanctions and disinvestment directed against South Africa and the Government in particular.

*Sowetan*  
(30) 3/12/86

(30) DD 4/12/86  
**CBDA**  
likely to  
oppose  
project

**Dispatch Reporter**  
EAST LONDON — The Central Business District Association (CBDA) has not formulated an official stand on the Clarendon Gardens project controversy, but it is likely the association will oppose it.

This was confirmed here yesterday by the chairman of the association, Mr Gwyn Bassingthwaite.

"We've had discussions on the matter and we will be meeting on Tuesday. After that I will be in a position to give our official viewpoint," he said.

Speaking in his personal capacity, Mr Bassingthwaite said he opposed the R45-million development off Union Avenue on several grounds.

He based his opinion on talks with several professional people, including a member of the Johannesburg Central Business District Association and a member of the PWV long range-planning committee, Mr Tony Trowbridge.

"As more and more studies have been done, it has become clear to me that a development such as Clarendon Gardens will have a negative effect on the CBD, which is our commercial heartland.

"I also have grave reservations on the financial aspect and foresee a situation where ratepayers will be contributing to this development. Nobody has ever indicated the exact cost to council of this project but the financial implications are becoming frightening."

Mr Bassingthwaite, the chairman of the finance portfolio on the city council, said the aggressive marketing behind the project also worried him.

"I do not feel that all is lost for the city if we lose this development. A bigger development at Vincent Park will take place," he said.

# Free bus service in bid to boost CBD

Dispatch Reporter

EAST LONDON — A free bus service every half hour from the Esplanade to the city centre is to be operated during the festive season in an attempt to revitalise activity in the central business district (CBD).

This was confirmed yesterday by the chairman of the CBD Association, Mr Gwyn Bassingthwaite, who said the "park and ride" scheme had been approved by the city council.

The innovation is also being studied for a possible permanent basis but the association has been given permission to operate the service from December 11 to December 23.

"The service is for everybody and we are confident it is going to take off," Mr Bassingthwaite said.

The association is to lease the area of vacant land known as Court Crescent. People will then park their cars on the land and take the bus to the front of the city hall. The bus will stop along the way at the Aquarium and near the Orient Beach. For the return journey, the bus will start from the city hall and make one stop at the city administrative centre before returning to the Esplanade.

The service is expected to ease parking congestion in the CBD considerably and halt the flight of people to suburban shopping centres, where there are no real parking problems.

# Youths warned over boycott campaign

Sowetan  
Reporter

39  
4/11/76

THE Consumer Boycott Committee is keeping a watch on youths who will monitor its campaign during December and has warned them against assaulting residents.

The chairman of the committee, Mr Jabu Ngwenya, said yesterday that residents who get molested should report such incidents to their street committees.

"We have asked the youths to operate in their own areas. We do not want youths who live in one area to go and operate in another. We did this because we want people to know and identify those who molest them," Mr Ngwenya said.

## Fears

He was reacting to fears expressed by residents who said a number of people were forced to drink fish oil and told to eat raw chicken last year.

Mr Ngwenya said the campaign was started in a bid to get an end to the state of emergency, the withdrawal of troops from the townships, the re-opening of all schools that have been closed, the resignation of black and white councillors, the stopping of all evictions in the townships and to end the payment of General Sales Tax.

The campaign started this week and he believes that people were observing their call.

• On the advice of our lawyers we cannot publish details of the Consumer Boycott Committee campaign as this will contravene aspects of security and emergency regulations.



Edited by MELANIE SERGEANT

# Bottle stores losing <sup>30</sup> business to big chains

Industrial Staff

IT'S not that long ago since liquor sales were the preserve of bottle-stores and hotel off-sales.

Today grocery stores, supermarkets and cash-and-carry outfits have all jumped on the liquor bandwagon.

But even with more vendors in the game, liquor sales have remained stagnant for the past three or four years.

This is the most upsetting factor to have hit the industry since sales were opened up.

Federated Hotel, Liquor and Catering Association of SA (Fedhasa) executive-director Fred Thermann says bottle stores are losing business to both grocery chains and cash-and-carry groups.

Some grocery groups admit they sell alcohol at cost or below to lure customers into the store.

At Squeeze-In Food Hyper, for instance, wines are often sold at a few cents below cost to attract food customers.

A Squeeze-In director, Murdoch Pettigrew, says table wines have represented a steady 2% of total turnover since the firm obtained a grocers wine licence six years ago.

But cash-and-carry groups strongly deny they use liquor sales as a loss leader.

At Metro Cash and Carry, marketing director Brian Joseph is proud of the fact that liquor sales are booming, but says he is making money on every bottle sold.

"We are prepared to work on lower margins than the normal retailers," he says. "But we do not subsidise liquor at the expense of other-line items."

"In fact, Metro's liquor margins are higher than its food margins."

Yet Joseph says his alcohol prices are still cheaper than normal retail outlets.

The other big player in the cash and carry liquor trade, Makro, was unable to comment because of orders from its head office in Holland.

Trador Cash and Carry sells no li-

*BOTTLE stores are losing sales to both grocery chains and cash-and-carry groups. But despite more vendors in the game, liquor sales have been stagnant over the past three or four years.*

quor at present. Trador MD Chris Burgess says his firm generally sticks to the traditional food business.

But he would not categorically state Trador was not interested in entering the alcohol trade.

Checkers and Pick 'n Pay have both become significant players in the liquor market.

Pick 'n Pay is selling 400 000l of wine every month at its licensed stores. Richard Cohen, a Pick 'n Pay director, says wine sales have never been used as a loss leader.

Cohen says wine sales are a natural extension of one-stop shopping.

Pick 'n Pay has consistently shown growth in wine sales ahead of the SA market since the firm obtained its first wine licence in 1971.

"We undersell the bottle stores," Cohen reports, "but never sell below cost."

Solly Kramer's MD John Hooper welcomes the freeing up of distribution and marketing channels in the liquor industry. But he says it must be done "in an orderly manner".

One of the biggest gripes among liquor retailers is competing with cash-and-carry outfits — who can sell liquor without GST to anyone who holds a GST number.

Bottle store owners complain, for instance, that a hardware store owner can buy his tools at a cash-and-carry and then pick up a case of beer as well without paying any tax on it.

And cash-and-carry executives admit privately they must assume whatever GST-exempt goods they sell will be resold. The responsibility for seeing this through rests with the purchaser, not with the seller.

5/12/86. BUDAY

# Government changes industry's retail sector

TOWARDS the end of 1979 a major restructuring took place in the SA liquor industry which changed the face of its retail sector.

Direct government intervention saw South African Breweries (SAB) being given permission to acquire Inter-Continental Breweries (ICB) and to sell off its interests in Stellenbosch Farmers' Wineries (SFW).

These interests were sold the newly-created Cape Wine and Distillers (CWD) for a 30% shareholding in that company.

At the same time permission was given for the Rembrandt group to sell its interests in the Oudemester group to CWD in exchange for a 30% shareholding in that company. The balance of the shares were to be held as 30% to KWV and 10% to be sold publicly.

The Cabinet gave permission for this restructuring to take place on the express understanding that there would be a separation of the respective parties' wholesale and retail interests. There was also a stipulation that no more than 12 stores could be owned by any individual.

Both SAB and Rembrandt would sell off their stores by disposing of 7.5% of their number in the first five years and 10% thereafter, until all the stores had been disposed of.

And this is where Solly Kramer's (SK) beef comes in. The company states in accordance with the commitment given to the Cabinet, SAB has now divested itself entirely of its 130 SK stores, which was the number it owned at end-1979.

The Rembrandt group, Kramers claim, sold off stores to the public until March 1983 when it changed direction and began selling its stores to CWD, with which it has a management agreement in addition to its 30% holding.

During 1980/81 both SAB and Rembrandt sold their liquor stores in accordance with the agreed 1979 formula, but in 1982 the long-awaited report from the Competition Board was published.

Among many other findings the board came to the conclusion that vertical integration in the industry amounted to restrictive practice and should be declared unlawful.



□ 1979 legislation restructured the liquor industry's retail sector.

## MICK COLLINS'

In 1983 government reacted to the Competition Board report in a manner which, in the words of SK MD John Hooper, "has dumbfounded both industry participants and onlookers to this very day".

Extracts from government statements at the time were read by industry observers as an outright rejection of recommendations.

"The Cabinet has decided not to accept the recommendations concerning the reconstruction of the liquor industry."

The wording of the government statement sounded like a death knell to Kramers, which up to then had proceeded to honour its agreement.

The statement said: "Government is concerned about the large extent of concentration and vertical integration which has developed over the years. Competition between independent producers and an uncommitted retail trade would probably offer the most satisfactory structure."

As government backtracked, out of the melee emerged what SK sees as the crux of the matter.

First was the right of Union Wine to acquire a total of 103 outlets and secondly that CWD was able to acquire a total of 300 outlets.

"Since 1979, 70 SK stores have been

sold. Of these 20 were sold to CWD, 10 to individuals who had worked for SK and 40 stores were sold to the public," Hooper says.

"In 1985 SAB together with SK management sought a solution which would be less agonising than the slow death of a gradual sell-off, by agreeing to a dispersal of batches of 12 stores — the legal limit of the number of stores any one person can own.

"These stores were sold to companies which would be partly owned and managed by SK executives. The deal brought the disposal programme to an abrupt end.

"Our executives have taken up the offer put to them by SAB and have voluntarily decided to perpetuate the SK name and all it stands for."

In the meantime, CWD, since 1983, has acquired stores from the Rembrandt group, SAB and proprietors of licences in the open market and looks to be aiming at its full quota of 300 retail liquor outlets.

The other producers were allowed to retain roughly the same number of stores as they had before the 1979 bust-up, meaning Gilbeys (in which Rembrandt has a 49% share) owns 70 Rebel outlets, Douglas Green owns 26 stores (including four Makro licences) and Union Wine has 70 shops, although it has a special dispensation to buy up to 103 outlets.

# Dion's man at the helm has an impressive track record



Industrial Reporter

HYMIE SIBUL

**HYMIE SIBUL**, Dion's new MD and CE, is bullish on the struggling firm. When the 46-year-old executive looks into his crystal ball, he sees a government committed to reform, a better economic picture and rising consumer confidence.

Stepping away from conventional retail-sector wisdom, he does not believe the current mini-boom is either false or unsustainable, which is why he states boldly: "Without being overly optimistic, I believe we'll be back into the profit picture soon."

Asked what the chances are of posting a profit within 12 months, Sibul leans back in his chair, adjusts his bow-tie and decides finally not to comment. "Ask me that question in a year's time; put it on your calendar."

Analysts attribute Dion's present problems to confusion in defining the market it was trying to attack. Some stores were larger than necessary and were carrying high overheads.

A general downturn in spending on consumer durables for 30 of the last 36 months has not helped. Yet Sibul remains confident, primarily for two reasons: "We have a magic name and good people."

His first priority at the helm of Dion is to turn the firm into a cohesive, profitable unit. Sibul

has a track record of turning around struggling firms. He comes to Dion from another posting in the Tradegro group, as CE of the Wanda, Arrow and Tiger chains.

When he came to Wanda and Arrow, both were making heavy losses. Today both are highly profitable (Tiger is now under Arrow management).

Previously, Sibul turned around Tip Top Furnishers, where he also served as CE.

At Dion, Sibul says he wants to build a team, as opposed to 1 557 separate employees. "If you can motivate the people, you've won half the battle."

He says Dion's management team is investigating new strategies but is coy about revealing what the new Dion might look like.

When Sibul says he believes government will do what it says it will on the reform front, he apparently believes it. An improving political situation will in turn boost the economy, leading finally to consumer confidence and more shopping. Such is Sibul's view of the future.

He will not be drawn into a discussion of 1987's first quarter — the first three months of each year are notoriously bad for the retail industry.

Like most competitors, he is waiting anxiously to see if the black consumer boycott gets off the ground. "With a stable political climate, I'm very optimistic about the next six months."

And if the turmoil heats up? "Business and politics are so intertwined in this country, it's hard to say," Sibul says.

Bus Day 30  
5/12/86

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# Wooltru clicks

By Dave Edwards

**WOOLLIES** (Wooltru) turned into a jumper this week as the market acted on management changes.

The ordinaries, which hold voting rights, rose from 1 450c to 1 750c and non-voting As added a little less.

David Susman, 60, is retiring and will be replaced by managing director Tony Williamson.

Mr Williamson, who has an accountancy background and came up through the Truworth ranks, heads a management team that will continue the restructuring programme.

About 55% of Wooltru ords are held by financial institutions, led by Old Mutual and Southern Life. It is believed that Southern is increasing its holding.

## Coals weak

Coal-linked shares continued weak this week. Rand London, Wit Colls and Trans-Natal were all down. Rand London shed 16% and Trans-Natal, which has failed to stabilise after a long downward movement, fell to 575c.

Of the new issues, UBS and Shoprite failed to live up to expectations.

Shoprite, a fast-growing supermarket chain, made its debut after an offer which was oversubscribed more than 12 times.

The company forecasts earnings of 8.4c a share for the 12 months to February 1987 — a prospective price-earnings ratio of 11.9 times

on the issue price of 100c.

Afcom — issued at 100c — came on at 120c and rose to 150c. Charles Murray, of stockbroker Max Pollack & Freemantle, says: "Afcom has grown in the past five years. The packaging industry is relatively recession proof and the company looks well managed."

