

FOREIGN FIRMS IN
SOUTH AFRICA — GERMAN.

11/2/79 — 24/12/81

In Germans

Sun. Times Bus. 11/2/79

going for a big cleanup

(63)

ONE of the biggest family-owned companies in the world, the \$3-billion-a-year German Henkel group, claims it has expanded its share of South Africa's R90-million-a-year washing powder market by more than 600 per cent since 1972 to more than 20 per cent in 1978.

Henkel South Africa, the aggressive competitor to the better-known Lever Brothers and Colgate Palmolive groups, is now budgeting for gross sales of R45-million in 1980, an increase of R28-million on 1975's figure, and a 20-fold rise on sales in 1970.

Henkel's increased penetration in the highly-competitive washing powder market has grown with the successful launch of such brand names as Dato, Xtra and the recently introduced White Giant.

This battle for market share is primarily aimed at the black sector of the market as whites consume only 30 per cent of washing powders.

It is at the black sector of the market that Xtra and White Giant has been aimed and, according to Henkel, White Giant was established as market leader in the "economy" segment of the



Dr Konrad Schweiker
... "vast range."

By IAN MUIL

white market only three months after launch.

Henkel's success has been achieved at the expense of market leader Lever Brothers, whose share were clipped from just over 60 per cent in 1972 to almost half of the market last year.

Colgate has suffered most, with its market share dropping from 32 per cent to 26,8 per cent in 1978.

A spokesman for Colgate confirms these market shares, but Lever Brothers refuses to comment "on figures given by our competitors."

Henkel's net sales in the total consumer detergent market, estimated to be worth R115-million in 1978, are projected to rise by 30

per cent this year, says managing director Dr Konrad Schweiker.

The company does not divulge its share of total consumer detergent sales, but the recent addition of Blitz — claimed to have 13 per cent of its market segment — to the Klenz, The General and Swift basket of products, suggest much of the growth predicted will come from the dishwashing liquid/household cleaner divisions.

Sales of these products are estimated at about R25-million last year and Henkel is not likely to have much more than about 10 per cent of this market.

The company, described by managing director Dr Schweiker as being a manufacturer of packaged industrial and consumer chemicals, has built up a vast product range since it began operating in South Africa with an investment of R70 000 in Durban in 1955.

Today, the company sells 1 000 products ranging from adhesives to washing powders and by 1980 will have a total investment in South Africa of R24-million.

The industry, however, is tight-lipped on profits in the price-conscious household detergent market.

"We just don't talk about profitability," says Dr Schweiker.

Union hits at German SA firms

63

Post

The report rejects the use of trade sanctions to force change in South Africa, however. South Africa had made "extensive preparations" to counter a trade boycott, the report claims. Foreign investors themselves could do much to influence change in South Africa, the report says.

MUNICH. — West Germany's biggest trade union, IG Metall, has accused several leading German firms of continuing to practice racial discrimination in their South African operations.

In a report released in Frankfurt, IG Metall says only Volkswagen tolerates organised union activities among its black workers.

The majority of German firms in South Africa are criticised for simply having no black trade unions on their premises. Siemens is singled out.

ADVANCEMENT

But some — notably BMW — are accused of "stubbornly" refusing to recognise black unions.

IG Metall urges the parent companies in West Germany to act positively to end discrimination in their South African operations and to encourage the advancement of black workers and their trade unions.

Reference between the confirming that the calculation is satisfied.

Archaeological Society. Jacobson, in 1978 a study of functional variability in the Late Stone Age of western Transvaal, Namibia. Published in the Journal of African Archaeology, University of Cape Town.

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- 2.7 Library Instruction Course
- 2.8 Academic Adv

Clark, J.D. 1959. The prehistory of Southern Africa. London: Pelican.

Deapon, H.J. 1976. Where hunters gathered. Claremont: S.A.



Acknowledgements: I thank Dr W. D. Webb for his discussions with students.

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Deapon, H.J. 1976. Where hunters gathered. Claremont: S.A.

The majority of the obtained information completely or almost entirely from the literature and booklist handed out before information in the workshop, department.

The majority of the enough opportunity information lecturer liked more; only 6 in their offices in see staff as well with the arrangements.

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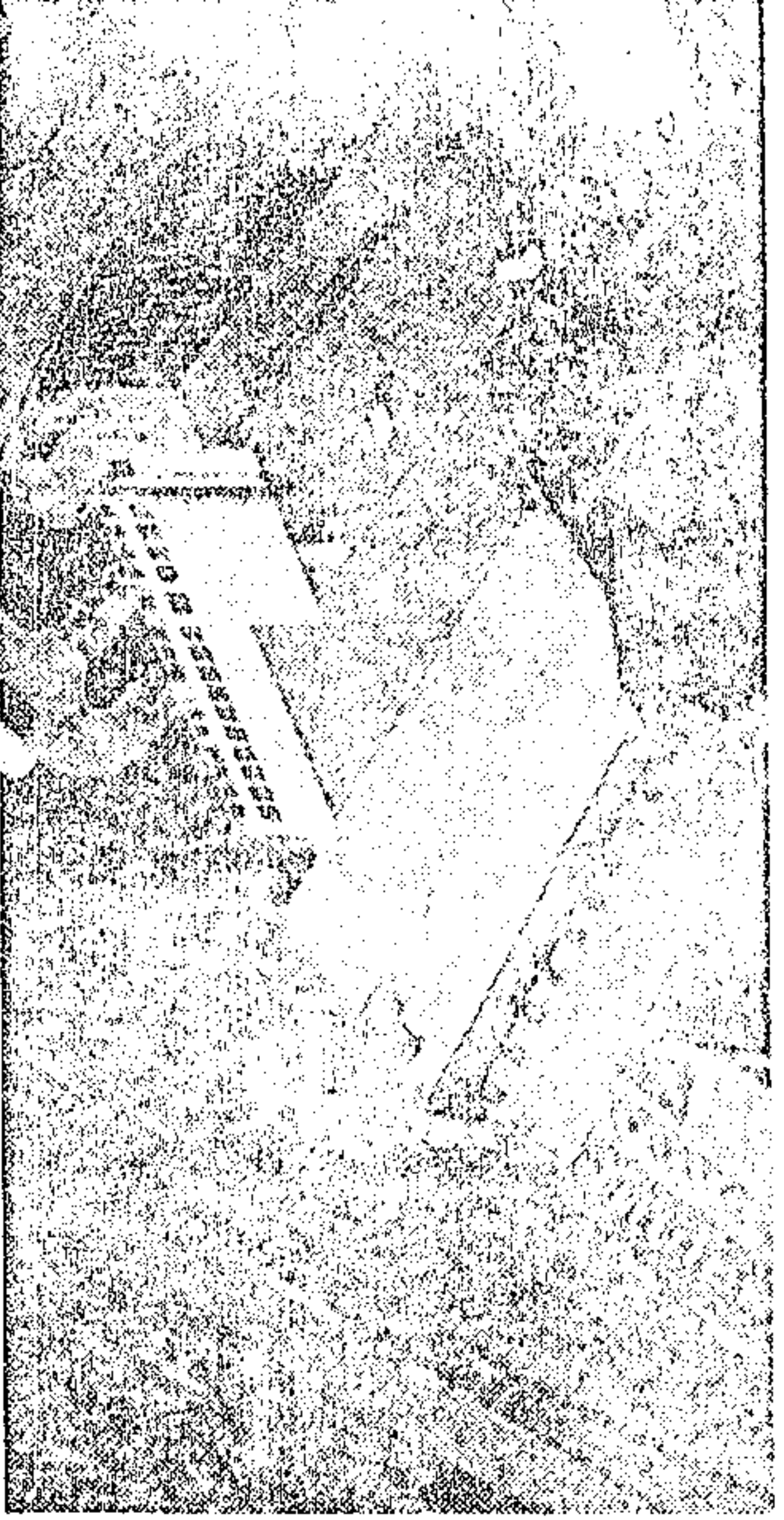
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An overwhelming majority of the sample were extremely enthusiastic about the library courses and librarians very helpful.

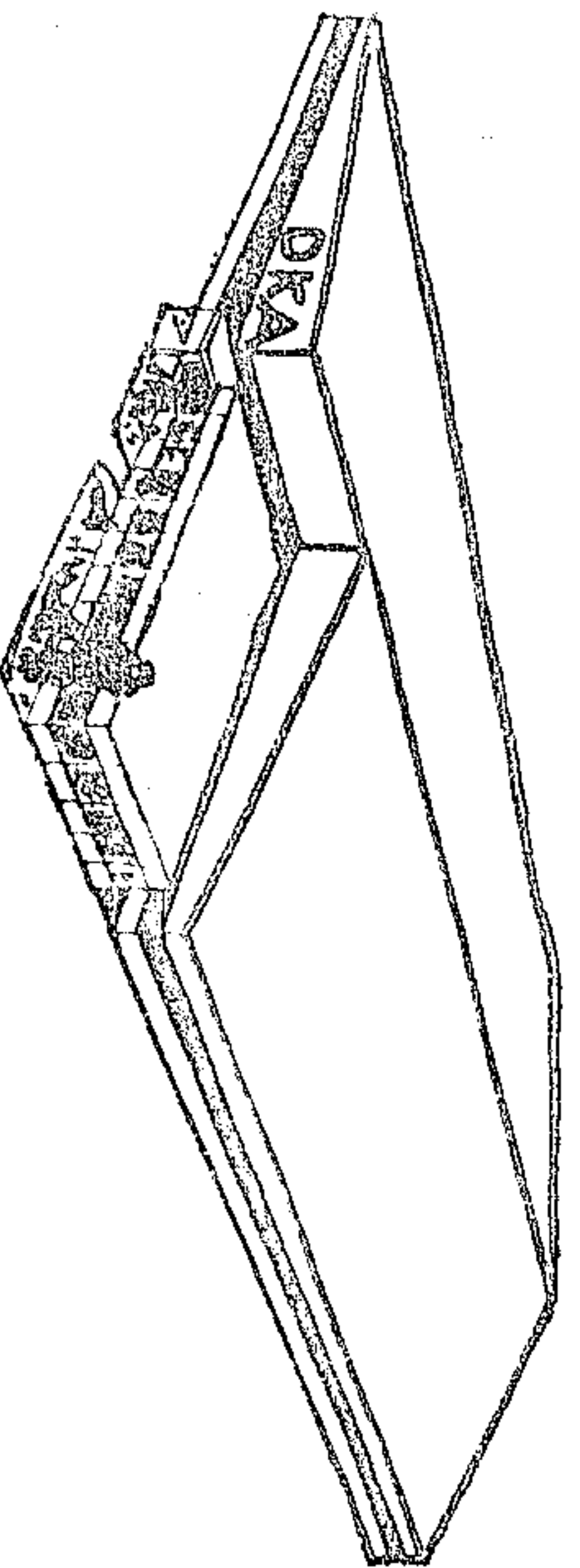
In indicating whose advice they had primarily sought planning the university curriculum, the sample indicated as follows:

1:1-61.

R4-M GERMAN FIBRE TO BE



THE German asbestos products firm Deutsche Kap-Asbest-Werke is moving its Hamburg factory to the Cape in a R4-m operation conducted by CIW of Cape Town. Top, the present factory in Hamburg. When the firm decided to move to the Cape it asked Mitchell, Duplessis Associates of Cape Town to design a factory here. Mr C B Mitchell, director, said the planning had presented some difficulties. 'The solution entailed revising the process flow of the factory to take advantage of the low land cost and the few planning constraints compared to Germany. The Germans were amazed at the simple solution that resulted as indicated by the sketch of the proposed Cape factory below,' he said.



MOVED TO GARE

ALAN COOPER, Property Editor

A HAMBURG factory manufacturing woven asbestos products is to be dismantled and moved to Cape Town by Messrs CIW (Pty) Ltd, a multiservice organisation specialising in the provision of mechanical services to the textile industry. The move represents a German investment of R4-million in South Africa.

Mr F W Palthe, managing director of CIW, told Property Argus, that his company will fly a 20-man team of South African artisans and labourers to Hamburg next week to start the dismantling of the factory. The team will be mainly coloured who have had experience in construction in contracts won by the firm in Saudi Arabia. The team will take about six weeks for the dismantling operation.

The factory equipment will then be packed into 100 containers obtained specially for the purpose and shipped to Cape Town.

At present the factory occupies 14 000 sq m but on re-erection in Cape Town, it is expected to occupy 10 000 sq m as some departments will not be needed in the Cape operation.

This is a particularly unique achievement in winning this contract in the face of severe competition from many overseas contracting firms and from offers to relocate the factory in other countries, Mr Palthe said.

The move to Cape Town was decided upon as German industrialists are experiencing difficulty in ensuring continued profitability of their factory operations because of high labour costs and restricting influence of labour unions.

CIW worked in association with a locally based firm of engineers and planners Engineering De-

Tribute to Marshall

THREE will be an ongoing relationship between R II Morris (Cape) Pty Ltd and Mr John Marshall, its retiring director, stressed the chairman and chief executive of the company, Mr A D Combrink, at a function this week.

He paid tribute to Mr Marshall whom he said had decided to go on his own. Mr Marshall will remain as an adviser to the company.

Mr Combrink said that Mr Marshall, which was now 'extremely sound'.

Its subsidiary, R II Morris (Cape) would continue handling building operations in the Cape while Combrink Construction and Fowler Construction would act in the same capacity in the Transvaal and Natal.

This particular plant is one of the most modern in the world, and has a clearance from the German equivalent of the CSIR for cleanliness and good health standards. The factory will create approximately 100 job opportunities and involve a German investment in South Africa of R4-m. It will be sited either in Philippolis or Atlantis,' he said.



(103) 17/11/80 Star

Lot of the black worker 'not good enough'—Germany

Own Correspondent

BONN — Chancellor Helmut Schmidt's West German Government has declared itself dissatisfied with the rate of progress towards improving the lot of black workers employed by German firms in South Africa.

This follows a report on the manner in which West German firms in South Africa are abiding by the code of conduct agreed on by EEC Foreign Ministers in 1967.

The report was based on replies to questionnaires by 46 firms employing more than 30 000 people.

Twenty-five firms with a total of more than 19 000 employees reported no separation of the races at work. Five more reported desegregation in the staff canteens, and two more said they had ended canteen segregation for clerical staff.

But, even taking into account the legal situation in South Africa, Chancellor Schmidt's Cabinet has announced, "the Government cannot view the overall result of this report as satisfactory.

"The Government has gained the impression that the reporting firms are trying to reduce racial discrimination in those plants where they have influence.

MORE AWARE

"The reports of the firms further show that the enterprises have become more aware of their social responsibility toward their black employees.

"The reports show that an improvement of the situation of the black employee depends as much on the engagement of the enterprise's management as it does on the readiness of the white workers to reduce prejudice and not to resist equal treatment of black employees.

"The Government is convinced that this process must be accelerated and strengthened," the Cabinet said.

The code of conduct demand for minimum wage levels had been met by only 15 firms and this also was not considered satisfactory.

It was felt that the most important thing for wages was the intensification of training.

Education with trade representatives representing black workers was also urged.

63 Post 1981/80

Disapproval with German firms in SA

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ACCELERATED

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Cooperation with trade unions representing black workers was also urged.

in Elifos River.
Wren Bakery in Observatory; Ultra B
Chard and Roma - macaroni, spaghetti, sh
spaghetti, shells, ribbons, rings, dilatine
Fatis & Monis' ice cream cones, cake cups &
Wheatie Treat flour; Philadelphia flour;
Record - self raising flour, cake flour, B
Ngubeni Fatis & Monis' Fatis & Monis' Y

Ufatis & Monis uphikele ukuthi akukho ng
loma ngomphathi wem le uthi, ukhathazek
thengwa ngabanyama njengoko inkxaso enkul
Fem beceke abasebenzi abangabanye ukuba b
ukuzo kubekho imveliso, kodwa imveliso yeh

Abantfundi base U.C.T. bayenzile eyabo int
Bacele ukuba imveliso zakwe Fatis & Monis
phinda beqeshwe. Yaye akufuneki dayitheng
zonke iziko ezinonxibelelwano kunye nab
Umbutho oyi South African Council of Spor

Umbutho oyi Western Province Traders Asso
awo ukuba angayithengi imveliso yalefekt
ingathenjwe. Kodwa akufuneki dayitheng
batho abasebenzi mabaphinde beqeshwe kun
U.M.C., Hovet, Bellville Technical College
University nakwano kolegi abantfundi kwe

yeentlanganiselo zokuxhasa abasebenzi kwi
Ayanda amanani abantu abazibanakanyi leyo
omnye wabo uthi "Siphapha sonke yaye iinj
Bala kubantu abanyama xa bebemngaphand
Ngosuku lokuphila loqwayimbo indoda emele
abasebenzi bananyama bame bem kwi cala labe
abaninzi abanyama. Mangona batho bagrogris
Nangona-aba bagxothiwyo ingabantu bebala

Yabantu abanyama kufuneka kuyenzelwe ukuba kup
ne union. Kufuneka ibalula into yokuba oma
ekuninzi kusetyenzwe phantsi kwazo. Ite
amaphondo anika Union igunya lokuba den
ngokuba yi food and canning workers Union bathi abo bagxothiwyo bebesayinile

Abasebenzi kufuneka wunion onamalungu ayi 10 000 (amawaka aishuni) obizwa
phezu kwamanzi yaye ziza kwenza uphuhlululu efemini.
Iyure ecal - 8 ngemini. Umphathi wefektri leyo uthi ezizinto bazifunayo zingab
nontho abanyama lokuba kunyuswe imali ibeyi - 840 ngeviki yay kusetyenzwe
bahlalayo, ukuba bebengamalungu eTrades Unions le union be izama ukwenza uphando
sebenzi abanyama ebebesebenza nabo. Bathi unobangele wokugxothwa kwaba basebenzi
ebethi le South benogwayimbo. Into ebangele ukuba bagwayimbe kukugxothwa kwaba-

thanga ngoku sele izakuphela abasebenzi abangama - 88 bakwa Fatis & Monis efektri
FATIS & MONIS STRIKE

ngokuba yi food and canning workers Union bathi abo bagxothiwyo bebesayinile

German black wage picture challenged

63
19/1/80
Ghol

Own Correspondent

BONN — West Germany's Federal Association of Industry has reacted strongly to a report from the West German Government about the way black employees of West German firms in South Africa are treated.

0	88,18
3	9,93
4	1,12
3	3,70
2	15,57
3	45,89
2	8,13
3	13062

The association said the Government had failed to take recent improvements into account in its report on the application in South Africa of an EEC Code of Conduct for European enterprises there.

In its report the Government said that West German firms had not gone far enough in the application of principles of equality for all workers, regardless of colour.

The association said the Government should have realised that the first report covered a period of recession which made it difficult for German firms in South Africa to increase wages and improve conditions for black workers.

The Government report ignored recent changes that had created more favourable conditions for applying the Code of Conduct, said the association.

MISREPRESENTED

The Government report had misrepresented the wage situation of black workers. In stating that only 15 firms with about 18 000 workers had met the condition that the minimum wage for black workers should be 50 percent above South Africa's lowest wage, the report had overlooked the fact that the 18 000 workers referred to represented more than half of all people employed by German firms in South Africa.

Another 6 000 employees were paid wages which "closely approach this standard."

XVI

SYMPTOMS AND ILL-DEFINED CONDITIONS

92

NO.	W		A		C		B	
	M	F	M	F	M	F	M	F
ALL	0,22	0,23	0,56	0,38	0,83	0,65	1,80	1,96
NO.	463	485	199	134	943	761	3765	3145

XVII

ACCIDENTS, POISONINGS AND VIOLENCE (EXTERNAL CAUSE)

NO.	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,85	0,69	0,70	0,31	1,18	1,24	0,32	0,19
1-4	0,49	0,21	0,31	0,27	0,63	0,61	0,21	0,20
5-24	0,71	0,22	0,68	0,20	1,40	0,38	0,68	0,12
25-44	1,18	0,30	1,43	0,37	3,32	0,70	1,22	0,26
45-64	1,25	0,42	1,55	0,40	2,89	0,76	1,10	0,31
65+	1,26	0,71	1,34	0,91	2,19	0,90	1,02	0,53
ALL	0,95	0,33	0,95	0,29	1,91	0,56	0,89	0,20
NO.	1973	677	333	104	2175	652	1868	324

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Bundestag call for ending of SA race laws

Start (63) 19/1/80

Own Correspondent

BONN — West Germany's Foreign Minister, Mr Hans-Dietrich Genscher, has called for an end to racial discrimination in South Africa, but says his government does not want to see a race war in the country.

Speaking yesterday at the conclusion of a Parliamentary debate on West German policy in Africa, Mr Genscher said Germany did not want any expansion of the power and zones of influence of non-African powers in Africa, particularly in southern Africa.

Mr Genscher said: "We want prompt and consistent steps taken toward the goal of making possible in South Africa the participation of all population groups in political responsibility and in economic and social achievements of that country."

He described the number of African members of the United Nations which have condemned the Soviet occupation of Afghanistan as "impressive" and said this was a platform on which Germany could build a partnership with those states.

Mr Genscher said he had noted that the atti-

tion of the Board of the Colonial Mutual Life Insurance Co. Ltd. is a generous financial assistance.

tude of African states towards Soviet engagement in Africa was undergoing a basic change.

Opening the debate for the Christian Democratic opposition Mr Hans Stercken asked why West Germany should promote democracy in South Africa "but not in the Soviet Union, Hungary, or Rumania."

Mr Genscher retorted that there were no West German firms completely under the control of the mother company in communist states as there were in South Africa.

"Let us concentrate on South Africa and ensure, in co-operation with German enterprises, that one of the marks of quality of German industry in South Africa is that it achieves social equality. That is a long-term strategy for stabilising that country, and is the best imaginable defence against communist subversion."

Mr Wolfgang Roth, speaking for Chancellor Helmut Schmidt's Social Democratic Party expressed concern at the decision by Lord Soames to permit South African troops to remain in Rhodesia.

"They appear to be ready to march if the elections don't have the expected result," he said.

Plastic Diseases and Diseases of the Circulatory System are the Infectious and Parasitic Diseases, which are the most amenable to the implementation of relatively simple measures. The Board of the Colonial Mutual Life Insurance Co. Ltd. is a generous financial assistance.

with selected major categories of disease. Clearly, this is an entirely hypothetical situation. However, these competing risks life tables not only provide an indication of the relative importance of various disease categories to both the overall mortality experience and also to expectation of life of the three communities, but also, since there is an approximately linear relationship between the reduction of mortality and the percentage increase in life expectancy, any improvement will give rise to a proportional improvement in the expectation of life. Thus, if the increase in the expectation of life will be 50% in any of the diseases included in Fig. 6 are recorded.

* * * * *

German asbestos factory in move to Cape

Property Editor

DEUTSCHE - Kap - Asbest-
Werke, a West German
firm manufacturing asbest-
os products, is to move
its entire operation to
Phillippi, in a R4-million
operation. The machinery
is being brought here in
containers and the new
factory, which will cost
R1.7-million, will employ
200.

A South African com-
pany, Kapasit Asbestos
(Pty) Ltd, has been for-
med for the move. It will
make asbestos yarns and
fabrics for local consump-
tion and for export.

The decision to move
followed difficulty at the
parent factory in ensuring
continuing profitability of
operations because of high
labour costs and restrict-
ing influence of trade
unions

MODERN PLANT

The German plant, one
of the most modern in the
world, has clearance from
the German equivalent of
the CSIR for cleanliness
and good health standards.

A contract for building
the new factory will be
signed soon between the
firm and the contractors,
Dura Construction.

Building of the 10 000
sq m factory, on the cor-
ner of the Stock and Ro-
chester Roads, will start
soon and should be com-
plete in October.

cake cups, macaroni, spaghetti, large & small shells, ribbon noodles - broad,
narrow, plain and green, rings and dilatines; All the above noodles and spaghetti
under the following brand names: Pick 'n Pay, Pot o' Gold, Princess, Checkers and
Roma; Philadelphia flour and Koeberg Mille pack mealie meal; Fattis and Monis also
control a number of Bakeries including Wrenck Town Bakery in Observatory,
Good Hope Bakery in Elsie River and Ultra Bakery in Somerset West.

RIKE

workers at the Fattis & Monis factory in Bellville Sout have
struck because five of the fellow workers were dismissed. The
assals were because all five were members of a trade union.
to negotiate for better pay and hours of work - R40 a week
day. A director of the factory says these demands are "out-
d unreasonable and would lead to "disruption" in his firm.

00 member union (the Food & Canning Workers Union) say the
ned a document giving the union rights to negotiate for better
ry has refused to negotiate with the union. It says the men
inery and that it was part of a cut-back of staff.

sed are 'Coloured', more than half the men on strike are
ers. In spite of the threat of being endorsed back to the
in workers have stood firm with their 'Coloured' brothers and
day of the strike men from the Department of Labour tried to
African workers who had gathered outside the factory. The
separated. One said, "We were all there for the same purpose."

with the striking workers are increasing. At a solidarity
re than 500 university and college students from U.W.C., Hewat,
ollege and Bellville Technical College called for workers to
r a boycott of Fattis & Monis products.

e Traders Association says it will instruct its members not
s products unless there is negotiation.

ouncil of Sport (SACOS) has called on all sports bodies and
o SACOS to support the call for re-employment of the workers
factory's products.

T. over 500 students supported a call for a boycott of all
cts.

st that there is no 'dispute'. However a director of the firm
about the calls for a boycott of the factory's products by
ne factory's trade is with blacks. The management have kept
employing scab workers in the place of the stiking workers.
has been slowed down.

nis? Fattis and Monis is the factory which produces the
All Record flour products including self-raising flour, Cake
Sifted flour, Unsifted flour, Wjeatie Treat flour; All
attis & Monnis brand name including icecream cones, wafers,

Published by Comm Comm.

Printed by S.R.C. press, U.C.T.

63 18/2/80 Argus
Entire factory sent in by ship

SHIPPING REPORTER

A GERMAN firm that specialises in manufacture of electrical insulators has dismantled its factory near Hamburg and had it shipped to Cape Town.

The plant, which was moved in about 100 containers, is to be re-erected at Philippi and will provide employment for about 200, local shipping sources said today.

The firm — Kapsit Asbestos — is expected to

start re-erecting its plant in June and to resume production by October.

Six-metre and twelve-metre containers were used to move the plant and machinery.

The containers were

shipped to Cape Town aboard the 18 000-ton Elbe-land and the similar-sized Trans Nova.

Clearing and delivery of the containers to the Philippi site was co-ordinated by J F M Sturrock and Co.

Exemplary exposure

MAY

63

While most South African employers resent reporting on their employment practices, Siemens takes special pride in exposure.

It disarms critics with frankness.

It opens its factories to more than 300 international visitors a year, not to mention many more local visitors such as top business leaders and parliamentarians.

And it provides detailed facts and figures on labour relations and conditions in its annual reports.

All South Africans are sharing the dividends of this open door policy, because it has made Siemens a leader in the fight against disinvestment.

There are increased dividends for shareholders as well — hard cash returns worth 24.4 percent of nominal capital.

Yet this subsidiary of a German company lives up to the EEC code's stipulation of paying at least 50 percent more than the minimum wage required to satisfy the basic needs

The removal of wage discrimination is only one of many achievements which have made Siemens a leader in South African employment practices, writes labour reporter SIEGFRIED HANNIG.

of a worker and his family.

Indeed, its lowest paid workers have incomes of 72 percent above the minimum living level, visitors heard last week.

In its latest annual report, issued today, Siemens reaffirms the crucial features of its employment policies — merit alone decides who is to occupy the individual workplace and racial integration takes place "not as a matter of force, but as a matter of course."

Thus, integration of canteens is still proceeding in consultation with local liaison committees. But six of the 15 liaison committees have become racially combined, in addition to the multiracial umbrella committee.

Siemens sees this process as desirable among its trade unionised workers of all races as well.

"Surely, separate and parallel unions must seem less desirable when many other trends point to economic integration," say the chairman, Dr W B Coetzer, and the chief executive, Mr W E Wentges.

In line with the non-racial employment safeguards in the metal industry, Siemens obtained the approval of worker representatives of all races for the promotions of 270 wage earners in the past financial year.

The proportion of blacks among those promoted tallied with the proportion of black wage earners.

The first black joined management as recently as last September.

But the number of black and coloured workers in skilled and semi-skilled categories has increased from 10 in 1966

to 1 391 last September... "a most impressive result of untiring training," Siemens reports.

In addition, races other than white now account for 10 percent of salaried staff excluding management.

Of the 137 people promoted from wage earning to salaried staff last year, 49 were black and coloured workers.

Siemens is not the only employer seeking to "harmonise people of a multitude of different backgrounds on one common socio-political denominator."

Indeed, it sees the Government itself as "steering the economy into integration."

But few other employers can claim that in their firms the "former backlog of the lowest paid has been overcome."

This is why Siemens can warn with justification that "further unproportional developments... would endanger the economy's first priority, the creation of job opportunities."

(There will be statements on 3 (three) of the 9 (nine) topics; you will have to choose and write on 1 (one) of these only.)

Justify your choice of (a), (b) or (c).

(c) The slave trade had no effect on the Niger Delta states.

states.

(b) The slave trade had a positive effect on the Niger Delta

states.

(a) The slave trade had a negative effect on the Niger Delta

E.g. Which of the following statements is most correct?

and then justify your choice.

In the section on the tutorial topics, you will be required to choose the most correct version of a statement relating to one of the topics

German firms ^{S Post} in SA ^{2/3/80} face (63) hearing

SEVERAL West German firms will attend a governmental hearing soon to explain how they do or do not comply with the EEC Code of Conduct for companies operating in South Africa.

Firms on the list include Siemens, BMW and Volkswagen.

A working group of deputies from the Parliamentary Foreign Affairs and Economics committees will meet in mid-March to define the themes of the hearing and set a date for it. It should be held some time during the last half of April or the first half of May.

Some companies are expected to insist on a private hearing so that company secrets can be protected.

Since November 1977 the Schmidt Government has sold insurance credit to firms exporting to South Africa only if they undertake to honour the code of conduct.

● See Page 7.

15 German firms pay the minimum

Post 3/3/20
63

ONLY 15 out of 46 German companies in South Africa pay their black workers the minimum wage required by the EEC Code of Conduct.

This emerges from the report of the Federal Government of West Germany on the implementation of the code.

The report was published in January in Bonn.

The report describes the purpose of the code as "to contribute to the reduction of racial discrimination by way of improving the working and living conditions of black African workers employed in factories owned by European subsidiaries in South Africa".

When the Federal Government asked companies to report on their activities in South Africa, they got replies from 71.

Eight firms did not have subsidiaries in South Africa.

Seven did not employ blacks.

Six employed

The EEC Code

very few blacks.

Four refused to report.

The responding 46 companies employ 30 488 workers.

"It is not possible to describe the total result of the reports as altogether satisfactory," the report concludes.

But it goes on to say that the Government, however, got the impression that the companies have a positive attitude towards the demands of the code, and that they are striving to reduce racial discrimination in the firms under their influence.

Extracts from the report:

● The code obliges the firms to act in a manner which guarantees that all employees, irrespective of race or other criteria, are free in the choice and in the running of the organisation which acts in their interest.

PARTNER

One company reported that it recognises an unregistered black trade union as a partner in the making of company agreements.

One said it was discussing future co-operation with a black trade union.

Other firms reported that union leaders were elected to their liaison committee.

