

'TRAMWAYS RIP-OFF'

THE following are some of the arguments presented by the lawyers of the people objecting to the bus fare increase.

We hear that City Tramways want to increase their fares yet again. Once again they are telling us that they are not making enough profit and that their shareholders, Tollgate Holdings, are suffering.

From what they say it sounds as though they are running a charity for the people of Cape Town.

But when we look at the profits that Tramways are making, we can see that they are definitely not running a charity.

Let us have a look at how much Tollgate Holdings, the 'poor' shareholders, have received from City Tramways.

In 1975 the amount of capital Tollgate had invested in City Tram-

ways was R5 million. This capital is now worth more than R10 million. Thus they have made a profit of over R5 million. They have also received the following dividends from City Tramways:

1976 R0,75 m i.e. 15%
1977 R2,67 m i.e. 53,4%
1978 R2,63 m i.e. 53,2%
1979 R2,00 m i.e. 40,0%
Total R11,05 m

We can see that in the last five years, the 'poor' shareholders have received more than R16 million on their investment of R5 million.

This means that they have received interest of 47% per year on their money, a profit so big that other capitalists can only dream about it.

Now City Tramways wants to make the people of Cape Town pay another R3 million in bus fares so that they can keep on making bigger profits for their 'poor' shareholders.

From the figures

above it is clear that the people of Cape Town have already paid much more than R3 million for City Tramways' profits over the last few years.

It will be scandalous if City Tramways is allowed to make even more profits at our expense.

Even this is not all the profit that Tollgate makes from City Tramways.

If we look at the other Tollgate companies we see that almost all of them make their profits by providing services to City Tramways and the other bus companies. Here are some examples.

1. Tours and Services buys all the supplies for the Tollgate group and then sells it to the bus companies. It buys the fuel for all the buses and then sells it to the bus companies at a profit - in fact a greater profit than allowed to garage owners.

It also services the buses and builds bus bodies which is sold to the bus companies.

This company makes about one tenth (9,6%) of all Tollgate's profits - more than R1 million from servicing the buses.

2. Another company, Moving Media makes all its profits from selling the advertising space on the buses.

3. The Tollgate Computer Centre makes its profits from doing the computer work of the bus companies.

4. The Tollgate Property Corporation makes almost all its profits from letting its properties to the bus companies. It makes about 5% of Tollgate's profits.

It is very clear that the business and profits of all these companies depend very much on City Tramways and the other bus companies.

Although Tollgate tells us that these companies are completely separate from the buses,

we can see that this is not true.

Why then does Tollgate tell us that these companies are not part of the bus companies? Because people get

angry when busfares are increased and because increases have to be approved by the Local Road Transportation Board, it is better for Tollgate to pretend that they are not making a

good profit from the buses. This they do by spreading the profits from the City Tramways over as many other companies as possible.

L/Hill resident speaks

MRS Hester Benjamin of the Lavender Hill Committee interviewed a resident who had maintenance problems. This is her story...

I AM a resident of L/Hill for almost 1½ years. When we first heard that we were going to get a flat, we were overjoyed, knowing we were going to move from a shanty, into a brick and comfortable house. We were indeed grateful to move, little knowing, what was awaiting us.

When my family and I moved into what was supposed to be a better dwelling we found the pipe under the bath broken.

This caused the bathroom to be continuously overflowing with water, which also flowed into the kitchen because it was the outlet pipe.

The water also seeped down, to the tenants bathroom below, and caused great concern because the tenants kept complaining of water coming through into their bathroom and causing dampness because of our leakage.

Two room-fittings were also broken, which meant that we couldn't use globes in these rooms and had to use candles.

I complained to the Council four times,

about these damages, because we found it in this condition when we moved in.

It was then almost a year later that the Council said I had to pay R24 to have the bath fixed and R8 to have the fittings installed. Because I couldn't afford this, after having paid my advance and deposit etc., and having to pay doctor and hospital bills, because my children were sick with bronchitis and other chest complaints, due to the wet and damp bathroom, I had to live in this condition, for all this time.