Speculators in HJ Cables, whose share price has soared in the past few weeks amid expectations that the buy-out

by Ronnie Price's Computatic was imminent, were rewarded when the deal was clinched this week. The price rose to an all-time high of 375c.

Gold and platinum were volatile, and the mining sector was unsettled. Stiffontuen, which announced a final dividend of 100c compared with 150c last year, came in for some stick as investors realised the limitations of this short-life mine.





# Youths seize city shoppers' parcels

By SANDILE MEMELA

GROUPS of youths seized parcels from defiant shoppers in Diepkloof this week.

Meanwhile, hundreds of township residents filled the city pavements and stores bustled with activity as shoppers continued their Christmas buying spree.

Back in the townships,

scores of spectators watched helplessly as youths lined the busy road from Crown Mines through Diepkloof Extension, stopping taxis and private cars and forcing Christmas shoppers to hand over their groceries.

The road was strewn with raw meat, washing powder, torn clothes and

shoes.

Sources told *City Press* that rampaging youths hurled groceries on the road, setting alight clothes and shoes taken from shoppers.

A witness, who asked not to be identified, said: "Youths took canned food-stuffs and put them under the wheels of taxis and ordered the driver to drive over them."

One shopper narrowly escaped death when youths demanded all the garments he had brought from town.

"He was only spared when he told them that the goods were stolen," said another witness.

Jabu Ngwenya, spokesman for the Christmas against the Emergency Campaign, said strict disciplinary action would be taken against intimidators.

He said the boycott would be monitored by township street committee members to ensure orderliness and to protect people from intimidators.

"Whoever is intimidated, or has his groceries seized, must immediately report the matter to the street committees," said Ngwenya.

## 'Boycotts are illegal'

BLACK consumer boycotts which were reportedly being organised for the Christmas season were illegal in terms of the state of emergency regulations and action could be expected against those who propagated them, Law and Order Minister Adriaan Vlok said this week.

Vlok and his deputy Roelf Meyer, were speaking informally to journalists at the end of their second day in office. Both emphasised they saw their priority to be improving the image of the police.

# Stores warn of price increases in the new year

Mercury Correspondent

JOHANNESBURG—Supermarket chains are ready to abandon their price freeze of the past six months.

New Year shoppers will be greeted by price increases of between 8% and 12% on many food and toilet items. Certain articles will rise by up to 60%.

Supermarket executives are playing down the significance of the increases, saying they are always expected in the new year when manufacturers review prices.

Products with higher price tags will include processed meats, detergents, tea, coffee, paperware, milk by-products, frozen vegetables and toiletries. At the top of the scale, nuts and peanut butter will rise by 60%.

A Spar spokesman says consumers should expect to see many psychological price barriers broken.

Retailers blame rising costs for labour, transport and packaging for the increases.

A Consumer Council spokesman says the council is monitoring the situation.

He said: 'The price hikes will have a tremendous ripple effect throughout the economy. Consumers can expect to be hit hard. We are awaiting the increases with trepidation.'

Housewives' League national president Lyn Morris says the whole price freeze issue is being watched.

She said: 'We would be surprised if there weren't sharp increases.'

A survey of supermarket chains turned up — with some variations — these increases: detergents (12%), wine (16%-18%), tea and coffee (8%), paperware (10%), processed meat (12%), sugar (8%-14%), frozen vegetables (10%), cheese and milk by-products (8%-14%), toiletries (8%-10%), artificial sweeteners (20%), and shoe and furniture polish (10%).

Next year's price jumps come on the heels of a 21% average rise in all food and grocery products during 1986.

8/12/80  
Soyco  
20

# Soyco backs UDF campaign

THE Soweto Youth Congress has thrown its weight behind the Consumer Boycott Committee and the United Democratic Front's Christmas Against the State of Emergency campaign.

In a statement released by the organisation at the weekend, Soyco said: "We endorse the UDF call and also support the Consumer Boycott Committee's stand that there is no cause to celebrate when thousands of our compatriots are languishing in jail and in detention."

"The people are urged to switch off their electricity on December 16 and December 24 between 7pm and 9pm. This should be done only on these days," spokesman Mr Clive Radebe said.

"Residents are requested to switch off all electric lights and light candles instead on the above-mentioned dates," he said.

Clothing-store giant in offing

# Wooltru, Pep in R1,2bn merger talks

BUS DAY

9/12/86 (30)

LIZ ROUSE and MERVYN HARRIS

WOOLTRU and the Pep group companies are engaged in negotiations which could create a clothing-store giant with a combined turnover of R1,2bn a year.

They announced yesterday that talks were in progress that could affect the share prices of Wooltru, Pepgro, Pepkor and Pep Stores.

The deal could be the biggest ever in terms of turnover and market capitalisation in the stores sector.

The current giant in the clothing sector is Edgars, with an annual turnover of R735m, followed by Foschini, which is way behind with sales of R280m.

The deal was foreshadowed in a statement from Wooltru chairman David Susman last month that the group saw the black consumer market as the major area for expansion and wanted another chain at the lower end of the market.

The new group could grab a larger share of the clothing market. Pep has manufacturing facilities, while Wooltru buys from suppliers, which could include the Pep group.

Pep Stores consists of the Pep Stores chain with 511 outlets, Ackermans with 39 department stores, and seven factories.

The announcement nevertheless came as a surprise yesterday to most analysts, although takeover speculation has been swirling around Wooltru for the past three weeks.

A merger with Foschini was mooted, but Foschini's market capitalisation appeared too small to swallow such a whale.

In fact, the Pep group's market capitalisation is much smaller than Wooltru's, with Pepkor worth R276m against Wooltru's R533m. However, on Wooltru's side, large institutions are involved, with 55% of issued share capital in their hands, led by Old Mutual's holding of more than 24%.

If, as surmised, Wooltru and Pep Stores are merged, Wooltru could issue

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## Wooltru, Pep in merger talks

shares for Pep Stores and Pepgro could become the ultimate holding company.

It is impossible to predict at this stage what the mechanics of the deal will be.

Yesterday's joint announcement said negotiations were at an early stage and that it might not be possible to make a further announcement before the second half of next January.

Talk of restructuring continued after

last week's news that chairman David Susman was resigning and that MD Tony Williamson would step into his shoes.

Pep's Christo Wiese has made some smart moves in restructuring the group, reversing Pep Stores into Bearing Man Holdings and listing the group's super-market chain, Shoprite, at the end of last week.

BUS DAY  
9/12/86  
● From Page 1

# Boycott bite just a nibble

RETAILERS are still waiting for the black consumer boycott to bite — a week after it began.

Except for stores in East London and Port Elizabeth, the boycott has had minimal impact.

Retailers say the boycott has been poorly organised, since many of last year's leaders are now in detention.

The Associated Chambers of Commerce (Assocom) consumer boycott committee has had no reports of a significant drop-off in black trade outside the Eastern Cape.

"At this stage the boycott does not

SA 2-D/11/10  
9/11/10  
Industrial Staff (30)

appear to have made an impact," said legal adviser Ken Warren.

Many businessmen are concerned the boycott could intensify before Christmas.

"We could just be seeing the front-runner now," warned Pretoria's Afrikaanse Sakekamer chairman Tom Moodie.

So far, the boycott has been mild in comparison to last year, Moodie says.

## AIRLINE MOVEMENTS

Tuesday Air Schedule			0705	0805				
Johannesburg to Cape Town			0800	0900	SA501	0800	0930	SA400
Dep	Arr	Flight	1010	1110	SA505	0900	1115	SA401
0100	0305	SA395	1300	1400	SA529	1150	1450	SA403
0100	0305	SA397	1530	1630	SA513	1540	1755	SA409
0710	1040	SA301	1830	1930	SA517	1825	1955	SA415
0730	0935	SA303	2100	2200	SA521			
0930	1240	SA309			SA523	Johannesburg to George		
1145	1350	SA 311	Durban to Johannesburg			0930	1120	SA309
1250	1455	SA343	0700	0800	SA500	George to Johannesburg		
1430	1635	SA325	0850	0950	SA504	1705	1850	SA338
1800	2005	SA333	1000	1100	SA512			
1810	2140	SA331	1155	1255	SA536	Johannesburg to East London		
2030	2235	SA335	1600	1700	SA522	0500	0840	SA481
			1735	1835	SA524	0700	0935	SA401
			2040	2140	SA528	0905	1030	SA403
			2225	2325	SA594	1540	1705	SA415
Cape Town to Johannesburg						1735	2010	SA417
0700	1020	SA300	Johannesburg to Port Elizabeth			1745	2015	SA433
0800	0955	SA304	0500	0705	SA481	East London to Johannesburg		
1130	1420	SA336	0700	0840	SA401	0700	0930	SA400
1230	1425	SA312	0905	1130	SA403	0925	1115	SA481
1430	1625	SA316	1215	1520	SA409	0955	1115	SA401
1600	1850	SA338	1540	1805	SA415	1050	1450	SA403
1725	2045	SA324	1735	1915	SA417	1635	1755	SA409
1800	1955	SA326	2330	0110	SA495	1725	1855	SA417
1930	2125	SA328	Port Elizabeth to Johannesburg					
2345	0140	SA398						

# Wooltru-Pepkor merger could create retail giant

By Gareth Costa

The battle is hotting up in the highly competitive retail sector with the announcement of talks on a possible merger between Woolworths/Truworths and the Pepkor group that could create a new giant with turnover in excess of R1,5 billion.

And it appears that Wooltru is gearing up to take on the might of other conglomerate retailing chains, in an attempt to gain a greater market share as margins become tighter.

However, uncertainty still surrounds the Wooltru/Pepkor cautionary announcement, with analysts mystified as to what sort of deal would be structured between the two companies.

Speculation ranges from a straight merger between the

two groups, or the sale of certain Pepkor operating companies to Wooltru. But, whichever option proves to be the final route, analysts foresee many hurdles yet to be overcome.

Part of the problem is that Pepkor recently underwent a major restructuring from which it has still not fully recovered.

The two groups are also very different culturally, and if there was a merger between them, analysts say they would view the deal "exceptionally negatively for a time to come".

They point out, however, that Wooltru shows a gaping hole in exposure to the lower or "non-white" end of the market, which is not completely serviced by either Woolworths or Truworths.

The Ackermans chain — now a Pepkor subsidiary after being

bought from Edgars a couple of years ago — is singled out as the prime candidate of the discussions since it is not as down-market as Pep Stores and could slot into Wooltru a lot more easily.

Shoprite could also be a candidate since it would tie in quite well with Woolworths' food division which accounts for between 20 and 25 percent of Woolworths' turnover. It is certainly an area where Wooltru would like to generate more growth.

Lastly, the Hyperette operation, with turnover of R15 million, is also a candidate for fitting into the Wooltru stable.

Wooltru had a turnover of R744 million for its last year, while Pepkor is approaching a figure in excess of this for the current year to end-February,

while at the interim stage it had sales of R409 million.

On the profit side, Wooltru reported net earnings in the last full financial year of R29 million, while Pepkor lost R16,8 million.

The two are quite similar in size, and analysts feel that the whole Pepkor group, or even the whole of the clothing division, would be too big for Wooltru to digest successfully.

Pep Stores and Ackermans had a combined turnover of R336 million. Ackermans has 39 department stores country wide, while there are 511 Pep Stores.

On the basis of a current R17 share price Wooltru is capitalised at R530 million, while Pepkor's R23,50 price gives a market capitalisation of R275 million.

# Motor industry hits 19-year low

By RALPH JARVIS  
Motoring Editor

SOUTH AFRICA'S bleeding motor industry, already struggling to regain its feet after a series of body blows this year, received another — unseasonal — thumping in November, recording the lowest monthly new car sales total for 1986 and the worst November since 1967.

The situation is disclosed in the National Association of Automobile Manufacturers of South Africa (Naamsa) sales figures for November which were released yesterday.

However, the statistics also show that Volkswagen, claiming 20% of the passenger car market (17,7% in October), was the only manufacturer to be up on its November, 1985, total (2,54%).

GMSA, hit by the three-week strike, suffered badly because of lack of units and recorded big drops in cars, light commercials and medium commercials.

However, so far this year the Eastern Cape has claimed 36,2% of the car market and 46,1% of the heavy commercial vehicle sector, thanks to the performance of Mercedes-Benz and General Motors.

Toyota remains the most successful manufacturer, with the Corolla the top-selling car.

Naamsa director Mr Nico Vermeulen said that following the improved sales momentum in recent months, new car and commercial vehicle sales last month had suffered "disappointing and serious setbacks".

Last month's sales of new cars, at 13 109 units, was the lowest monthly sales total for 1986 and the worst November total since 1967. It was 20,3% down on the October, 1986, figure and 25% lower than the November, 1985, total.

One of the hardest-hit manufacturers was General Motors.

However, GM's per-

formance was almost expected. The three-week strike hit the plant after a good October which depleted stocks. Stock could not be replenished because virtually nothing was built.

Another factor which may have affected the sales was the fact that

many buyers were awaiting the arrival of the new Opel Monza.

"Traditionally private new car buying has been strong during November and the latest lower-than-expected new car sales confirmed that the position of private buyers remained under pressure," Mr Vermeulen said.