Liaison or works committees were reported by 26 companies.

● The code makes special mention of the serious social and family problems caused by the migrant worker system.

Employers are asked to support the mo-

tion for free movement and to alleviate the consequences of the existing system as far as possible.

The German companies said they are largely not affected by this system.

Only nine companies mentioned migrant workers at all and they support these employees in the search for accommodation, or with transport to work, or in affairs involving the authorities.

Only a few of the companies made any comment on the demand of the code to contribute towards the abolition of the system.

Some firms remarked in this context that it is not within their power to change the existing South African apartheid legislation and that they could at the most interpret these laws with a certain flexibility.

● The code demands non-discrimination as far as wages are concerned; and the lowest wage rate should be at least 50 percent above the legal minimum.

A total of 15 firms reported that their lowest wages had reached the level demanded by the code.

And 11 said they paid wages above the legal minimum, but not as high as demanded by the code.

STABILITY

One company explained that the attempt to provide stable employment is not compatible with an increase in wages for all workers at a level which is 50 percent above the official minimum in the near future.

● The code promotes the principle of equal pay for equal position, which presumes that workers from any racial group have equal access to a position.

Employers are encouraged to reduce the demand for white immigrant workers by providing suitable training programmes.

A total of 15 firms reported that access to

a position is solely dependent upon the suitability of the applicant.

And 16 firms declared that equal wages are paid for equal occupations.

Most firms express a positive attitude in regard of specialised training for black African workers, partly because of the desire to overcome the existing lack of skilled workers.

The companies mention that training programmes centre on a kind of basic training.

They point out in this context that the educational and cultural background of black and of white workers is quite different.

This leads to different levels of achievement and results in the trend for the majority of black workers to be employed in the lower income groups.

According to the reports of the companies, various training programmes are offered to black African workers.

A total of 29 firms provide occupational training to enhance the practical knowledge and skills of workers.

Continuous training programmes that exceed the basic educational needs required for any particular activity are offered by 23 firms.

● The code demands a reduction of racial segregation at the place of work.

A total of 40 firms report that racial segregation is partly or completely abolished in their factories.

And 25 firms report, for example, that there is no racial segregation at work.

Five firms emphasise that there is no racial segregation in the canteens.

And two firms report that racial segregation in canteens for office workers has been abolished.

Some firms report that all voluntary social benefits are absolutely identical for black African workers and for whites.

COMPLAINTS

ANY COMPLAINT about the editorial content of POST TRANSVAAL can be addressed to: The Editor, POST TRANSVAAL, P.O. BOX 6863, Johannesburg 2000 or to The Registrar, South African Press Council, P.O. Box 10537, Johannesburg 2000.

Any complaints about advertising content of this newspaper can be addressed to The Secretary, Advertising Standards Authority of South Africa, P. O. Box 10537, Johannesburg 2000.

Boost for SA clothing

Financial Reporter

A multi-million rand export contract has been awarded to South African clothing group, Coronet Industries, of Cape Town.

Coronet, which is the franchise holder for the Hang Ten trademark for women's and girls' clothing, has formed a consortium with two other franchise holders, Joseph Di Paulo (US) and Hanns-Michael Graf (Germany).

The consortium was awarded sole rights to supply the total Hang Ten market for Europe, including the Scandinavian countries, Britain and the mainland, including Greece and Italy.

The value of the market is estimated between R50-million and R100-million a year.

All Hang Ten women's and men's wear for the European market will be made in South Africa. Existing plant will be expanded, creating work for contractors and necessitating a large increase in staff, to be drawn from all South African population groups.

Mr Frank Gordon, managing director of Coronet, says this breakthrough into the European market will lead to a large export increase by local clothing manufacturers.

Europeans are beginning to realise that South Africa has a large and competent clothing industry, operating on lower direct labour costs, and are now looking to South Africa to fulfil

market needs created by direct production shortages in the rest of the world.

German^{10/1/80} to discuss SA labour relations

Labour Reporter

SOUTH African trade unionists and academics will attend a major seminar in Frankfurt this month on labour relations in the Republic.

It will take place against growing calls for action against German companies operating

in South Africa. Trade unionists and church groups will attend.

Among topics to be discussed are management and worker reactions to the Wiehahn Report, sanctions, and the possibility of influence on German investors by West German unions and government.

AS AT 29 02 80

EXAMINATION RESULTS IN FACULTY ARTS

STU13-9 17000 BACHELOR OF ARTS (HONOURS)

YEAR : N/A

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Nixdorf to go into energy technology

In preparation for the increasingly technological years ahead, the Nixdorf computer group is to venture into energy technology, it was announced at the group's annual general meeting.

The object of this future-oriented investment — which the board emphasised would play only a "minor role in group activities" — is to develop industrial and commercial processes of generating alternative energy from lignite to reduce dependence on oil.

Continuous growth accompanied by steady widening of its market base remains the policy of the group. The West German company, one of Europe's leading computer manufacturers with a customer base of more than 70 000 installations, boosted sales in 1979 by 23 percent to a total of R568-m, compared with R460-m in 1978.

The bulk of the R75-million invested during 1979 went on expanding production capacity at the German and

foreign plants. This year production capacity at the central plant in Paderborn will be increased by 40 percent.

The group ended 1979 on a healthy financial footing. It achieved its best-ever results with profit after tax totalling R39-million.

Together with its enhancements to the product line, Nixdorf has developed advanced methods of servicing hardware and software. This new technology is based on remote diagnosis service-computers that monitor user installations over normal telephone lines or Datex network.

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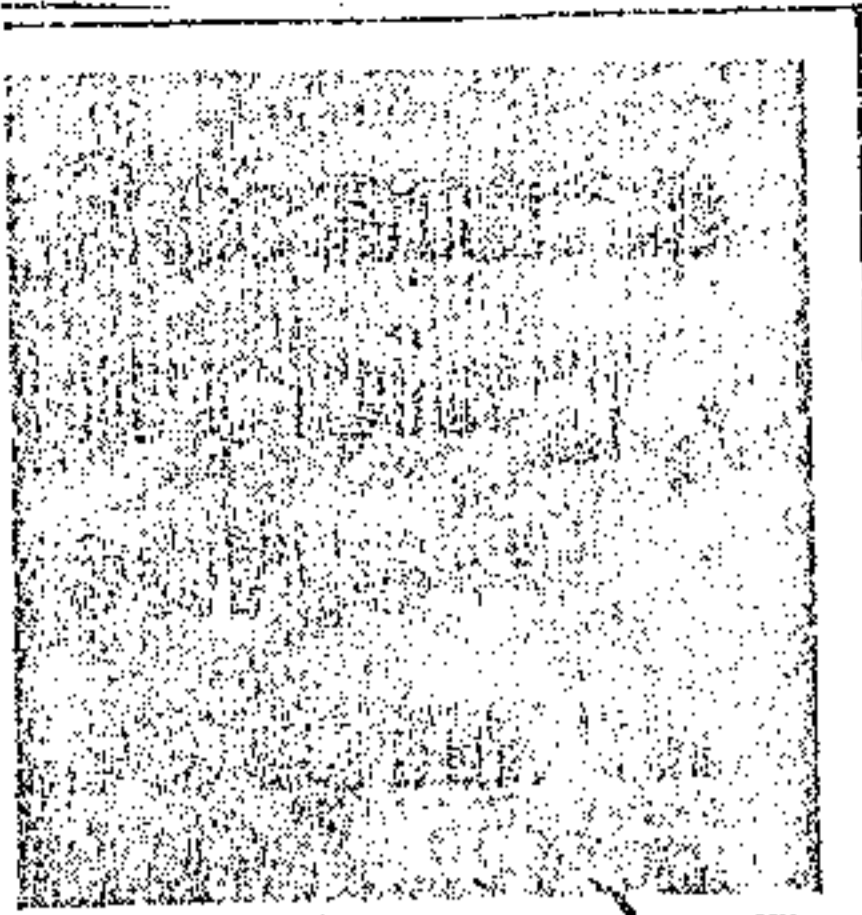
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S. W. (6-24-62)
By BILL CAIN



MOTOR component factories are being toured by major West German industrialists investigating local investment opportunities.

BMW's logistics and procurement director, Dr H Schaffer, is leading the seven-member mission comprising major manufacturing company executives.

A source close to the exercise says the visitors are assessing the feasibility of opening component factories and entering into licensing agreements.

Impressed

He adds that they are generally impressed by the standard and that the final products are as good as those made in West Germany or imported by car makers there.

Tour members believe SA's share of the West German parts market is a long way below its potential. They are also looking at pretty heavy stuff, not just hub caps.

The source says the first top-level tour can be considered a practice run for a more high-powered mission already being planned.

GEC, Siemens get Soweto project

64 63

STAR

9/5/80

55 343 702

Two of South Africa's biggest electrical groups, GEC South Africa and Siemens, have received letters of appointment from the Diepmeadow, Dobsonville and Soweto councils for the R100m Greater Soweto electrification project.

This announcement comes in the wake of the statement in Parliament by the Minister of Co-operation and Development, Dr P G Koornhof,

that his department will proceed with the R153m Greater Soweto electrification programme.

The contract is to be handled by Tesacon a consortium formed on a 50-50 basis by GEC Power Distribution, a GEC SA company, and Siemens.

A spokesman for Tesacon (Township Electrification South Africa Consortium) said work on the project was to start immediately. The contract

called for the supply and installation of the 11 000 volt and low voltage networks for Diepmeadow, Dobsonville and Soweto.

He said job opportunities for several thousand black workers would be created by the project, and on-the-job training would be undertaken. Local content of the products and services to be supplied would be close to 100 percent, and sub-

contractors would be widely used, especially for installation work. The large installation portion of the contract would be carried out by a sub-consortium led by Industrial Electrical.

A spokesman said one of the first tasks for the project co-ordinators would be to finalise a project timetable in collaboration with the consulting engineers, G H Marais and Partners Incorporated, acting for the councils.

Both partners in the consortium have already executed projects in Soweto. GEC Power Distribution has supplied about 50 mini sub-stations and Siemens has installed five containerised telephone exchanges.

GEC Power Distribution, through its Power Projects Division, and Siemens, were the only companies to tender on all the enquiries issued for the project.

"Because the programme will have such far-reaching effects on the quality of life for the residents of Greater Soweto, the consortium intends tackling the contract with the utmost sense of urgency," the spokesman said.

"With the completion of the contract many of the blacks trained while in the employ of the consortium will become available for employment by the electricity undertakings in the area to create the infrastructure that will be necessary for the maintenance of the electrical networks," he said.

74,5 + 27 = 101,5 = 51%



EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

Germans look to SA as export platform

(63)
WDM
10/5/80

By SIMON WILLSON
Industrial Reporter

A VISIT to South Africa by a team of West German industrialists last week was the first move in a plan to set up export platforms in South Africa, concentrating on car component production.

The delegation was led by Dr Helmut Schafer, a member of the board of the Munich-based BMW Aktiengesellschaft (parent company) responsible for purchasing and logistics. The delegation comprised other senior representatives of the German car components industry.

Dr Schafer said the manufacture of car components had reached a stage where exporting them from South Africa to Europe was a proposition.

This is confirmation that manufacturing conditions are now so favourable that South Africa represents a first-class export platform for Western Europe-based multinational companies.

Export platform is the term given to the subsidiary of a multinational which is set up to manufacture products for export back to the parent company.

The subsidiary takes advantage of the cheap labour, land and raw materials in its host

country and uses other advantages, such as tax incentives and development cost rebates.

Transport costs, which are often comparatively high because the export platforms get the best terms in countries well away from the world's industrial centres, add less to the retail cost of the product than the high costs of labour, land and capital add to the cost of products manufactured in the parent company's base country.

BMW's South African subsidiary seems set to be the pioneer motor components export platform for West Germany. In a sense it almost is as it exports fully built-up vehicles to Germany.

From BMW SA's 12 000 units a year output, nearly 2 000 cars are exported. Exports began in 1978 with 1 150 units, rising to 1 230 last year and are expected to be nearly 2 000 this year.

The expansion of exports into the component field is expected to take place as the domestic content rules increase the locally manufactured component requirement from 66%.

At the present local content rate most of the more complex components are still imported from Germany and the 66% figure is satisfied by the bodyshell. As the local content rules require more domestically made components, so the capa-

bility will be developed to export them.

Dr Schafer said the quality level attained in South Africa was becoming increasingly satisfactory.

"In the eight years since my previous visit to South Africa, the car component industry has made great progress. Efficiency has increased and products have, through better quality and reliability, become more competitive in relation to what is available on the international market," he said.

"BMW in Germany imports 600 different parts from all over the world. As long as foreign products match German standards of quality, and provided prices are competitive, we will continue to import parts.

"Some of my fellow visitors representing the German car component industry have displayed a definite interest in the possibility of investing in South Africa. Others are considering licence agreements," Dr Schafer said.

Other South African-based car companies would undoubtedly like to become export platforms, but their prospects are less bright because they belong to bigger parent corporations which either export their own products or have other subsidiaries coping with those markets on location.

	Internal	External
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NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

16/5/80

2/5/80

63

How to walk a tightrope

Can a multinational reconcile the special demands of doing business in SA with those of the anti-SA lobby back home? Siemens, the giant German electrical group, seems to manage it and, at the same time, it employs a contented multi-racial workforce and makes a healthy profit.

Last year its profits in SA rose to R6,5m which gave a 24,4% return on nominal capital investment. And last month it drew favourable comment on its movement towards the requirements of the EEC conduct code from German trade unionist Eugen Loderer, chairman of IG Metall, part of the 13m strong International Metalworkers' Federation.

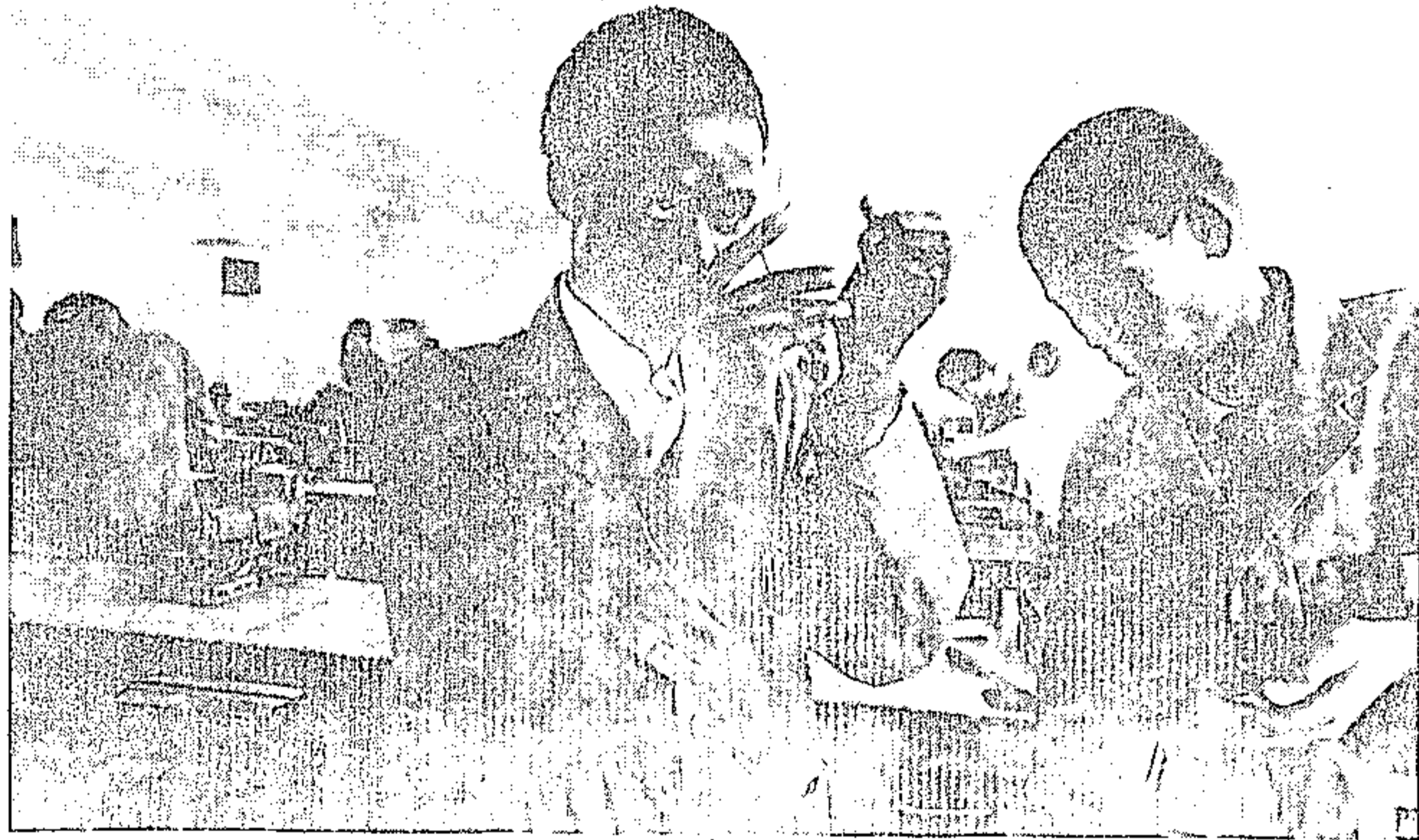
The Siemens success in SA does not come from a lash-up of compromises to fit the local situation, but from a global strategy which applies in 150 world markets. Siemens believes the best way to sell to the world is to get the goods locally made by local people. This works in countries as diverse as SA, Pakistan and Argentina and has helped Siemens become Germany's biggest company and the 16th largest, by *Fortune's* book, in the world, with assets of \$14.9 billion.

Siemens executives argue that keeping its factories and knowhow in Germany to export high technology electronic and

electro-mechanical equipment would have priced its products out of the market, because of rising German labour costs and the soaring DM. And the German market would have been too small to support the R&D budget of a company which owes its existence to expensive technological inno-

vation.

This declared policy goes down well with governments in developing countries which often make local manufacture a condition of doing business. Firms not enthusiastic to manufacture locally naturally lose out to Siemens which gears



Siemens . . . local training is integral part



Wentges . . . treat every employee as a mensch

itself for this new style of business imperialism.

Siemens has been multinational since 1850 when it had offices in London and St Petersburg. However, the principle "The greater the geographic spread of risk, the more sound the business will be," was formulated only in the late Forties after many of its worldwide interests had been sequestered for the second time in 30-odd years during two world wars. Siemens realised that to keep alive, it should invest more in each foreign operation and allow greater local participation.

After World War II it followed this global strategy in SA and satisfied the authorities when it was allowed to reopen its sales office in 1952 after agreeing to substantial investment in local plant. It now employs more than 6 000 South Africans in a company 52% owned by the German parent company. General Mining, the Federale group and the IDC each have a 16% stake.

Siemens in SA still bears a strong Teutonic stamp and it seems that power is handed over to locals only after they have been thoroughly schooled in the company's ways. Most senior staff have learned German and worked at the parent company for extended periods. This has helped bring about a reduction in the percentage of expatriate managers from 62% in 1973 to 25% today and a virtual disappearance of expatriates from other ranks.

The most dramatic personnel developments have been in the black/white split. In 1966 only 10 blacks, coloured and Asians were employed in skilled and semi-skilled jobs, or as apprentices. In 1979 the figure was 1 391, or 52% of the total number of employees in this category. There are also

more blacks in white collar jobs, although progress here has not been as spectacular. Of the company's 264 managers, one is black.

The company has long practised a policy of equal pay for equal or equivalent work, and selects personnel on the basis of merit alone. It practises integration "not as a matter of force, but as a matter of course," and workers of different races are not segregated at work.

Relations between white and black seem to be good, and it is tempting to theorise that if this multiracial society can work in the Siemens microcosm, then why not in the rest of the country. But as one black-employee puts it, "The Afrikaner knows that here the German is his boss, so he had better behave if he wants his wages."

Although these labour policies please the watchdogs of the IFC Code of Conduct, Siemens claims they were not forced on it from outside, but initiated from within out of self-interest.

"Our policy demands that we treat an employee as a human being, or a *mensch*, regardless of his race," says Wilfried Wentges, chief executive of the R210m a year SA Siemens operation. "We apply it worldwide, and we do it not only because it is good ethics, but because it pays."

Bridging gaps

Apart from being non-discriminatory, this policy involves heavy expenditure on staff training from the level of apprentice to post-graduate. Another facet of the policy is the liaison committee system, which was instituted in the early Seventies to provide a means of communication between management and black staff. "We learned to talk to each other and so we bridged deep gaps," says Wentges. The "Siemens Social Package" is another world-wide non-discriminatory employee benefit programme embracing items such as subsidised canteens, medical aid, retirement insurance, housing loans, sports facilities and staff bonuses.

Wentges maintains that all this has helped to bring down the personnel turnover from 45% in 1975 to 21% in 1979. With the high percentage of staff requiring specialised training, this drop has brought about a substantial cost saving.

Interlinked with the Siemens labour policy is its local production policy. Says Wentges: "Whenever we can, we rationalise our production lines to get the volumes which justify local production. And local production is cheaper, more competitive and more profitable than importing from Germany, because it is more labour intensive." A wave of rationalisation since 1976 bears this out. From 1977 to 1979 when sales rose only 14% from R185m to R210m, taxed profits shot up 97% from R3.3m to R6.5m.

Says Wentges: "To rationalise our output, we must first get our customer to

rationalise his requirements."

The first step in this direction was taken in 1958 when Siemens and the SA Post Office (Sapo) signed their first 10-year contract for the supply of communication equipment. Prices are based on an annual scrutiny of Siemens' books by Sapo to check production costs.

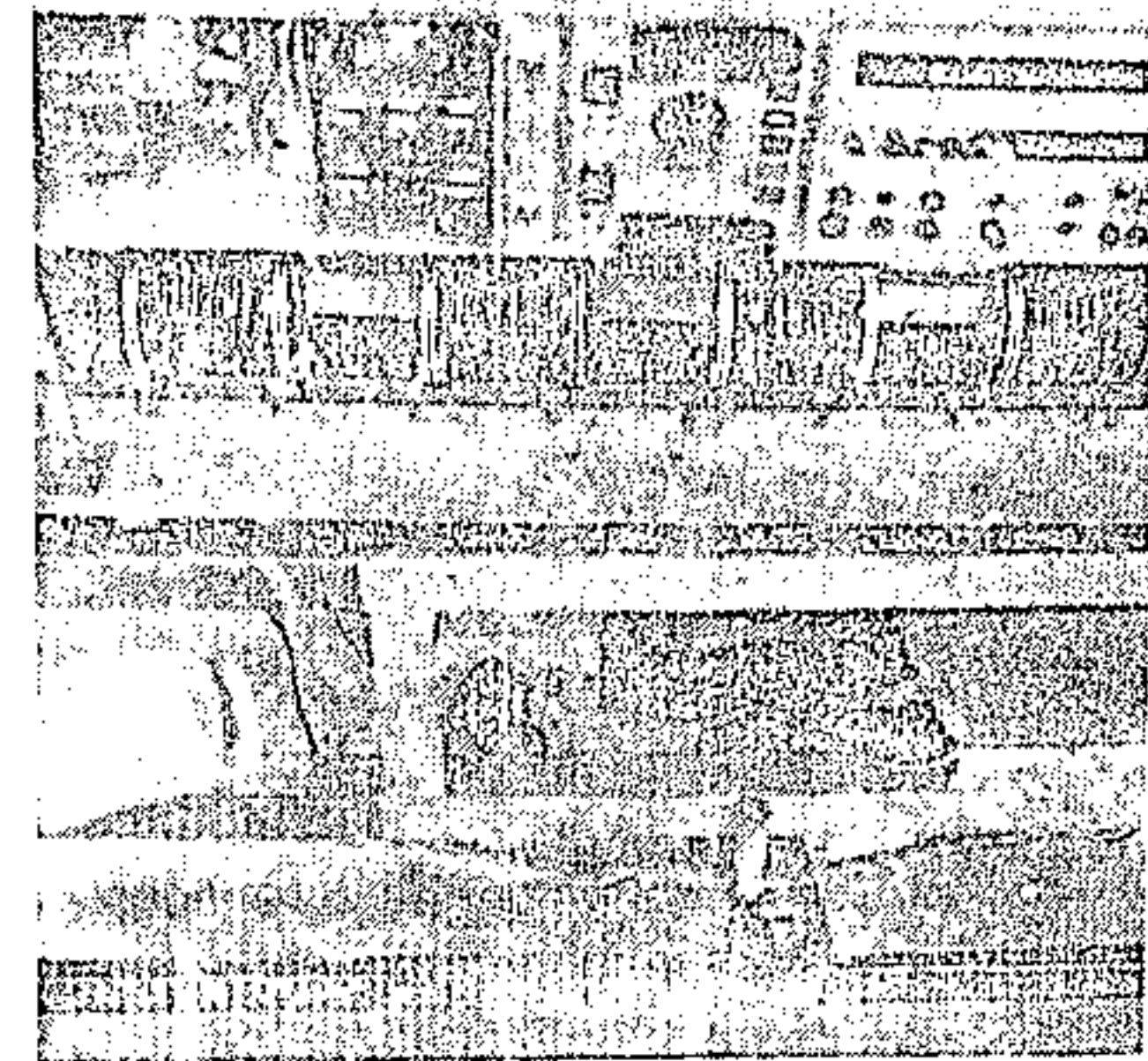
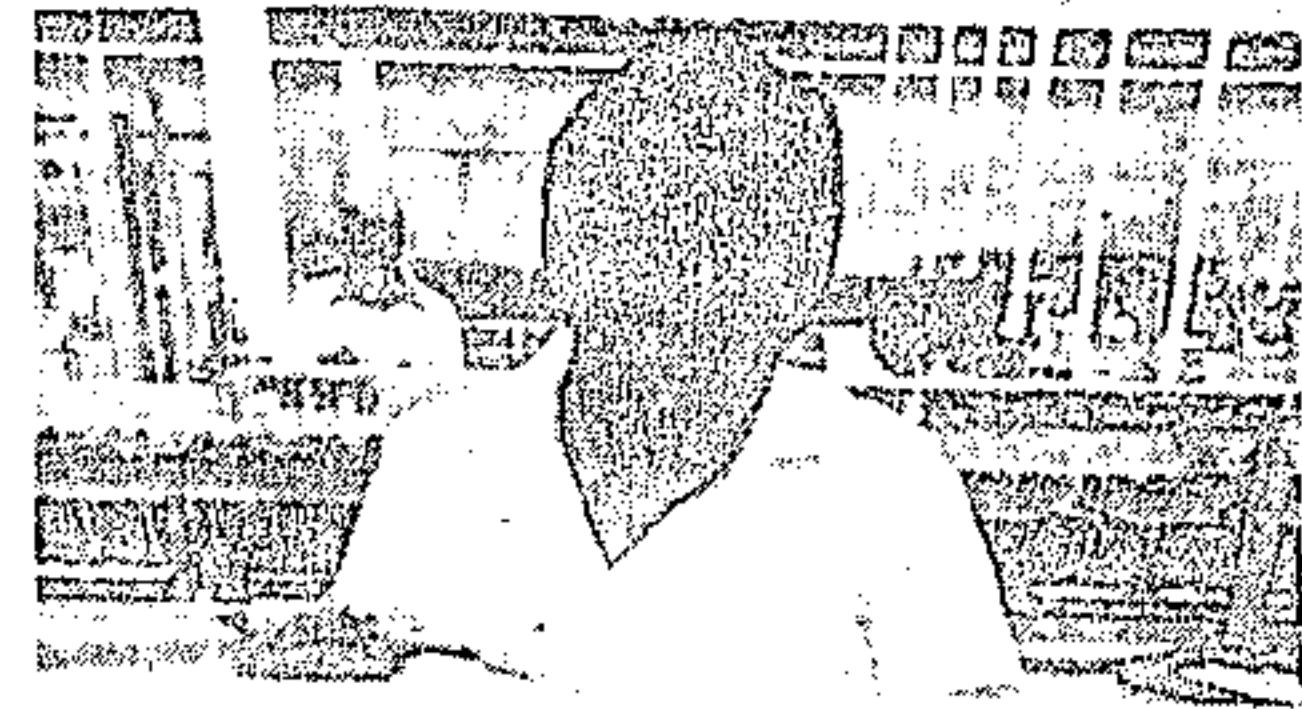
"This is a very reasonable way to develop a local content programme," says Wentges. "It allows us to plan ahead, and it safeguards our customer from exploitation."

Another factor helping rationalisation is that Siemens does much of its business with relatively few government or quasi-government customers, and it has also signed contracts favouring local content with the SAR, Sasol, Iscor and Escom. These customers, together with Sapo, account for a whopping 55% of local sales.

The 1979 15-year agreement to supply Sapo with Siemens' latest digital electronic exchange has developed over the years, for it was signed before even the German Bundespost had decided to go digital.

While the anti-SA lobby would prevent British and American firms from establishing themselves here, the lesson of the Siemens strategy for dealing with conflicting pressures both in SA and at home is that it makes good business sense and sets an example in labour relations.

What's the lesson in this for other multinationals? There is, of course, less anti-SA pressure on German firms than on American, so it is easier for a company like Siemens to cope. Even so, Siemens has demonstrated that enlightened labour practices are also good business.



Telephone exchange . . . switching to local content and labour

Post
22/5/80

Germans take closer look at conduct code

BONN — The Economics and the Foreign Affairs Committee of Parliament have scheduled a joint public hearing for June 23 to consider whether West German firms operating in South Africa meet the standards set by the European Community's suggested code of conduct.

The committees agreed to the hearing at the urging of Social Democratic Deputy Wolfgang Roth, who earlier this year declared the government's first report on application of the code of conduct to be unsatisfactory.

The committee has invited the Federation of German Wholesale and Foreign Traders, the Federation of German Industries, the German Trade Union Federation, the Evangelical Church in Germany and the Roman

Catholic German Bishops Conference to send witnesses.

The committee also has invited five individual experts to testify during the day-long hearing.

The five are: Prof Dr Helmut Blei of Hannover University's Historical Department, Prof Dr Theodor Hans, of the Bergstraesser Institute in Freiburg, Dr Reinhard Hermle, of the University of Heidelberg, Prof Dr Rolf Hofmeier, of the African Institute in Hamburg, and Prof Arnt Spandau, of McKinze and Comanz in Duesseldorf.

20 QUESTIONS

The committee announced 20 questions it asks of the witnesses. They include these questions:

- To what extent is the European Community's code compatible with the code for multinational corporations and could the application of different codes lead to confusion in South Africa?
- Did German firms ap-

plying the EC code experience any intervention by South African authorities?

- Have recent South African legal or administrative measures hindered or eased application of the code?

- In what manner have the firms arranged for the interests of their black workers to be represented?

- Have wages been made equal?

- Has separation of the races been erased at the working place and what has been the resistance to the measure?

- Do traditions, habits or social forms, also those of ethnical or religious character, hinder application of the code?

- What effect did application of the code have on competition among companies and has this affected the degree of German activity?

- What effect has the code's standards on the wage system had on the job situation for black Africans?

- Would the investment climate in South Africa be improved if the code were replaced by appropriate legal regulations?

Argus
27/5/80
63

BIG RISE IN IMPORTS FROM WEST GERMANY

IMPORTERS of West German products are confident that sales in South Africa in 1980 will increase by more than 15 percent, according to a survey conducted by the South African-German Chamber of Trade and Industry.