One day I got to hear about the "Lavender Hill Committee".

I visited their house meetings and lodged my complaint.

They immediately wrote a letter to the Town Clerk with my consent, explaining the whole situation, also reminding the town clerk that being an old tenant why they thought it was the Council's

duty to do all maintenance free of charge.

Within a week we received a letter to say that the matter would be investigated. Two weeks later, six council men were sent to my house to fix the bath and fittings free of charge.

The next day I was asked to come to the council office to point out who told me to pay this amount. The council lady apologized for what had happened and said, she would talk to the man because he should not have charged me.

I am very happy and proud to be a member of L/Hills committee and I say to all people in L/Hill support the committee of L/Hill, because they are ready to help us all and make us a happy and united community.

The committee's question and concern is if such an incident happened to one resident, how many other tenants have paid, when they really should have had their houses/flats maintained free of charge.

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Communities organise against fares increases

In July, more than 20 community organisations and trade unions met to decide how to voice the objections of the people.

When they met they decided to draw up a pamphlet to explain why the bus increases were unnecessary.

The pamphlet showed that Tollgate Holdings, the company to which all the bus companies belong, made so much money that they could afford to pay each of their five top directors R5 800 per month.

Members of the organisations distributed thousands of pamphlets in their areas. A few days after the distribution, petitions were taken from door.

Without hesitation, men and women, young and old, signed to give support to their organisations' objection.

"Everything is going up - we cannot afford the increase," said residents as they signed the petition.

"We can't let them get away with it every time. We must do something," they said.

When the commission first sat on July 12 000 signatures had been collected.

By last week, many thousands more were added.

And from every organisation, five people were prepared to give their evidence.

They were ready to tell the commission how they were moved far from their places of work through the Group Areas Act, how their wages remained low, while the cost of living increased continually, and how it would be impossible for them to afford the bus fare increase.

The more than 100 people who crammed into the room in the Nedbank Building where the National Transport Commission sat, listened in disbelief as Mr Selikowitz, the bus company lawyer, told the commission passengers had to

pay more because some people "stole" rides.

"What has that got to do with us," the people asked as a ripple of angry whispers flowed through the room.

"How can they say we steal," some said.

Mr Selikowitz argued that the bus companies had to face increased costs like everybody else.

"If fares were fixed according to what the poorest person could afford, they would be very low," he said.

This was not possible because a certain amount of money was needed to operate the service, he said.

"While it is in our interests to have as low a bus fare as possible, the company must make a profit for the service to be efficient," he said.

As he spoke of the importance of profit, a man jumped up and shouted "It's all lies. You are lying to us."

The Chairman of the commission, Mr H C van Zyl, asked the man to leave and adjourned

the hearing. But the man continued to shout "You are lying; You can speak English, Afrikaans or an African language, but I say you are still lying," he said.

Organisations

The organisations who met were the Cape Areas Housing Action Committee, the Bonteheuwel Civic Association, the Electricity Petition Committee (EPC), the Hanover Park Civic Association, Bakery Employees Union, the Federation of Cape Civics, the Cape Municipal Workers Association, the General Workers Union, the Food and Canning Workers' Union, the United Women's Organisation, the Lavender Hill Committee, the Steenberg Committee, the Nyanga Residents Association, the Grassy Park/Lotus River Residents Association, the Thornhill Residents Association, the Clarkes Estate Committee, Avondale Committee, the Atlantis Civic Association, the Co-ordinating Civic Council, BBSK Residents Association, Kensington/Factreton Ratepayers and Tenants Association and the Ravensmead Students Organisation.

Bus fares hikes

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their area but still Tramways wanted an increase.

The Cape Areas

Housing Action Committee called on the commission not to allow the increase.

"The bus service

should not be run by companies for profits. The government or the Council should run the buses," they said.