## CAR SALES

Manufacturer*	Units	% mkt	% change on —		Year to date	
			Oct '86	Nov '85	Units	% mkt
Toyota (1)	3302	25,2	-16,1	-17,5	41885	25,8
*Samsor (2)	2 823	21,5	-17,3	-31,9	34 069	21,0
VW (3)	2622	20,0	-9,9	+2,54	28426	17,5
M Benz (4)	1491	11,3	-20,1	-26,6	17433	10,7
BHW (7)	1180	9,0	+8,5	-4,3	12467	7,7
Nissan (6)	932	7,1	-25,7	-21,7	12708	7,8
GM (5)	758	5,8	-53,4	-50	12892	7,9
Other (8)	1	,006	-83,3		72	,04
*Samsor Ford	1642	12,5	17,1	-12,3	18143	11,1
Samsor MMI	1181	9,0	17,6	-48,1	15965	9,8
Top five models						
Corolla	2 389				For Nov 85 13 109 13 109	
Golf/Jetta	2 157				For Oct 86 16 452 16 452	change -20,3%
Laser/Met	1 052				For Nov 85 17 501 17 501	change -25%
Cressida	913				For year to date 162 377	
BMW 3	836				Comparable in '85	change -12,3%

\* Indicating ranking in previous month

## LIGHT COMMERCIAL SALES

Manufacturer*	Units	% mkt	% change on —		Year to date	
			Oct '86	Nov '85	Units	% mkt
Toyota (1)	2 314	38,7	-19,6	-19,5	28 420	38,9
*Samsor (2)	1 401	26,8	-14,9	+39,7	15 104	20,7
Nissan (3)	1 052	17,6	-31,1	-32,9	15 609	21,4
GM (4)	499	8,4	-48,4	-53,4	8 894	11,09
VW (5)	498	8,3	-30,2	+46,5	5 441	7,46
Leyland (6)	7	,11	-83,7	-83,3	247	0,34
*Samsor Ford	954	16,0	-7,7	+44,1	4 318	5,92
Samsor MMI	647	10,8	-23,8	+33,7	3 609	4,95
Industry totals						
Nov 86	5 971				8 015	change -25,5%
Nov 85	7 050	change -15,3%			77 922	change -6,5%

\* Indicating ranking in previous month

## MEDIUM COMMERCIAL SALES

Manufacturer*	Units	% mkt	% change on —		Year to date	
			Oct '86	Nov '85	Units	% mkt
Samsor (2)	109	34,5	+9,2	-28,6	1 372	32,7
Toyota (1)	99	31,3	-15,4	-12,4	1 270	30,3
M Benz (4)	49	15,5	+16,6	+8,88	347	8,3
GM (3)	41	12,9	-38,8	-63,0	767	18,3
Nissan (5)	18	5,7	-45,4	-51,3	422	10,3
*Samsor Ford	39	12,3	-7,14	+178	402	11,5
MMI	70	22,1	+6,0	-49,6	690	21,5
Industry totals						
Nov 86	316				367	change -13,9%
Nov 85	459	change -31,15%			4 197	change -12,87%

\* Indicating ranking in previous month

## HEAVY COMMERCIAL SALES

Manufacturer*	Units	% mkt	% change on —		Year to date	
			Oct '86	Nov '85	Units	% mkt
M-Benz (1)	232	27,6	-1,3	-12,5	2 258	35,1
Toyota (3)	99	16,6	-1,98	-9,17	1 059	16,5
GM (4)	71	11,9	-2,7	-45,8	706	10,9
Magnis (2)	64	10,7	-51,5	-42,3	882	13,4
Leyland (5)	47	7,9	+6,8	+30,6	464	7,2
M.A.H (6)	40	6,7	+14,3		403	6,3
*Samsor (7)	19	3,2	+5,6	-63,5	342	5,3
Eri (9)	10	1,8		+400	143	2,2
Int Harv (10)	7	1,2	+250	+7,5	31	,48
Mulcoms (8)	7	1,2	-36,3	-82,5	126	1,96
Hestair (11)	1	0,2			16	,25
*Samsor Ford					126	1,96
Samsor MMI	19	3,2	+18,7	+138	216	3,26
Industry totals						
Nov 86	597				642	change -6,8%
Nov 85	842	change -29,1%			6 431	change -33,6%

\* Indicating ranking in previous month

## RANKING E CAPE'S SHARE\*

SA mfrs	East Cape manufacturers				Share (%)	
	Ex-Eo	VWSA	GMSA	MERC		
Cars	103 626	28 426	12 892	17 433	58 751	36,2
Light Comm	59 353	5 441	8 094	34	13 549	18,6
Medium Comm	3 078		767	347	1 114	26,6
Heavy Comm	3 467		706	2 258	2 984	45,1
Total	169 524	33 867	22 459	20 072	76 398	31,1
% market	68,9	13,8	9,13	8,2	31,1	

\* Aggregate for year to date.

BUS DAY



30

# Business urged to step up security

10/12/86

INDUSTRY and commerce have been urged to step up security over the Christmas season.

Chambers of industry and commerce have combined to launch the appeal after a spate of armed robberies, muggings, murders and other criminal activity.

The Durban Chamber of Commerce says: "It is sad but wise to recall the tragic bomb blast in a major shopping centre near Durban."

"This chamber has no reason to believe a similar incident will occur, but it is timely that the authorities have seen fit to warn the business sector to be alert."

The Transvaal Chamber of Industries (TCI) says the risk to staff collecting and handling pay will increase greatly during the holiday build-up.

"It is a fact of life that industrial

MICK COLLINS

premises are a target for criminals, particularly at this time of year.

"With the inclusion of holiday money, payroll totals will be much higher and the risk to staff greater. Members should be on the alert for any signs of suspicious activity around their premises."

A spokesman for the Afrikaanse Handelsinstituut has called for extra vigilance and security precautions.

"We urge industry and commerce to take all precautions. The safety of employees is of paramount importance."

A police spokesman says industrialists should use every possible deterrent to protect staff and payrolls. "When moving large sums of money, maximum security should be used."



DD 11/2/86 (30)

# Retail traders doubtful about boost to sales

Dispatch Correspondent

JOHANNESBURG — Traders are sceptical that the falling cost of loans and credit will lead to a Christmas spending boom — except in the car industry.

South Africa's largest motor vehicle distributor, the McCarthy Group, expects to see a boost in car sales, particularly in the used car market.

"Disposable incomes have been under severe pressure for a long time and the drop in interest rates — not only HP rated but also mortgage rate bonds — will put more money in people's pockets, and some of this must inevitably find its way into the car market," said McCarthy's joint MD, Mr Theo Swart.

The 2-3 per cent drop in maximum hire-purchase lending rates is

expected to stimulate furniture sales to some extent.

But the executive director of the Furniture Traders Association, Mr Frans Jordaan, said it would not provide "any major impetus for sales".

He said the actual monthly savings on a R2 000 furniture item would be only R3 a month.

The Checkers MD, Mr Clive Weil, said consumer spending should pick up but he had not yet seen any evidence of improved sales and predicted "at best a limited impact".

The OK Bazaars sales director, Mr Ken Coote, was anticipating an immediate psychological boost but said it was too early to tell if this would translate into healthy Christmas shopping.

# Capital's CBD is to be revitalised

## Pietermaritzburg Bureau

A BOLD plan to revitalise central Pietermaritzburg — including one-way streets, limited traffic movement in the CBD and pedestrian malls — has been approved in principle by the city council.

Details of the Central Area Master Plan were unveiled to councillors, representatives of commerce and industry,

heads of municipal departments and the Press at a special meeting in the city hall yesterday.

The first major project scheduled for development is a R2 835 000 pedestrian mall along a large section of Church Street, which it is hoped will be completed in time for the Capital's 150th anniversary celebrations in 1988.

Proposals for the redevelopment of Churchill Square, behind the City Hall, with extensive underground parking; semi-malls with limited traffic movement in Longmarket, Church and Retief streets, and improvements to the central industrial and residential areas, were also tabled.

Town Planning consultant Mr Reg Pheiffer said the cost of the entire project — which could be done in eight separate stages — would be R45 million, spread over a period of about 12 years.

The city council is to meet again early next year to consider the full financial implications of the master plan and how it should be phased in.

Mayor Mark Cornell said the scheme would revitalise the city: 'We have no doubt that this project, which will set the pattern for the future, will inject new confidence into private investment.'

The Central Area Master Plan, developed by a professional study team with input from key private sector organisations, community leaders and city officials, is part of the Pietermaritzburg 2000 Planning Project.

## Warning sounded

According to plans shown to councillors, the vast Churchill Square could become an exciting and active area and provide an essential green lung in the heart of the city.

Proposals have also been put forward for a subway outside the City Hall in Commercial Road (at a cost of R4 000 000).

An underground parking garage for 1 200 cars has been proposed at a cost of about R11 million.

The famous pedestrian lanes system — a vital part of the Victorian theme of the city — would be extended and the old Supreme Court gardens upgraded.

City Engineer Mr Graham Atkinson said one of the outstanding features of the central area of Pietermaritzburg was the range and quality of historic buildings.

'Planning proposals must take cognisance of this asset and where possible must enhance the setting, landscaping and use or re-use of buildings.'

City Treasurer Mr Peter Cox sounded a warning that the cost of the proposed first phase of the master plan, which included the pedestrianisation of Church Street between Chapel Street and Commercial Road and a one-way street system, would mean that other essential projects in the city — such as new roads, bridges or sewerage schemes — would have to be shelved.

Clr Rob Haswell, chairman of the town planning committee, said the overall plan for the CBD would cater for an inevitable increase in traffic and commercial activity and for a post-apartheid Pietermaritzburg where people would be able to mix more freely than in the past.

# BUSINESS IN PROFILE

30 WEEKLY MAIL 12/12/86

"HELLO, my name is CLIVE. I'm here to help," reads the button on his shirt. It says a lot about the management style of Clive Weil, MD of Checkers SA, the substantial businessman with the substantial television presence.

If you've never seen his ads, you've never watched television. And if you don't have an image of him as the rolypoly-jolly-chap-who's-keeping-the-prices-down-for-YOU, you must have been asleep. As a result of the advertising campaign, he's probably one of the best-known faces in the land.

Educated at Selbourne and Queens colleges and Natal University, Weil took over at Checkers last year. At 39, he now controls South Africa's largest supermarket chain (with an annual turnover of around R2-billion) and believes that relationships between staff members can contribute to the process of change in the country. "We've got to become a lot more informal in the way we interact as Checkers people," he says.

He believes white South Africans are going to have to make "a lot of compromises" in order for an equitable system to emerge out of apartheid, and this informs his views on unions, politics and the future. He spoke this week to **SHAUN JOHNSON**.

**What role do you see for Checkers in the process of change?**

It's difficult not to sound paternalistic, but I really believe there's a lot we can do by setting an example, by trying to improve the lot of our employees. These are people we reach directly — we've got some 17 000 people working for Checkers.

Having said that, I am very aware of our record at Checkers as an employer, and it hasn't been a particularly great one. It has, in many ways, been predicated by the lack of

financial success of the company. But I have been on record talking to my staff telling them that they will benefit when the company is in a position to improve the situation.

I'm personally committed to trying to set a few examples within the company. In my mind there isn't a distinction between black and white — we have Checkers people.

I'm also well aware that our relationships with the unions are not always of the best, and I personally work very hard on trying to turn the other cheek, not over-reacting to some of the actions of politically aware trade unionists, et cetera. I believe we've got to stay cool and we've got to keep talking.

If there's anything that I believe can help the situation in South Africa, we've got to keep talking, and talking to everybody, whether it's the lunatic left or the lunatic right.

**What is your attitude to the growth of the union movement?**

To me it's a very sad indictment of management in South Africa that since the advent of the unions, communication between employer and employee seems to have improved dramatically. And there's no question that the union movement has been a powerful force for change and generally positive.

The union movement in South Africa has been highly politicised and is fighting a political struggle, as well as a struggle for their workers in improving the content of their jobs and conditions.

I am perfectly happy with the way things have gone in improving basic conditions. I do think, however, that it has tended to be a little bit over-politicised. I think that perhaps some of the very overtly political demands that have been made have, in fact, caused some employers to back off a little bit.

I don't mean that in a hypercritical way — it's just an impression. But the attitude of the unions is quite understandable from my point of view.

**Do you have a formalised affirmative action programme?**

No, but I think when you look at the levels of achievement by many non-whites, you will find we have many, many non-white store managers for example and many in senior positions.

This also applies to females. We're talking about the need for non-discrimination on age, sex and colour grounds in this country. But as far as



My name is Clive Weil

should be particularly publicised. If one looks at the psyche of the governing party and the cabinet, these are not people that are particularly mindful of that kind of public criticism or comment. It can be counter-productive. We should be talking openly in closed forums.

If Gavin Relly wishes to have another discussion with the ANC, I think he should go ahead. Perhaps he should avoid the kind of publicity he had the first time.

**How do you view the sanctions movement?**

My personal view is that sanctions are counter-productive. I am horrified by many of the remarks which are made to me by customers, suppliers, people we interact with. I'm concerned we're colour-blind.

Recently there has been a furious debate over the extent to which business should get overtly involved in politics. What's your feeling?

I'm not an overtly political animal. I do believe I have a right to speak my mind, but I don't always believe that using the media as a platform to address the government is going to achieve the right results.