In the first three months of this year, exports to West Germany rose 33 percent from R268-million to R357-million.

Imports from West Germany in the same period increased 23 percent from R314-million to R387-million.

The figures reflect the upturn in the economy with a growing demand for consumer goods.

The survey shows that two-thirds of the companies interviewed expect sales of consumer goods to increase by more than 15 percent this year. About 27 percent of companies expect an increase of up to 15 percent.

CAPITAL GOODS

In the capital goods and raw materials sectors, 48 percent of firms who took part in the survey expect sales increases of more than 15 percent and 40 percent sales of up to 15 percent.

Although German products are considered to be relatively highly priced, sales are expected to go

up as demand for quality products continues to rise.

Germany's main competitors on the South African market are the other Common Market countries, Japan and the US.

TRADE DEFICIT

South Africa reduced its trade deficit with West Germany by 33 percent to R15-million in the first three months of this year. The deficit now amounts to only two percent of total trade.

But the figures do not necessarily mean that South Africa will close the year with a trade deficit. Last year, after a slow start, South Africa achieved a trade surplus of R241-million with West Germany.

Excluding gold from the export figures, South Africa exports to West Germany increased by 25.9 percent, mainly due to sales of semi-finished products.



MR Harald Busse has been appointed product engineering manager of Volkswagen of South Africa. He has been in the research and development division of Volkswagen in Germany since 1968.

63 63 DM 16/6/80 Germans look at property

Financial Reporter

GERMANS, usually shrewd property investors, are looking at investment possibilities in South Africa.

A German property investment consortium, with R20-million at its disposal, is looking for a rewarding home for its funds. It was hosted in Johannesburg recently by Richard Ellis Dunlop Heywood.

German interest in the South African property market is largely the result of improved economic conditions, led by the greatly increased gold price and the obvious attractions of the financial rand with its effect of increasing yield on investment by foreign-based investors, says Mr Alistair Barclay of the property group.

The German funds have been allocated for investment in commercial, industrial and residential properties whether in the form of outright purchase of established buildings or in new property developments with a view to inviting SA participation.

The German entrepreneurs showed particular interest in completed investment buildings and development sites.

41



Von Koerber . . . we're concerned with every detail

launched into the US, initially in BMW's finance division before taking a top position in the distribution company. A measure of his marketing skills is that he motivated an increase in annual sales volume from 12 000 to 28 000 units in just two years.

His present job in SA came about, he jokes, because it was difficult to find a good MD to come to SA after the Soweto riots in 1976. He doesn't expand on his obvious abilities. "I don't want to be one of those glamour boys of the motor industry. To boast could lead to the deterioration of our success." So be it.

His is a dogged determination to go for perfection — in product and marketing. "We're concerned with the smallest detail here. One gets very annoyed by the lack of discipline, the attitudes towards quality in manufacturing and distribution. What's needed is a permanent education process."

He has pride in the BMW work force. Hands clasped behind his head, he philosophises on man's weaknesses. "Human nature is lazy. There's a disinterest beyond the immediate needs of eating and sleeping. Individuals must be treated as individuals, they must be challenged."

Not surprisingly he is a frequent visitor on the factory floor, organises small work shops on motivation. Optimistic about new attitudes in SA, he reckons standards will improve once there's increased competition when blacks increasingly enter the labour market.

Pivotal to the success of a company, he argues is "staff morale and the attitudes of people. The best protection against acts of terrorism is the morale of one's own people." He is dedicated to uplifting morale and expanding job opportunities.

The man who opts to spend a considerable portion of his leisure time riding either a high powered BMW bike or a lively horse, says: "The most important thing I learnt in the US is that in a highly competitive environment, the most important asset a business has, is its people. Here it is the same."

He speaks rapidly. While he's no soap box orator, he nevertheless holds strong views which he punches home relentlessly, such as. "We have to accept people will be more critical in the Eighties. They will realise the quality of life is more important than straightforward money. You're going to deal with people who will be more and more critical of political attitudes, who will be less and less satisfied with what was acceptable in the past. Things are changing . . ."

He loves SA, has tremendous ambitions to expand BMW production, always striving for zero production faults.

He stresses BMW will spend R50m in the next three years to expand its motor assembly plant in SA. And he endorses proudly one BMW PR catch line: "BMW are purveyors of life style."

ning, finance, personnel, marketing, are the other eulogies bestowed on a man who rejects, out of hand, the personality cult. He hates being interviewed, doesn't like talking about himself. "I don't like to be on an ego trip. I concern myself with the product we make, the team that works here . . ."

But he likes talking, punctuated with precise arm and hand movements, about his business philosophy, how he sees the role of management. He looks surprisingly young, slightly tubby with not a wrinkle in sight.

The double breasted grey hopsack suit does a neat job of camouflaging any excess flesh folds that may lurk here or there. The steel-rimmed glasses give him a boyish look which goes well with the easy charm and affable manner which do not hide the singleminded determination and intolerance of second best.

Von Koerber doesn't care for the label of Prussian martinet, but there's no mistaking the adherence to the Teutonic work ethic in a man whose personal buzz words are discipline, motivation, efficiency and hard work.

With a doctorate in law tucked under his belt, — (his first job was lecturing in public law at Berlin University) — he joined industry in Europe's largest chemical group, Akzo, based in Arnhem, Holland. He switched to BMW at the personal invitation of the chairman, Eberhard von Kuenheim, as his assistant in 1972.

The cord was cut in 1975 when he

EBERHARD VON KOERBER

No martinet

Fm 4/7/80
63

Workers at BMW describe 42-year-old MD, Eberhard von Koerber, as the man with the golden arm — able to lead employees unerringly on to new achievements. A whizzkid with a talent for plan-

Shock, dismay at VW speculation

Own Correspondent

63

EAST LONDON. — Uitenhage business and community leaders reacted with shock and dismay to speculation that Volkswagen was negotiating to buy the Fiat factory in Pretoria, a step it is feared may lead to the transfer of part of the Uitenhage car plant's production process.

VW spokesmen were tight-lipped yesterday about any moves to buy the Fiat factory.

The president of the Uitenhage Chamber of Commerce, Mr B Botten, said that it would be a great setback for the town and would have economic repercussions. The effect would ripple also to the Port Elizabeth-Despatch triangle.

The Fiat factory enables Fiat to sell about 400 units a month. VW sells between 4 500 and 5 000 units a month. Business observers speculate that if any

move was made, it would be by VW's commercial vehicle plant which produces between 400 and 500 units a month.

VW provides employment for more than 6 000 people, and there is a spin-off to allied industries in Uitenhage and Port Elizabeth.

"The thought of Volkswagen moving scares the hell out of me," Mr Botten said.

"Volkswagen must think carefully before they leap," Mr James Tini, chairman of the Uitenhage Community Council, said. He said the Eastern Cape offered a more stable labour force because of local labour had vested interest.

He said that if VW moved to the Transvaal it would rely largely on migrant labour, which did not provide a stable labour force because VW would have to train new workers every six months.

BMW strike is over —

28 pc pay rise, bonus

STAR 28/11/80

(12) (13) (63)

By Kevin Murray

About 1 000 striking workers at the BMW motor factory at Rosslyn, near Pretoria, will go back to work on Monday after being granted a wage increase today of 28 percent.

The workers went home yesterday in support of their wage demands after becoming impatient with delays in negotiations.

They were demanding a wage increase of 50c an

hour. Negotiations had been in progress for about six weeks.

Yesterday the BMW employee council and the management of BMW South Africa reached agreement on the wage increases, which will become effective from January next year.

The management announced today that the new minimum hourly rate would be R1.60 (compared with the present figure of R1.25).

Employees in all job grades would receive wage increases and a new long-service bonus scheme would operate.

Yesterday plant workers appealed to the management and the employee council to come to an agreement on the wage negotiations, and it was decided the employees should go home until the talks were over.

A statement issued by BMW today said: "All em-

ployees arrived for work at the plant today and were given their wages as well as notification of the extent of the January increase.

"It was mutually agreed by the council and management not to let employees work today to give the employee council an opportunity to discuss the increases with workers."

The workers were requested to report for work again on Monday.

Honda ^{RDM} for SA ^{5/1/81} (63)

UCDD (Pty), manufacturer and distributor of Mercedes-Benz products in South Africa, says arrangements have been concluded for the manufacture in South Africa of a Honda car in the 1 300 cc to 1 500 cc category.

Production of the Honda will start in East London in the latter half of 1982 at UCDD's assembly plant where the Mercedes range is produced.

The Honda will conform to Phase V rules and will have at least 66% local content.

In investment totalling R14-million will be made at the East London plant and will create 750 new job opportunities, mainly for blacks.

Another 500 jobs in wake of R50-M VW scheme

By Fred Roffey

MORE jobs will be created at the Uitenhage plant of Volkswagen as a result of the decision by the company to accelerate its investment programme by another R50 million this year.

About 500 extra workers will be taken on.

The staff increased from 5 441 to 7 322 last year, due to increased demand for the company's products.

Feature

A major feature of the Uitenhage expansion is that 50 new apprentices of all races will be trained this year.

The R50 million forms part of the R100 million investment programme announced by the company at the beginning of 1980.

The managing director of Volkswagen South Africa, Peter Searle, said the company had committed R46 million during the first year of the programme.

New plant

This had been for projects such as a new engine plant which was scheduled to come into operation by the middle of this year.

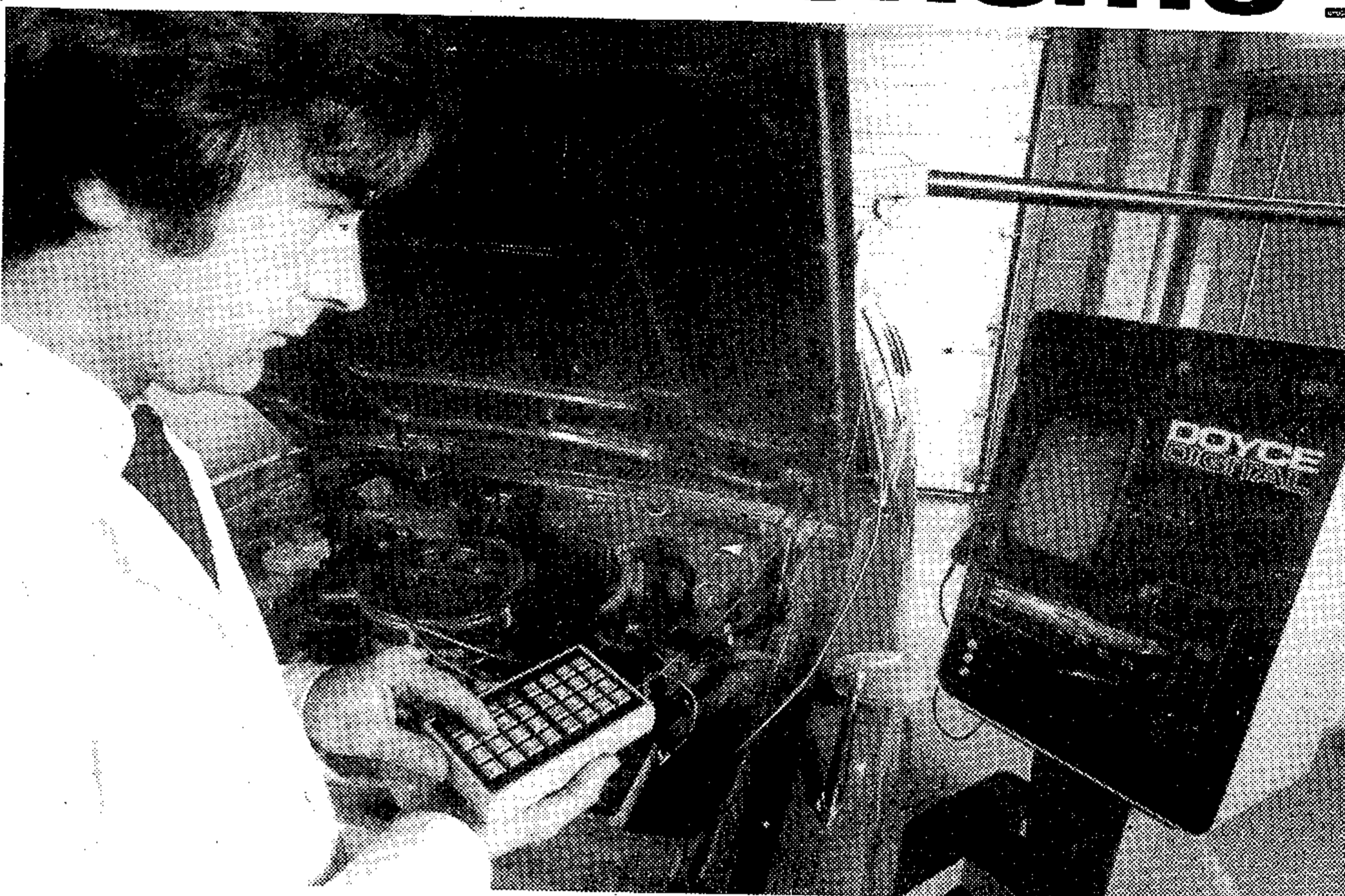
Other projects were the installation of extra presses in the press shop, extensions to production facilities, the introduction of new products, the increasing use of local content, and welfare and education projects for employees.

"Due to dramatic growth in sales during the past year we have had to accelerate our overall investment programme, and this year we will commit a further R50 million.

Strong

"Although we do not expect the same dramatic growth in the market this year as last year, it will remain strong, and our investments in both people and facilities will ensure that we share fully in this expected growth," said Searle.

Expanded projects for employees include extending the company's bursary programme, opening a new sports club, and increasing the money spent on community projects in the Uitenhage area, plus stepping up the company's ongoing worker training programme.



This new British automatic test equipment gives an instant digital readout of the testing of every function on any car — at the push of a single button. The DE 400 consists of an oscilloscope and a small hand-held remote control. Designed for use on 2, 3, 4, 5, 6, 8 and 12 cylinder petrol engines and on two-stroke or wankel types, the system involves connecting a harness to strategic points in the engine. The operator can then make adjustments to the engine and call up the result of those adjustments immediately on the oscilloscope. The unit can be used in a running or static situation and is designed for simplicity, accuracy and reliability.

For further information circle No. 5

New-car sales won't match 1980 record

By Fred Roffey

OPINION is mounting that this year's new car sales will not grow to the same extent as last year's record figures.

The latest to express this opinion is the chief group economist of Barclays National Bank, Dr John Cloete.

"The very substantial increases in sales of cars and other durable consumer goods are unlikely to be repeated in the year ahead, as pent-up demand for these goods has now probably been largely satisfied," he said.

Another factor was that the rate of increase in salaries and wages might well slow down significantly.

"Following the sharp increases in wages as well as other costs during the past year, firms are likely to cut back on wage increases this year and to embark on cost reducing and containing exercises in general," he said.

"In view of the need to prevent a significant acceleration

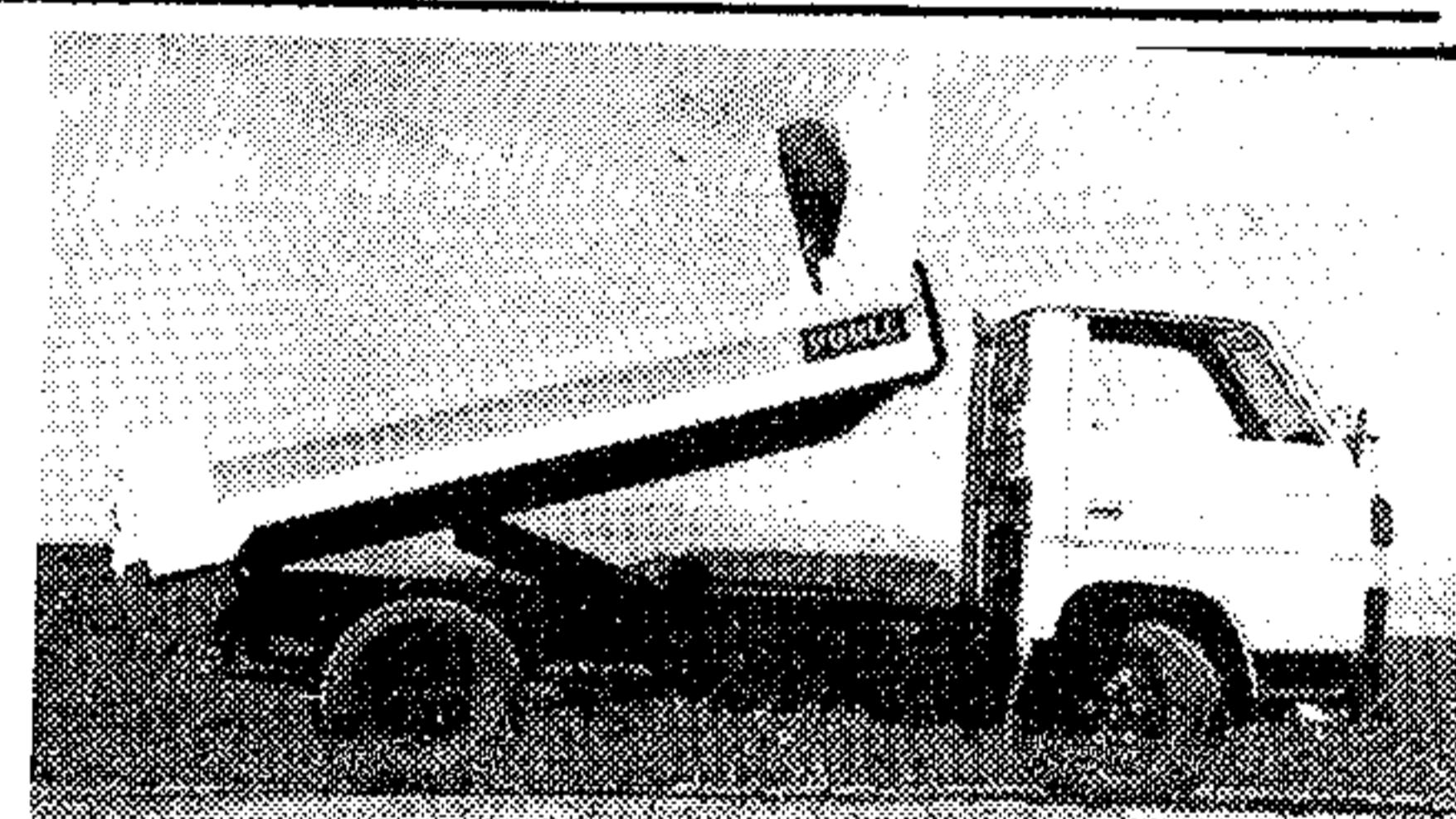
of the inflation rate, the Budget is also likely to be more restrictive than that of March last year, which would mean less generous, if any, tax concessions to swell disposable incomes."

Dr Cloete pointed out that interest rates and the cost of money had already started to rise and were likely to rise further as lending capacity in the banking system became fully absorbed.

"The increase in the cost of finance will, in turn, affect both investment and consumption expenditure," he said.

The managing director of General Motors South Africa, Lou Wilking, warns that strains typical of a boom period could inhibit growth, and he believes this year's new car sales figure will be marginally lower than last year's record sales volume.

However, the managing director of Ford South Africa, Brian Pitt, forecasts that this year's new car sales figure will beat that of 1980, while the managing director of Volkswagen South Africa, Mr Peter Searle, believes 1981 new car sales will be about the same as last year.



The Poole mini tipper is a low cost tipper especially designed for smaller jobs — which means you can still make a profit even on smaller jobs where a larger tipper would prove to be uneconomical. Add to this the fact that your running costs are considerably reduced and you have a tipper that is designed to increase your profitability and versatility. The body capacity is 1,8 m³ and the floor is made of 3 mm mild steel supported on rolled steel longitudinals and crossmembers. Purchase of the tipper with fixed or dropsides is optional. The mini tipper may be fitted to most 2 or 3 tonne payload carrying vehicles.

The mini tipper is fitted with a Heil hoist system with a 50° dumping angle and the maximum dumping speed is 28 seconds. Except for the pump, which is imported from the USA, the Poole mini tipper is made of 100% local content.

SIEMENS GIVES BOOST TO TRAINING OF BLACKS

ARGUS 6/2/81

03 185 176

SIEMENS, the electrical giant, increased the number of black skilled workers by 155 percent and black apprentices by 450 percent in the 12 months to September.

The volume of orders soared by 80 percent to 426-million and the staff of 6 500 was raised by 6 percent or 373 to handle the extra work, says the annual report.

The white labour market was too exhausted to provide the skilled workers needed and the large black labour reservoir came to the rescue.

The minimum hourly pay was raised to 149c in direct and indirect income at September 30.

At that time an income based on 149c covered the average minimum standard of living plus 50 percent for a family of six, without the company's voluntary contributions for a household of four.

The chairman, Mr W B Coetzer, says in spite of the drastic effects of any high growth economy on its labour market, the company's staff turnover increased by a mere three points to 24 percent.

Even more satisfactory was the unaltered personnel turnover of the company's black men and women at 19 percent.

Siemens, one of the few overseas companies to disclose its turnover and profit figures, says excluding commission business, turnover rose by 11 percent to R234-million and taxed profit rose 20 percent to R7,9-million.

The profit was split equally between reserves and dividends, which amounted to 15c a 50c share, a 22 percent rise in 1979.

The order intake reached R426-million including commission business, which boosted the turnover figure to R268-million, a rise of 18 percent.

Fifty-two percent of the R13,4-million shares are now owned by Siemens of Switzerland, which is wholly owned by Siemens of Germany; 16 percent by the Federale group and 16 percent by the Industrial Development Corporation.

Argus Correspondent

ZURICH. — West German and Swiss banks have now taken over the bulk of international lending to South Africa, a seminar on bank loans was told yesterday.

French banks also continue to provide funds but several British, US, Dutch and Canadian banks have stopped doing business with Pretoria, it was said.

A report to the 'international seminar on bank loans to South Africa' was made by the Rev David Haslam, secretary of the 'End Loans to South Africa' movement.

The seminar was convened by the UN Special Committee on Apartheid, the World Council of Churches and the Swiss

Argus 7/4/81
German, Swiss banks fund SA

Anti-Apartheid Movement.

In the Netherlands, Mr Haslam told the three-day seminar which began on Sunday that AMRO, ABN and other Dutch banks had stopped lending to South Africa.

In Britain, the Midland Bank made a similar decision while in the US, the Chemical Bank, Chase Manhattan and others have indicated they would make no more loans.

'Citibank remains the main offender in the US,' Mr Haslam said.

Canada's Toronto Dominion Bank had also stopped further dealings with Pretoria.

'It is, however, the German and Swiss banks which have taken over much of South African lending.'

The decision to hold the seminar in Zurich backfired on the organisers, and not only because it aroused Swiss Government displeasure.

Zurich was selected because of its status as

world financial centre and because all foreign reporters in the city are specialists in financial and economic news.

But all these reporters were concentrating yesterday on the annual report and Press conference given by Alusuisse, the big Swiss aluminium corporation and one of the 'enemies' of the anti-South African investment militants.

The foreign Press corps is concentrated in Geneva and only two correspondents, including one from the Soviet news agency Tass, attended.

27.

4. Utilization of Health

4.1. Analysis of clinic

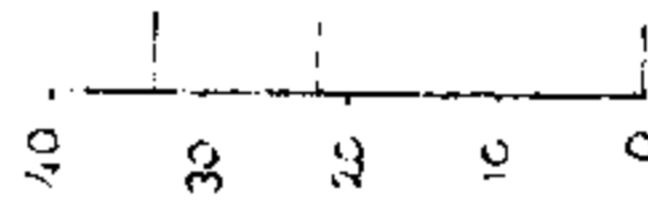
A study of 'minor ailments' and Kirkwood Division the areas served by their clientele. The r

Table 1: Distance tray

km	0-1,9	2-3,9	4
Addo	38	33	
Kirkwood	16	13	

Graph 1: Distribution

% patients



From the greater relatively few residents of the clinics. Only because, para serve a large nightly visit

26.

clinics at Enon, a mission settlement 12,5 km from Kirkwood, and at Dunbrody on a large estate (see map). The same services are provided. The white sister at the Kirkwood D.C. clinic also makes two fortnightly trips to roadside stops in areas more distant from the clinic, and a monthly visit to Bluecliff area, incorporating TB follow-up and case-finding.

3.1.4. Emergencies

A taxi service is run at D.C. expense from Kirkwood for the transport of emergency cases to the point of treatment, normally Kirkwood, Uitenhage or Livingstone hospitals. It can be commissioned on the authority of a doctor, which means that in many cases patients have to reach the doctor first. A special ambulance is available from Uitenhage to transport infectious TB cases to hospital there or in Port Elizabeth.

3.2. Specialist and Hospital Services

Specialist services are available in Port Elizabeth and Uitenhage. Patients needing hospitalization are referred to the Kirkwood nursing home, the Provincial Hospital in Uitenhage or the Livingstone Hospital at P.E. Better off patients consulting a private doctor may be referred to private specialists in these towns.

3.3. Services in Surrounding areas

These are described in some detail in Appendices I and III. Services in the Valley provide an interesting contrast with the mobile clinic system in the rest of the Uitenhage D.C. area, and with the private clinic supported by Albany D.C.

...

...

the following quotation occurs:

"That suffering also
 which I showed to thee and the rest
 in the dance,
 I will that it be called a mystery".
 ("Hymn of Jesus", Acta of St. John)

ROOM 22/4/81
 63
**Lesotho to woo
 SA-based
 German industry**

the managing director of the LNDC, Mr Sam Montsi.

The spokesman said the LNDC aimed to step up its "aggressive investment promotion campaign" to German investors this year and the campaign would be taken to West Germany next month.

A top level mission led by the Minister of Commerce and Industry and chairman of the LNDC, Mr M V Molapo, will visit West Germany in May to woo potential German investors to establish manufacturing plants in Lesotho. — Sapa.

MASERU. — An eight-man investment promotion mission from the Lesotho National Development Corporation (LNDC) will visit Johannesburg on Thursday for investment talks with South African-based German companies.

A spokesman for the LNDC said in Maseru that the Johannesburg investment talks had been arranged in collaboration with the Southern Africa-German Chamber of Trade and Industry and that 200 South African-based German companies have been invited to the talks.

The mission will be led by

the world are spoken of as the dance
 ining sound through matter, thereby
 some of this life giving and
 ed sessions but I have not plumbed
 puts man in touch with archaic
 rates the progress towards health
 le on the whole have a great
 eastern culture. For the black
 lapsed — "all the Gods are not

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German interest in SA grows

RDM
5/5/81
63

By SIMON WILLSON
Industrial Reporter

WEST German investors will turn increased attention to South Africa this year as the stagnating German economy moves into a negative growth phase.

This is the belief of Mr Herbert Weicke, deputy manager of the South African-German Chamber of Trade and Industry, after a visit by chamber representatives to Germany last month.

He said in Johannesburg that profit margins of German companies were shrinking constantly and a return on capital of 5% after tax was considered exceptional.

"As the German economy moves into recession, Germans with money to invest are looking for a market with a high growth rate and a high rate of return on capital.

"With an average return on capital after tax of 17,8% last year and, in addition, a 25% benefit from the financial rand, South Africa has returns which people only dream about in Europe.

"Compared to the present situation in Germany, where the gross national product rose by 1,8% in 1980 and is expected to show a -0,5% rate in 1981, South Africa has a lot to offer."

Overall German direct foreign investment in 1980 was 4,6% greater than in 1979. German investment in South Africa — direct, indirect and portfolio — was estimated at R2 000-million.

Representatives of the Maritzburg City Council, who toured Britain, France, West Germany and Switzerland last month, said that more than 50 German businessmen were due to visit South Africa in the next six months to inspect investment possibilities.

memory of the relief provided at that time still remains fresh in the minds of some who received it. 74

"Catastrophe", George Rosen, a noted historian of public health, has written, "often precedes and brings into sharp focus the need for social change." 75

The sec true of the Spanish 'Flu an highlighted many of the Cit. Rosen's contention is only initial thrust for reform fi in these spheres came about original promise only partie programme of reform implemen felt to be "a catastrophe un city"? 76

Without further reseach it i adequately, but four reasons October' was contemporary wit had gripped South Africa's at that its culmination diverted vealed by the 'flu. Certainly, even at its height, difficulty in competing with war-news for the headli the end of the war let loose old problems which had the duration; it produced a crop of new ones as we continuing spiral of costs was a particular obstacle out new plans and reforms. Thirdly, though the 'Fl in the Union, it never returned to Cape Town in any :

This may have helped speed the waning of the sense of urgency which had characterized the calls for reform in 1918. Finally, people who had experienced the horrors of death on such a scale during the epidemic were probably anxious to put the event which had caused these

The relief of destitute families and orphans was assigned to the Provinces, but here Cape Town's system of poor relief had already been overhauled. Faced with a sudden flood of people requiring relief urgently because of the 'flu, a new, Cape Town and Wynberg General Board of Aid was set up in May, 1919⁷¹ to replace the ad hoc Joint Temporary Relief Committee established at the time of the 'flu. Drawing its support from charitable organizations, the Province and the Municipalities of Cape Town and Wynberg, this Board of Aid inaugurated a co-operative, wider-based system of poor relief. Bazaars and fetes to raise money for those left destitute by the 'flu became a regular feature of Cape Town during the following years and two orphanages, St. Francis Home and St. John's Hostel, were opened mainly for "epidemic orphans".

Gratitude among 'flu victims for this relief and that which had preceded it during "Black October" was overwhelming. Between late October and December 1918 the Cape Times was filled with notices and letters expressing gratitude to firms, Welfare Organizations and relief-workers. Help had been given irrespective "of all caste or race distinctions" declared the Mayor proudly, while Dr. Abdurahman, a leading Coloured spokesman, stated that, "No coloured man who witnessed what took place in October...would ever forget the self-sacrificing labours of those...who ministered to the coloured community in its hour of need." 72 Indeed, in 1919 the Wesleyan Synod was told that the relief-activities of its Coloured Circuit during the epidemic "...had made a lasting impression on the minds of those who might otherwise have been left to perish. Congregations had increased, and the circuit was embarrassed by the work spreading beyond the scope of existing means of work." 73 Sixty years later, in 1978, the

memory of the relief provided at that time still remains fresh in the minds of some who received it. 74

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"In South Africa we have an increasing pool of unskilled financial advice given should be created. - Sapa. confiscated war assets worth R8-million.

RDM 25/4/81 (63) Germans on aid trip to Lesotho

By MIKE PITSO Southern Africa Bureau

MASERU. - A West German aid delegation arrived in Maseru yesterday for talks with the Lesotho Government.

The members of the delegation are Dr E Aust and Mr R von Collenberg.

During their two-week stay, they will evaluate the German aid to Lesotho and discuss with senior Lesotho Government officials, further German aid to Lesotho - recently identified as one of the major economic aids to Lesotho by the Lesotho Minister of Finance, Mr E R Sekhonyana, in his budget speech.

They later go to Maputo in

Mozambique.

Yesterday, Dr Aust said Lesotho was one of the developing countries which enjoyed a preferential position for German aid. He said Germany would give more economic aid to Lesotho in order to reduce its dependence, without harming its economic ties, with its neighbours.

Dr Aust said his government had a keen interest in water infrastructure, transport and other communications. He said his government was involved in the multi-million rand earth satellite station due to be built next to Maseru shortly.