If people believe they need to talk to the ANC to get a perspective, they have a right to do that. In the same way, they have a right to talk to the AWB.

I don't believe the discussions which seem to be more comfortable behind the *laager* which is being created than they were prior to its

erection. **Is Checkers affected by sanctions?**

Not particularly, because we don't have a heavy exposure to imported material. But I have to tell you there's already a body of opinion amongst consumers which is looking to boycott products of countries which have overtly supported sanctions — products of Scandinavia, Australia and New Zealand for example.

**Do you see Checkers playing a part in transition in this country, and are you optimistic about the future?**

We are certainly a major part of a community wherever we have a store. We're close to the community because we do business with millions of South Africans.

I think we have our ears to the ground and we're very close to the action. What continues to amaze me is that there is still such a relatively good vibe amongst the races. Taking everything into account, I think historians 50 or 60 years down the line are going to marvel at the relative lack of violence and overt frustration at this particular point in time.

But we've got to really start moving, making the right noises, speaking to the right people. And the people who are going to have to make the concessions are obviously the whites.

We're going to have to make concessions in just about every way we know — standards of education, standards of living, how we conduct ourselves publicly and privately. Just how quickly these concessions are going to be demanded of us is dependent on our ability to talk.

**What is your attitude to the State of Emergency in that light?**

I think it's very dangerous if we allow the State of Emergency to become a permanent part of life in South Africa. That gives people the impression that we no longer need to talk, that things are under control, when they're not.

The solution ultimately lies in concessions coming from the white side. If I were to negotiate, I would negotiate on the basis that I would be forced to give up something.

I believe whites are entitled to a place in the sun. We are white Africans — I was born in this country — but perhaps my place in the sun 25 years from now might not be as comfortable physically as it is right now.

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## Weaving deals

An announcement this week of talks that could lead to a deal between Wooltru and Pep Stores had analysts scratching their heads for a good explanation. Heavy trading in Wooltru shares had presaged a deal of some kind, but few if any had anticipated a merger of two groups so different in culture, target markets and trading ethos.

If present conjecture proves correct, then substantial value could be unlocked in holding company, Pepkor. Some insiders believe the deal could involve nothing less than the complete takeover of newly-listed Pepkor subsidiary, Pep Stores — capitalised at around R450m — by Wooltru.

If so, this could be the largest retailing takeover in years. It would certainly dwarf other corporate deals of 1986 with the exception of the Barclays Plc disinvestment. Negotiations are in an infant stage, with final details expected only in late January. Both Wooltru group CE Tony Williamson and Pepkor chairman Christo Wiese declined to comment.

There are obviously many permutations for a possible agreement. Present thinking is that Wooltru is considering acquiring Pepkor's 99,5% stake in Pep Stores for a combination of Wooltru equity and cash. Given that Wooltru has limited cash resources, a deluge of new Wooltru equity would be needed to fund the acquisition, leaving Pepkor with a large, possibly even controlling, interest in Wooltru.

Wooltru management, which does not have control, is unlikely to pass control of Wooltru to any one shareholder. This would suggest the deal could be structured in some way that allows Pepkor's holding to be diluted to less than the 25% which is currently held by Old Mutual, the largest shareholder. Or the deal could simply amount to a cross shareholding arrangement which gives, say, Wooltru 15% of Pep Stores, while Pepkor gets an equitable stake in Wooltru.

Apart from Pep Stores, Pepkor currently has various other assets, including the controlling stake in supermarket chain Shoprite. The remaining assets are, however, small compared with Pep Stores.

Pep Stores — consisting of a massive trading base of 545 retail outlets, including 39 stores in the Ackermans chain, and seven factories — came to the JSE in November with a sparkling record of 35% compound growth since 1983. After-tax profits reached R30,9m in the year to end-February 1986, and were forecast to rise this year to R36,1m, equivalent to 79,2c a share. At the current price of 975c, and on a projected p/e ratio of only 12 times, Pep Stores' shares still look attractive.



Pepkor's Wiese ... unlocking wealth

The deal could make sense for Pepkor group, which is grossly undervalued relative to Pep Stores. On current market prices, Pepkor has a capitalised value of R280m compared with R450m for Pep Stores. By selling the subsidiary for a combination of cash and tradeable equity, Pepkor chairman Christo Wiese apparently hopes to shift Pep Stores' capitalised wealth up the group structure, where it will benefit himself and minority shareholders in Pepkor.

When Pep Stores was listed in November, through a reverse take-over of Bearman, Pepkor was left with a stake of 99,5%, way above what the JSE normally allows a controlling shareholder to retain. At the listing, the JSE gave Pepkor six months to sell sufficient shares to give Pep Stores the minimum spread of shareholders. The mooted deal with Wooltru could pre-empt such a move and could even result in Pep Stores being delisted.

The whole idea of the link-up is certainly surprising; but the synergy, according to a senior analyst, is "so obvious nobody could see it." Pepkor stands to gain links with a highly-rated blue-chip retailing group. From Wooltru's viewpoint, Pep Stores represents an important move into the bottom end of consumer marketing — and a move which management has for some time perceived to be necessary.

The black market is now seen as the best source of powerful growth. In its traditional niche at the top end of retailing, the Woolworths chain appears to be slowing down. Pep Stores has successfully specialised in mass production and retailing of basic, low fashion garments.

Analysts seem sceptical of any further merger benefits emanating from the tie-up. Administrative functions could be merged, but it is stretching the imagination to think of Pepkor's high-volume basic-lines factories churning out garments that comply with Wooltru's impeccable standards. It seems likely the groups would retain separate iden-

titles, while maintaining a close association.

Shares in Pepkor, at R23,50, and pyramid Peggro, at R15, should be watched closely, although both have gained sharply on speculation. Any attempt to move the unrealised wealth of Pep Stores up the group structure could boost the shares.

Neville Glaser

EUREKA/H & J

## Deal tied up

Eureka chairman Ronnie Price has a history of negotiating deals at below market price and likes to boast that he will only buy assets at net worth. The price put on H & J Cables (H & J), in the long-expected reverse takeover by Eureka's unlisted subsidiary Oak Industries, meets the first of these criteria but not the second.

At 135c, it is certainly below current market price of 340c, but much of the present price has been added on rumours of the Eureka deal. Moving off a low of 65c in August, H & J climbed from 175c to 300c in a week as rumours grew stronger and last week the share reached a high of 380c.

The price paid for H & J is some 20% above net worth of 112,9c a share. But Price sees synergy potential to justify the premium. "The strategic value of these two together is unlimited," he claims. "We try to dominate market niches and these two companies combined give us wonderful opportunities for that."

H & J receives the entire share capital of Eureka subsidiary Oak Industries in exchange for 5,2m new H & J shares at 135c a share, a total consideration of just over R7m. Eureka's holding in the newly reconstructed H & J is reduced to 4,85m shares or 49,7%, as 350 000 H & J shares are being sold to executives and brokers, who are turning an immediate profit. H & J's net worth will rise by 11,8c a share and earnings for the year to September 1 1987 are forecast at 20,5c (9,3c) a share.

Eureka benefits by a net worth improvement of 35c a share. Earnings would have been 2,5c a share or 7% higher had the deal been done in the 1986 financial year.

H & J could do with some profit growth as earnings rose only 3% last year after falling 11% in 1985. Forecast earnings put the earnings yield at 6% against the sector average of 6,8%, so the share looks pretty fully priced on its present earnings potential. But Price has for some time wanted to list the group's electronics activities and the market obviously expects him to use this vehicle for other deals.

ent stores. In one case, says UPC's Peter Bester, the comparison of documents emanating from the buyer's department, those issued to the receiving clerk, and those brought by the delivery driver took 48 min. In another, clearance delays took the off-loading time for 13 vehicles to a cumulative 14 hours, at five bays.

UPC recommends that when an order is made it should follow the style of one "hard-copy" document, with one copy going to the supplier and acting as a delivery note, and another going to the in-store receiving clerk.

The effects of physical incompatibility are also costly. For example, 400 cartons on 10 pallets took 150 min to be delivered at one store as they had to be repalletised to conform to store requirements. On the other hand, a delivery of 728 cartons on 17 compatible pallets was unloaded in just 21 min. UPC estimates that improved materials handling and packaging could save R1.9m at the 229 retail outlets on the Reef.

It also reckons that better use of working hours — staggering deliveries throughout store operating times — could save 7 000 man-days a year and R2.1m on vehicle operating costs. This would, of course, need co-operation between all retailers and all suppliers — unlikely at present.

However, Checkers' MD Clive Weil says there must be a meeting of minds on the issue. And Pick 'n Pay's Peter Dove says: "Distribution is one of the keys to retailing success. We realise that we're going to have to co-operate with suppliers and other retailers to a much larger degree."

The GMA's Jeremy Hele says: "It's time we united in the battle against losses caused by everyone's inefficiency and sought to solve the problems caused by many manufacturers trying to deliver simultaneously to the same stores."

12/12/86  
RETAIL COSTS FINAL

### Fine tuning

In the light of expected price hikes by grocery retailers in the New Year, increased attention is being focused on the cost of distribution of goods to stores. This, including warehousing and transport, accounts for 5%-6% of the retail price.

A new study by Edgars group's UPC Retail Services for the Grocery Manufacturers' Association (GMA) shows that massive savings could be made in this area — and passed on to the consumer.

The biggest distribution problems occur at grocery outlets' "backdoors." Paperwork and clearance delays lead to queues of vehicles standing idle — at an average cost of R30 an hour for each truck, driver and two porters.

However, retailers are by no means entirely to blame. Lack of cohesion in the supply sector has brought about chaotic delivery schedules, and the use of vehicles and package sizes which are not always compatible with the stores' materials handling capabilities.

The UPC study, conducted at retail outlets on the Reef, concludes that streamlined paperwork flows alone could give annual savings of R3,25m in the region. This does not take into account the benefits which could flow from staff cuts and reduced overtime.

At present, order documentation is not standardised; nor are the terms used by suppliers and retailers to describe products or the stock control procedures used by differ-

DD (30) 13/12/86

# Dismissed store workers reinstated

**EAST LONDON —** All dismissed workers from Mdantsane and Amalinda Checkers stores had been reinstated with no loss of benefits, according to a statement issued yesterday by the interim area chairman

of Cosatu, Mr M. Tom.

He said Cosatu appreciated the efforts of the community in the dispute, and said it was a victory for the workers and the community.

This follows the dismissal of about 116 workers from Mdantsane and Amalinda stores early in November.

Workers at the Mdantsane store went on strike over a change in shifts, and fellow union members at the Nahoon and Oxford Street stores staged sit-in strikes in sympathy with their dismissed colleagues.

Checkers' regional manager here, Mr R. Alcock, was not available for comment yesterday. — DDR

# Several factors combine to bludgeon car industry

(30) WEP  
13/12/86

By RALPH JARVIS  
Motoring Editor

SEVERAL factors combined to bludgeon South Africa's stricken motor industry in November.

The tumble in last month's sales figures led the director of the National Association of Automobile Manufacturers of South Africa (Naamsa), Mr Nico Vermeulen, to say the industry had suffered "disappointing and serious setbacks".

New car sales for November, at 13 109 units, were the lowest of the year and the worst November sales since 1967.

Sales of light (5 971 units), medium (316 units) and heavy (597 units) commercial vehicles also showed substantial declines compared to previous months.

For the record, car sales dropped by 20% over October this year and 25% over November last year. The corresponding figures for light commercial vehicles were -25,5% and -15,3%, for medium commercials -13,9% and -31,15% and for heavy commercials -9,8% and -29,1%.

Not a happy position.

Mr Vermeulen made it plain that among the factors behind these drops were resis-

tance to higher new vehicle prices, pre-buying during October to avoid expected price increases, reduced demand by the corporate segment and fleet operators and lower State tender deliveries.

Traditionally, too, private new car buying had been strong during November "and the latest lower-than-expected new car sales confirmed that the position of private buyers remained under pressure", Mr Vermeulen said.

"The industry's problems were compounded by the fact that corporate and fleet operator new vehicle purchases, which had served to underpin the market in recent months, declined during the month of November."

Mr Vermeulen said new car sales for 1986 would probably not exceed 176 000 units, while light commercial vehicles sales were expected to reach 79 000 units for the year.

But if you think that's bad, Mr Vermeulen had an even gloomier forecast for medium and heavy trucks and buses.

These, he said, were expected to turn in the worst industry performance in the last 20 years, reaching only some 11 500 units during 1986.

[Faint, illegible text, likely bleed-through from the reverse side of the page]

# Happy Christmas hopes for retailers after the battering

A FEATURE of this year's Top 100 roll call is the weak showing of the retail sector. Seven retailers made it to the Top 50 in 1985, but this year only top company Waltons and 40th placed Pick 'n Pay made the grade.

Further down the lists are furniture retailer Ellertine Holdings (51), Clicks Stores (53) and bringing up the rear Foschini in 88th place. Last year the line-up was Waltons (5), Pick 'n Pay (6), Clicks (21), Pepkor (25), Foschini (32), Wooltru (39), CNA Gallo (43), John Orr Holdings (91), and Garlick (95).

## Hostile

The retail sector has been battered and bruised in a hostile climate that culminated in the worst Christmas



Eric Ellertine... boost from easter HP

early in October, the share price fell from about R43 to R39. Since then it has stumbled to R32, its lowest in a year, as the market specu-



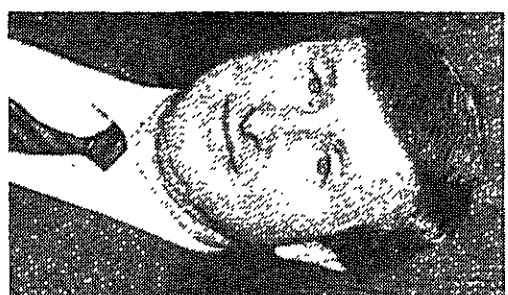
Harry Goldin... Clicks expanding abroad

which added millions to turnover. Only in the case of furniture dealers did real sales over the Christmas period



Stanley Lewis... Foschini higher and higher

to be easing, some retailers are concerned that it was in expectation of boycotts in December.



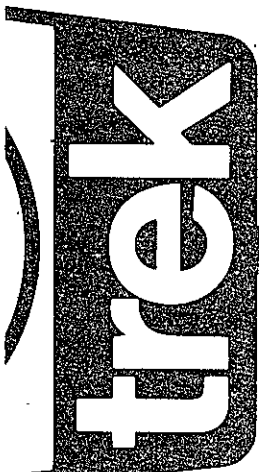
Jack Garlick... Christmas hopes

At its current level, the share price rates a PE of 24.2 and dividend yield of 1.9%, reflecting views that the



Raymond Ackerman... entering black market

expectations are for earnings of about 210c a share, so investors are likely to push the price higher still because there is a belief that the group is firmly back on the



term arm, but 85% of earnings and assets reflect Liberty Life. So we exclude Liberty and keep in Liberty.

We excluded Southvaal, Elsburg and Lydenburg Platinum because each of these companies holds shares in one specific mining company. Its performance mirrors that of an operating company.

But we did not exclude investment trusts and parcels of shares like Indsel, Natsel, South Atlantic, or Fugit, on the grounds that each has a

There is nothing outlandish about our system of measurement. Many a portfolio manager monitors performance along these lines and Fortune magazine does something similar in its Fortune 500 tables.

It is well known that certain shares can be up to six months old. Certain share prices can also be lifted by 30% on a single 100-share deal.

For one reason or another, we eliminated the 100-share deal.

is divided on this question. Some say the uptick was merely the expression of demand pent up by boycotts — and rent strikes — plus buying ahead of inflation. The pessimists say there is not enough consumer wealth to continue the upturn.

The bulls, on the other hand, reckon consumers have degraded themselves after two years of no pending and plus export boom plus that the inflation rate is high, reflecting views that the

Inflation continued to soar. The CPI rose nearly 20% in September. The September graph shows the September 1986 rate of inflation at 12.5% odd.

Inflation rendered real interest rates negative and there were real demand inflation fears that demand inflation cost more than it brought in. The group is firmly back on the

30

98	58	48	3
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# Records fly as Xmas shoppers go on spree

**Post Reporter**  
CHRISTMAS spending in Port Elizabeth is setting new records.

One hypermarket said its season was better than ever before — and Saturday's turnover was 16% up on its previous best day.

Other leading stores

reported unprecedented spending and expected to finish the season with all-time turnover records.

Mr Fred Perl, general manager of Pick 'n Pay Hypermarket at Hunters Retreat, said: "It's been unbelievable. Saturday brought in the record

number of shoppers and gave us our record daily turnover — 16% higher than ever before.

"Textiles, toys and audio-visuals are going well. By and large, people are being practical, shopping for useful presents

Mr J Spies, general

manager of Checkers at Greenacres, said: "We had a super Saturday and the trading last week was much better than anything we saw last year.

"Toys are going very well."

At Grand Bazaars, Mr Ian Stevens, regional

manager, said: "We are doing well. People are going for the practical gifts — electrical appliances, bedding and household items.

"They are making sure they are getting two items for the price of one — a gift on the one hand, and something functional on the other."

**Dealers  
rally  
round  
new GM**

*Post  
17/12/86  
30*

Post Reporter

THE chairman of the General Motors dealer council, Mr Mike Nieuwoudt, announced that all but two of its 200-strong membership have renewed their dealer selling agreements.

The two are expected to be signed up before the end of this week.

Mr Nieuwoudt said the dealers had rallied around the management buy-out team.

"Initially, a few dealers had doubts about the ramifications of the new deal, but we are now solidly behind it," he said.

He added that dealer support was also a strong vote of confidence in the new Monza range.

Dealers started receiving Monzas early in December and virtually every dealer has a new model as a demonstrator.

Initial response from the public has been excellent and sales are expected to take off once the national advertising campaign starts in mid-January.

# Everything is not OK

ALAN FINE

GIANT retailing chain OK Bazaars could be hit by strikes at its outlets countrywide in the last few shopping days before Christmas.

This follows a breakdown in wage talks with the Commercial, Catering and Allied Workers' Union (Ccawusa).

Ccawusa began holding strike ballots among its more than 7 000 members yesterday and plans to complete the process today. The company is facilitating the holding of ballots.

A union spokesman said more than 90% of members in Durban stores have voted for strike action.

Conciliation board talks deadlocked last week with the OK saying it was unable to review wage increases granted for 1986. The 1986 agreement included a clause saying it would be reviewed if profits turned out to be more favourable than expected.

The company made an offer of R85 across-the-board increases for 1987. However, the union refused to accept the absence of an improvement to the 1986 agreement.

Business Day Reporter and Sapa

SWAZI officials were tight-lipped yesterday on the growing abduction controversy between SA and Swaziland.

Tension was fuelled by this week's questioning of SA's trade and consular representative in Swaziland by Swazi officials.

A Foreign Affairs spokesman in Swaziland said possible submission of the case to the World Court was something which would have to be decided in higher government circles. He could not pre-empt any decisions it would make.

In a further development, thousands of rounds of Soviet-made ammunition were confiscated on Monday when two men were arrested by SA police on the Swazi border at the Bordergate border post. A third was arrested after further investigations.

The Swazi Department of Foreign Affairs could make no comment yesterday as it had no knowledge of the arrests.

Investigations indicated the ammunition was brought from Mozambique via Swaziland. Police are still investigating.

Swaziland is to comment later this week about action it is to take against SA in the light of the abductions, a spokesman for Swaziland's Department of Foreign Affairs said yesterday.

SA's trade representative in Mbabane, Sam Sterban, was summoned to the Cabinet office and to the Ministry of

# Mbabane

mum on

# nabbings

Foreign Affairs this week for discussions on last week's raids into Swaziland.

Informed sources said Sterban was asked to find out the reasons for the raids and the whereabouts of the missing victims, Grace Cele and Matthews Maphumulo. The latter is believed to have died from a gunshot wound received during his abduction on Friday.

The Swazi government has demanded the immediate, safe return of Cele and the return of Maphumulo's body.

It is understood Sterban told the Swazis he had no knowledge of the circumstances surrounding the raids or the missing victims.

Central Mbabane residents were awoken by a loud explosion on Tuesday night. So far, there has been no explanation of the blast. The town is tense after Friday's series of raids and abductions.

BUD DAY  
18/12/86

It's 'make or break' for retailers

30

# Christmas sales will be crucial for furniture dealers

Industrial Staff

FURNITURE traders say December sales have been strong, but the week to Christmas will "make or break" the year.

Furniture shopping by both blacks and whites is expected to increase by 50% this month over November.

Furniture Traders Association president and Russells MD Ian Sturrock says this upturn is in line with expected cyclical trends.

Most retailers report a real increase in furniture sales for this holiday season, compared with the same period last year — but they will not relax until Christmas has passed.

Traditionally, furniture traders make 15% of their annual sales during December.

"The next few days are critical," says Sturrock.

Price Furnishers reports a 57% increase in turnover for this November compared with the same period last year.

Price MD Sid Trickett forecasts possible stock shortages as sales continue to boom after factories have closed down for the holidays.

The big furniture chains, carrying large stocks, are prepared for the upturn but Sturrock says some of the smaller operators may "have their backs to the wall".

Traditional holiday shopping, Christmas bonuses and dropping bond rates are cited as paving the way for brisk trade.

The dropping of the maximum hire-purchase rates last week has had virtually no impact on sales.

Joshua Doore director Dick Behrens says the announcement was given limited Press coverage.

Beares has seen a real growth in sales of 10% this year, but a spokesman says "the crucial period is just about to begin".

CNA GALLO

# Falling into step

(scribble)

(30)

FUN MATH  
19/12/86

A weakening rand, boycotts, import duties, disinvestment, and languid consumer spending have sounded discords in the CNA Gallo duet since the two groups merged in 1983. The first bars of a more harmonious tune were sounded in the six months to September, when indications emerged that the group was breaking out of its depressed earnings groove.

A reviving market and improving efficiencies in the organisation resulted in interim margins widening from 2,8% to 3,2%. The past year saw the merger in the literary division of American & Overseas Publications and Universitas, while the entertainment division reduced the number of record companies from five to three. Loss-leaders are now largely rationalised and, after several disposals, the group is clear of companies which do not fit corporate strategy.

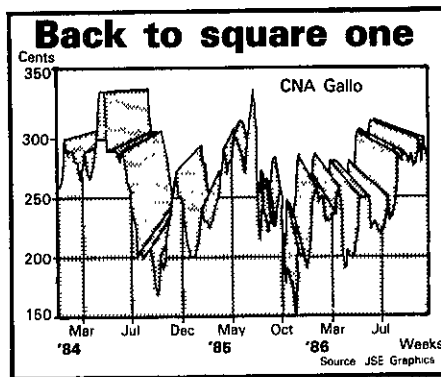
MD James Mackness says there could be further sales if certain areas of over-capacity are identified, but the record manufacturing business has been cut back as far as it can be. Apart from further minor rationalisation, the group is looking to improving markets to help maintain the better earnings trend established in the first half. Mackness is realistic about this.

"There is no question there's been a freer spend on the entertainment side, but the retail division will lag the upturn," he says.

CNA division MD James Lowman says sales have increased by about 10% this year, and if the latest upturn in spending is led by

**CNA Gallo is beginning to overcome the problems which arose out of the 1983 merger. While it's still early days, and investors are cautious, the stock is likely to soon show a better performance than the pattern of the immediate past.**

black consumers, CNA will not benefit to the same extent as the entertainment division. That division reports an appreciable improvement in sales to the black market, which accounts for about 50% of sales.



While the group does seem to be dancing to a more lively tune in recent months, and analysts believe earnings should recover close to 1984 levels for the year, there re

mains some investor wariness. This is evidenced in the less than scintillating performance of the share price, which rates a prospective p/e of about 7,2 and dividend yield of about 5,8%. One retail analyst says CNA Gallo's apparent vulnerability to socio-political issues is causing the cautious investor attitude. Investors perceive such threats as including strikes, boycotts, a weaker rand, disinvestment and sanctions.

The group averted a potential strike at Christmas last year — a wage dispute with the Commercial Catering and Allied Workers' Union (Ccawusa) was finally settled after conciliation board hearings. Management granted shop assistants an average wage increase of R580 a year.

This year, Ccawusa declared a dispute in July and 600 workers went on strike in November after rejecting a company offer of an R85 a month across-the-board increase. The union was demanding R105. Strikers staged noisy protests, roaming CNA stores at peak shopping periods singing songs and brandishing placards. The dispute was settled this week, with the union accepting the R85 a month offer.

These two settlements mean the average wage for CNA workers will have increased by 41% from R354 a year ago to R500, but this increase has reportedly already been written into the group's budgets for the year, and should not cause management to revise forecasts for the second half.

As far as any concerns about boycotts are

concerned, CNA stores, at least, are not greatly exposed — Lowman says black buyers are in the minority in these stores.

Disinvestment has already been costly for the group. US record giant CBS pulled out of the South African record market in April and Gallo Africa had to pick up the tab for the 49% stake which CBS held in Gallo's Gramophone Record Company (GRC). The purchase was funded by borrowings which increased from R19m at year-end to R27m at interim. There is concern about further disinvestment, but Mackness says that only one other partnership could be vulnerable to disinvestment.

When the book trade campaigned against the import surcharge on books earlier this year, it complained that the surcharge, the weaker rand and GST had caused book prices to rise by 120% since 1982. The surcharge was dropped in March, but the weak rand has kept prices high.

To counter the price rises, the group has cut back on stocks, reducing the range of products in certain branches, and every opportunity to increase local production is being investigated. Mackness says CNA's support subsidiaries have a particularly important role to play — the division includes publishing, card and stationery operations.

Ian Outram, director of the support division, says about 60% of all hard-cover books (including Bibles and road-maps) sold by the group are now produced locally. He says the group is looking at local manufacture of any product which is sold in sufficiently large volumes. Local printing of imported magazines is more difficult because of short runs, but CNA Gallo is negotiating wherever possible to have them printed in SA.

The group believes books will be exempt from foreign government legislated sanctions because of the educational nature of the product, but the record business appears vulnerable to anti-SA sentiment.

While some 98% of all records sold by the group are locally manufactured, overseas licences make up the lifeline of the business. Gallo division MD Doug Band says provision has been made for sanctions by negotiating long-term agreements with licensors. Should any licensors breach the agreements, CNA Gallo would still hold the rights to the music, and would have the right to use alternative sources.