Also the building of the water supply project in six major

towns of Lesotho. He said his government would give more financial aid to Lesotho for the building of roads in the Maluti Mountains in order to improve the internal communications' system in Lesotho.

He said the German aid was given to developing countries without strings attached.

VW R100-m new growth plan over three years

63
5 Times
24/5/81

MORE PRODUCTION CAPACITY SOUGHT

VOLKSWAGEN is planning an expansion of R100-million in the next three years to increase its production capacity, managing director Peter Searle told Business Times this week.

The huge expansion, of which details are still to be completed, follows the R100-million spent by Volkswagen in the past three years — also on boosting production of the Uitenhage plant.

This first stage of expansion will be completed by the end of the year.

"During 1981 alone we will have spent R50-million, of which R14-million was on an engine plant which should be completed within the next two months," Mr Searle said.

"There is, however, still considerable need for increasing our production capacity. For a start we will have to look to modernising our press shop.

"The total figure for expansion is likely to be about R100-million between the end of this year and 1985."

Mr Searle said that the VW work force had recently increased from 5 000 to 8 000 and would probably reach 10 000 during the next expansion stage.

In an exclusive interview with Business Times in Uitenhage this week, Mr Searle said that South African motorists probably faced another vehicle price rise within the next few months as a result of an expected 15% steel price rise — "which inevitably would have to be passed on to the consumer".

He said the slight setback in

By Jan de Beer

vehicle sales in April was not unexpected. "Easter, the school holidays and the general election all contributed to the slow-down in sales."

VW expects car sales to reach 285 000 this year and the total vehicle mark 425 000. Next year the totals should be 260 000 and 375 000 — a slight drop.

The motor industry's severe components supply shortage was now being prolonged by "one or two suppliers who unfortunately have monopolies for their products".

More than 100 component suppliers contributed products to a single VW vehicle. "Can you imagine the assembly-line delays simply because one or two components have not arrived on time?"

Mr Searle described the motor industry's labour problem as "really critical". He suggested that the Government should offer personal tax reductions by, for example, increasing GST by about 1% to help attract skilled overseas workers to South Africa.

VW at present employs 60 contractual workers recruited in Europe from outside Germany to alleviate its shortage of skilled men.

"We have now also introduced an in-house system of a one-year education bridge for blacks — a kind of pre-apprenticeship course to try to solve the problem."

A maximum intake of 20 would be the case in 1981-82, but the figure could be increased in future, Mr Searle said.

VW offers plan to boost growth

Star 18/6/81

63 10

Own Correspondent

DURBAN — A four-point plan was needed to overcome major hurdles if South Africa was to reap the full benefit of its massive potential during the remainder of the decade, Mr Peter Searle, managing director of Volkswagen, said last night.

The Universities

I refer particularly to a very close connection between the Davis and Riverside campuses and an interesting conference held at Davis, in summer of 1973. The conference dealt with equity as well as efficiency. People who attend such conferences include chicano activists, professional people. There was a general realization that to promote technical efficiency, for example, the cotton pickers consequent unemployment and migration to cities and the seemingly hopeless situation.

Here is some evidence:

"The next section I am sure is quite familiar to you at the University of California. There are a number of jobs available to farm

This included effective steps against inflation, overcoming the manpower shortage, upgrading black education and finding a common bond for all South Africans.

Mr Searle said he doubted that the measures being used by the Government to fight inflation were the correct package, and said monetary measures were only a partial cure.

NEED

"The other side of the coin is the need for greater productivity and here I feel a great deal needs to be done both in terms of providing more skilled manpower and a more highly educated workforce.

"These two elements are the essential prerequisites of a successful industrialised nation, and we have shortcomings on both counts."

Skilled manpower was thus the next major problem. Training was the answer in the medium to long-term, but a short-term solution was also needed.

"Here I would strongly recommend that the Government overhaul its system of personal taxation as well as speeding up immigration formalities, in order to attract more skilled manpower from overseas sources.

"We need to reduce personal tax further and if need be substitute with indirect taxation on non-necessities — for example increase GST by one

percent and reduce personal tax by three percent.

"All developing countries are competing for skilled people — we need to make the South African package a particularly attractive one.

"With every skilled person you attract, you automatically create jobs for a greater number of the vast manpower for whom we have to find 1000 extra jobs a day.

"The need for a short-term solution is great."

The next major factor was education. Training was only as good as the material — and the black education system was not producing the goods, Mr Searle said.

EDUCATION

"We need more and better education in sciences and technology, and here again the teachers are available from overseas if only we would embark on a substantial recruiting programme with the right sort of package to back it up. To improve the skills of our labour force at Volkswagen we have introduced a 'bridging education' programme to prepare black candidates for full-scale apprenticeship training."

Mr Searle said South Africa had enormous potential and every effort should be made to solve these four problems, to give industrialists a chance to develop fully for the benefit of all.

He was speaking at the launching of a pick-up truck.

industry. Almost all of the benefits of this tomato processor are going to the big processors, Del Monte, Campbell, a few types like that. But there you have an enormous amount of Federal and State money going into

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authority of the head of the lineage is supported by the spiritual order. Even though all the members of the patrilineage do not live together on the ancestral lands and households in the present time, yet in various points in time, many do come together to their natal homes to perform

funeral rites share funeral customs and other rituals of usually fall extended far personal qu during his ancestor fr to still co

VW hopes to use local capital

APR 63
19/48

SOUTHBROOM — Volkswagen of South Africa is hopeful it will be able to fund future expansion programmes on the local capital markets, the managing director, Mr Peter Searle, said yesterday.

He was speaking at the launch of the new half-ton light pickup, based on the Golf car.

VW's total investment in South Africa is about R230-million and the company is wholly owned by the West German parent.

Mr Searle said the company's 24,9% sales increase in 1980 to 61 056 units was limited by production capacity and this has continued in 1981.

However, the first stage of an expansion programme involving the installation of four new fast acting presses and a substantial expansion of final

assembly and warehousing areas was nearing completion.

He said the company was therefore able to produce the new pickup which was planned to achieve over 66% local content by 1982 and which would be produced at the rate of 400 a month by the end of 1981.

VW's sales director, Mr Clive Warrilow, said the company's range of vehicles was now complete for the foreseeable future and the next 18 months would be a period of consolidation.

He said that because the local content of light commercials had to reach 66% in 1982 the price of these type of vehicles had risen to about 85% to 90% of an equivalent car model from some 65% of the equivalent car model in 1971. — Reuter.

Marriage and between a man another is r two persons. to marriage of the man contract be

enquiries and tests have been satisfactorily passed about the man and the girl, the bridegroom pays the customary bride price (lobola) after which they are considered married.

The traditional family is a social and administrative unit, differentiated in functional roles, in which

chiefs assist the government in the direction of the affairs of the Xhosa nation. The paramount chiefs also hold positions in their own states. As paramount chiefs of their own states they govern their people with a council comprised of elected representatives of the

state. Similarly, sub-chiefs and village chiefs serve their smaller communities with the help of elected representatives from the local communities. Within these communities the village head serves the people as the leader of the community, but he consults with a council which is made up of the heads of the respective lineages who are resident in the village or community. In other words, the political structure of the Xhosa social system radiates the authority of the chief through the level of the extended family network. In the final analysis the traditional person looks up to the elder of his lineage in cases of settlement of disputes, traditional marriage problems, problems of medication, litigations, land disputes and similar cases within the traditional jurisdiction.

2. Kinship System: The key to the understanding of the kinship system of the Xhosa is through the role of the patrilineal descent. Every person is by birth a member of his father's lineage and a member of the chiefdom in which this lineage is located. Dispersal (by marriage or migration) does not in any way deprive members of their lineage rights and status. The

Hypotheses are made early in the clinical encounter. The time taken for the process will depend on the potential urgency of the condition.

This paper lays stress on the consultation and the concepts of patient care because these are integral to the process and ethos of general practice. However, the content must also be examined especially in relation to training. There are five areas of knowledge of importance to the general practitioner.

Siemens HYM 22/6/81 justifies treatment of blacks

Argus Correspondent
BONN. — A 1000-word letter from the chief executive of the German-owned Siemens company of Johannesburg and taking issue with a critical report on his firm's treatment of its black employees, was published at the weekend by the Frankfurter Allgemeine Zeitung.

Mr Wilfred E. Wentges said an Evangelical Press Service report alleging that Siemens fell far short of the European commodity code of conduct was based on either false or outdated information.

The Frankfurter Allgemeine Zeitung, West Germany's largest nationally-circulated newspaper, published excerpts from the Evangelical report of May 13 in its June 4 edition.

DETAILS

After going into details of Siemens's current payment and treatment of its black workers — about 3000 of a work force of 7200, — Mr Wentges concluded: 'The numerous visitors to our plants in recent years who have been convinced of our serious and successful efforts aimed at integration will have quickly seen through the intentions of the study's authors.'

They, as we, know that expansion of the economy in South Africa will lead most quickly, most painlessly, and evolutionarily to integration, progress and peaceful change.'

of immunization now available.

(c) Screening procedures to detect disease in the presymptomatic phase. Although there is great enthusiasm for this kind of work, particularly in North America, there are few screening procedures which justify the time and expense devoted to them. It is felt that such tests, e.g. cervical cytology, which are of proven benefit should be undertaken in the normal course of the

as secondary screening. force of much scepticism in the the doctor who knows his patient linal changes in various ways. This explanation of the patient's anned. This has been aptly 11 medicine. By informed reassurance

Traditional medical teaching has always been biased towards disease and its treatment. To-day there is a growing emphasis on health maintenance. It is felt that the family physician is ideally placed to recognise those patients who are vulnerable or at risk and to practise preventive medicine. Hodgkin describes four ways in which the general practitioner may practise preventive care.

(a) Early diagnosis and appropriate treatment will obviously prevent the serious consequences of disease.

(b) Prophylaxis of infectious disease by the numerous kinds

one can diminish anxiety, increase confidence and promote independence and self-care. By taking advantage of receptive phases in the patient's life one can promote concepts of health. Thus the pregnant mother can be taught about the advantages of breastfeeding. The young mother can be taught about the risks of overfeeding and the value of consistency in the management of her child.

Star 22/6/81

Siemens refutes report on labour

63 139

Own Correspondent

BONN — A lengthy letter from the chief executive of the German-owned Siemens company of Johannesburg, taking issue with a critical report on his firm's treatment of its black workers, was published on Saturday by the Frankfurter Allgemeine Zeitung.

Wilfried E. Wentges said an Evangelical Press Service report alleging that Siemens falls far short of the European Community code of conduct was based on either false or outdated information.

The Frankfurter All-

gemeine Zeitung, West Germany's largest national newspaper, printed excerpts of the Evangelical report on June 4.

After giving details of Siemen's current payment and treatment of its black workers — about 3 000 of a work force of 7 300 — Mr Wentges concluded: "The numerous visitors to our plants will have quickly seen through the intentions of the study's authors.

"They, as we, know that expansion of the economy in South Africa will lead most quickly and most painlessly to integration and peaceful change."

VW expects to fund
expansion locally

SOUTHBROOM. — Volkswagen of South Africa (Pty) Ltd is hopeful it will be able to fund future expansion programmes on the local capital markets, managing director Mr Peter Searle said.

He was speaking to Reuters at the launch of the new half-ton light pickup based on the Golf car.

Volkswagen's total investment in South Africa is some R230m and the company is wholly owned by Volkswagenwerk AG.

Mr Searle said the company's 24.9% sales increase in 1980 to 61 056 units was limited by production capacity and this had continued in 1981.

However, the first stage of an expansion programme involving the installation of four new fast acting presses and a substantial expansion

of final assembly and warehousing areas was nearing completion.

The company was now able to produce the new pickup which was planned to achieve over 66% local content by 1982 and which would be produced at the rate of 400 a month by the end of 1981.

The sector of the market the new pickup would compete in had a volume of about 5 000 units a month and he forecasts it had considerable growth potential.

Meanwhile, sales director, Mr Clive Warrilow, said the company's range of vehicles was complete for the foreseeable future and the next 18 months would be a period of consolidation.

where everybody and everything was interacting, inter-related and inter-dependent. The individual, the family and the group were completely immersed in, and integrated into the creation in its totality. One could call such a society theo-centric, because the pivot of everything is the creator and the Creative Principle. In such a society then, it is an inevitable necessity that all activity and conscious experience, both of the individual and of the group, has a definite ritual or ceremonial connotation and content".

What is seldom recognised is the extent to which White South Africans, too, are immersed in this philosophy. Bodenstein (1976) also describes this "enlightenment" which he calls a "coming home" experience. He says: "This was the crossing of an existential watershed, when I spontaneously and irrevocably realised that my tenuous identification with the sense of having Western identity, had undergone a metamorphosis into the new dimension of belonging to Africa. I then found, that by embracing and being embraced in the expanded Africa identity, one is privileged to participate freely of that liberating sense of unifying wholeness so peculiarly African. This wholeness, in its perfect state, knows not the fragmenting and nagging dichotomy between worlds material and spiritual, between the individual and society, or between man and the universe. It is this wholesome and healing primeval vision, which is perhaps the most precious heritage of Africa."

3. EXISTING MENTAL HEALTH SERVICES IN SOUTH AFRICA

South Africa is to be understood as a developing country, also in the sphere of mental health services. From humble beginnings early in the 19th century, these have developed very gradually until recently. (Minde 1974 - 1975). The first mental health society was

./...

founded in Cape Town in 1913. We were founder members of the WFMH in 1948. Nevertheless, mental health services provided mainly custodial care until 1963. Since 1960 and subsequently, commissions of inquiry were appointed, which brought about a new era in mental health in South Africa. The introduction of psychiatrists and psychologists into the structure of posts of the Department of Health in 1963 led to a country-wide reorganisation. Mental health services could now be speciality service, thus enabling multi-professional team-work. This period of rapid growth and development (1967 - 1972).

In 1969 the Department of Health its services, now with the emphasis community-orientated Mental Health

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Mental Health

Statistics

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is reflected in

to this paper. Notwithstanding a population increase

of 36,6%, there was an absolute decrease in admissions

of 26,9% for this period. This decrease can be attribu-

ted to the expansion of the outpatients services to the

extent of 833,9% for the period 1966-1976.

The shortsightedness in early planning of Mental

Health Services led to a belated start in the training

Local agents for road machines

By John Spira

TWO companies have been formed to use and promote Wirtgen road-surface milling machines and in situ recycling machines in South Africa.

Wirtgen GMBH of Windhagen, West Germany, is one of the world's leading manufacturers of road construction and

maintenance equipment.

It will now be represented in South Africa by Rand Roads Reconstruction - which will specialise in road recycling and rehabilitation contracting - and Wirtgen Road Reconstruction, which will be sole agent for sales and service of the Wirtgen range of machinery.

Charles Stokes, general manager of the equipment sales company, comments: "The introduction of Wirtgen milling machines to South Africa fills the urgent need to give the road-repair industry an economic means of tackling many of the current problems."

"In addition, the milled material is ideal for recycling, giving further savings of up to 10% of aggregates and bitumen."

annexure

ST 10/27/81 (63) (24) (785)
Bonn expected to approve tenders for Escom plant

JOHANNESBURG. — German tenderers for Escom's Matimba power station near Ellisras in the north-western Transvaal are expecting to receive Bonn Government backing in their tenders.

Escom has put out for tenders for turbo-generating plant in the R1 800-million station, which will use middlings coal from Iscor's Grootegeluk coking coal mine.

More than 1-million tons of middlings coal has already been stockpiled for the Matimba station.

In the past Escom has bought turbo-generating plants from suppliers in Britain, Germany, Japan, the US and France.

According to a Bonn report, as the South African project goes beyond the 50-million marks (R18-million)

limit set for government export guarantees normally granted or rejected by an inter-ministerial warranty commission, the Bonn cabinet had to discuss applications.

The German suppliers are likely to get the government guarantees they applied for.

The Grootegeluk mine, according to estimates in the coal mining industry, will produce extremely costly coking coal for Iscor, because of high capital and infrastructure costs.

The middlings coal, produced with the coking coal, had to find a market which Escom is providing.

The power station will have three 600 mw generators, the first of which is scheduled to come on stream by 1987-88.

By SIMON WILSON
Industrial Reporter

DIRECT West German investment in South Africa should increase by more than 9% this year because of Bonn's easing of restrictions on Government-backed guarantees for exports to this country.

Mr Achim Stracke, senior executive of the South African German Chamber of Trade and Industries, said yesterday that he expected R133-million more in direct investment during 1981 on top of the present R1 869-million in direct German investment in South Africa.

He predicts a 50% increase in the value of German exports to South Africa from last year's R1 800-million to R2 700-million.

9% rise forecast in German investment in S.A. this year

The chamber expects these developments to result from last week's decision by the German Government to relax its restrictive policy on Government-backed credit guarantees for export business with South Africa.

The restrictions were imposed in 1977 when the Government decided that export guarantees would be granted only for individual orders with a value of less than DM50-million (R133-million).

"The German Government's decision will be more influential on German investment in this country than on its trade," Mr Stracke said.

"The extension of business for German companies already represented in this country won't be very significant, but there is a greater importance for medium-sized companies without agencies or affiliates here."

The Johannesburg-based chamber has 700 companies

and individuals as its membership, covering most South Africa-West Germany trade and investment.

The chamber collects and distributes general information and, on request, special information, for its members about South African business, and also acts as a forum, mouthpiece and lobbyist for German companies and individuals in South Africa.

About 550 of its member companies have representa-

tions in the rand monetary area.

"This certainly means a lot more activity for the chamber because the Government's decision is going to encourage more West German companies to do business with South Africa," Mr Stracke said.

Speculation in the European financial Press on the reasons for the West German Government's relaxation of the guarantee restrictions centres on the tendering for Escorn's

multi-million rand Matimba power station.

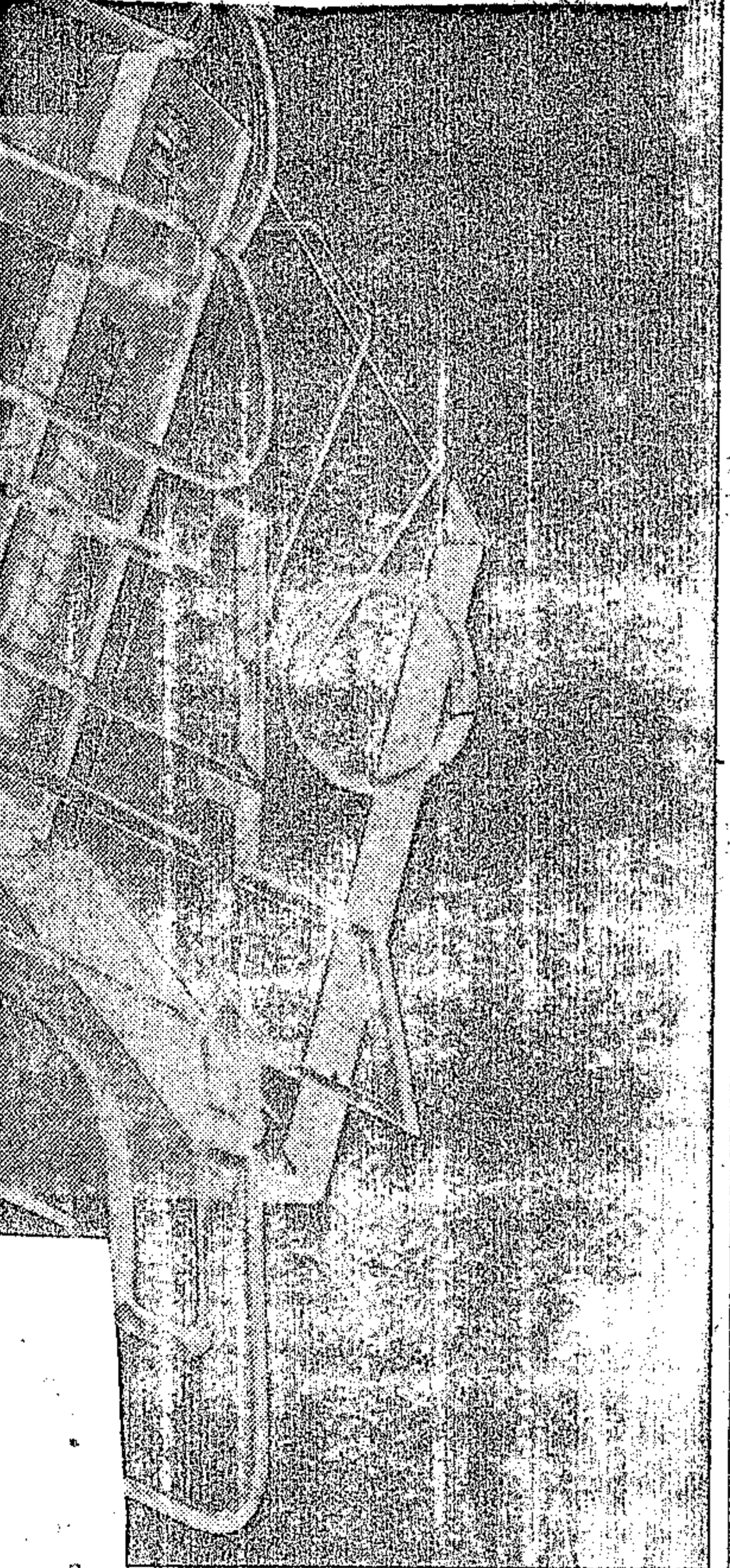
The West German Government has refused to comment on the possibility of links between German industrial interest in Matimba and the guarantee decision.

Mr Stracke also declined to say whether the chamber, in its capacity as a trade lobbyist, had relayed pressure from export credit guarantee relaxation from West German Matimba tenderers to the West German Government.

But unofficial sources say German firms are now competing with British and Swiss tenderers for Matimba contracts, and will be pleased by their Government's move.

Political considerations — condemnation of apartheid and perceived risks in trade links with South Africa — played a part in the German implementation of the export finance restrictions in 1977.

But Mr Stracke said economic expediency was likely to have overruled these considerations this year as the German balance of payments deficit grew and the DM sank to export-competitive levels against other currencies — particularly the dollar-linked rand.



Standard
Up East

VW sees slowing car sales, but record year

By SIMON WILLSON
Industrial Reporter

VOLKSWAGEN expects a levelling off in demand for new cars in the second half of the year, but forecasts a record new-car market for 1981 of at least 280 000 — 3 000 more than the record total last year.

Commenting on the car sales figures for June issued this week by the National Association of Automobile Manufacturers of South Africa, a VW spokesman said car sales were still restricted by supply constraints, and did not reflect demand.

"We are sure that had stocks been more freely available during the first six months of the year, sales would have been higher.

"However, component shortages and a lack of plant capacity throughout the industry have meant that consumer demand has not been fully met."

VW's estimate for total sales this year is more conservative than the figure given by the last big manufacturer to stick its neck out with a firm prediction for 1981.

In April, Sigma said that this year there would be a record of 288 000 sales — 11 000 more than in 1980.

But the record 1981 would be followed by two years of lower sales — a drop to 267 000 in 1983 and a recovery to 285 000 in 1984.

But Sigma's bullish 1981 esti-

mate was made before the latest round of credit restrictions, the worsening cash shortages in the hire-purchase institutions, and the monetary authorities' deliberately high-profile resolve to fight inflation through market-related interest rates and reduced credit creation.

Motor-industry sales of 146 003 so far this year are the highest on record and 18 952 units (14,9%) ahead of last year's figure, which was the previous best, says the VW spokesman.

"We expect a slight levelling off in demand in the second half of the year because of the general slowdown in the economy and the recent petrol price increase."

VW sold more cars from January to June this year than any other South African motor manufacturer in the past, he said.

Its sales of 27 658 for the first six months of the year were 3,5% higher than for the same period in 1980 when it established the industry's previous highest January-June figure.

VW also sold a record number of small cars, with its 18 941 Golf/Jettas capturing 13% of the market and more than 25% of the growing small-car sector, which accounts for half of overall sales.

The spokesman said that, as well as the high demand in the small-car market, there had been an increasing swing to luxury executive cars.

● Evidence of the effect of

the credit squeeze on car sales has surfaced in Department of Statistics figures for hire-purchase in the motor industry.

The figures show that total HP debt owed to car retailers dropped in March this year after rising throughout 1980.

The statistics do not account for the most recent 1% rise in Bank Rate and the subsequent increases in interest rates.

But even up to April this year, the figures show a reduction in total HP debt owed to car retailers from R40 017 000 in December 1980 to 39 329 000 in March 1981.

Last year, the car HP debt total rose from R35 875 000 in March 1980 to R36 634 000 in September and to R40 017 000 in December.

The dip in the car HP total in March goes against the trend in the motor industry as a whole — that is, including commercial vehicles, trucks, pantech-nicns and specialised motor equipment.

HP debt for the whole industry rose to R70 098 000 in March this year from R67 552 000 in December 1980 and R61 084 000 in March 1980.

The fact that the drop in HP debt is confined to the car market, while HP debt in the overall market continues to rise, shows that it is the car-buying individual who is getting strapped for cash while corporate vehicle purchases are holding up well, cushioned by companies' generally good 1980.

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the courses of Building Economics I,

For the best student in each of

LTA Prizes

P R Swift

Professional Practice.

the highest marks in

For the student obtaining

Surveyors' Prize

Cape Chapter of Quantity

The Committee of the Western

P C Key

in any year of study.

For the best all-round student

Bell-John Prize

(Continued)

SURVEYING

QUANTITY

VW opens RDM 25/8/81 R15m local (63) (VW) engine plant

A R15-MILLION tribute was paid to the efficacy of the current local content programme for the motor industry when a new engine plant was opened at the Volkswagen factory at Uitenhage a few days ago.

It will increase the local content of the vehicles built there by more than 4%, but VWSA did not have to build it to meet the local content requirements.

All its vehicles already exceed the minimum requirement of 66% and the locally manufactured engine will raise the level considerably, to as high as 80% for certain models in the Golf car range, according to Mr Peter Searle, the managing director of VWSA.

The investment in the engine plant, which was the largest single project in the company's current R100-million expansion programme, was made worthwhile by the incentives provided under phase 5 of the local content programme for manufacturers who exceeded the 66% local content level, he said.

The present local content programme had required massive investment and capital expenditure; brought new skills to South Africa; created a healthy local component industry and created many new jobs. It should now be left to the discretion of individual manufacturers, according to their individual circumstances, to decide if and how they should progress beyond the required 66% level.

Making higher levels compulsory would force manufacturers to divert money away from expanding capacity and creating more jobs to capital intensive programmes. It would not be the best way of satisfying the serious need to continue creating additional jobs.

The new engine plant had created 130 new jobs at VWSA, but meeting the recent increased demand for cars had meant that the plant had taken on 1 000 extra workers.

Every effort must be made to stimulate economic growth by broadening the base of the available consumer market in South Africa. This could only be achieved by better educa-

tion, more intensive training and better wages, matched by improved productivity. At the same time, to ensure peace and stability, manufacturers and employers in general would have to pay more attention to the social conditions of their workers — housing, health, education and recreation being among the most important.

The plant houses R9,7-million worth of precision machines that will make the company self-sufficient in machining engine blocks for passenger cars. It also houses the engine assembly and other machining operations previously carried out in other areas of the factory.

It will produce 260 engines a day, working two shifts, and save more than R4-million a year in foreign exchange. The engines will be both four and five cylinder units and will meet the needs for the full local range of VW and Audi cars.

Crankcase and cylinder blocks imported from Germany are being machined to start with, but local blocks from the Autocast foundry at Brits are being phased in, as are local pistons and bearing caps. To speed up development, the first locally cast blocks were machined in Germany and later underwent durability testing by the SA Bureau of Standards.

In addition to four and five cylinder blocks, the machines can handle six cylinder units. This provides some insurance against VWSA becoming tied to outdated engines, or the plant becoming a white elephant in a few years time. Further insurance is provided by the expectation that the current four and five cylinder engines will remain in use for about 10 years.

The fact that maintaining the required local content level is not tied to engines produced by the plant also permits flexibility. The plant could be wholly or partially shut down for a time if that became necessary to adapt it to produce different engines. VW engines capable of running on pure alcohol, like those now being produced in Brazil, could be built in the present plant.

Exports to SA take a jump

S. Tribune 30/8/61

(63) (77)

WEST German exports to South Africa took a massive 38 percent leap in the first half of this year compared with the first half of last year, according to official German statistics released here this week by the SA-German chamber of trade and industry.

On an actual basis South Africa's exports to that country declined in this period by 0,9 percent, but corrected against the increase in value of the rand then against the D-mark, this country's exports actually showed a slight increase this year. Germany's exports to South Africa in the first six months of 1980 totalled R772,3-million and rose to R1 066-million in the first half of this year. Comparable figures for South Africa's exports to Germany are R579,3-million and R574,3-million.

Most of Germany's exports to South Africa were in the end product sector (890,9-million) with motor-vehicle components and electro-technical equipment totalling R456,7-million.

The value of German electro-technical exports moves up 48,1 percent to R115,2-million and motor vehicle components up 49,5 percent to R341,5-million.

That country's tool making machinery exports to South Africa increased from R29,5-million to R43-million, an increase of 46 percent, which is a reflection of this country's continuing capital investment programme and its increasing self-

reliance.

Other impressive improvements in this sector were exports of power supplies and generators to South Africa, up 74 percent from R15,6 to R27,2-million, and agricultural machinery up 76,3 percent from R20,4 to R36-million.

Germany's exports to South Africa dropped in only one category, that of pumps and pneumatics, which decreased by 5,1 percent, from R26,8 to R25,5-million.

South Africa's exports to Germany were obviously badly affected by the continuing recession overseas.

The value of her semi-finished product exports declined by 19,3 percent, from R179,3 to R144,7-million and, had it not been for the fact that industrial gold exports increased by 14,1 percent from R64,6 to R73,7-million, the decrease would have been more accentuated.

The value of her ferro-alloy exports plunged by 77 percent from R29,1 to R6,7-million, copper by 27,6 percent to R39,2-million and nickel by 55,5 percent to R5,5-million.

Coal and Krugerrands provided the two splashes of colour on an otherwise drab canvas.

Our coal exports to Germany nearly doubled. They shot up by 97,2 percent, from R18,8 to R37-million and Krugerrands by 71,4 percent, from R47,6 to R81,6-million.

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- Reception (Ph 69-8531 x 177)
- Hot Seat (in Library)
- Librarian (Ph 69-8531 x 180)
- Reception
- Lynette Jacobs (Ph 69-4351 x 339)
- Campbell Tyler (Ph 69-8531 x 168)
- Librarian
- Patrick Hurly (Ph 69-8531 x 165)
- Non-Academic Systems (Ph 69-8531 x 168)
- Hot Seat/Librarian
- Librarian
- Hot Seat

This list is not intended to be exhaustive. Rather it should give you, the user or prospective user, a lead as to whom to contact initially about your problem or request. Sometimes responsibility for a particular function is divided or shared and you may well be referred to someone else after your problem/request has been assessed by the person or group listed below. There are specialists within the various groups but no attempt has been made to include details of specialisations in this list.

- Account number applications:
- Account queries:
- Advice (Programming and EXEC8):
- Bulletins - circulation list:
- copies of recent issues:
- Central Administration Support
- Routine:
- New development:
- circulation list:
- editorial:
- Departmental Administration Support:
- Education courses - queries:
- registration:
- Graphics:
- Gripes:
- Magnetic tape
- Manuals:
- MCQ
- Problems/FAQ
- Programming:
- Punch machines
- Punching Ser
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THE controversial trade trip to Europe earlier this year by members of the Pietermaritzburg City Council is beginning to pay off in a way which could bring millions of rand investment into the area.