The group has also made provision in its accounts for possible artists' boycotts and unstable currency and market conditions by writing off video and music contract advances on payment or release of the product, whichever is earlier. This change of policy was introduced in the last financial year — in previous accounting periods these advances were written off over the contract period after taking into account sales achieved.

The effect was to reduce earnings from 41,7c a share in 1984 and 42,8c a share in 1985 to 39c and 26,1c respectively — the adjustment took some R5m off the bottom line in 1985. The change in the accounting

## CNA's UNEVEN RECORD

	1984	1985	1986
Turnover (Rm) .....	283,6	292,5	309,2
Earnings (c) .....	39,0	28,1	26,2
Dividends (c) .....	16	16	12

policy will not materially affect earnings this year. Goods being sold in the current year are royalty free, owing to previous write-offs, and this will balance the advances being written off in the current year.

Socio-political concerns aside, CNA Gallo has good growth prospects in several avenues. The entertainment division is expanding into the high-growth video field, and since the acquisition of the Mandalay video business last year, it has the largest video production facility in SA. Band says this area offers substantial growth opportunities, especially in the manufacturing of advertisements and training and educational videos. The group is also expecting good growth from its 100 newly established video outlets in CNA stores.

This year the entertainment division is expecting to recuperate from earnings depression. Pre-tax profit from this division has fallen from R9,4m or 39% of group profit in 1984, to R930 000 or 6% of group profit in 1986.

Band says the division will contribute to group profits in a similar proportion to 1984, which suggests a return to profits of about R9m, while the retail division, which contributed R8,4m in pre-tax last year (R9,3m in 1984), will have to run to keep up. The support division, which has nurtured steady profit growth in the past three years, should push its contribution to more than R6m.

Management declines to comment on ana-

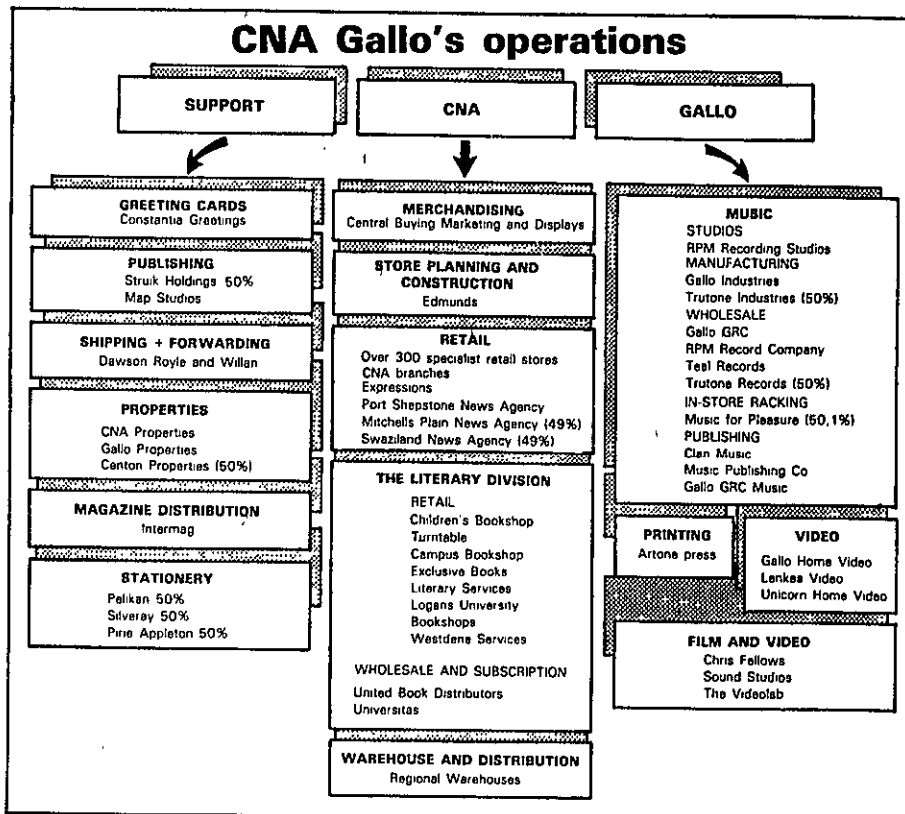
lysts' speculation that the group could earn R12m this year, but the interim earnings of 9,8c a share, coupled with last year's second-half performance, when earnings were 23,4c a share, certainly lend support to projections of earnings of about 38c for 1987. In addition, Mackness says experience has shown every Christmas to be better than the previous year; and, although he does not altogether agree that spending power is greater than last year, he believes CNA Gallo is filling a larger proportion of consumers' Christmas shopping bags.

The group expects operating margins, which fell to 6,7% and 6,2% in 1985 and 1986, will top 7% for the year, and the interest bill will fall because of lower borrowings and rates. Borrowings have been reduced, despite payment of cash for the GRC and Mandalay acquisitions, because cash was realised from the sale of certain listed investments. The tax rate, a full 50% last year, will be about 43% to 44% this year as assessed losses have been absorbed.

While financial director Malcolm James says the board would eventually like to raise dividend cover to three times because of high inflation, analysts expect the group to maintain its final dividend of 12c to make a total of 16c for the year, representing cover of 2,38 (2,18).

While the share is unlikely to be rated at the same level as high fliers in the retail sector, at 275c it is certainly enjoying less support than deserved. Certain reservations might be well founded, but the group has a sound financial structure and is scrambling to cover up its exposed flanks. Good results in the second half should win it some friends and help the share price climb out of its ditch.

Kerry Clarke



# All that Jazz

35 FIN MARK 19/12/86

By the year 2000 South African blacks will probably account for two-thirds of a total annual retail expenditure of some R240 billion. Already they are estimated to provide 40% of the national retail spending cake, currently estimated at R32 billion a year.

Aiming to ride this wave is recently-listed Jazz Stores. MD Clive Sacher is insistent that the company will not alter its aim of marketing to C and D income groups, although the demands of these may alter with increasing urbanisation. There is good reason. Sacher, who founded Jazz Stores 10 years ago, is convinced that the most important factor in its success has been niche marketing.

On the other hand, he is equally adamant that Jazz customers are not being patronised: "They are treated as first-rate consumers at the level on which they wish to purchase."

Sacher says that he started the company when he realised that existing super-market chains were not specifically catering for blacks. His first store was on the first floor of a building in Industria and, because of its unusual location, suppliers were at first reluctant to believe the concept would work.

However, two things gave it an edge in the black market. The first step was to take black haircare and beauty products from under the counter and put them in open gondolas. The second was the practice of giving customers till slips — an important indication to blacks, Sacher says, of honest trading.

In the early years he depended on staff to tell him what would sell and what wouldn't. He says he only once made the mistake of ordering stock

that he liked without consulting the floor-walker in that department. The result was a line of R7 men's shirts that wouldn't move, even at the eventual knockdown price of 99c.

Sacher learned his lesson well. By 1978 there were three more branches of Jazz, and a warehouse. Today there are 40 stores in the Transvaal, ranging from 500 m<sup>2</sup>-600 m<sup>2</sup> shops in smaller centres and at commuter points to 1 500 m<sup>2</sup> superstores.

The company's marketing strategy recognises the major requirements of the urban black commuter, taking into account convenient location of outlets, breadth and depth of range and pack-size preferences. Each store offers a range of 2 500 to 5 000 items, depending on consumer expectations as shown by formal research.

One key factor which has already emerged is brand loyalty — blacks do not want no-name or housebrands, but they do want what Sacher calls KVIs — known value items.

Jazz promotions — mainly in the form of pamphlet drops and radio spots — are geared to take account of this.

Jazz Stores was listed on the JSE last year and this year joined the Tradegro group, taking over 10 Checkers stores which had been identified as C and D customer sites. This effectively pushed turnover from R22m to R86m in one fell swoop.

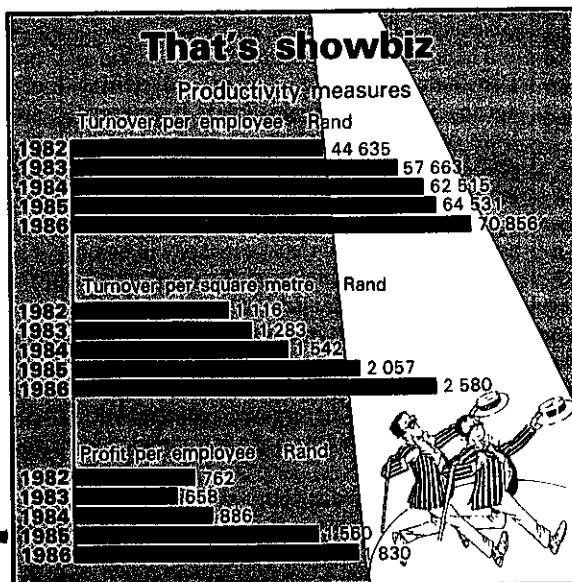
It is a tribute to the management team, says Sacher, that the increased administrative burden was rapidly and smoothly absorbed. Indeed, so good did it look that, amid fierce competition, the group won the management contract for Soweto's Blackchain stores.

In order to overcome suppliers' concern about delivering to township stores, Jazz has evolved a system of delivery to its central warehouse and undertakes redistribution itself. Meanwhile, computers have been installed in all large stores to handle inventory control and increase margins through fine-tuning the sales mix.

The group's next move will be to take over more Checkers stores — but only those which fit into the C and D categories.

The acquisition of one-man operations and more small chains, along the lines of last week's R5,75m acquisition of 14 Dec Bee supermarkets, are also on the cards. Jazz will also open new stores and is looking to use its retailing expertise by seeking more management contracts from black entrepreneurs.

It has already opened one homeland store, at Sibasa in Venda, and Sacher says there will be other developments in these areas.



# Running on empty: Tales from two

SEFAKO NYAKA reports on the Johannesburg bus boycotts

30

**THE BUS DRIVER**  
When the bus was stoned I ignored the pain and drove on until I lost control ...

PUTCO driver Lucas Makhele counts himself lucky that glass splinters from the windscreen of a bus he was driving didn't cause permanent damage to his right eye.

He thinks the wire-mesh on the windscreen and side windows prevented more glass splinters hitting him in the face when the windscreen was shattered a fortnight ago by a stone hurled at the bus.

But the wire-mesh no longer provides adequate protection against attacks.

"Apart from the fact that stones can bend the wire, the use of petrol-bombs has added a greater risk to drivers," he said this week.

"When the windscreen is shattered, petrol goes quite easily through the mesh, and my fear is that one-day a driver is going to be turned into a human torch.

"But I still feel that if the bus had not been fitted with the wire-mesh I might have been a dead man today, because the force of the rock caused the wire-mesh to bend and broke the window."

Ever since the Putco bus boycott started in Soweto three weeks ago, Makhele, a father of two, has been worried about his safety.

"When the bus was stoned in Rockville I ignored the pain and drove on for about 200m before losing control.

"Fortunately the bus had by then considerably slowed down and just came to a stop in the middle of the street.

"I shudder to think what could have happened had I stopped next to where the bus was stoned. Who knows — I might have been killed," he said.

Makhele's plight is shared by other Putco drivers in Soweto.

Since the boycott began he has seen several of his colleagues return in a state of shock to the bus depot outside



Graphic by Carl Becker.

### Diepkloof.

In most cases the front and side windows of the buses had been smashed in.

Makhele has listened to a colleague describe escaping from a flaming bus after youths tossed a petrol-bomb through the window.

What is worse — he has seen one of his colleagues, Zacharia Mudau, fighting for his life at the Baragwanath Hospital Intensive Care Unit after being hit by a boulder and flying glass while transporting commuters in Zola.

"As a driver, I am aware that my life is in constant danger," he said.

Makhele is worried that Putco's management "doesn't seem to be doing anything about the problem.

"They just send us out into the township and expect us to work as best we can."

Security Forces only provide protection at bus depots and termini, "but on the township roads we are alone".

Not that he would like to see Security Force members on the buses "They will only worsen the situation, because when a bus is stoned they might immediately open fire.

"And if people get killed we will be accused of being party to setting a trap."

Asked whether drivers are briefed on how to react in a situation where a bus is stoned, Putco's public relations officer, Pat Rogers, said he could not "think of a specific briefing that one could give them in that connection.

"But I believe they do know that they are not expected to risk their lives. We do not want them to do that," he said.

The assessment of whether they are

likely to run the risk of injury in troubled areas is left to the drivers. When things become hot in an area, Putco would, on a day-to-day basis, stop operating in that area, Rogers said.

On protection for drivers, he said that apart from the wire-mesh, some of the company's buses have been fitted with a chemical coating which protects the windscreen against rocks.

In some cases the coating and the wire-mesh had interfered with the drivers' visibility.

"We are looking at other coatings which would provide protection without decreasing visibility.

"Outside of that, we have looked at a number of possibilities. I suppose we could ask for and would probably receive a police guard on a bus. But we do not like the idea because we believe that if any incidents did occur

and if the police guard did fire that would be the type of incident we would not like to see.

"Other than having police patrols, there are other options. We could employ our own security service and put them on the buses, but again, in the end it is very difficult to see how they can provide adequate security without being armed and without being prepared to use their arms."

In a statement, the Soweto Putco Boycott Committee said the "people of Soweto are not against the workers of Putco but are against the increases and the vigilantes who are forcing the community to board buses".