Already, less than four months after the delegates' return, 11 German companies, representing manufacturing in electronics, food processing, textiles and low pressure compressors, are showing definite signs of wanting to set up business in Pietermaritzburg.

Now other trips are being organised to carry out what is considered a necessary follow up to give further encouragement to those who have shown interest.

Says Pietermaritzburg's industrial promotions officer Terry Thompson: "We have reported back to the council and made certain suggestions regarding further personal contact to which they have agreed.

"We have had a tremendous response from overseas considering it is only three and a half months since we returned. Now we must go again and meet those interested.

"I will be going over to Europe later this year to make personal contact again and set up a trip to the UK for a further council delegation next Easter.

"Ratepayers may be suspicious. But it must be remembered that no individual is going to invest, say, R1-million in a country overseas without knowing more details. He will want to know more than we

GERMANS THE CAPI

S. Tribune 30/8/81 (63)

By MIKE PEIRSON
Finance Editor

have provided so far.

"This is not something that will come to fruition overnight. It is very much a long term venture. But the follow up is vital if it is to succeed."

Thompson adds that they are particularly interested in attracting manufacturing industries aligned to the building sector and those that are labour intensive.

"We sent out some 182 letters to potential investors and we have had 11 positive replies so far, which we consider very good indeed," adds Thompson.

One German industrialist I am told, was so impressed with local conditions on a recent visit, that he is prepared to move his entire textile mill to the city.

Says deputy town clerk Ken Vale: "The response has been very gratifying. Now we are organising a two-pronged follow-up. Our promotions officers will take care of the German side and hopefully get them to come here and see for themselves.

"He will later pave the way for a tour by

another council delegation to the UK early next year.

"It must be remembered that there is a tremendous amount of behind-the-scenes work necessary to enable this exercise to continue to pay off.

"It could well be two or three years before the entire project manifests itself in actual plant in operation.

"But we are going to do our best to make sure we get the maximum benefit from what has been started."

While most of the definite responses have been on the German side in co-operation with the South African German Chamber of Trade and Industry, one potential industrial investor from Britain arrives in Pietermaritzburg this week to look at prospects. It is hoped he will be one of many in the future.

The last time a similar project was carried out where a growth area city tried to sell itself overseas from this country was about 25 years ago with East London. The response was poor.

7-81	194/055
8-81	193/054
8-9	192/A41
8-9	191/053
8-9	190/E31
8-9	189/052
8-9	188/051
8-9	187/050
8-9	186/G12
8-9	185/049
8-9	184/A40
8-9	183/A39

Information regarding the Computing Service Libr

The following bulletins have been produced by the Computing Service since January 1981. This list was last updated on:

Show houses

for VW blacks

By SUSAN DALLAS

BLACK employees of Volkswagen South Africa will be among the first in Uitenhage's KwaNobhule township to enjoy homeownership under the 99-year-leasehold scheme.

Volkswagen's Uitenhage plant has sponsored a pilot housing scheme of 10 show houses in the township, ranging in price from R10 000 to R18 000, hoping that this will encourage potential buyers to go ahead with developments of their own.

It has set aside R1-million to help members of its 5 000 black workforce who want homes under the leasehold scheme.

An adviser is being trained to give advice to employees on how to make the best use of the aid offered by the company.

Volkswagen's managing director, Mr Peter Searle, said: "The show houses will vary in design and will be superior to the existing houses in the township, but they will stay at prices which suit the general income level of our employees.

"They will give our workers and other members of the community an idea of what they can have built at various prices."

The company has advanced a loan of R95 000 to the East Cape Administration Board to provide electricity for the 169 sites which have been allocated for leasehold.

Of these 169 sites, 68 have been set aside for Volkswagen employees, and two employees have secured loans and plan to start building houses.

A further 200 sites have been earmarked for development.

Y EU HOR
8/9/81
Homes for employees
to be started soon

Post Reporter

THE building of prestige three-bedroomed houses for black employees of a motor firm in Uitenhage's Kwano-bule Township will start in three weeks' time.

This is the latest development as a result of an announcement by Volkswagen that it would make available R1 million for its employees to obtain houses under the 99-year leasehold scheme.

A spokesman for the firm said yesterday that the houses would each have three bedrooms, a lounge, a kitchen, a

diningroom and a bathroom. All the houses will be electrified and fenced but garages and carports will be optional extras.

A lot of interest has been shown by our employees since the scheme was announced," the spokesman said.

The houses will cost between R10 000 and R18 000 each.

Volkswagen believes that its employees can afford the houses as none earns less than R200 a month. Moreover, pay increases this year are certain.

- 64
ROM 18/10/81
Matimba
Order

The problem arises when
accounted for on the Equity
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NUREMBERG. — Maschinenfabrik Augsburg-Nuremberg, MAN, says a consortium it forms with Alsthom Atlantique of France has obtained a letter of intent for a R300-million South African turbine order.
MAN expects the letter from Escom to lead to a firm contract by the end of 1981 or early 1982. The order will be for six 600 megawatt turbines for the coal-fired Matimba power station in North-Western Transvaal. It will only be possible to say what MAN's share will be when a firm order is obtained. Finance will be largely obtained outside South Africa, as most of the order will be manufactured in Europe. — Reuter.

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associate company,

Assume that investee Company I, holds 40% of A (the associate company). and accounts for that investment on the Equity Method. I then lends A R1 000 000 at 14% p.a. to finance the construction of a manufacturing facility. The R140 000 of interest has been treated as interest income by I, whereas A has capitalised the amount, and therefore shows no expense. This has the effect of increasing A's profits by R140 000. Through this occurrence, I has increased its profits by 40% of R140 000, i.e. R56 000,⁵⁷ (based on I's shareholding in A).

This does not seem equitable, and the effect of capitalising the interest relating to such borrowings should be eliminated before calculating the investor's share of the associate's earnings. The question arises as to whether the full R140 000 should be eliminated from the earnings of the associate before the investor calculates its share of the profits or just 40% of the profits, based on the percentage shareholding. The views of two prominent accounting firms, and with which I concur, is that the investor should

Workers boycott Uitenhage plant's canteen

Ev Post 18/9/81

By MOKONE MOLETE

192 (137) 63

THOUSANDS of workers at Uitenhage's Volkswagen plant have boycotted the firm's canteen for three days in protest against a decision to allow the giant catering company, Fedics, to supervise catering.

The boycott was apparently sparked by rumours that some of the existing kitchen staff would be sacked, that others would now get less pay and that canteen prices would go up.

According to one worker, the entire black workforce of about 7.000 was involved, but a spokesman for Volkswagen merely confirmed there had been a "reduction" in the number of employees using the canteen.

At present workers pay 12c or 24c for a plate of food. According to one informant, employees had been told that this would now cost 60c.

The spokesman for Volkswagen said the boycott came "at a time when discussions are taking place between management and worker representatives on issues associated with the canteen".

He confirmed that Fedics had been engaged, but only in an "advisory capacity" until next year.

Fedics was not managing or staffing the canteen, he said, adding that no decision would be taken about the future of the contract "for some time".

Deutz launches its diesel project

Deputy Financial Editor

DEUTZ Dieselpower, a new joint venture between KHD of Germany and Blue Circle, was launched officially yesterday by Dr T A du Plessis, director general, Department of Industry, Commerce and Tourism.

The new company will be the only diesel maker in SA once Atlantis Diesel Engines gets under way but will confine itself to stationary industrial engines.

The head office of the company is at Hudaco Park, Elandsfontein but its assembly and manufacturing plant is in Pietermaritzburg.

Blue Circle's partner, KHD, is the biggest maker of air cooled diesels in the world, making engines from 3 to 9 600 HP (DIN). More than 50 000 of its engines have been sold in SA in the past 12 years.

Opening the new headquarters yesterday, Dr Du Plessis read a speech by the Minister of Industries, Mr DW Steyn, in which he said that SA "would remain dependent on imports of capital goods for many years to come, especially in the case of highly

sophisticated equipment which falls outside the capabilities of our technology."

He said "sound competition is basically in the public interest" but there had to be limits to the multiplication of manufacturing concerns which could be supported by the market.

Mr Steyn, through Dr Du Plessis, said SA generates most its own capital requirements although foreign capital was still needed for optimum growth.

But he said technology and research and development accompanying foreign investment was sorely needed and KHD would inject invaluable know-how to the SA economy.

Mr Bodo Liebe, chairman of KHD, said the most formidable challenge his company had encountered in 12 years in SA was the "monopolisation" of the SA diesel engine industry.

"This resulted in a period of uncertainty about the future of our manufacturing activities" until 1980, when a partial reconfirmation of the company's manufacturing programme was received.

He said the level of local content in KHD's engines would be increased from current "significant" levels. To do this, the company would have to increase its market. KHD and Blue Circle were committed to significant further investment in order to obtain these objectives.

New diesel company to supply SA

By John Spira

IN a deal worth more than R5-million, the Blue Circle Group (via its Hudaco Diesels subsidiary) has got together with West Germany's Klockner Humbolt Deutz (KHD) to handle the South African manufacture of Deutz diesel engines.

The two groups have formed a new company, Deutz Dieselpower (DDP), with the local company holding 70% of the equity and the German group the remainder.

Deutz Dieselpower is now South Africa's only diesel engine supplier other than Atlantis to be granted a Government-approved manufacturing programme for industrial diesel engines.

Dr Bruce McInnes, DDP's chief executive, tells *Business Times* that the company is budgeting for a turnover of more than R30-million next year from sales of air-cooled and water-cooled diesel engines ranging in size from a cost-efficient 2kw to a formidable 7250kw unit.

He says: "Deutz diesel engines have earned an enviable reputation over the past 50 years in the mining, construction, agricultural and marine markets of South African industry.



"Since 1969, when Deutz began local manufacture of diesel engines in Pietermaritzburg, the local content of the end product has steadily increased.

"The new venture will substantially boost the level of local content in line with Government recommendations. The objective is to achieve this target in the shortest possible period."

Local content of Deutz diesel engines is currently 50% — in excess of that at Atlantis.

Dr McInnes points out that DDP will have access to the lat-

est international technology and KHD's vast research and development facilities. KHD's 1980 worldwide sales totalled R2 300-million, making it the world's largest manufacturer of industrial diesel engines.

He continues: "DDP has a long-term commitment to South Africa, with heavy investments in a countrywide network of spares and service outlets. This substantial network is geared to guarantee the constant availability of products and components in the developing years ahead."

Underlining this commitment, DDP this week officially opened a new R3-million service and administration complex in Elandsfontein, Johannesburg.

S. Times
27/9/81
192 129 63

Deutz in
diesel
venture

8/29/63

~~19~~ 63

Deutz Dieselpower, a joint venture involving substantial investment by Klockner Humboldt Deutz of Germany and Blue Circle SA, has been launched.

The company will take over the Maritzburg plant where Deutz diesel engines have been made for the past 12 years.

A new head office and factory have been built at Elandsfontein to house expanded marketing and service departments.

Deutz Diesel power will serve the diesel-engine market in mining, construction and agriculture.

Only Atlantis and Deutz — the air-cooled alternative — have government approval for the national manufacture of stationary diesel engines.

Bonn guarantees R341-m for 2nd SA power scheme

Star 8/10/87

63

From the Financial Times

BONN — West Germany took another step yesterday towards easing its tight export credit-guarantee policy towards South Africa, apparently in an effort to secure jobs in Germany's engineering sector.

Officials said that the Bonn Cabinet had decided to provide credit guarantees for R341-million worth of turbine and generator delivery to a South African coal-fired

power station project outside Pretoria.

The Cabinet also guaranteed credits last July for German companies seeking a share in the big Matimba coal-fired power station project in the north-western Transvaal.

Since November 1977, export guarantees for business with South Africa were granted only for individual orders not exceeding a certain amount, though exceptions could be made under special circumstances at Cabinet level.

This essentially political decision partly reflected

Bonn's sensitivity to charges that it was collaborating in major deals — above all in the nuclear field — with South Africa. Bonn denied that there was any such nuclear collaboration.

The precarious state of the power-engineering sector — hit by the logjam in the commissioning of domestic nuclear power stations — has now clearly influenced the Cabinet move.

Consortium

The Cabinet is ready to guarantee lofty export credits to South Africa — amounts that cover the Matimba project and the latest turbine and generator delivery.

It is not immediately clear which companies were involved in the latest application for credit guarantees.

The Matimba project, however, was won by a consortium of MAN and Alstom and Atlantique of France.

Guarantees

The July Cabinet decision to grant credit guarantees for the Matimba project may well have contributed to the German-French winning of the order. The contract was announced two months after Bonn had given the go-ahead for credit guarantees.

Wadeville firm in big row with union

By STEVEN FRIEDMAN

THE Wadeville subsidiary of a German company is faced with a major row over union claims that it tried to fire its entire work force after rejecting their pay demands and that it is firing workers because they are union members.

Fosatu's Metal and Allied Workers Union said yesterday that it had asked German unions to take the issue up with the German parent company of the firm, Litemaster. It also said it was taking legal advice because it believes the company has "locked out" workers.

But Litemaster's managing director Mr John Houston denied the allegations yesterday.

Litemaster recently said it had adopted a non-discriminatory code of labour conduct.

Mawu claims it represents all but five of the company's 288 workers. It says that the company held a referendum which indicated Mawu had a majority and the company then agreed to recognise it.

Union shop stewards had then taken up a demand for a "living wage" of R2 an hour — the minimum required by the EEC code, which covers Litemaster.

The company had initially offered an 8c, then a 10c increase. The union claims both offers were rejected by workers.

Defiance

"Workers were then called out of work by a company official who told them they must accept this offer or be fired. He told them not to go back to their machines but to leave", a union spokesman said.

Workers had returned to their machines in defiance of this instruction, but had found the gates locked in the evening. The company had "tried to force them" to collect their pay.

They had refused. Later the night shift had been presented with a similar ultimatum, but had also ignored it.

On Friday, 22 workers had been fired. They had been replaced by coloured workers and, yesterday, management had told workers waiting at the gates that there would be another 50 jobs available later this week.

"The company is either attempting a piecemeal lock-out to get rid of union members or is trying to provoke a strike so it can fire workers. They claim to be an enlightened company, but they are using the same tactics employers tried in 1975," a union spokesman said. Mr Houston denied Litemaster had agreed to recognise Mawu or that a referendum had been held. "The issue has never been raised".

Denied

He said workers earned more than R2 an hour and denied union claims that the company's wages "did not compare well" with other electrical firms. He said the firm had been negotiating with its works council. The 10c offer was accepted by the "vast majority".

He confirmed that a company official had told workers who did not accept the 10c offer that they could leave, but added: "We have never tried to stop our workers working. We have never tried to fire them if they want to work."

Night shift workers had not "turned up" on one particular day but had said they had been "intimidated", he said.

"We are not attempting to get rid of union members. The chairman of our works council belongs to the union and we have never acted against him."

"We do not fear German union intervention. Our labour practices are well ahead of the requirements of the EEC code."

West

(63)

N.M. 13/10/81

German eyes

~~568~~

on Zimbabwe trade

Salisbury Bureau

WEST German industrialists are taking a keen interest in Zimbabwe and a number of firms are considering substantial investments in the country.

Many of them would particularly like to take part in joint mining and electrical ventures, according to the West German Ambassador to Zimbabwe, Dr Richard Ellerkmann.

He disclosed that 12 West German firms had opened offices in Salisbury and

three were already engaged in joint ventures with local companies and individuals.

In an interview with a local newspaper, Dr Ellerkmann said efforts were being made to improve trade between his country and Zimbabwe.

The political situation in Zimbabwe was favourable enough for foreign investment, he said, and the potential for economic and industrial growth would be utilised by German businessmen.

R100m E C

Ev. Post 17/10/81 (63) ~~19/12~~

Weekend Post Reporter

THE Eastern Cape motor industry is to receive a powerful shot in the arm with a huge R100 million expansion scheme to be launched in East London by the UCDD Group, which produces Mercedes-Benz cars and other vehicles.

The injection of such massive capital is seen as a boost to confidence in the area, and a move likely to attract further investment and industry.

The further R100 million is also to be invested in other parts of the country, making UCDD one of the biggest concerns in the South African motor industry, and one of the country's largest private companies.

The UCDD wages bill in East London is at present R16 million a year, and its total contribution to regional economy in excess of R50 million. The expansion will provide about 1 900 new jobs.

Weekend Post was told today that the five-year programme will more than double the car production capacity at the group's East London plant at a cost of some R47-million.

This will facilitate substantial increases in Mercedes-Benz car sales and the introduction of the new Honda car range, which will come on to the market late next year.

A further R19 million will be spent boosting by 70% commercial vehicle capacity at East London to push monthly production up from the present 600 units to 1 000 by 1984.

The installation of additional general infrastructural facilities will cost R27,5 million, including R10,2 million for a new paint shop and pre-treatment plant.

A further R100 million will provide for:

- Almost doubling the capacity of the group's operation at a cost of R14,7 million, including R11,5 million for a new parts warehouse in Pinetown, which will be the base of UCDD's nation-wide parts network.

- Expansion of the commercial vehicle engine, gearbox and axle re-manufacturing plant in Johannesburg at a cost of R3,8-million.

- A R10,3 million expansion of the group's Pretoria head office and departmental expansion.

- Investment of R50 million by dealer organisations in working capital to prepare for an anticipated growth surge.

- A further investment by dealers in land and buildings of R25 million.

UCDD's chief executive, Mr Morris Shenker, said it was the group's intention to maintain and expand the share of Mercedes-Benz market in the big car market and to reinforce its position as the leader in the heavy truck sector.

"We also believe the new Honda car will fill an important market gap, and our dealers are eagerly awaiting its introduction."

Mr Shenker said UCDD was confident of a growing market for cars and commercials in South Africa over the medium to long term.

The key features of UCDD's planning are:

- Its determination to obtain a 40% share of the heavy truck market (22% at present) by 1984, with annual sales of 12 000 units.

- Its commitment to increase production of Mercedes-Benz cars from 900 a month in 1981 to 1 200 per month in 1982.

- The introduction of the small Honda car in late 1982.

- The phased expansion of the dealer network over the period.

Moves to expand production of the Mercedes-Benz cars will result in a substantial increase in monthly unit output. This is an urgent priority in view of the accumulated demand following the successful launch of the new Mercedes-Benz range of cars earlier this year.

The programme, which will be financed out of UCDD's own funds, represents a firm belief on the part of its shareholders, who include Daimler-Benz AG of Germany, in the longer-term strength of the South African economy and a substantial commitment to growth in the motor industry.

Of the estimated 1 900 new jobs created by the expansion programme most of them will be in East London, where the UCDD plant is already one of the largest employers.

UCDD's East London wage and salary (including bonuses and employee benefits) is about R16 million a year. The company spends a further R31,6 million a year on local content purchases, rates and utilities in the Border/Ciskei area and pays freight and wharfage charges to East London port authorities of some R8,5-million a year.

Its total contribution to the regional economy each year, therefore, is more than R50 million.

The Mercedes-Benz dealer organisation, which currently has collective assets of about R100 million in plant and equipment alone, will increase this by 50% during the next five years to about R150 million.

Increased investment in land and buildings will also be required to accommodate the anticipated growth in Mercedes-Benz vehicle sales and the new Honda franchise.

Mercedes R200-m boost for industry

S. Times 18/10/81 (63) *[Handwritten initials]*

IN an impressive display of confidence in the future of the South African economy, Mercedes-Benz is to channel R200-million into its local manufacturing facilities in a massive expansion drive.

The five-year programme will be financed by UCDD and its dealer organisation, South African manufacturers and distributors of Mercedes-Benz cars and commercial vehicles.

A major shareholder in UCDD is Daimler-Benz AG of Germany.

The investment programme will make UCDD, which currently has collective assets of R100-million in plant and equipment alone, one of the largest firms in the motor industry and one of the country's largest private companies.

The programme involves:

- More than doubling car production capacity at the group's East London plant at a cost of R47-million to cater for substantial increases in Mercedes-Benz car sales and the introduction of the new Honda car range, which comes on to the market late next year.

- A 70% increase in commercial vehicle production capacity at East London to push monthly unit production up from the present 600 to 1 000 by 1984. This part of the expansion will cost R19-million.

- Installation of additional general infrastructural facilities worth R27,5-million, including a R10,2-million new paint shop and pre-treatment plant.

- Almost doubling the capacity of the group's parts operation at a cost of R14,7-million, including R11,5-million on a new parts warehouse in Pinetown, which will be the base of UCDD's nationwide parts network.

BY JOHN SPIRA

- A R3,8-million expansion of the commercial vehicle engine, gearbox and axle re-manufacturing plant in Johannesburg.

- A R10,3-million expansion of the group's Pretoria head office and departmental expansion.

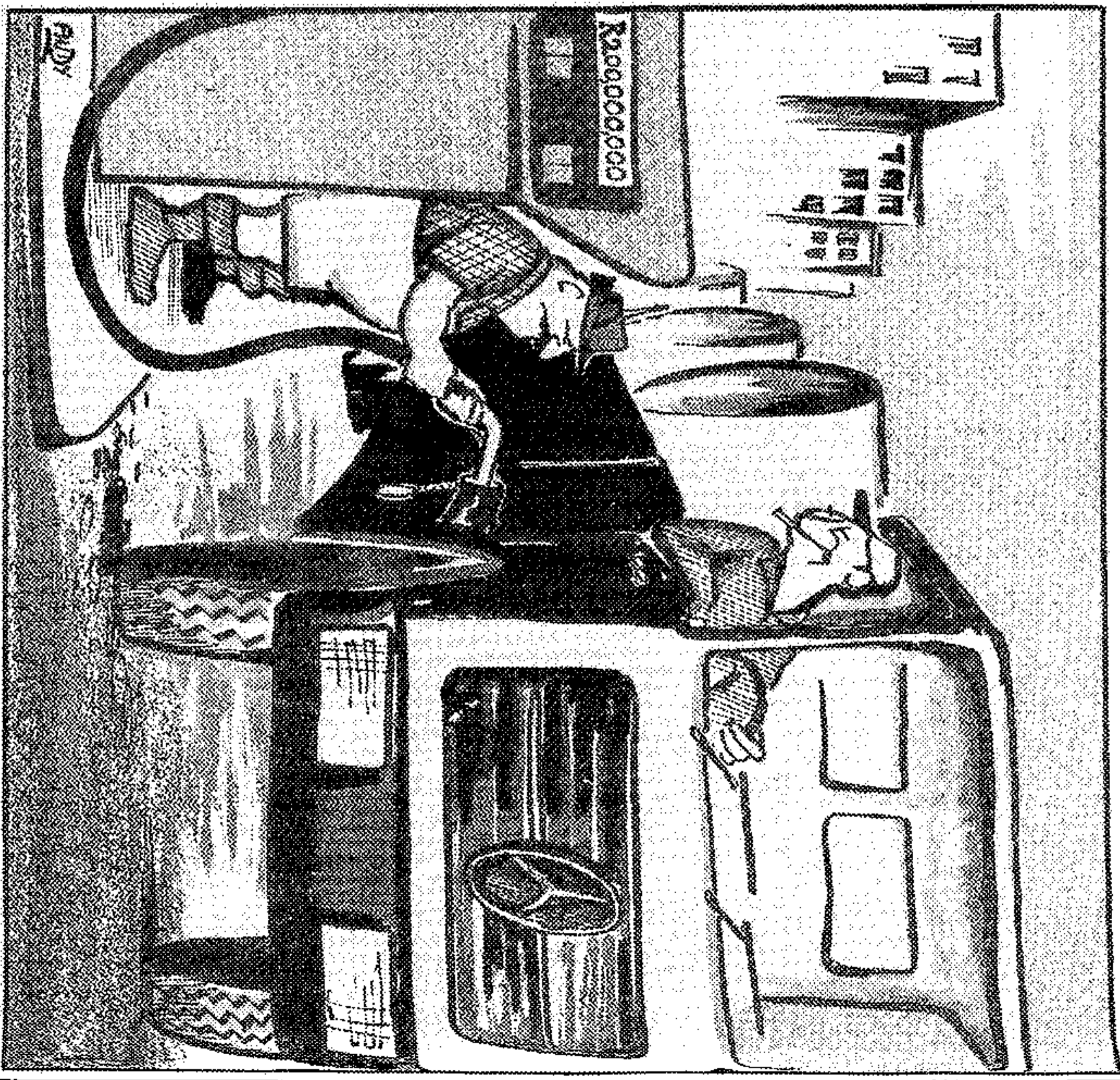
- A R50-million investment by the dealer organisation in incremental working capital in preparation for the coming growth surge.

- A further R25-million investment by dealers in land and buildings.

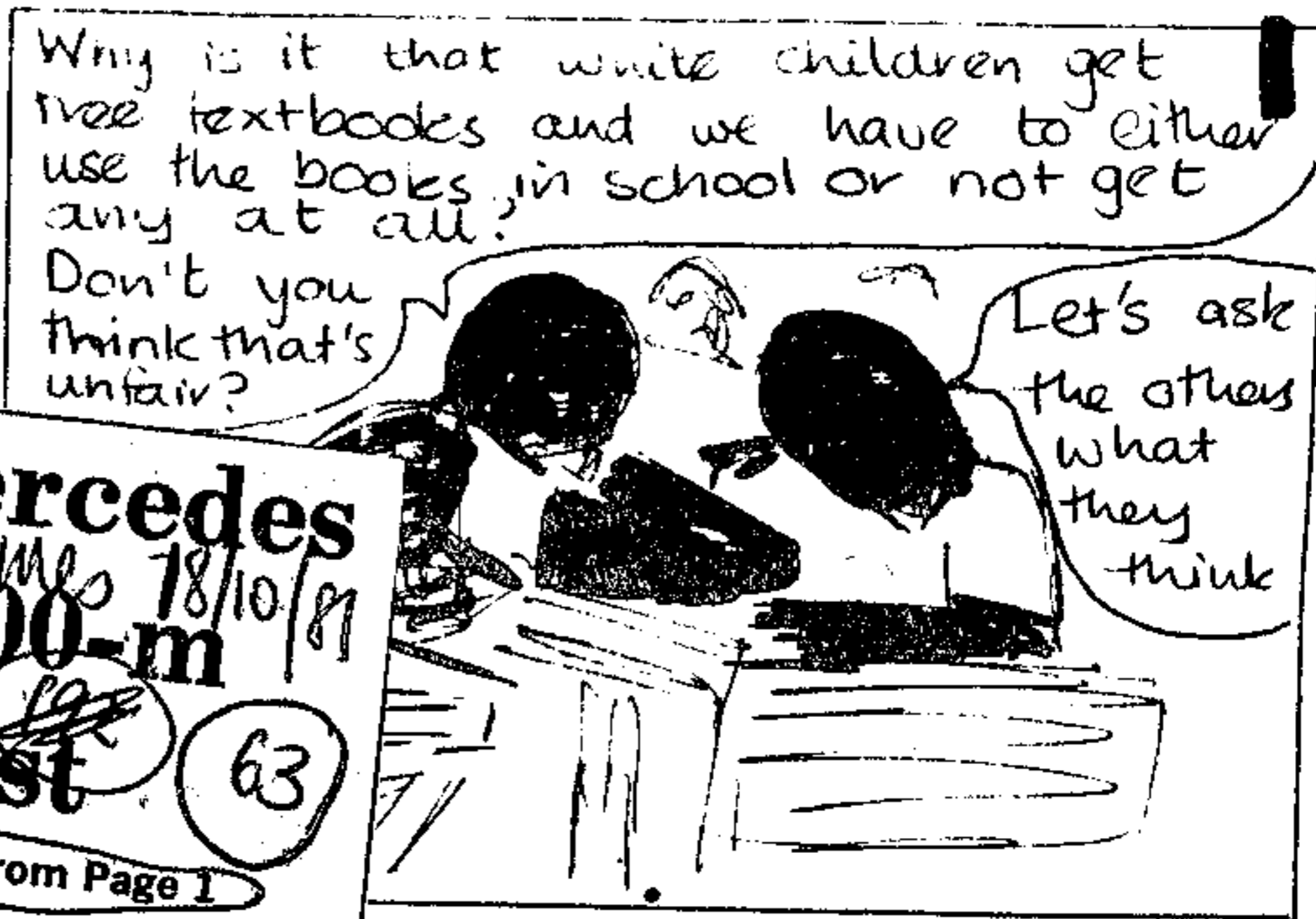
UCDD's chief executive, Morris Shenker, tells Business Times that it is the group's intention to maintain and expand Mercedes-Benz's market share in the large-car market and to reinforce its position as the leader in the heavy-truck market.

"We also believe that the exciting new Honda car will fill an important market gap, and our dealers are eagerly awaiting its introduction. Honda cars have enjoyed outstanding success in other countries, and I have no

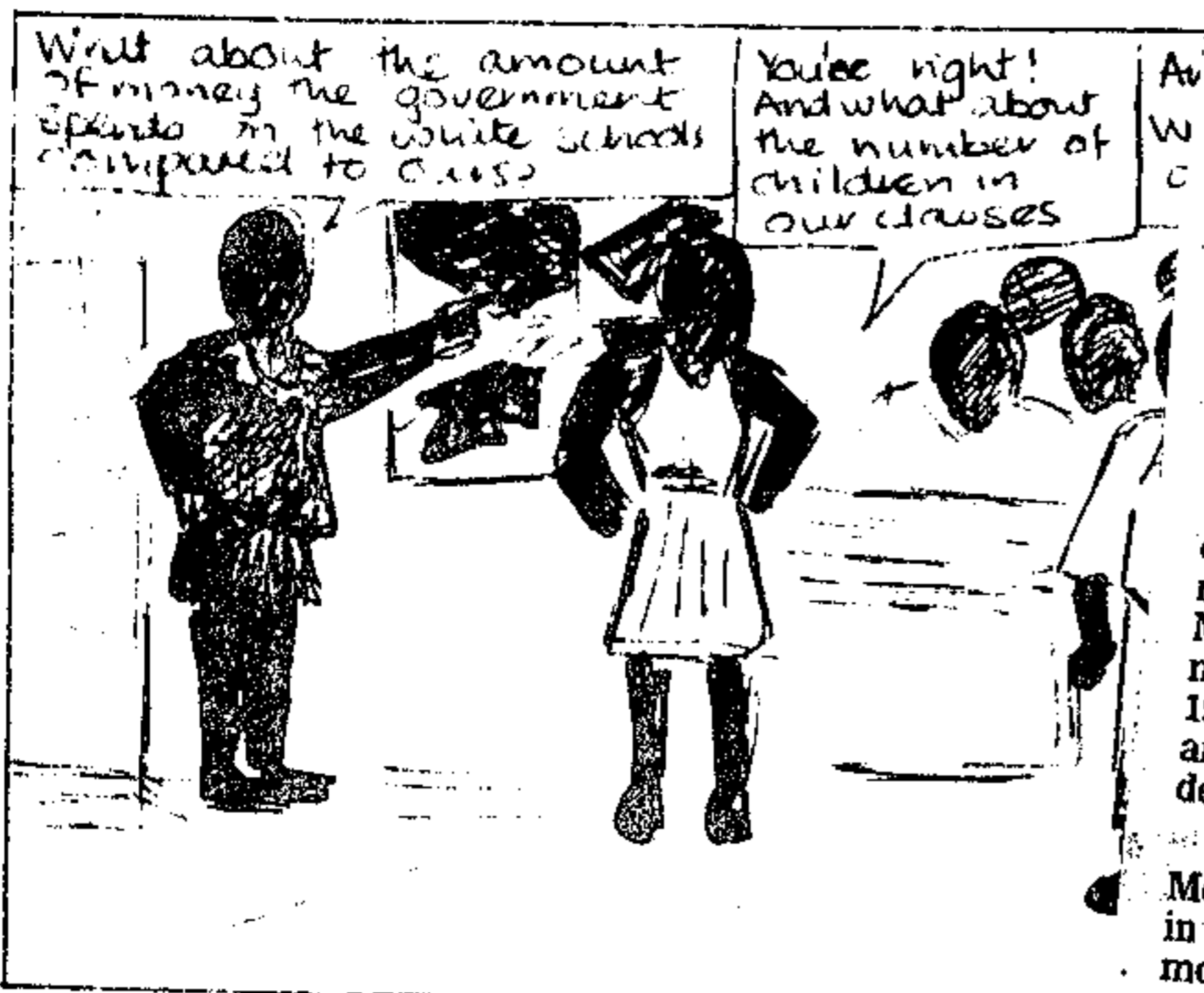
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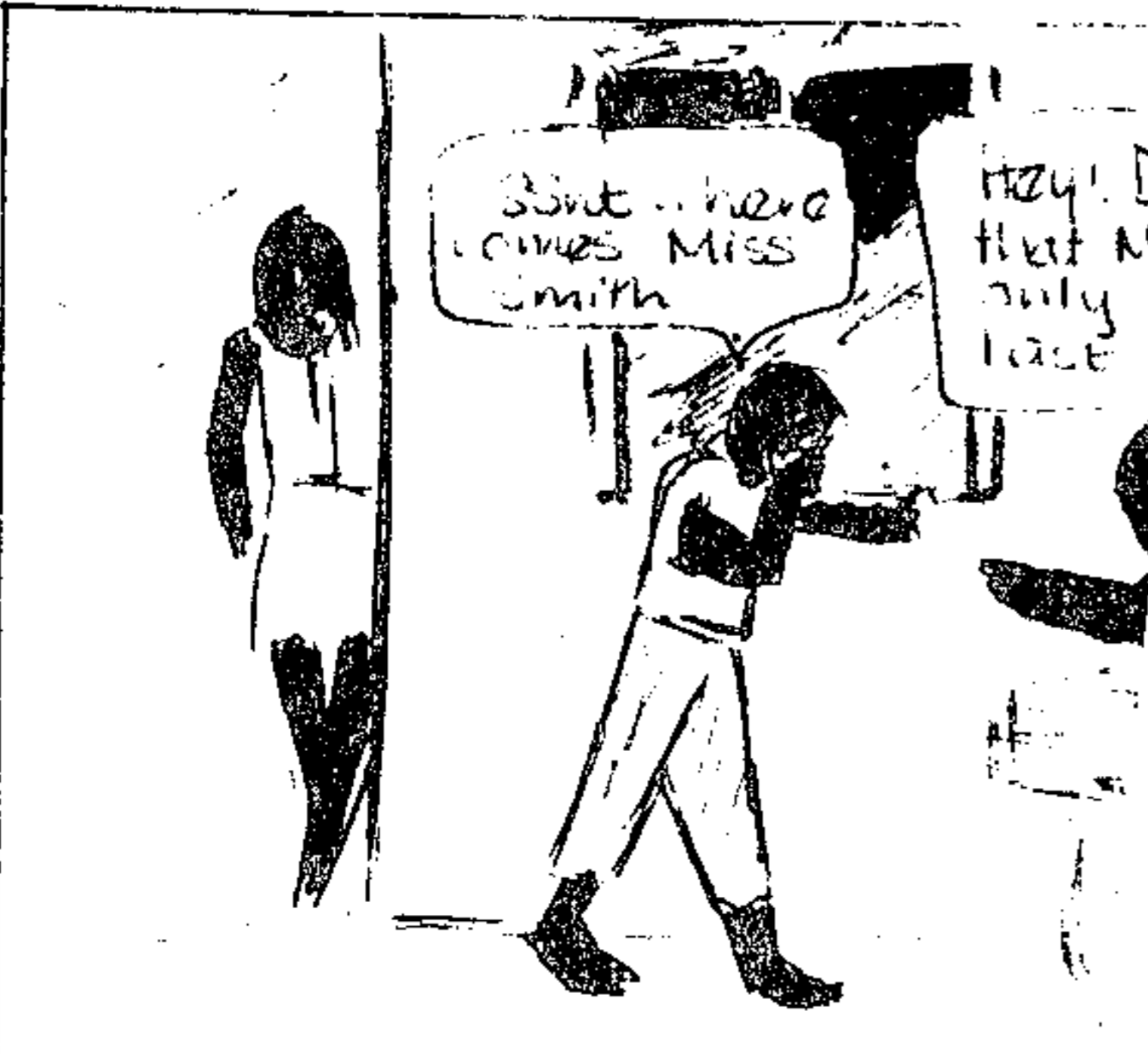
Mercedes
S. Times 18/10/81
R200-m
boost (63)
 ● From Page 1



doubt that they will be equally well accepted in South Africa." Mr Shenker says that UCDD is confident of a growing market for cars and commercials in South Africa "over the medium to long term".



Key features of UCDD's planning are its determination to obtain a 40% share of the heavy-truck market (5 000kg and above) by 1984, with annual sales of 12 000 units (it has an estimated 22% at present); its commitment to increase production of Mercedes-Benz cars to 1 200 a month in 1982 (up from 980 in 1981); the introduction of Honda; and the phased expansion of the dealer network over the period. Moves to expand production of Mercedes-Benz cars will result in a substantial increase in monthly unit output.



This, says Mr Shenker, is an urgent priority in view of the accumulated demand that has developed with the successful launches of the new Mercedes-Benz range of cars earlier this year.



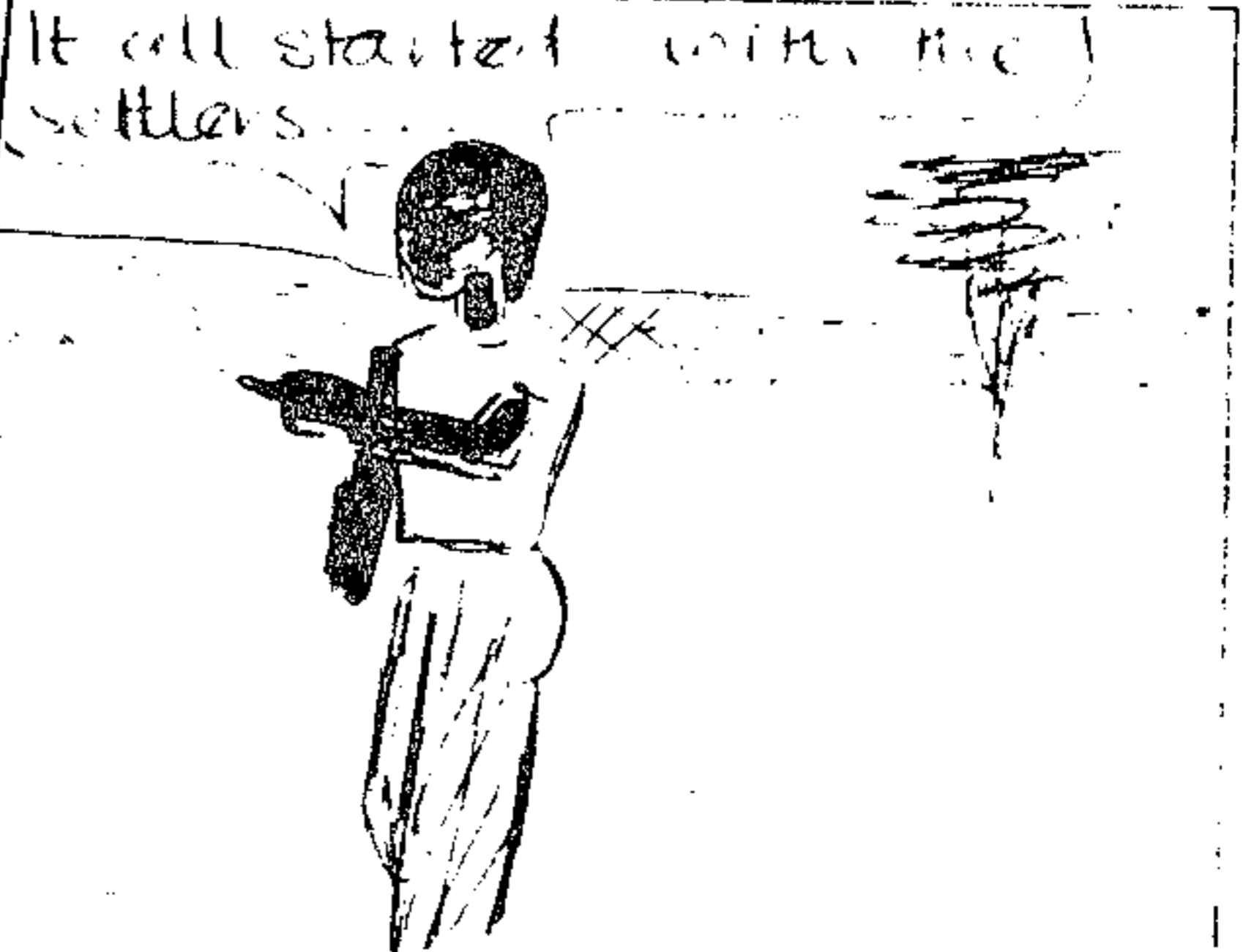
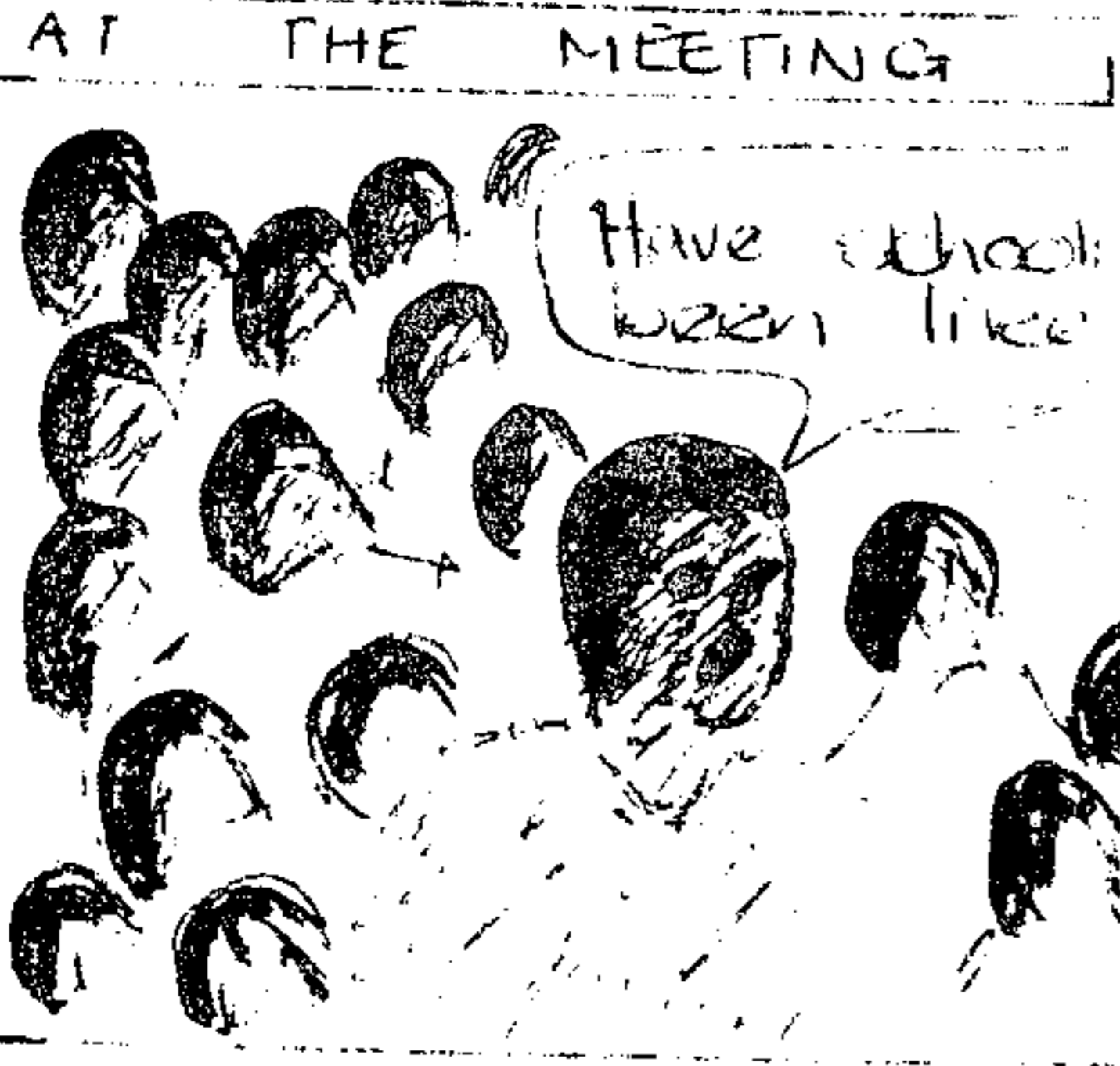
The expansion programme will create an estimated 1 900 new jobs — most of them in East London, where the UCDD plant is already one of the largest employers.

UCDD's East London wage and salary bill (including bonuses and employee benefits) is about R16-million a year.

The company spends a further R30,6-million a year on local content purchases, rates and utilities in the Border/Ciskei area and pays freight and wharfage charges to East London port authorities of R8,5-million a year.

Its total contribution to the regional economy each year is therefore in excess of R50-million.

The Mercedes-Benz dealer organisation, which currently has collective assets of R100-million in plant and equipment alone, will increase this by 50% during the next five years.



Motor firm bids for bigger slice of the South African market

By Mike Pelison
Finance Editor

A HUGE R200 million five-year expansion plan aimed at giving Mercedes-Benz a chance to grab a larger slice of the South African motor and trucking cake was announced this week.

The money, being provided through the umbrella UCDD Group, will be spent in East London, Pinetown, Johannesburg and Pretoria and provide an estimated 1 900 new jobs.

Car production capacity at East London will be doubled with the injection of R47-million which will help to meet demand for both Mercedes cars and the new Honda car range to be introduced late next year.

MERCEDES

PLANS

R200m

EXPANSION

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18/10/81

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parts national wide network. Total amount to be spent there is R14,7 million.

The commercial vehicle production will be upped by 70 percent in East London with a further R19 million. It should mean a monthly output of 1 000 by 1984, as against 600 now. Pinetown will get an R11,5 million new parts warehouse which will be the base of UCDD's

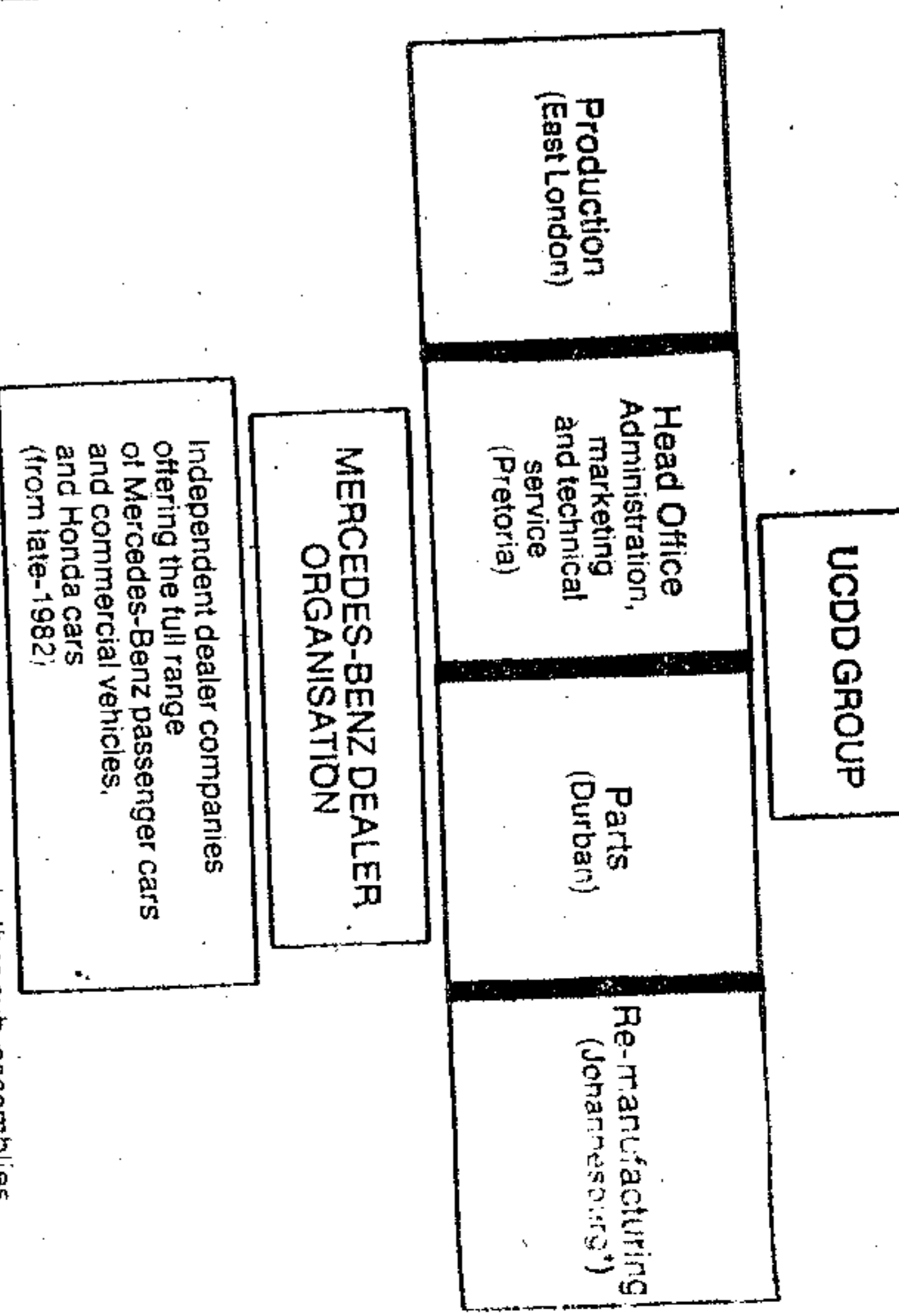
expansion. The plans also include: Installation of additional general infrastructural facilities (R27,5 million) including R10,2 million on a new paint shop and pre-treatment plant.

A R50-million investment by the dealer organisation in incremental working capital in preparation for

the coming growth surge. A further R25-million investment by dealers in land and buildings.

UCDD chief executive Morris Shenker said the group intends to expand the Mercedes-Benz share in the large car market and to re-inforce its position as the leader in the heavy truck market. He is determined the

HOW UCDD OPERATES



* Commercial vehicle engines, gearboxes, axles and other sub-assemblies

group will obtain 40 percent of the heavy truck sector (5 000 kg and above) by 1984 with annual sales of 12 000 units.

The investment programme, to be financed out of UCDD's own funds, will make it one of the biggest firms in the SA motor industry and one of the country's largest private com-

pays freight and wharfage charges to East London port authorities of some R8,5-million a year. The Mercedes dealer organisation, which has collective assets, of some R100-million in plant and equipment alone, will increase this by 50 percent during the next five years to about R150-million.

S. Times 25/10/81

German-SA trade grows

By Vera Beljakova

71 63

THE number of German companies represented in South Africa now totals 600.

More than 45 000 people are employed by companies which are more than 50% German-owned, and over 200 companies with German capital investment are trading in South Africa.

After the US, Germany is South Africa's second-largest supplier, accounting for 11,3% of exports for the first five months of

this year.

Germany is South Africa's fourth-largest customer, taking 4% of South Africa's exports

These figures have been released by the SA-German Chamber of Trade and Industry, which has published a German newsletter describing German-South African trade relations in glowing terms.

It suggests that German investors in South Africa will enjoy success as indeed will Ger-

man technically skilled manpower which can benefit from professional opportunities.

The publication further emphasises that the economic boom since 1977 has pushed South Africa into a leading role as a trading partner with Germany, particularly since it is one of Germany's foremost raw-material suppliers.

Last year South Africa imported goods worth R14 000-million and exported goods worth almost R20 000-million.

SYU 27/10/87

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Director denies black union's 'lockout' charges

By Drew Forrest

A black trade union has accused a German-based multinational company, Litemaster Products in Wadeville, of "reverting to the anti-union tactics used in the electrical industry five years ago."

The Metal and Allied Workers Union has asked the president of the International Metalworkers' Federation, Mr Eugen Loderer, to contact management over the dispute at the company.

Mr Loderer, who is also president of West Germany's largest trade union, the 2.5-million strong I. G. Metall, has spent the past week in South Africa on an "exploratory tour."

Mawu claims Litemaster management tried unsuccessfully to lock out 280 workers last Wednesday after they had rejected an offer of a 10c hourly wage increase. The workers had asked for 50c.

It claims 23 workers, including five shop stewards, were dismissed two days later in "doubtful circumstances" which suggested victimisation.

Litemaster's managing director, Mr John Houston, denied there had been an attempted lockout. He stressed that the workers had been fired after repeated warnings and "for very specific reasons" — including persistent refusal to wear uniform and lateness of arrival.

He also denied union charges that a large number of coloured workers had been asked to turn up at the factory for recruitment later this week.

On the pay issue, Mr Houston said wages at Litemaster were higher than those at the company's principal competitors. "Before our latest 10c offer — which workers in fact accepted — wages had improved 29.8 percent this year."

Car workers are offered pay increase after work stoppage

STAR 20/11/81

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PT

Labour Reporter

About 1300 workers at the BMW car plant in Rosslyn, Pretoria, downed tools yesterday and again this morning in a dispute over pay increases.

The company has been involved in wage talks

since last week with the BMW Employee Council.

According to a company spokesman, there were rumours in the plant that management was going to offer only a "ridiculously low" increase for 1982.

Workers in one part of

the plant stopped work yesterday and called on management for an immediate announcement of increases.

The stoppage spread to the rest of the plant and the workers were sent home.

They returned this morning, but did not start work.

Details about the 1982 pay increases were distributed.

Management and the employee council agreed on an average 15 percent increase for the first six months for workers on grades 1-5, and 11 percent for those in grades 6 and 7.

Police

go into strike-hit car plant

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By LUCAS BANDA
and RIAAN DE VILLIERS

ARMED riot police entered the giant BMW car manufacturing plant in Rosslyn, near Pretoria, yesterday after about 1 300 black workers had gone on strike over proposed pay increases.

However, there were no incidents and the police withdrew at the request of management.

About half the workers returned to work yesterday afternoon, and a management spokesman said the company was hopeful all would be back on Monday morning.

Earlier he said the stoppage started on Thursday afternoon after the start of annual wage talks with an elected workers' council last week.

While negotiations were under way on Thursday, rumours circulated that management was proposing "ridiculously low" wage increases. Some workers went on strike and demanded an immediate announcement on the increases.

Workers were sent home to "prevent the situation developing into a confrontation" while wage talks continued.

Agreement was reached late on Thursday and the increases were announced to workers when they arrived yesterday morning.

Ignored

Despite this, they would not return to work and also ignored appeals to go home. Workers were gathered outside for most of the day, but there were no incidents.

During the afternoon, a small number of workers left, but about half the work force resumed work, he said.

The wage increases become effective on January 1 and will apply for six months, when wages will again be reviewed.

They range from 11% to 15% and will push up BMW's minimum wage from R1,80 to R2,10 an hour. The company spokesman said this was in line with wages being paid by motor firms in the Eastern Cape.

A spokesman for the Fosatu-affiliated National Union of Motor Assembly and Rubber Workers - which has 25% membership at the plant - said yesterday the union was not directly involved in the dispute.

The union committee at the plant met union officials yesterday afternoon to discuss the situation.

Strike-hit BMW back to normal as workers return

By RIAAN DE VILLIERS

ALL workers who went on strike at the giant BMW car manufacturing plant in Rosslyn last week were back at work yesterday morning.

About 1 300 black workers went on strike on Thursday afternoon over proposed pay increases and the strike continued on Friday despite the announcement that new increases had been negotiated with a workers' committee.

Statement

However, some workers returned to work on Friday afternoon and management hoped all the workers would be back yesterday.

In a brief statement issued yesterday, the company said all workers were back and full production had been resumed.

Meanwhile, workers have been on strike at Hall Longmore, a Wadeville firm, following the dismissal of a fellow worker last week.

Workers went on strike on Friday after management refused to re-instate the worker during talks with a worker delegation, a spokesman for the Fosatu-affiliated Metal and Allied Workers' Union said yesterday.

He said the union had recently submitted proof of majority membership among the 500 workers at the plant and the management had agreed to hold recognition talks.

However, management refused to discuss the dismissal with union officials yesterday morning as it claimed the union was unable to control its members and would also not allow officials to address the workers, the spokesman said.

He said the union would continue efforts to resolve the dispute.

It is believed workers returned to work yesterday afternoon, but this could not be confirmed.

Company spokesmen were not available for comment.

(63) (192) (152)
STAR 25/11/81 (140R) (110)

Unionists arrested in Bophuthatswana

Three officials of the Fdsatu-affiliated National Union of Motor Assembly and Rubber Workers were arrested and charged in Bophuthatswana this week.

The NUMARW regional secretary, Mr Taffy Adler, and two union organisers, Mr Martin Ndaba and Mr Nelson Rakau, were arrested at a meeting of BMW workers in Ga-Rankuwa on Monday night.

The BMW plant, which was hit by a strike last week, is in the industrial area of Rosslyn, north of Pretoria. Workers commute to it from Ga-Rankuwa, one of the territories of Bophuthatswana.

According to a union

spokesman, about 15 armed Bophuthatswana police carrying teargas canisters entered the church hall where the meeting was held.

They searched the workers, dispersed them and arrested the three union officials.

Police initially indicated the men would be charged with "illegal trading," the spokesman said. But when they appeared in the Ga-Hankuwa magistrate's court yesterday morning, they were charged with attending an illegal gathering.

They were released on bail, and their case was postponed until November 27.

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63 280

BMW boss blasts the critics of investment

By RIAAN DE VILLIERS

THE managing director of BMW South Africa yesterday sharply attacked Bishop Desmond Tutu, general secretary of the South African Council of Churches, for his criticism of multinational companies operating in SA.

In a hard-hitting speech, Dr Eberhard von Koerber said "very vocal critics" of multinationals such as Bishop Tutu "can neither present us with a mandate to act politically, not tell us to pull out of South Africa — especially when they themselves cannot prove that they have a mandate for making that kind of demand".

Dr von Koerber was addressing a luncheon of the SA-German Chamber of Trade and Industry in Cape Town on the role of foreign companies in SA.

Politics

Dr von Koerber said German companies operating here could have an "indirect effect" on politics, but rejected demands that multinationals should directly involve themselves in politics.

Dr von Koerber also rejected as a "myth" the belief that large companies had the power to directly influence political developments and sharply attacked a recent report of the German Lutheran Church on labour relations at German subsidiaries in SA.

He said a BMW employee questioned by the investigation team had apparently suggested that BMW should threaten the SA Government with disinvestment unless political change was instituted.

"This employee probably believes that this kind of blackmail — lobbying would be effective.

"Politically knowledgeable people who publish such statements overseas as part of a political strategy are agitators, not reporters of facts," Dr von Koerber said.

German

There were some 300 subsidiaries of German firms operating in SA, with a total investment of nearly R3-billion and employing 50 000 people.

German involvement in the SA economy was therefore substantial and decisions made by German companies had a significant impact of the rest of the economy.

Arguing that the pioneering concept of today was the established practice of tomorrow,

he said this provided an opportunity for them to have an eventual indirect effect on political thought and political developments within their sphere of influence.

For example, the concept of no discrimination applied at BMW was in the process of becoming the accepted norm. Unlike the Japanese, "who refuse to invest in South Africa", the local German business community could claim that they had contributed to a dismantling of racial discrimination, Dr von Koerber said.

Making it local

Free 1/12/91
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... has recent address to the FA German Chamber of Trade and Industry, Dr ...

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... actively underdeveloped community.

Decentralisation also contributes to positive labour relations. Instead of enlarging your client base, you must identify the needs of your people. It is far more important to have a local base than a national one.

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Job assurances at plant denied by CDA

DAIK 7 Jasp
18/12/81
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EAST LONDON — Workers at one plant at Car Distributors Assembly (CDA) said a strike over recent lay-offs at the plant was narrowly averted on Tuesday after management had given them assurances about their jobs.

But this was denied by a spokesman for management yesterday who said no plant was being given preference in the wave of end of year lay-offs which has seen over 64 workers lose their jobs so far.

The from the VEC inspection and stores plant said they summoned their manager at tea-time to resolve tension at the plant over the retrenchments which they felt to be in direct contradiction with management's stated intention of employing about

1 600 new workers next year.

They said they had reminded management that it had agreed only to reduce the work of those workers who were on double shift owing to pressure of work.

"If management is to fire those who were not measuring up to standard they should have done so some time ago," a worker claiming to represent the 180-strong workforce at the plant said.

"In terms of company rules, for any offence a worker is first warned, then suspended for three days and, on the third offence, fired. Workers who have been at CDA for some time are protected by these rules.

"When we confronted management with our grie-

vance over the dismissals we were told that long-service employees were not in danger of losing their jobs unless they had gone against the disciplinary codes. We were also given assurances that those to be laid off would be the first to be re-employed when vacancies occur."

The workers said they had felt insecure over the retrenchments because many of them did not wish to join the company-registered union, the National Union of Motor Assembly and Rubber Workers, which is affiliated to Fosatu.

The management spokesman said there would be no preference given to any plant in the retrenchments. He repeated management's posi-

tion released in a statement on Monday that those who did not match up to standards — including long-term employees — were being retrenched.

He said there was no record of top management meeting with members of the VEC plant and said under no circumstances would special concessions be given.

"As for promising to fill vacancies with those retrenched, not everyone has a preference on rehiring. Only those with special skills who have been laid off from departments which are overmanned will have this preference."

He said management had met several times with the union over the past few weeks and had kept its officials fully informed about the retrenchments. — DDR

Report on EEC code released

CAPE TOWN 24/12/81

63

Staff Reporter

THE South African Council of Churches has released an English translation of a German research report which draws attention to discrepancies in management and worker attitudes towards the European Economic Community's Code of Conduct for foreign firms operating in South Africa.

The Code of Conduct was passed by the Council of Ministers of the EEC in 1977 and lays down recommendations, in six rules, which European entrepreneurs have to observe in relation to their black workers.

The SACC, after studying the report, felt there was a need for the report to be released to focus on a communication gap between management and workers of 12 West German firms.

The SACC says reports on employment conditions in foreign firms in South Africa were based mainly on statements by managements. Very little account had been taken of independent statements by workers. This latest report is based primarily on data collected independently from workers.

The research project is primarily concerned with investigating whether and how far the EEC code is implemented by the 12 firms and whether the code will contribute towards fundamental change in South Africa.