An organiser of the Cosatu-affiliated Transport and General Workers Union (TGWU) — which organises in the transport sector — agreed, saying that at times people seem to forget that Putco drivers are workers who have a "common enemy".

"To solve this problem we have tried as a union to build much stronger links with the community organisations.

"We have explained that we need to be informed in time of any decision to boycott buses."

He said the TGWU has also asked community organisations to discipline people who attack drivers.

**THE UNIONIST**  
I tried taking a taxi to work. When the driver heard the address, he said no

SUPERMARKET worker Salome Mdluli admits she is a Putco bus boycott-buster.

But her actions don't stem from bravado or a lack of "commitment to the struggle".

"I work at a supermarket in Southdale and the main means of transport to and from work has always been a bus. When the boycott was announced a few weeks ago we virtually found ourselves stranded because there are no taxis going to Southdale," she said.

She once tried taking a taxi to work, but when she told the driver her destination he refused to take her there.

"I had to get off in Booyens and walk all the way to work."

Despite appeals from the Soweto Putco Boycott Committee that taxi drivers should cater for people working in outlying areas, most such workers still find themselves stranded.

A boycott committee member said this week several approaches have been made to the taxi association.

"We have appealed to the taxi association to cater for people who go to the suburbs and far-away places. But we are still saddled with a problem of catering for these people," he said.

It is for this reason that Mdluli braves condemnation and reluctantly boards a Putco bus.

As a member of the Commercial, Catering and Allied Workers Union, she feels she is involved in the workers' struggle against high fares.

But the boycott organisers should have made adequate preparation to ensure that people like her get to work on time, she said.

A taxi driver said occasionally taxis would go to far-flung suburbs, but would then find only three or four commuters.

"One cannot bank on picking up more passengers along the way to fill up the taxi," he said.

It is also not practical to travel from the city with half a load and hope to fill up at Southdale, he pointed out.

At the moment, hundreds of workers feel it is safer to risk boarding a bus and arriving at work on time than getting into a taxi that will only take them a quarter of the distance they must travel.

## Putco's own figures drop to 25 percent

PUTCO buses in Soweto were this week carrying 25 percent of their normal number of passengers, according to the company's public relations officer, Pat Rogers.

The "sudden drop" comes less than a week after another Putco representative claimed that buses were running 70 percent full.

Rogers said he could not argue with a Weekly Mail report last week that despite the company's claims to the

contrary, Putco buses in Soweto were running virtually empty.

"The figures I had been getting were that we were running at something like 55 percent of normal passenger carry. But that was last week," he said.

Several people travelling in buses allegedly hijacked from drivers in the township were injured at the cemetery on Saturday during the funeral of three people killed in the anti-rent campaign in Orlando West. Rogers

said he is not sure whether the incident contributed to the "sudden drop" in passengers — "but our passengers carry was down ... to an estimated 25 percent on Monday and Tuesday," he said.

Rogers admitted that in some cases Putco buses drop passengers on the outskirts of the township. This might result in passengers using alternative transport.

"When passengers pay to be taken

from point A to B and they find that they are not getting to point B because there is trouble and the buses are operating only as far as the outskirts of the area, that does not make for happy passengers," he said.

Since the boycott started three weeks ago, Putco has lost more than R500 000 in damages to property and lost revenue.

The boycott was triggered by fare increases of up to 17,5 percent.

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# o boycott cities

A bus driver tells how he fears the stones ... a unionist explains why she supports the boycott but still travels by bus ... a white shopkeeper wonders what conspiracy lies behind the stayaways ... a black worker criticises the buying habits of richer blacks ...

30

MBULELO LINDA on Port Elizabeth's consumer boycott

## THE SHOP-OWNER

There is a big future, better than anywhere, if they'd stop this nonsense

FOR Port Elizabeth fast food monger William Murrin, it was the black bus stop outside his shop which brought home the boerevors

The stop served as a source of rich black trade for his shop which, in turn, financed the braais typical of white South African culture

But now, says Murrin, the good times have turned lean. He says he has been forced to haul out his cast-iron, three-legged pot, and make do with *potjiekos* meals on the weekend

Murrin and clan depend on Africans for over 80 percent of their business. He says there are "many others" in his position, and many who could face bankruptcy as a result of the boycott

While sitting alone at the deserted formica tables in front of the shop which only last week teemed with black customers, Murrin blamed Nelson Mandela for his plight.

He believed Mandela and detained local boycott leader Mkhoseli Jack were orchestrating the boycott from prison — despite attempts by government and business to negotiate a settlement.

"How can they (blacks) expect one man sitting in jail, or two or three, to rule their lives and tell them where to buy? That's what is happening.

"I think the government has been very fair when it comes to negotiations — even with this Mr Jack. Whoever he wants to negotiate with, if it's businessmen, they always negotiate. He's not doing his own people a favour."

Jack is in detention. "But that doesn't mean he has nothing to do with it. Obviously, it is not him himself — it's the organisation. He as a person would never be able to organise that by himself."

Despite the government's best efforts to negotiate an end to black protest, Murrin said the Emergency had caused ill-feeling.

"I don't believe in it (the Emergency) for two reasons. It caused a lot of ill feelings between black and white and this could have been stopped long ago if they didn't bring it in. I think the government has got to sort it out with a good proposition.

"Secondly, (the government) has got the army, the police ... I think it (the Emergency) should be lifted."

He claimed the communist onslaught consisted of "only a handful" who were "causing trouble". Most blacks were not troublemakers, he said.

How had the boycott affected his family life? He has two young children.

"You can't take so much money out of your business. You have got to learn to live on less money.

"We white South Africans have lived very well in the past."

Now he was cutting back on "luxuries".

He had also cut down on clothing expenditure, taken his children out of a creche and pre-primary school and retrenched the family domestic worker.

"I wish there could be an end to this business. They are cutting their own throats.

"What hurts most is that I don't think there is any shop around here in Port Elizabeth who has got anything against the black man. If they come in here we treat them like we treat anybody else. And not only for business' sake."

To bust the boycott, Murrin, like "90 percent" of white traders in Port Elizabeth, had taken to employing black hawkers to sell his goods to blacks outside factories and in the streets.



Would he survive on his 20 percent white and coloured trade? "We will survive. But it helps a lot when blacks buy."

He claimed many black people were asking the Murrins to wrap goods in newspaper. "They want to buy because they are suffering. You have got to look at their point of view too — especially at this time of the year, with things being so expensive.

"Our girl that works here tells me she pays over a rand a bottle for a coke in the townships."

The employee said she had paid R1,80 for a bottle of coke bought in a township.

Murrin said he believed the boycott would end soon because the Africans he spoke to didn't want it to continue.

"There is a big future, better than anywhere else," he said, "so long as they can stop all this nonsense of theirs." — East Cape News Agency.

**THE DRESSMAKER**  
I support the boycott because I think it is the last non-violent weapon we can use

PORT ELIZABETH'S townships have become silent, fearful places.

ABOVE: William Murrin in his deserted shops ... cutting back on luxuries. RIGHT: Boycotter Joyce Njokwana ... with united action, we can go far

Journalists are met with a terse "No comment" or "Don't say my name".

The main fear is of being identified in the press by either the Security Forces or the militant youth called Amabutho, and being harassed.

But Joyce Njokwana, 42, a self-employed Kwazakale dressmaker and mother of five, was prepared to speak. She said: "I support the boycott because I think it is the last remaining non-violent weapon we can use in the present crisis"

Prices in the township compared favourably with those in town: "Only a few items are more expensive than in town, and they do not include staples."

She decried the fact that upper class blacks in KwaMagxaki, housing government employees, business people and professionals, were buying in town.

"If we could have a united action in this boycott, we could go far. We could achieve a withdrawal of the SADF."

Although the government remains



oblivious to black grievances, she still felt the boycott "caused a pinch" for white businessmen, forcing them, in turn, to relay black demands them to the government.

However, she felt bitter about the failure of townships nationally to boycott, as sustained area consumer boycotts were driving business away to areas more favourable for trade. But the boycott was effective for businessmen wanting to stay in the eastern Cape: "The more their shops

close down, the more they realise they need to act"

"We have seen this happening and it should happen every time. The businessmen only tend to worry about our business when a boycott is on. When the boycott is off, they only turn to worrying about their profits and fall silent about the issues.

"For this reason we are not prepared to stop boycotting until the government meets our demands." She listed among them the release of leaders and other detainees, withdrawal of Security Forces from the townships, removal of the barbed wire fence surrounding New Brighton, and a full investigation into the disappearance of missing members of the PE Civic Organisation

Last week the Port Elizabeth Chamber of Commerce evaded the barbed wire fence to hold a clandestine meeting with the few black Consumer Boycott Committee leaders not in detention. But now those leaders have disappeared; according to the Black Sash, more than 1 000 Port Elizabeth residents have been detained under the Emergency.

The boycott has been reimposed without the traditional mass meeting; residents say the Amabutho, township youth militants, are enforcing it. In the mornings, before work, the youths are said to be monitoring commuters at bus stops or stopping cars at makeshift roadblocks. Commuters found without lunchboxes are sent home to fetch them.

In the evenings, residents found with shopping bags from town apparently have their goods turfed into the streets

An old woman who had been a domestic "all my life" said "I don't mind if the boycott stands there for good. In the first place, most of us are not employed anyway."

"Let this government release our leaders from jail first. We are the victims of this apartheid. We are being terrorised by the government so the boycott must be effective."

Others were not in favour of the boycott: "I have got nothing to say about the boycott. I lost my job because of it," came from a bitter former office worker.

Her friend, a teacher, complained about the timing of the boycott: "The problem for us this coming season is that we still have to renovate and build our houses. The boycott comes at the wrong time. It is unreasonable. People are used to buying at Christmas."

Others said the confusion and lack of leadership created a potential for township shopkeepers to push up prices. "That is a painful thing for us." — East Cape News Agency



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# A shopping 'explosion' forecast

128

BUDDAY 22/12/85

30

DAVID FURLONGER  
Industrial Editor

THE furniture and consumer durables industries are on the verge of a demand "explosion", says Credit Guarantee Corporation.

A study of the two industries by the specialist credit insurer says they will benefit sharply from urbanisation and increased consumer confidence, but warns that there could be serious supply shortages as manufacturers lack capacity to cope with demand.

Credit Guarantee says there has been an upturn in demand since August last year, albeit off a small base. Retailers are enjoying a 30%-40% improvement on

last year's sales and total industry turnover this year is expected to equal 1984 in real terms.

The revival is attributed to lower HP terms, falling interest rates, and buying ahead of expected inflation-led price rises. Although most growth is in the white market, the black market is not as bad as might be expected.

But the study warns: "In an industry that is becoming increasingly capital-intensive and where competition is intense,

the effect of high inflation on input costs and profit margins is reducing the capacity for expansion. There are already supply shortages and this could have serious consequences for the long-term outlook for the industry.

"Most sources agree that — given a relatively stable political environment — State spending on black housing, electrification of the townships, and accelerating urbanisation of the black population will result in an explosion of demand that will be a major impetus for the industry's growth."

Dispatch Correspondent  
JOHANNESBURG — A

weight of business opinion, scenting more consumer boycotts and strikes in the last few shopping days to Christmas, is in apologetic support of the government's media curbs.

"Press censorship is supposed to cool things down but I've never known anything so difficult as this time," said Pick 'n Pay's chairman, Mr Raymond Ackerman.

He reluctantly be-

## Business backs

and two big retailers — the OK and Pick 'n Pay — are involved in union disputes.

The managing director of OK, Mr Gordon Hood, described the "unfortunate" and dismissed the rumour that all management leave had been cancelled to combat the strikes.

With only three shop-

ping days to go before Christmas, prospects for a settlement before then of the wage strike by Commercial, Catering and Allied Workers Union (Ccaawusa) members at OK Bazaars look slim.

According to Ccaawusa, 5 000 workers at 110 stores and warehouses — mostly in the Transvaal and Natal — are involved and more strikes

## media curbs

in the rural areas and the Eastern Cape are expected when ballots at another 80 stores are concluded.

However, the OK said that by Saturday only 75 stores had been hit. Assocom, the Afrikaanse Handelsinstituut and the Department of Trade and Industry reported no negative feedback on the press curbs.

Few retailers trading

heavily in black areas believe that the lack of information on boycotts and strikes will affect their business.

SA Breweries (SAB), for one, has its own information network in the townships to keep abreast of political actions that could mar beer sales.

"But you still want more, not less, information when making business decisions in difficult times," said an SAB spokesman.

22/12/88 20

# Confidence is evaporating after summit, says Assocom

Snail's pace on Group Areas needs rapid acceleration

PD 23/12/86 36

Dispatch Correspondent

**JOHANNESBURG** — Increased business confidence that stemmed from the November 7 "summit" with President P. W. Botha is in danger of evaporating, says the Association of Chambers of Commerce.

Assocom says in its latest quarterly review that the government must start backing up its assurances on reform and constructive change.

It says the element of confidence which was boosted by the State President's conference should be sustained, "although the decision to refer back to the President's Council recommendations about the Group Areas Act can hardly be regarded as a confidence-booster.

"It signifies indecision when decisiveness is most necessary, inaction instead of action."

Assocom says the time for talking is over. "We can no longer afford to waste precious months, even days, on repetitious debate, on preparing serialised memoranda, on the production of millions of words, written or spoken."