The report concludes: "Anyone who put serious hope in the Code for bringing about fundamental change should consider this seriously: The code has been in power for three years. The desperate conditions of blacks in South Africa have not changed in these three years. Political oppression in the last three years has increased. Foreign firms are more deeply involved in the total strategy of apartheid than before. And none of them have fulfilled the regulations of the Code up to now.

"There is no doubt that the bitterness and resignation of the black population is almost beyond description. An indicator of that is that many black workers have written, unsolicited, in their answer forms 'only armed struggle can bring change'. This is the context in which one should understand the call for sanctions — as probably the last chance of change without armed struggle or an all-out civil war. There are sufficient reasons for concern if one listens to black workers talking when they think they can be open.

"A Siemens worker: 'I am in favour of stopping investment here. That would have a massive effect on the white South Africans. Their military power, which depends on economic stability, would be hit at a sensitive point.'"

GERMAN FIRM SEES EXPORT SPRINGBOARD

(13) Smdr 3/1/78

Finance Reporter

THE DECLINING value of the rand may persuade a major German coal-mining equipment supplier to use its South African manufacturing interests as a springboard to South American and Australian export markets.

Jurgen Wolff, financial director of Bochumer Eisenhutte Heintzmann, one of the world's largest manufacturers of Longwall mining and security equipment, said in Johannesburg, his company is investing another R1 million in its South African subsidiary, Heintzmann (Pty) to boost local manufacturing capacity.

"This," he says, "will bring our investment in South Africa to R5-million. We are prepared to make further cash injections if required."

Wolff points out that while Heintzmann is poised to launch a major assault to capture an increased share of the local market, its Krugersdorp-based operation is also being groomed to take over exports to Latin America and Australia from the parent company in Germany. He explains that the

falling value of the rand coupled with the relatively low cost of South African steel and labour as well as lower freight rates between the Republic and markets in the Southern hemisphere make manufacturing in South Africa for export an attractive proposition.

"It is, in fact, so attractive that we are seriously thinking of exporting our South African-made products to Germany.

Wolff says Heintzmann has been actively forced to seek

foreign outlets for its coal-mining equipment since the level of demand in Europe is static.

Asked about his company's attitude towards risking investment in a politically turbulent Southern Africa, he says Heintzmann sees a bright future for the Republic in the long-term since it believes that the west must ultimately act to prevent one of its wealthiest storehouses of natural resources from falling into "the wrong hands".

He says most West German businessmen view South Africa as a potentially profitable source of investment.

(8)

Company refutes 'poor wage' claim

N. Mercury Correspondent 18/4/75

JOHANNESBURG — Schenker and Company, a German-owned freight company operating in South Africa, has refuted allegations made in Germany recently that they were paying poverty wages to their Black employees while earning

ing "dream profits."

It was disputing the speech of Dr. Wolff Geisler at a meeting organised by the German Anti-Apartheid Movement. Dr. Geisler accused German firms in South Africa as being "among the most zealous adherents of the apartheid ideology."

He said that Schenker, among others, did not train Black apprentices, did not employ Black supervisors, paid wages below the existence level and consequently earned dream profits.

Mr. Siegfried Lukat, managing director, said in Johannesburg that because Schenkers was not a factory it employed no apprentices. But it did train Black employees and paid them wages above the subsistence level.

Of a total staff of 95 in Johannesburg, Cape Town and Durban, 47 were Black. These included Asians, Coloureds and Africans.

Mr. Lukat said it was his company's policy to have "happy employees." They were given annual leave of three weeks and an annual bonus of one month's earnings. Whites enjoyed the same perks.

OVERTIME

Overtime was paid and there was an optional medical aid scheme for Blacks.

Statutory job reservation did not apply to their personnel and promotion was based on merit. One 21-year-old man earning R60 a month in 1970 was now earning R280 a month.

Generally Asians and

Coloureds were paid higher salaries than Africans because they had more responsible jobs. In Durban the average income of the salaried clerical staff was R260 a month, the highest R500 and the lowest (for a 20-year-old) R150.

Mr. Lukat said that the company was investigating the need to increase the wages of labourers in Durban. There the average was R88 a month.

According to the University of Port Elizabeth, the HSL (Household Subsistence Level) for Durban was R87,40 for a family of six.

In Johannesburg, where the HSL was R86,37, Schenkers' African average was R129 a month, the highest for a driver / supervisor being R190, the lowest for the "tea girl" R78.

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21/4/75

BMW to raise capital

Financial Reporter

BMW South Africa is to triple its share capital in preparation for an injection of money from its parent company, Bayerische Motoren Werke, of Munich.

Mr H. Schoenbeck, a director of the parent company, said at the weekend that the share capital of the South African operation would be raised from R1 400 000 to R5-million.

"This underlines our commitment to remain involved in the South African motor industry."

He said that a further R4-million of finance had been arranged "to support a higher level of sales."

Half of the R4-million has been provided by the parent company in Germany while the other half has been provided by a South African finance house.

"The injection of funds means that hire purchase and leasing facilities will



Mr SCHOENBECK
... we are still involved

be more freely available," said Mr Schoenbeck.

These moves come shortly after the company has spent R9-million rebuilding its assembly plant at Rosslyn, Pretoria.

"BMW expects to sell 4 000 cars this year in South Africa which would put its turnover at R20-million," he said.

"It is the demands of the already rising sales figures plus the projections of the sales boost that should come from the new 528 that have led to the tripling of the share capital."

Deutz in search of partner

Sun Times
18/5/75

8

DEUTZ MAGIRUS SA, the German-owned diesel engine, truck and tractor manufacturer, is looking for a South African partner.

"We do not want to send all our profits back to Germany. We want this to be a South African company, with South Africans sharing in the benefits while we provide the expertise," says Mike Proudfoot, managing director.

The parent company is Klockner-Humboldt-Deutz, of West Germany, which has invested R1.5-million in a diesel engine plant at Maritzburg.

KHD had a world-wide turnover of about R1-billion last year.

The South African subsidiary was established in 1949.

In that year it had a turnover of only R103 360, but the company has grown almost every year since then and this year its target is R19 284 000. Turnover last year was R11 136 000.

The Deutz engine assembly plant turns out engines from 14.9 kW to 373 kW, and Deutz tractor and Magirus Deutz truck production is incorporated to give better use of the plant.

About 220 employees are based at Maritzburg out of a total company payroll of 360. They will turn out 3 300 engines this year, and it is estimated that this total could be doubled during the next five years.

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2) 103
3) '55



The South African Ambassador to West Germany, Mr. D. B. Sole, and Mrs. Sole who are visiting East London.

Ambassador on visit

EAST LONDON — The South African ambassador to the Federal Republic of Germany, Mr. D. B. Sole, will have talks today with the

Xhosa Development Corporation and with representatives of the local assembly plant building German vehicles.

Mr and Mrs Sole are on home leave and spent a fortnight on the Wild Coast before arriving in East London at the weekend.

They are due to return to West Germany at the end of the month. — DDR.

(1) 42
(2) 4
(3) 28-1
(4) 193

SA ceramic factory achieves peak output

STAR 14/7/75

Industrial Reporter
Technical know-how developed by Rosenthal in Germany is being put into practice by 670 Africans and 50 Whites at the Huguenot porcelain factory in Rosslyn near Pretoria with excellent results.

Whereas the average output per production unit for fine household ceramics elsewhere in the world is about 150 tons a year, Huguenot has been producing 280 tons a year since the end of 1973.

The annual production comprises 1.7m pieces of porcelain, of which 1.3m are eventually sold. The balance of almost 22 percent either gets broken along the line or is not up to standard.

It is roughly estimated that each manufactured piece of porcelain takes six weeks from the clay to the finished product and passes through 100 pairs of hands.

SIZE

The size of Huguenot's labour force — which accounts for 35 percent of the overall costs of the production plant — does not differ significantly from units the world over.

The output of any ceramic production unit is ultimately determined by the number of kilns available. In Huguenot's case, experience suggests that 280 tons a year is the maximum controllable production.

The kilns burn through-

out the week and all through the year — apart from maintenance and repair periods — and Huguenot's electricity bill until now has been R25 000 a month but is expected to rise to R32 000 when the new rates become effective.

The works manager and head of the Rosslyn factory, Mr Arno Frievald, 41, was seconded to the position in 1968 by Rosenthal in Germany.

Rosenthal does not have any shares in Huguenot or its holding company, Continental China Holdings (which has South African shareholders) but supplies technical knowledge under contract on a royalty basis.

Mr Frievald says the unusually high production is maintained by instilling a productive spirit in the workers. This is not achieved through any incentive scheme — which he does not believe would help.

Rather the workers are all divided into teams which each have team leaders. The team leaders, of which there are about 34, report to departmental foremen or supervisors which, in turn, have regular meetings with the production officer.

Mr Frievald foresees a pattern emerging at the Rosslyn factory where African workers who are trained in the skills of ceramics will one day pass these skills down to their children — much as happens in Europe.

Daily Dispatch
Bicycle 25/7/75
**plant for
Dimbaza?**

KING WILLIAM'S TOWN

Application will be made to the decentralisation board soon to establish a bicycle assembly plant at Dimbaza, which will be one of the largest in the Ciskei if approved.

Negotiations for the factory, which will involve an initial investment of up to a million rand, have been made between the Xhosa Development Corporation, a Port Elizabeth steel company, and a West German company — which is the second largest assembler of bicycles in Europe.

The Managing Director of the new company, Mr. J. Kruger, said initially job opportunities would be created for between 30 and 40 Xhosas, and 50 000 bicycles would be manufactured annually.

The possibility of opening an export market is being investigated. — DDC.

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Investment now in region of R1000 million

DAILY DISPATCH, 25/8/75

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DIRECT and indirect investment by Germany in South Africa is estimated at approximately R1 000 million and although still far behind the British investment of about R3 500 million it is well ahead of that of the United States of about R700 million.

During 1974 German industry moved into the homeland for the first time supplying cash and techniques in the electrical, furniture and textile industries.

Although no official figures have been made available the South African-German Chamber of Trade and Industry report that the great interest shown by German industry in investment in South Africa in 1974 continued

into 1975 in the establishment of new subsidiaries and in know-how and licensing arrangements with South African companies.

When it is considered that German investment in South Africa in 1969 stood at about R300 million the huge advance, trebling that investment in five years, is tangible evidence not only of the increasing interest of German industrialists in South Africa

but of the success of the decision to establish a Counsellor for Industry at the South African Embassy in Cologne in 1973.

The first representative was Mr. Carel van der Merwe who concentrated on bringing to the attention of the smaller German companies who, he felt, could benefit by the availability of labour and raw materials suitable for their needs in South Africa.

There are now about 400 manufacturers, sales organisations and service concerns who have established offices in South Africa. These range from the giants of German industry to medium size companies who have established subsidiaries or built factories to participate in major development projects such as the Newcastle steel mill or in mining development.

Until comparatively recently Germany was concerned with competing in the major consumer markets of Western Europe and North America.

The trend now is to seek investment in areas where there is an abundance of raw material, where wage structures are more competitive than those in Germany and where power is comparatively cheaper.

South Africa rates high on the list of areas meeting these conditions and recently a survey conducted by the Department of Business Administration at the University of Delaware in the U.S. ranked South Africa ninth in a list of 46 countries that offered good investment potential.

In Germany itself where, although the high inflation rate is now being controlled, there is a shortage of manpower and manufacturing costs are high.

One aspect that is likely to stimulate further German investment is the beneficiation of raw materials the cutting down on the cost of converting raw ores into mineral products.

Cash is cash — it doesn't smell

German's brush

SUN. TIMES (B.T.) 26/10/75

Bonn scandal?

By PAUL SCHUMACHER • Pretoria
SA Representative of Der Spiegel

WEST GERMANY's business community is ignoring the great "Bonn scandal" in its thrust towards greater trade and investment links with South Africa.

Further political backlashes could occur through publication of more details from documents stolen from the SA Embassy in Bonn are discounted, even though they contain a wealth of evidence on German-South African trade collaboration.

West German business men are more aware than ever of the economic potential of South Africa.

A trade delegation from the most powerful industrial organization in West Ger-

many today, the Bund Deutscher Industrie (BDI), arrives in South Africa early next month.

It will hold talks with South Africa's top economic and political brass including Jan Kitshoff (IDC), Dr R.L. Strassacker (Escorn), Dr Piet Koornhof (Minister of Mines), Dr Anton Rupert (Membrandt) and the Governor of the Reserve Bank, Dr Theunis de Jongh.

Included in the programme is, ironically, a visit to Pelindaba nuclear research

station, starting point of the scandal.

Sources within the delegation make no secret of the kernel of their talks: "Business, business, business." There will be no deviation from the old German proverb: "Geld stinkt nicht" (money doesn't smell).

Trade figures support this down-to-earth attitude. In the first five months of this year West German exports to South Africa jumped to R432.4-million, 29 per cent above the figure for the com-

aside

parable period of last year. South Africa's exports to the Federal Republic rose to R160.1-million (up nearly 30 per cent).

This unfavourable gap is likely to remain for some years but the SA Government is trying to narrow it with attractive export incentives.

Devaluation has raised the value of the Deutschmark by nearly 28 per cent. This might have only short-term benefits, but German investment in South Africa is almost certain to grow.

Present German investment in South Africa is put at R1 000-million and about 400 manufacturers, sales and service organisations have set up shop here.

West Germany has recently supplanted Britain as South Africa's most important trading partner; outside Europe, only the US and Japan provide bigger markets for the West Germans.

Basic West German feeling towards South Africa is best summed up by Dr E. Henkel, director of the chemical giant BASF (which has just announced major expansion in South Africa): "We have confidence in the future of South Africa. We hope that the basic political problems will be solved peacefully."

~~101~~
~~278~~
368

Homeland

INDUSTRIAL development in the economic future take a giant step forward after last year's visit to SA of 30 of West Germany's most important industrialists, bank-ers and shippers.

By Dr. Hans-Gunther Hoff, President of the Federation of German Industries and chairman of the assembly of Messen-Grunde steel and engineering group (total sales 181,000, annual turnover 14.5-billion), this was probably the first high-powered industrial policy ever to visit South Africa.

ANISA COACHMEN

Between them the 30 men concerned employ upwards of 2-million people and have an annual sales turnover of more than R52-billion.

On the German side the visit was a clear indication of the growing economic ties between the two countries and the confidence that German investors have in the future and stability of the Republic. The visit also emphasized the importance attached to the economic cooperation between the two countries and the fact that the German side is not in any doubt as to the value of South African products, machinery and equipment.

A major purpose of the visit was to make Dr. Hoff's first visit to South Africa, the top officials of the Trade Incentive Corporation and discuss with them ways of establishing new industries in those labor-intensive areas. Delegation members invited the board and leaders to explain how they described developments in their areas. The visit came in response to a call from the Department of Industrial Development, who said that an increase in exports to South Africa would be a great help to the country's economy.

Chief Minister Walter Sisulu, who was in the Republic last year, was expected to meet the delegation in Cape Town. The visit was expected to be a landmark in the economic relations between the two countries.

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...the visit was expected to be a landmark in the economic relations between the two countries. It was expected that the visit would lead to a number of new investments and trade agreements between the two countries.

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Improve blacks' conditions German firms urged

D-D
11/24/75

BENSBERG (West Germany) — A West German professor has said that West German firms in South Africa should improve conditions of black workers in order to undermine apartheid.

Prof. E. O. Czempiel, chairman of the organizing committee of the German Society for Research into Peace and

Conflict, made the proposal at a two-day Catholic study conference which ended here.

Prof. Czempiel, a professor of political science at Frankfurt University, said West German industry in South Africa should improve the wages and training of their black workers to give them parity with white employees.

The government could reward firms which did this by giving them government contracts, he added.

He also considered it possible the Common Market would offer South Africa associate membership in return for the abolition of apartheid.

Mr. R. Gruber, director in West Germany of the South Africa Foundation, told the conference that South Africa had already taken many initiatives to reduce racial discrimination.

He said there had been no new job-reservation ordinances since 1971 and the training of blacks had been furthered through tax-concessions for employers.

"If you wanted to apply pressure, South African employers would welcome it," he said.

He also said the churches should put their own houses in order, since in South Africa they paid their black staff considerably less than their white employees. — SAPA-RNS.

CISKEI BICYCLES

High road to exports

F.M. 26/12/76

(1) 78A
(2) 105
(3) 68

SA's bicycle exports should get a hike from plans to establish a bike manufacturing plant in the Ciskei at Dimbaza, near King William's Town.

MD of the new company, Micro Steel Cycles, is PE businessman Ronnie Kruger, former director of Go-Plus Motors, VW/Audi dealers in PE. Kruger says he already has export orders from the Middle East for 5 000 bikes, and he claims there are other good export possibilities too.

The plant is scheduled to open mid-1976 as a joint venture between PE investment company Anvette Investments (Pty), of which Kruger is chairman, and the German manufacturer Heidemann-Werke, one of the biggest bicycle makers in Europe.

"We plan a high-quality cycle which is at present being designed in Germany for SA conditions. Local manufacture will be 50%, with other parts coming from Hong Kong."

The factory will be built by the Xhosa Development Corporation and employ 50 Ciskeians at the start. Cost will be R250 000, and modular construction will facilitate easy expansion. Machinery costing R370 000 will be installed for the manufacture of three models.

Moves to Harass SA-linked firms

Own Correspondent

STAR

BONN — West German firms co-operating with South Africa in the nuclear field are to be harried by the anti-apartheid movement in this country in a stepped-up campaign beginning in May.

A spokesman for the movement told me that they would put up information stands outside the firms of Steag in Essen, Kraftwerkunion in Muelheim and Man in Nuremberg at which they would draw public attention to the co-operation.

Co-operation is also being sought with the strong Civil Protest Movement against the building of further nuclear power stations in West Germany.

Also part of the campaign, decided at its recent annual meeting, is the holding of information functions and film presentations, including "Last Grave at Dimbaza," shot clandestinely in South Africa.

22/4/76

The 400 members of the movement and its sympathisers have also been asked to write to 10 people as well as their members of Parliament to win their support for the anti-South African activities.

Signature lists protesting against nuclear co-operation are to be circulated and handed to the Government.

At the annual meeting the movement also called for adequate public information on talks impending between the Lutheran Church and leaders of the All African Conference of Churches about the nuclear issue.

A "Namibia week" planned jointly by the youth movement of the Lutheran and Catholic churches will also be supported.

The annual meeting was attended by members of Swapo, the African National Council of Zimbabwe, the African National Congress of South Africa, and the South African trade Union, Black Allied Workers' Union (BAWU).

Bonn Government in a spot over trade with SA

Own Correspondent
BONN. — The West German Government is investigating a report that credit guarantees for exports to South Africa have been greatly increased without the knowledge of ministers.

This report, which appears to be substantially correct has caused the government embarrassment because it coincides with statements from several ministers and other senior politicians pledging support for the anti-apartheid campaign and

63 RDM 14 JULY 77
for "freedom" movements in Southern Africa.

According to the report, published in the magazine Der Spiegel, a committee of officials from the Federal ministries of foreign affairs, development aid, finance and economics, have in the past 18 months stepped up guarantees from 656 500 000 marks (R250-million) to DM2 775-million (R1 050-million).

The purpose of the guarantees is to safeguard German firms which do business with companies in "politically insecure" parts of the world.

Documents relating to such guarantees are classified as secret, and are not normally referred to ministers unless there are doubts about the creditworthiness of the importing country.

Nobody in Bonn questions South Africa's ability to pay for imports.

A Bonn spokesman, Dr Armin Gruenewald, said he was not in a position to contradict the Spiegel report, which was taken as an indication that ministers were unaware of the facts.

Because of the recommendations of the officials, the West German Government is reported to have indirectly guaranteed German firms prompt payment for several new projects in South Africa — including a coal liquification plant (value of the contract DM515-million), a car factory (DM36-million) and equipment for two coal power stations (DM140-million) and a locomotive plant (DM89-million).

This news fits oddly with the statement last week by the Federal business manager of the Social Democratic Party, Mr Egon Bahr, that West German investments in South Africa had "practically sunk to nothing".

He was rapidly corrected by the South African Embassy in Bonn whose spokesman said that economic relations between the two countries had been constantly strengthened.

The spokesman said — quoting official West German sources — that last year West German direct investment in South Africa rose by 7.2% to DM576 200 000.

About 6 000 German firms had direct or indirect contacts with South Africa, and in the industrial and trading sectors more than 300 German firms

had established subsidiaries in South Africa.

Sharp differences on policy to Southern Africa are to be expected between the government and the opposition, but it is becoming increasingly clear that government ministers and supporters are still some way from consensus.

Mr Bahr, an influential figure in the Social Democratic Party and a former Minister of Development Aid, agrees with President Kaunda of Zambia that the attitude of the white minority in Rhodesia allowed its opponents no alternative but the use of military pressure.

The Foreign Ministry in Bonn is more cautious. Asked to comment on Mr Bahr's statement, a spokesman said: "We've always supported peaceful solutions. Military pressure is not a peaceful solution."

Similarly, the Foreign Minister, Mr Hans Dietrich Genscher, chairman of the coalition Free Democratic or Liberal Party, has been reserved about suggestions that the government should establish direct contacts with "freedom movements".

However, he conceded this week that "freedom movements" were not necessarily communist dominated, and that it would be wise not to leave the field to the Russians.

Mr Sam Nujoma, head of Swapo, claims to have more embarrassing disclosures for the West German Government up his sleeve.

He told Spiegel he had proof, which he would shortly produce, that West Germany was sending weapons to South Africa.

Bonn has always denied that this is so.

West Germany has direct investments in South Africa totalling DM603-million (about R225-million), says the Bonn daily newspaper, General Anzeiger.

The paper says investment in South Africa amounted to DM26 800 000 in the first quarter of this year, compared with DM38-million for the whole of last year.

The figures countered a statement by the Social Democratic Party that direct investment in South Africa had dropped "to practically nothing," said the newspaper.

A Government spokesman said yesterday credit guarantees for commercial exports to South Africa had trebled in 1975.

BAYER VAT

Sake - Ruffert 17/7/77
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DIE Agro-Chem-afdeling van Bayer sal in die toekoms as alleenverspreiders van die bekende Monsanto-verskeidenheid van onkruidverdelgende produkte, Roundup, Lasso en Ramrod, optree.

Hierdie reëling volg op die besluit van Triomf-oesbeskermings 'n maatskappy behorende aan die Triomf-groep, om sy werksaamhede op 30 Junie van vanjaar te staak.

Monsanto is Suid-Afrika se grootste maatskappy op die gebied van die vervaardiging en verkoop van onkruidverdelgers. Dit was ook die eerste maatskappy wat die formulering van onkruidverdelgers in Suid-Afrika onderneem het. Dit is by die AECI-fabriek op Umbogintwini gedoen.

Die Agro-Chem-afdeling van Bayer Suid-Afrika is een van Suid-Afrika se vooraanstaande fabrikante en verspreiders van spesiale chemiese preparate vir die behandeling van landbou-oeste.

Albei maatskappye is internasionale leiers op die gebied van landbou-skeikundige navorsing en is dwarsdeur die wêreld ten nouste aan mekaar verbonde.

Die nuwe reëling tree dadelik in werking, en daar word verwag dat daar in die oorgangstydperk geen onderbreking in die kontinuiteit van diens sal wees nie.

Die nuwe reëling beteken dat Bayer SA sy handelaarsnetwerk, sy verteenwoordiging en sy dekking detegniese ondersteuningswerkzaamhede sal uitbrei in 'n kwaliteitsdiens tot beskikking van alle kliënte.

Row over German trade with S.A.

BONN — West Germany's decision to expand its trade with South Africa while condemning its racial policies has started a controversy here. The Government has stepped up its credit guarantees for exports to South Africa fourfold in the last 18 months.

They have risen from 656,5 million marks (R250 million) to 2 775 million marks (about R1 000 million).

Government officials plead that there is no way of limiting private trade with any country, but opponents say the Government is not bound to guarantee commercial deals.

The steep rise in Government backing is seen here as a contradiction of its stated policy. Bonn says it is against the rule of White minorities and in favour of introducing Black majority government in South Africa and Rhodesia through peaceful means.

The Foreign Minister, Mr. Hans-Dietrich Genscher, said recently that if West Germany were to gain the confidence of Black Africa, it could no longer afford to appear as a friend of South Africa.

The Chancellor, Mr. Helmut Schmidt, has termed apartheid a "flagrant violation of basic human rights."

German private business investment in South Africa totalled 576,2 million marks (about R215 million) at the end of 1976, a rise of 38 million

marks (about R14 million) over 1975.

In the first three months of this year, German firms invested a further 26,8 million marks (some R10 million) in the republic.

According to the South African Embassy, more than 300 German firms have subsidiaries in South Africa while indirect investment by West German companies is estimated at 4 000 million marks (R1 500 million). Some 6 000 German firms had direct or indirect business contracts with South Africa, it said.

The embassy estimated the total German financial commitment in South Africa at about 12 000 million marks (R4 500 million). There is German money in all major industries, it said.
— (Sapa-Reuter.)

Monsanto now in Bayer fold

By Tony
Keenderman

THE AGRO-CHEM division of Bayer South Africa has taken over sole distributorship rights for Monsanto herbicides in South Africa.

The move should strengthen Bayer's and Monsanto's position in the tough, highly competitive crop protection market which has been thrown wide open by the withdrawal of market leader Triumf Crop Protection.

Triumf, Bayer, Agricura, Eiros and Shell together supply more than 80 per cent of the R65-million annual market.

Triumf products will now

be marketed through two other subsidiaries operating in limited areas — Mayners Organisation, in Natal, and Agritek, in the 'Transvaal' lowveld areas.

The move follows a profit decline at TCC from R1.5-million to R0.4-million last year.

However, says Monsanto managing director Martin Walsh, "there's definitely money to be made in the market."

What makes it difficult is excess production capacity, the abundance of producers, and fierce price cutting.

Edmin has recently come into the market, along with a host of smaller producers, including Ciba Geigy, Metolac, and Cyanamid.

~~LAP 3~~
2 63

Wars on wheels . . . Tony Koenderman reports

Germans locked in heavyweight car market battle

...Japanese square up in welter division

THE LUXURY end of the South African car market is showing extraordinary resilience against the damaging effects of the worst slump in the industry's history.

And it's here that one of the most interesting market battles is taking place as BMW continues to narrow the gap between itself and chief rival, Mercedes-Benz.

Though dealer sales of luxury cars as a whole are down by 26 per cent, compared with 22 per cent in the industry as a whole, BMW is one of only four manufacturers which increased their penetration in the first seven months of the year.

The others are Fiat, Ford and Peugeot/Citroen.

And while Mercedes trailed behind BMW in sales in the first three months of the year, two new models have put it back on top — its penetration in the last four months has exceeded last year's.

BMW's penetration for the first seven months of the year was 3,91 per cent (3,26 per cent for the whole of 1976), and Mercedes' was 4,65 per cent (4,95 per cent).

Other leading contenders at the top end of the market, such as Leyland's Jaguar, have fallen back significantly.

But Mercedes' imported 450SL, with a price tag of just under R30 000, is selling at a rate of more than 60 a month, indicating that as far as the very rich are concerned the recession is no more than a minor irritation.

One cannot say the same for the foreign exchange reserves, which are losing nearly R2-million a month for the purchase of these cars.

The intense competitiveness of the industry has been good news for the advertising profession, which has seen increases in budgets despite falling sales



Mercedes (top) and BMW . . . meeting head-on.

in the past two years.

The result is that the average advertising outlay per car sold rose from R20 in 1974 to R29 last year.

In the luxury market, the total advertising and promotion cost per car probably exceeds R100. And according to Ronnie Meatcham, head of BMW marketing, the company's advertising budget has been doubled for the 1977-78 financial year.

For the first time, BMW and Mercedes have been genteelly and subtly tilting at each other in their advertising.

An internationally honoured campaign prepared by BMW's ad agency, Grey-Phillips, Bunton, Mundel & Blake, proclaims for example, "If your car is built to survive an accident" — Mercedes'

well-known boast — "it should also be built to avoid one" — meaning, of course, the BMW.

This direct, if subtle, dig at Mercedes brought a cool answer from the target company through its agency, Adverto: "Aggressiveness is no match for supremacy."

The ad went on, "Some cars make it hard for their drivers to be civilised. Their makers have solved the problem of reaching 180 kilometres an hour in the shortest possible time, but not the problem of how to arrive calm and fresh after six hours' driving."

Snooty it may be, but there is also an acknowledgement that Mercedes DOES have a competitor — and that's something Mercedes is not in the habit of conceding.

TOYOTA Marketing this week hit back at claims by Sigma Motor Corporation that its recent South African launch, the Mazda 323 small car, has shot to the top of the sales chart in Japan.

When the 323 was launched in June, only six months after its launch in Japan, Sigma claimed it had ousted the Toyota Corolla as top seller there within two months.

The Mazda is made by Toyo Kogyo, Japan's third biggest carmaker.

But statistics which local Toyota managing director, Colin Adcock, has obtained from Japan show that the claim was somewhat exaggerated.

In no month has the 323 overhauled Toyota according to the figures, published in Toyota's Auto News magazine, and its cumulative sales to June give a penetration of 3 per cent, compared with the Corolla's 6,8 per cent.

The 323, marketed in Japan as the Familia, does not even figure in June's top ten sellers, which were, in order, the Corolla, Datsun Sunny, Datsun 160, Toyota Mark 2, Mitsubishi Galant, Datsun 180, Toyota Corona, Datsun Skyline, Toyota Sprinter and Datsun Laurel.

For the first five months of the year, manufacturer sales were Toyota 1 114 000, Datsun 880 000, Toyo Kogyo 326 000, Mitsubishi 284 000.

The 323 came closest to the Corolla's sales in the month of February, when it sold 12 000 compared with 17 000 for the Corolla.

However, it has taken off with a bang in South Africa. July sales figures make the 323 the country's second biggest seller, with 1 030 units as against the Cortina's 1 356 and the Datsun 120Y/140Y's 919.

As a result, Sigma was in third place with a penetration of nearly 13 per cent, trailing Ford and Volkswagen.

Terror gang hits at SA ^(b3) trade links

Own Correspondent
LONDON. — A West German terror group has declared itself dedicated to violently disrupting trade between Germany and South Africa.

The first attack by the group — which calls itself Revolutionary Cells — was a bomb blast at the administrative offices in Nuremberg of the Maschinenfabrik Augsburg Nurnburg AG (MAN) on Monday which did an estimated R40 000 damage.

The company supplies components for nuclear plants.

The attack is linked to the allegations that South Africa is about to test nuclear weapons.

Dr Wolf Geisler, the Bonn-based head of the German Anti-apartheid movement, yesterday said: "We have no idea who the terror group is.

"They have no links with us but have claimed responsibility for the first big act of violence against what they say is a major West German link with South Africa."

He said the group claimed that MAN had a contract to supply centrifuges and compressors for the development of nuclear plants in South Africa.

Mr Geisler said the claim was accurate — though the West German Government yesterday emphatically denied that it had helped supply South Africa with the know-how to develop sophisticated nuclear weapons.

A big police hunt is on for the MAN bombers and the Bavarian police have offered a reward of R1 000 for information leading to their capture.

Terrorists hit at

By Ian Hobbs: LONDON
EUROPE'S most ruthless terrorists are today accused of bomb attacks which have made them the latest enemies of South Africa.

They are said to be the remnants of the dreaded Baader-Meinhof gang of Germany.