It says businessmen are wary of the government's "tardy" reform progress to date.

"Time is running out fast and it must not be wasted by temporising, procrastination and the shuffling of papers between private sector organisations and legislators and administrators."

Assocom says the tightening sanctions net must not be used by government as an excuse to impose economic controls which could "virtually destroy the functioning of markets".

With finance from abroad down to a trickle, the availability of capital will become limited.

"It can only come from our own savings and trading surpluses, which will have to be carefully nurtured and used only to best advantage.

"There is only one way to ensure this. The market must be sufficiently free to determine the most efficient use of capital, not a cabal hidden away out of sight."

● Stellenbosch University's Bureau for Economic Research (BER) has warned business not to allow it-

self to be forced into a "retreat mentality". If it does, any economic recovery will be short-lived.

The bureau says the fact that economic activity has picked up in many areas is bound to improve business confidence in South Africa.

The bottom of the business cycle appears to have been reached, production is up and indications are that this will continue, at least in the short-term.

But the BER warns: "The danger, which has become a probability, is that some part of South African business may consider itself pushed into a retreat economy.

"If this retreat mentality prevails, the present economic improvements will be very short-lived and the economy will experience a continued deterioration over the longer-term.

"Better co-operation and understanding between South Africa and the rest of the world should still remain an essential aim, as is the active circumvention of punitive measures imposed by a persecuting world."

● The chairman of Metropolitan Life, Mr Marinus Daling, says in his annual review that inflation, coupled with other problems such as the unsettled socio-political situation, international disinvestment, sanctions, and pressure to repay foreign debt, readily explains the slow growth performance of the South African economy in recent years.

"From 1980 to 1985 the average annual growth rate of gross domestic product was 1,8 per cent, which is substantially below the five per cent required to create new employment opportunities for an expanding population."

Mr Daling believes there is hope for South Africa amid the gloom: "Despite the many years of artificial division and fragmentation, most people now share the view that we have a common future in this country.

"We are accepting the fact that South Africa not only has a highly developed First World economy, but it is also a developing Third World country. It is only through co-operation and mutual respect that we can build a better future," says Mr Daling.

"The business community has come to realise that it cannot stand passively outside the political arena — there is too much at stake."

mics and Marketing has sent out questionnaires to all producer, wholesale and retail organisations and marketing authorities in an attempt to gauge whether the industry should be investigated.

Recipients include members of the agricultural, distribution and major food retailers' technical committees of Assocom.

The survey calls on respondents to rank potential research topics according to importance on a scale from one to five. It covers existing legislation, all aspects of production, packaging and distribution, the marketing of produce through dealers, agents and produce markets, and direct sales to wholesalers and retail chains. Respondents are also asked to comment on imports, exports, processing and market research, and the communications procedures between the various organisations.

The organisations involved have also been asked if they would be prepared to help finance an investigation.

Returns, which were due by mid-December, are now being analysed by the Commission for Fresh Produce Markets. A final recommendation will be made to Deputy Minister Gert Kotze after respondents' representatives meet the commission in early February. ■

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7  
FIN MAIL ~~30~~  
PRODUCE MARKETING (30)  
**Salad days** 26/2/86.  
Agricultural deregulation might be extended to the marketing of fresh fruit and vegetables in SA.  
The Department of Agricultural Econo-

# SA's small businesses 'carry on regardless'

27/11/80 STK 30

Small businesses in the informal sector "make a nonsense of economists' predictions and South African planners' blue-prints", says the winner of this year's Free Market Foundation award.

At a Johannesburg luncheon in his honour, Mr Ian Hetherington, managing director of the Job Creation SA programme, said: "Probably as many as two thirds of all South African households have some cash income other than from wages and salaries.

"Perhaps as much as 30 percent to 40 percent of all economic activity in some black areas goes unrecorded.

"This accounts for the unexplained aberrations in official statistics. It explains how life goes on despite wages still below minimum living levels and despite soaring unemployment. It has something to do with the shortfalls in GST collections.

"It suggests that an economic strategy should concentrate on releasing this bursting entrepreneurial energy by swiftly and savagely slashing government intervention, by reducing taxation and by putting in laws to enhance individual economic freedoms whilst repealing those that restrict them.

"In the black community alone, there must be at least 100 000 black-owned small businesses, more than half of them small manufacturers.

"If one includes transport operators (pirate and licenced), moonlighters and part-timers, one could add thousands more. Then there are several thousand part-time, and sometimes full-time

money-lenders, 'mashonisas', turning over hundreds of millions of rands.

"Some of these have begun to segment the market and specialise, for example, in loans to purchase taxis.

"Like most small-business people, they do a deal wherever they can find a profit in a single, non-racial, economy. Several have white customers among their clientele," he said.

"We are a long way from this ideal state. Pretoria clamps down on hawkers. Johannesburg clamps down on home-based businesses. Licensed taxi-owners in Cape Town oppose pirates.

"Large construction companies squeeze local small builders out of township development. Business chambers and trades unions oppose the exemption of small businesses from wage determinations," said Mr Hetherington. "Almost everybody, it seems, opposes the Temporary Removal of Restrictions on Economic Activities Bill, even before it has actually been used. We cling to our sheltered positions as fiercely as a drunk clings to his bottle. Yet if we want the fruit we must have the courage to shake the tree.

"Fortunately, the small business people among whom I work carry on regardless. Their yearning for independence, their great courage and persistence takes them over, round, through or under every obstacle.

"But this does not in any sense remove the obligation to deregulate, scrap licensing and red tape -- make the market free..." — Sapa.

# No coercion over Christmas, says UDF

By SEFAKO NYAKA

THE United Democratic Front will not tolerate any coercion in its Christmas campaign against the Emergency," the UDF's acting publicity secretary, Murphy Morobe, said yesterday.

"We must make this a real community affair. Observance of this 10-day period must of necessity be a conscious act on the part of the people," he said.

Special appeals have been sent to church, community, sporting and other groups, but the actual implementation of the call would depend largely on regional responses. Morobe said where street committees exist, they must take full

responsibility at the local level to make the call a reality.

"The obvious emphasis here is united action, or unity in action. Our experience of street committees recently and of the UDF generally has clearly shown that we cannot achieve anything unless we act in unity."

The Christmas drive is an essential building block in the "Campaign for National United Action", launched two months ago by the UDF, the Congress of SA Trade Unions and the National Education Crisis Committee, with the SA Council of Churches offering its support.

has been confusion on whether the UDF's "Christmas Against the Emergency", to begin on December 16, had banned all forms of merry-making during the holiday period.

"Without saying that no drinking of liquor should take place, we appeal for moderation," Morobe said. "Drunkenness in the streets must be avoided."

Morobe said sports and entertainment bodies have indicated their support for the campaign, there will be no sports fixtures or music festivals during the 10-day period. But events like weddings and other

customary functions planned months in advance must be accommodated in the campaign, he said. "We thus do not expect any self-appointed campaign monitors to interfere at these occasions."

"The street committees are in operation and they shall be the only arbiters."

Morobe said during the 10-day campaign people should think about the more than 5 000 children who are doomed to the possibility of a Christmas behind bars.

"How can a nation celebrate the birth of Our Lord Jesus Christ when our children are incarcerated?"

CHRISTMAS sales struggled in 1986 as consumers, strapped for cash, turned away from luxury and big-ticket items.

The trend was towards "smart shopping" and even retailers — a sector known for exaggerating its own performance — reported a "fair-to-good" season.

Consumer confidence waned, bonuses dropped off, prices remained high and customers resisted over-extending themselves on credit.

The hard facts are still awaited but the Central Statistical Service (CSS) said retail sales for the Christmas season are expected to exceed 1985's figures by 20%.

But with inflation running at close to 20%, major chains fought hard to keep pace in real terms with sales during the 1985 holiday season.

Retail executives said they had just as many customers come through their doors this year — but these shoppers had less money to spend.

"It has not been a bumper Christmas," reported Benny Golderg's MD Dave Botha. Wine sales were up 50%, but at the detriment of more expensive items like whisky.

Sales at Checkers for November and December were slightly under budget. "Both whites and blacks were buying the more basic goods. We did not move many luxury items," said Checkers group financial director Sergio Martingengo.

Television and video sales were very soft throughout Christmas. White goods manufacturers had hoped for an end-of-year boom after they witnessed big-uplifts in July and August.

But Tek MD Mike Bosworth said the last two months had been very disappointing.

"Customers turned toward small ap-

# Little cheer for shops

RASDAF 29/12/86

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Industry Reporter

pliances and other less expensive items as high interest rates intimidated would-be buyers."

Recent reductions in the maximum hire-purchase rate requirements had virtually no impact on sales.

In fact, discerning customers flocked to cash and carry shops, which economists say grabbed their biggest-ever slice of the retail pie. (CSS estimated

total retail trade sales for the Christmas season of R4,4bn).

Metro financial director Alan Sack said December sales had been "buoyant", and turnover met expectations across the full product mix.

Furniture traders said sales of big-ticket items like lounge suites were well below expectations.

"People are holding on to what little money they have," said Russells MD Ian Sturrock. December sales at Russells are down in real terms versus last year.



LINDA ENSOR

THE projected income of the Small Business Development Corporation (SBDC) for the next six months will be adversely affected by the present low interest rates, MD Ben Vosloo said on the release of the organisation's interim results.

The unaudited results for the six months ending September showed an 18% decline in net income before taxation compared to last year's interim results.

The cost of long term money — which has not declined significantly in recent months — is also likely to affect projected income.

However, the organisation is in a strong financial position as retained income at the end of September had increased by 9,6% to R35,2m.

Income was derived mainly from interest, rentals from business premises, rural area income and government subsidies.

Capital was used for investment in properties and loans which increased by 14,9% to R93m and by 73,8% to R153,6m respectively.

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SBDC income  
has declined

Vosloo said borrowers were also finding it difficult to meet their commitments to the SBDC.

"Due to prudent financial management, the necessary steps have been taken to deal with the expected difficult conditions over the next six months — for example, the imposition of quotas on the various SBDC offices in respect of granting new loans," Vosloo stressed.

"If, however, the expansion of the small business sector is to be considered as a matter of high priority in the national interest, additional funds will have to be provided to the SBDC by both the public and the private sectors."

Capital commitments at September 30 amounted to R78,7m (including R35,3m administered funds loan commitments) which will be funded from existing sources within the group.

# Christmas sales down on forecasts

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CHRISTMAS sales plunged by 38 percent against the latest estimates as hard-pressed shoppers, counting their cents, shunned luxury and big ticket items on HP in favour of modest and cut-price gifts, according to major retailers and official figures just released.

Latest estimates from Pretoria's Central Statistical Service (CSS) put total retail trade for the Christmas season at R4.4 billion compared with the R7.2 billion forecast by the associated Chambers of Commerce some weeks before December 25.

Reports say the trend has been towards "smart" shopping, to make every rand spent go as far as possible and to avoid buying on tick — so that credit sales were down an estimated 50 percent.

Reasons for the poor Christmas showing are given as shaky consumer confidence, smaller bonuses, prohibitive prices and a resistance to credit purchases.

For the festive season are expected to exceed 1985's total by 20 percent. However, with inflation pushing beyond 20 percent, the major retailing chains had to battle just to equal sales last year in real terms.

Store managers say they have had just as many customers — "and perhaps more" — through their outlets, but the shoppers had less money to spend.

Basic goods were snatched up by both whites and blacks. But we moved few luxury items, carrying the best margins.

Sales of videos and TV sets were particularly slack. Manufacturers of white goods had hoped for an end-of-the-year boom. But Tek managing director, Mike Bosworth said the last two months had been "very disappointing".

Items but steered clear of the big items. They were intimidated.

The recent cuts in hire prices had virtually no impact on sales as discerning customers flocked to cash-and-carry stores, which economists say grabbed their largest ever slice of the overall retail pie.

Other big-ticket household items were way below targets.

"I'd hardly say we had a bumper Christmas," says Dave Botha, managing director of Benny Goldberg's. Wine sales were up 50 percent but at the expense of higher-priced items like whisky.

Alan Sack, financial director of the Metro group, says sales were buoyant and turnover met forecasts across the board.

But sales of furniture and on last year's Sapa

Russells managing director Ian Sturrocks said: "People are holding on to what little money they have. December sales at Russells were down on last year's."

111 OK  
stores affected  
by strike

Dispatch Correspondent

JOHANNESBURG

Workers at three more OK Bazaars outlets joined the 12-day-old strike yesterday, bringing the total number of outlets affected to 111.

The group's management has compiled a list of 38 stores in which it would like the rules of conduct for strikers adhered to. The list is to be given to the Commercial Catering and Allied Workers' Union (Ccawusa).

Yesterday, following urgent interdicts brought to have striking workers in three stores evicted, Ccawusa undertook to ask its members to leave and to ensure they did not take part in any unlawful action against the stores.

A union spokesman said the agreement was made without acknowledging management allegations that strikers caused thousands of rands damage by destroying clothing and furniture at the three stores.

An OK spokesman, Mr Keigh Hartshorne, said a total of 128 workers, at a Natal warehouse and two Pretoria stores, joined the strike yesterday.

About 6 000 Ccawusa members are presently on strike, he said.

Ccawusa's main demand is a R160 across the board increase.