The accusation comes from Dr Wolf Geiselle, a soft-spoken anti-apartheid activist in Bonn. He blames the Baader-Meinhof remnants, for two bomb attacks in under a fortnight on industrial targets connected with South Africa.

There have long been fears that terrorism in Europe would turn on South African-connected industry.

The fears have now become a reality in Germany. South Africa's major trading partner . . . and the business and political community has the jitters.

Early on Thursday a small time bomb blasted offices at the Klein, Schanzlin and Becker factory in Frankenthal, near Stuttgart.

A gang calling itself "Revolutionary Cells" claimed responsibility. It said the factory was helping

SA trade Baader Meinhof turns eyes on new targets

South Africa to make nuclear weapons.

In fact, the factory has a contract to supply South Africa with cooling systems for its peaceful nuclear energy programmes.

The bomb came ten days after a small bomb blasted the offices of the Maschinenfabrik Augsburg Nurnburg Ag factory in Nuremberg.

Target

At first, there were high-level attempts to play down this bomb which caused damage of R40 000.

But now a factory spokesman says the bomb came close to destroying the computer virtually controlling operations.

"This was their target," he said. "They knew where to go. These

were skilled terrorists and it is just their bad luck that they missed their target by placing the bomb on the wrong window sill.

An intensive investigation is now under way to trap the bombers.

"For some reason we have a terrible breed of terrorist in Germany," said the spokesman, Mr Lothar Lanterstorser.

"We know this is the start of a new terrorism campaign, aimed at those who have trade links with South Africa."

Mr Lanterstorser said the factory would go ahead with a multi-million-rand contract to supply three turbine units to Escom at Matla.

"We believe we were bombed, because of allegations that we have been giving South Africa nu-

clear knowhow," he added.

"The allegations are ridiculous. Our contracts have nothing to do with the uranium enrichment process, as the anti-apartheid movement in West Germany has said.

"We will not be frightened off by bombers. We see our contact as a positive contribution to good, healthy progress."

The turbines, he went on, were for Escom's coal-fuel processes.

Next week, in defiance of the bombers, the factory plans to issue information on its trade contact with South Africa.

Suspicion

Suspicion for the bombings fell on Dr Geiselle's West German Anti-Apartheid Movement.

Dr Geiselle, a member of the mildly liberal Social Democratic Party, says: "I know I am being watched. I know my phone is bugged."

"We have had a few run-ins with the police, but my movement abominates violence.

"A splinter remnant of the Baader-Meinhof group is without doubt responsible for the bombings. I have no doubt there will be more attacks."

● Since 1975 the West German Government has exported goods worth well over, R1 000-million a year to South Africa.

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British employers have doubts on EEC code

RDM
30/7/77
63

By NEIL BEHRMANN

LONDON. — The Confederation of British Industry has significant reservations about the European Economic Community code of conduct for European firms operating in South Africa.

These doubts follow criticism by the Federation of German Industry which believes that the code is superfluous and harmful.

A spokesman of the EEC said a working party was studying the code proposals in detail.

But the CBI, representing the views of the leaders of British industry, was far from agreement with the government.

The deputy director of the CBI, Mr John Whitehorn, says that it has not backed the EEC code in total and that the CBI still had important reservations about the document.

The working party is studying the complexities of South African law relating to black trade unions and integration and whether it is feasible to interfere in operations of British subsidiaries in South Africa.

For example, the code says

that black trade unions are not illegal and companies are free to recognise, negotiate and conclude agreements with them. Should the black employees of a company decide on a trade union, the company should accept the decision.

But the CBI is worried that in spite of the legality of the unions, the South Africans could place pressure on employers and employees through banning orders and other restrictions.

The Federation of German Industry is more forceful in its condemnation of the code. A spokesman rejected the imposition of foreign policy on foreign trade and doubted whether the code would achieve the political objectives.

The Federation fears that German companies could lose out to foreign competitors. It is against apartheid but says the German Government cannot ask subsidiary companies to disregard the laws of a country in which they operate.

The Bonn Government has increased State credit guarantees to back up German exporters.

The 1978 Budget proposals recommend an increase in government export insurance backing from 110-billion marks (R41-billion) to 130-billion marks (R49-billion).

The percentage of State funds allocated as insurance backing for West German exports increased from 5% of total exports in 1972 to 13,3% last year.

The backing is higher because the State fears that export contracts could be lost without State support.

There are also risks in selling to developing countries, political and economic.

The Left-wingers of the ruling Social Democrat Party have demanded that the German Government withhold credit guarantees on export business to South Africa. So far the government has rejected these demands.

The International Confederation of Free Trade Unions is also dissatisfied with the EEC code for opposite reasons. It wants sanctions, penalties and restrictions on new investment in South Africa.

c.7. 31/10/77

SA replies to EEC statement

63

Diplomatic Reporter

THE South African Department of Foreign Affairs is taking on vigorous measures to counter attacks on the Republic's sovereignty on a scale not seen since the days of Dr Eric Louw.

It has usurped the Department of Information as chief spokesman for the Republic abroad and is exploiting the trappings and avenues of international diplomacy to full advantage.

This is evident from the public speeches of its minister, Mr R F Botha, and from the Note which South Africa delivered to the nine European Economic Community governments at the weekend. The Note is a strongly worded five-page reply to a statement last week by the EEC (Common Market) on South Africa. It contains the kind of sentiments normally uttered by politicians or propaganda ministeries, like Information.

Mr Botha has apparently decided that his department,

which has traditionally refrained from censoring countries with whom it has relations deserves to play a more potent role... and must be more aggressive in "selling" South Africa.

The South African Note said it was "the duty and responsibility of the South African Government to determine what constitutes a threat to internal peace".

"It is not the responsibility of the nine, nor do they suffer the consequences.

"The South African Government is concerned about the situation in Northern Ireland, but we do not presume to dictate to Britain and we do not choose sides.

"We also do not dictate to

the West German Government as to how subversion should be combated and we do not hold it against that government when it adopts certain measures in that regard."

Other points in the reply were:

● SA appealed to the nine "not to be so obsessed with colour".

● South Africa could not accept the premise that the banned organizations aimed to attain equal political rights for all by way of peaceful change.

● Freedom of expression had not been curtailed. "No action can be taken against any person in South Africa who criticizes the government or wishes to bring about a change of government by peaceful means."

● The South African Government supported the preservation of fundamental human rights and for this reason it was its duty to see that the population was not intimidated by subversive actions.

● It subscribed to the rule of law but was not prepared to expose its people to subversion "as a result of the dogmatic insistence of the immutability of certain selective rules and procedures".

● The government strongly objected to the "double standards" applied by the nine and would be glad to learn what they had done to countries where no elections were held, where there was no independent judiciary, where there was no freedom of press, no religious freedom and no private property ownership.

The nine, in their statement last week, which effectively constituted a diplomatic demarche and thus made possible a reply by official Note - the traditional means of communication between governments - said they had learnt with amazement of the actions taken against certain black organizations, which meant

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FM 11/11/77
GERMANY AND SA (63)
Clampdown in Bonn?

The West German government is reported to be considering plans to limit credit guarantee insurance for German exporters to SA to DM50m (about R18m) for each transaction. If the plan is implemented, it will represent a change of policy. But according to most local representatives of German business approached by the FM, it would have minimal effect on German-SA trade.

The president of the local German Chamber of Trade and Industry, Rolf Rauschenbach, puts it thus: "If it is correct that export guarantees are to be limited to R18m per transaction I'm inclined to believe that the practical effect will be relatively small. I would think that most of the big infrastructural deals are already through."

"There has been a public outcry about SA in Germany recently, and I feel that if this step is the only result of the deliberations that followed, it's relatively positive. Things could very easily have been much worse."

A locally-based German banker agrees: "We must avoid an over-reaction. The limit being discussed is R18m on each transaction, and that's quite a lot of money. Besides, I understand that Bonn will be prepared to allow exceptions to

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the rule in some cases."

Another representative of German banking interests in SA is less optimistic. "My personal view," he says, "is that this is quite a serious step. Trade deals can very often involve amounts of DM100m and upwards. The limit mentioned is just too small, and there will definitely be an adverse impact on German-SA trade."

"In addition, I have learnt that some applications for cover have been pending for about two months, and I'm worried about this delay. I hope the German industrial lobby will put pressure on Bonn to reverse the decision."

Bonn's plans to limit insurance cover — granted through the privately-owned agency, Hermes, which is presently exposed in SA to the tune of around DM2 400m — is seen in West German political circles as an indication that SA is now considered to be a high risk area, reports the FM's Bonn correspondent.

The step must also be seen as an indication of the tougher political line on SA taken by Bonn following Police Minister Jimmy Kruger's October 19 bannings and detentions. The new German economics minister, Count Otto Lambsdorff, is said to be convinced of the need for the measure.

● Meanwhile, the FM learns that while the US's Export Import Bank has made no official policy changes in recent months, no longer-term guarantees have been approved for about a year. Those granted are normally for three years.

ITEM/S

I hereby pled

PLEDGE FORM

To sell items in the Cape Times Under Twenty Rand column in order to raise funds to buy a portable television set, licence it and present it to an old age home which already has a television set. The portable will be used as a floating trophy, on a monthly basis, for the best effort in handiwork. This work becomes the property of Jaycee Newlands and will be sold at the end of the year, providing funds for another project.

AIMS OF PROJECT:--

PLENTY UNDER 20 FOR THOSE OVER 70

JAYCEE NEWLANDS

Longwall short-cut to profits

Sunday Times - Business Times 12/11/77

KLOCKNER - Ferro - matik, the R8,5-million-a-year supplier of mining equipment, opens a R4-million factory in Klerksdorp this week which is expected to help boost annual turnover to R20-million within three years.

The main growth for the company, according to joint managing director Paul van Rensburg, is expected to come from the sale of longwall mining equipment, which accounts for 80 per cent of the parent company's worldwide business, but only 20 per cent of the business in South Africa.

Klockner-Ferromatik of Germany recently merged with Becorit Grubenausbau to form one of the biggest manufacturers of underground mining equipment in Europe.

As a result of the merger, the name will change to Klockner-Becorit.

Longwall equipment is of

particular interest to the coal industry, where the bord and pillar methods currently used in South Africa leave some 60 per cent of the mineral in the ground, according to Gunther Weisbrod, the other managing director.

"Less than 5 per cent of the 65-million tons of coal mined annually in South Africa is recovered by longwall methods," he said.

"In Europe, there is only longwall mining. In the United States, the amount mined by longwall methods has risen from nothing to 8 per cent in five years.

"We believe there will be a big expansion in the use of longwall mining here too."

The company was set up in South Africa as a sales agency and service operation in 1965, and started manufacturing in Klerksdorp in 1969.

It now employs 360 people, and the new factory will push this up to 500. An additional R2-million is to be invested in the new factory



Paul van Rensburg ... aiming for R20-million turnover.

in machinery over the next two years.

Local content of the products manufactured averages 70 per cent by value. Equipment being produced in the new factory includes self-advancing hydraulic roof supports for longwalling feeders and roofbolters, conveyors and breakers for coal mining, rapid yielding pit props (currently accounting for 70 per cent of local sales) and drill rigs.

The merger with Becorit adds low seam longwall support and other underground mechanised equipment to the range.

Germans in SA attack EEC on code

Subj: Tuis
Business Tuis
13/11/77

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GERMAN businessmen in South Africa "resent" the EEC Code of Conduct, says the president of the South African-German Chamber of Trade and Industry, Dr Rolf Rauschenbach.

"Many of our member firms in this country — and the most important ones are all among them — have pointed out that they have followed principles such as those set down in the EEC code for a long time," he said.

"Naturally, they resent the implication that these are new principles for them."

Dr Rauschenbach was speaking at the annual banquet of the chamber in Johannesburg.

He said companies already had an awareness of their social responsibility. They were working against discrimination, creating equal opportunities, giving equal pay for equal work, fostering dialogue with their staff and generally contributing to a better quality of life for them.

"But this chamber and its members firmly believe in observing the laws of this and any other country," he went on.

"It is true that in their efforts to move away from discrimination, members have often gone to the very limits of existing law, but we will not break the law of the land."

He pointed out that the OECD Code of Conduct for

By TONY KOENDERMAN

Multinational Companies, formulated in 1976, made it clear that its principles should be followed within the framework of the Law, but "regrettably, the EEC code is less outspoken in this regard."

Dr Rauschenbach said it was a success for South African-German trade that demands for an end to the granting of German Government credit guarantees for exports to South Africa had not been complied with.

Though individual guarantees are to be limited to DM50-million, or nearly R'20-million, "individual deals these days would rarely exceed this limit."

On sanctions, Dr Rauschenbach said: "The one thing that we want most to see for this country is internal peace and a continued evolutionary progression towards prosperity and equal opportunities for all its peoples."

"This goal cannot be achieved through sanctions."

"What is needed even more than political decision is continued economic growth — I consider this the vital prerequisite for positive change."

"And this is where we come in. If we want South Africa to move towards a better future, let us play our part."

EECH DELIVERED BY THE HONOURABLE S P BOTHA, MR, MINISTER OF MINES, AT THE OFFICIAL OPENING OF THE KLÖCKNER-FERROMATIK S A FACTORY AT KLERKSDORP ON 16 NOVEMBER 1977

Embargo 14h00/ 16 November 1977

Mr Chairman, Honoured guests, ladies and gentlemen. It is indeed a pleasure and a great honour for me to address you on the occasion of the opening of this impressive new factory which has such great potential for producing equipment and machinery of primary importance to South Africa's mining industry.

Klöckners are of course, well-known wherever mining takes place for the variety of the applications in which their equipment can be used. To name but a few, I may mention that - for the coal mines they produce the steel supports and hydraulic and electrical equipment used in longwall mining; - for gold and uranium mining, they manufacture rapid yielding hydraulic props, or feeders rock breakers and roof bolters; - for base metal mining, Klöckners produce self advancing barricades with drills incorporated.

I am aware, Mr Chairman, of the tremendous amount of time, effort and planning that went into this project which represents a total capital outlay of some R5,5 million. It is indeed heartening to note that Klöckners have demonstrated that they share the confidence that we in South Africa have in the future of this country and, particularly, in the continued growth of the mining industry.

I am told that the Company's turnover is expected to increase from R8,5 million in 1977 to some R20 million over the next few years. The profits made will be ploughed back into further expansions and the purchase of additional equipment to enable the company to attain its very ambitious ultimate production goal.

I am particularly impressed by the fact that equipment produced in this factory will have a local content in excess of

80 per cent and with less than 20 per cent of components on the import list.

South African Government policy has always been to encourage foreign companies to establish industries in this country and to permit them to repatriate to their overseas parent companies their fair share of the profits they make. Indeed, your company, by virtue of what I have seen and heard today, is making a valuable contribution to manufacturing industry in our country. I sincerely hope that you will receive a worthwhile return on the capital you have invested and that the confidence you have shown in South Africa will not disappoint you. The fact that you have achieved such a high local content so soon, is a manifestation of excellent planning and organization. It is^a commendable achievement of which you can rightly be proud.

I believe that this company's confidence in the future of South Africa's mining industry is not misplaced. South Africa has, over a considerable period of time, established itself as a dominant and reliable supplier of raw as well as semi-processed and processed minerals in a demanding world market. We have established ourselves as honest and reliable suppliers and this is what manufacturers value. South Africa's mineral industry currently contributes about R4,4 billion, or about 18 per cent of the gross national product. The healthy state of the minerals' industry has already been demonstrated by the fact that mining is the only major sector of the economy which has continued to show substantial growth throughout the recent world-wide economic recession in spite of the serious setbacks suffered by the major mineral consuming industries of other countries and by many other industries in this country.

The value of total mineral exports, including gold, for the first 6 months of 1977 increased from R1 787 million to R2 163 million compared with the corresponding period in 1976. This represents a phenomenal increase of 21 per cent and contributed, in no small measures, to the improvement in

the country's current balance of payments situation. Much of this was attributable to the coal exports from Richards Bay, and the iron ore exports from Saldanha Bay, but is also a result of increased revenue earned by other commodities. The highly competitive administrative and technical ability of those responsible for administering and operating our mining industry also contributed greatly to this unqualified success.

I do ^{not} think that it is necessary for me to dwell at length today on the extent of South Africa's mineral resources. Much has been said and written in this regard lately. South Africa's tremendous reserves of the minerals required by modern industry would, however, be of little value if we did not have the means and facilities to extract them from the earth.

The Chamber of Mines is currently sponsoring research to the value of R150 million aimed at improving the efficiency of the mining industry. This work is being carried out by many organizations and included amongst these, is Klöckner-Ferromatic who have been entrusted with research into the improvement of rock-breaking and rock-handling techniques. With the constantly rising costs in the mining industry, the role of research is vital in improving the efficiency of all mining procedures.

It is not only important that research be conducted to increase the efficiency of mining, although I must add that this is certainly one of the primary objects. Research should also not be seen as an objective in itself but its aim should be to secure the future of a country for its peoples. Research conducted in South Africa has already brought considerable prestige to our young country. Two projects which immediately come to mind is the success achieved in our uranium enrichment programme and, of course, the success achieved in heart transplantation. Both the above achievements have brought distinction and honour to our country in the eyes of a critical world. It has shown that South Africa has reached an advanced state of development and that it

possesses abilities and scientific and technological knowledge comparable with the best in the world. Our deep level mining know-how is acknowledged in international mining circles as the worlds most advanced. Research in the mineral processing and Beneficiation industry has also enabled South Africa to derive maximum advantage from its mineral heritage. It is of great importance, however, that no stone should be left unturned to ensure the continued advancement of our industrial development and growth and I am thankful that Companies such as Klöckner are assisting to further our goals in this regard.

Our future prosperity also depends to a large extent on the future growth of the coal mining industry and in this connection I would like to refer very briefly to the world-wide energy crisis. As you all know economical development in any part of the world is dependent on and linked with energy resources. In South Africa the energy scene will be dominated by coal for at least the next 20 to 30 years. We are, of course, very fortunate to have such vast coal deposits at our disposal. It is of vital importance, however, that these deposits be used sensibly and that no decision affecting coal be taken without careful prior consideration of all factors which may have a bearing on the overall picture. We should realise that coal has become a very vital commodity not only in our future development but, of greater importance, perhaps, our continued existence and even our survival, depend to a large extent on our coal reserves and the way in which we use these reserves.

Coal can certainly be classified as a mineral of strategic importance. It is my view, therefore, that the present inadequate control over the coal mining industry, especially in so far as wastage and bad and wasteful mining method and practices are concerned should be rectified forthwith. Steps should be taken to ensure that optimal extraction in respect of each coal deposit is achieved. I trust that the coal producing companies will give their full co-operation in this respect. The alarmingly low percentage of extraction and the wasteful utilization of coal, for example the burning of coking coal in power stations, are matters of particular concern at this stage. Legislation is contemplated to rationalize all aspects of coal mining, including such matters as research and price determination and I intend doing whatever is necessary to ensure that South Africa's coal resources will be used to the very best advantage of the country.

Longwall equipment is well established in Germany, the U.S.A. and other countries and recently has become popular in our own coal mines. I believe this company anticipates that as many as 20 longwalls costing a total of R100 million will be operational in South African collieries by 1981. Of this they hope to supply at least 50 per cent. With seven large new collieries each producing in excess of 3 000 000 tons per annum scheduled to open over the next three years, these expectations may well not be over optimistic. Only two large longwalls are operational in South African collieries at present and one of these was supplied by Klöckner-Ferromatic.

Many of these new collieries are expected to have coal seams which are ideally suited to mining by longwall techniques enabling greatly increased extraction and obviating the high waste of coal that results from the use of the bord and pillar method whereby large quantities of this valuable commodity is left to support the hanging-wall.

Of particular concern to me is the fact that in the past, collieries have extracted such a low proportion of the total coal occurring in a particular deposit. I believe the average extraction figure for the industry as a whole until recently, was as low as 30 per cent or less. The tragedy is that once an area is mined in this way, you can usually never return to recover the coal that has been left behind.

Longwall mining has the potential to increase this extraction very considerably. For example, one South African colliery using the bord and pillar method, produced 1 800 tons of coal each day from a particular working face using a work force of 75 miners. On installing longwall, the same seam yielded 4 500 tons of coal per day with 59 miners and it is expected that this may be increased to 6 000 tons per day. The percentage of coal extracted also increased substantially.

Longwall equipment too can operate in undulating coal seams with dips of up to 8° and in regularly sloping seams at dips 70°. Hence, I am expecting to see the machinery produced in this plant making a substantial impact on the future

of our coal mining industry.

Referring to the company's other major production line, the number of mine props manufactured will increase from 2,5 to 3,5 thousand each month, now that the new factory is completed.

With the recent increase in the gold price and new mines coming into production over the next few years, I feel sure that this increased output will be absorbed by our gold and uranium mining industry.

Wanneer mens dink aan die totstandkoming van moderne industrieë is dit gewoonlik ook met onwillekeurige gedagtes van hoë, rookborrelende skoorstene, hope afvalmateriaal en besoedeling van die omgewing en van waterbronne. Suid-Afrika kan nie toelaat dat sy natuurskoon eersdaags in dieselfde toestand verkeer as baie Europese lande nie waar dit in hierdie stadium in sommige gevalle reeds te laat is om self te probeer smeer aan die vernietiging van die natuur wat met industriële ontwikkeling gepaard gegaan het. Dit is die plig van elke Suid-Afrikaner om ons kosbare erfenis vir ons nageslagte te beskerm. Ons gashere het by die daarstelling van hierdie nuwe fabriek 'n hoë prioriteit toegeken aan omgewingsbewaring en bewys gelewer dat industriële ontwikkeling kan plaasvind sonder dat die omgewing en die natuurskoon geskenk word. Ons is hulle innig dankbaar daarvoor.

Mr Chairman, I wish to thank you once again for your hospitality and for affording us the opportunity to participate, in this pleasant way, in this important event. I wish you success and happiness with this great venture. It now gives me great pleasure to declare this factory officially open. May God bless and safeguard those who work in it.

UITGEREIK DEUR DIE DEPARTEMENT VAN INLIGTING OP VERSOEK
VAN DIE MINISTERIE VAN MYNWESE

PRETORIA

16 NOVEMBER 1977

FIN. MAIL 2/12/77

GERMANY AND SA

Bonn gets tough

(63)

The West German Cabinet decided this week to limit the amount of government guarantees which can be provided for export business with SA. The move is not unexpected (*FM* November 11).

In future the rule of thumb will be that no guarantee will be provided for an individual export order of more than DM 50m. There may be exceptions to this where, for example, fulfilment of the order will help to safeguard jobs in a problem sector of West German industry. But such cases will require special high level examination.

Further, it is understood that in any case only short and medium term credit guarantees will be given. A government spokesman said that longer term guarantees — for five years or more — would be treated with "special caution". But economics ministry sources said that in fact they could be ruled out of consideration.

Bonn has sought to convey the impression that the change is not an

extraordinary one. It points out that even more stringent limits have been placed on guarantees for exports to other countries, for example in South America.

Nonetheless, the decision reflects an important political change at Cabinet level — where the mood has hitherto been to avoid politicising export business on which West Germany's livelihood greatly depends.

This change is emphasised by further conditions laid down by the Cabinet. These are that companies with plants in SA must formally agree to observe the EEC code of conduct on treatment of black labour when they apply for export guarantees. Further, they must pledge that their goods will not be re-exported to Rhodesia.

Star 6/12/77

Bonn pay claims in SA disputed

63

Own Correspondent

BONN — West German anti-apartheid campaigners dispute Bonn Government claims that German firms in which the State holds an interest are giving their black workers in South Africa a better deal.

A report by the Free Democrat-run Finance Ministry said the six firms operating in South Africa with State participation were trying to reduce discrimination against black workers.

COMPLYING

The report followed a decision by the German Government to check how far the firms were complying with the European Economic Community's code of conduct for Euro-

pean firms in South Africa.

Trade unions for blacks were not possible in these firms, the report stated, but Volkswagen were setting up a "works council" in which blacks would have equal say.

The other firms were open minded about this idea, according to the report.

HIGHER

The German firms were paying wages between 16 and 45 percent higher than those stipulated by the South African Wages Board and only in fields where the South African laws prevented it, were the EEC demands not implemented.

The information Centre on southern Africa — a church and OAU-

sponsored organisation pointed out that the report only dealt with firms in which the German Government had a stake — apart from Volkswagen, all minor firms.

PARTNER

A spokesman for the centre said: "No German firm has yet officially recognised a black trade union as a partner for wage bargaining.

"On the contrary, in a Bayer chemical works, trade unionists had been refused recognition since 1974. They don't even get free entry into the production area of the Bayer undertaking."

The Hoescht Company has ordered that no unionised blacks were to be employed.

Prins is woedend vir Swapo

63

RAPPORT 12/2/78

CASMIR Johannes Prinz zu Sayn Wittgenstein Berleburg is dunlip van die woede vir Swapo.

Die Wes-Duitse prins, wat pas Australië toe vertrek het nadat hy sy uitgebreide sakebelange in Suid-Afrika besoek het, moes by die kantoor van mnr. Daniël Tjongarero, binnelandse leier van Swapo in Suidwes, omdraai — omdat hy drie minute laat was vir die afspraak. „Drie minute . . . en toe kan hy net nie sy weg oopsien om my te spreek nie,” sê prins Berleburg woedend. „Na my mening is Swapo 'n uiters linkse terroriste-organisasie. Ek sal my regering so inlig as ek terug in



PRINS BERLEBURG van Wes-Duitsland — baie dik vir Swapo.

Duitsland is.”

Net so onvleiend as wat hy van Swapo praat,

het so vleiend praat hy van Suid-Afrika en mnr. John Vorster — „'n baie sterk en baie betroubare man, 'n man met wie 'n mens bindende ooreenkomste kan aangaan”.

Die prins se drie maatskappye in Suid-Afrika — een is die Lurgi-onderneming wat betrokke is by Sasol 2 — het reeds 'n jaarlikse omset van R250 miljoen en die prins het sterk planne om dit op te stoot. „Die vooruitsigte hier is goed tot baie goed,” sê hy.

Prins Berleburg het tydens sy besoek aan Suid-Afrika o.a. gesels met die Staatspresident, dr. Nic Diederichs, mnr. Vorster en lede van die Turnhalle-Alliansie.

Nixdorf in SA om te bly 63

- (c) DAAR is geen sprake daarvan dat Nixdorf sy betrokkenheid in Suid-Afrika om politieke redes sal verminder nie. So sê mnr. Klaus Luft, 'n lid van die uitvoerende raad van Nixdorf Computer AG van Wes-Duitsland.
- (d) „Ons belegging in Suid-Afrika het in die afgelope drie jaar byna verdubbel, en ek verwag dat hierdie neiging sal voortduur. Dwaarsdeur die wêreld is dit die vaste beleid van Nixdorf om ons bedrywighede op 'n suiwer handelsgrondslag te vestig, en ons het ons nog nooit laat beïnvloed deur plaaslike, politieke of maatskaplike toestande nie”, het mnr. Luft gesê.
- (e) Hy het dit beklemtoon dat hulle, as Duitsers, nie noodwendig met sekere beleidsrigtinge in Suid-Afrika saamstem nie. Maar daar kan ewe veel waarheid gesê word dat hulle ook nie noodwendig saamstem met die binnelandse beleid van baie van die ander lande waar Nixdorf optree nie.
- (f) Die groei van Nixdorf se mark in Suid-Afrika is, persentasie-gewys een van die hoogstes ter wêreld, en hy verwag dat hierdie posisie sal voortduur. As bewys van Nixdorf se voorneme om sy posisie in Suid-Afrika te verstewig, het mnr. Luft die volgende beklemtoon:
- (g) ● Nixdorf herbelê sy wins in Suid-Afrika, en dit bring natuurlik mee dat sy totale beleggings in die land voortdurend styg;
- (h) ● Al Nixdorf se personeellede, wit en swart, geniet gelyke geleenthede op alle vlakke, en hierdie beleid sal voortgesit word;
- (i) ● Nixdorf stel sy nuutste komperstelsels voortdu-
- (j) ● Nixdorf beskikbaar. Dit, gepaard met sy na-verkoopdiens en sy onderdeeleriewe dui onteenseglik daarop dat Nixdorf die Suid-Afrikaanse toneel uit 'n langtermyn-oogpunt bekyk.

- (k) J... KOSTE aan boer van: doktersrekeninge betaal medisyne
- (l) vervoer na en van geriewe ander
- (j) Totale mediese koste
- (k) Pensioenbydrae deur boer (jaarliks)
- (l) Versekeringsbydrae deur boer (jaarliks)

ARGUS 29/5/78

Siemens in bid to train black apprentices

①63
②78

The Argus Correspondent

JOHANNESBURG. — The electrical firm Siemens (South Africa) has asked for permission to train black apprentices and will not accept a 'no' from anybody lower than the Minister of Labour.

The firm's group personnel manager, Mr John Trotskie, said this in Johannesburg at a conference on codes of employment practises.

He said technical colleges could give lectures to black apprentices on Siemens property, and testing could be conducted there as well, or in homelands. The problem was getting permission.

Mr Trotskie pointed out that the German Government had to be convinced of an investor's adherence to the European code of employment practice before it would approve any substantial investment in South Africa.

RESIGNATIONS

Mr James Milne, personnel manager of Gillette (SA), said there had been no increase in resignations among whites during the years in which his firm had pressed for black advancement.

Gillette tried to avoid confrontation but did get 'quite tough' with its employees when it came to accepting black colleagues.

'We just tell them canteen facilities are not segregated and they just have to accept it,' Mr Milne said.

FOREIGN FIRMS in SIA

GERMAN

1982

JAN. — DEC.

'Crucial' labour dispute settled

Own Correspondent

JOHANNESBURG. — An East Rand labour dispute, which was due to lead to a crucial Industrial Court case later this week, has been settled.

The dispute — between the Metal and Allied Workers' Union and the German-owned East Rand firm, Litemaster, threatened to involve West German union action.

However, in a settlement announced yesterday, the company has agreed to re-employ 22 workers it fired last October and to open recognition talks with the union.

'Unfair practice'

The union alleged that the company was trying to "lock out" workers and that it refused to negotiate with Mawu on the firings.

The union took the matter to the Industrial Court arguing that refusal by an employer to negotiate

with a representative union was an "unfair labour practice". The case was due to be heard on Friday.

Had the court upheld this view, all employers who refused to negotiate with majority unions would have fallen foul of the court — a decision which would have had country-wide labour relations ramifications.

German unions

During the dispute, the union said it would inform German unions of its side of the dispute and ask them to intervene.

The company employs about 280 black workers and Mawu claims majority membership.

A joint statement released yesterday says an agreement on the dismissals has been reached between the two sides "following extensive negotiations".

ed for down

Brigadier Van der Merwe said a docket on which Congress had been the Attorney-General would decide whether to prosecute or not to prosecute of the new Act.

By relinquishing his post, Veil made some statements sympathetic to innocent people of South African when they invaded

inable'

Yesterday's Press conference by Mr Katjuongua's statement prepared by the political bureau to put on record the views of the government regarding the new constitution. It is firmly opposed, and is discredited as a threat to the most fundamental rights of our

It is a blatant act of sabotage against the creation of a climate conducive to the holding of internationalised elections."

He said the new Act was a "cynical exercise" which compelled political parties "fighting for freedom" to ban themselves.

"We are glad to say that Swanu will never ban itself voluntarily as the defunct Liberal Party in South Africa once did," Mr Katjuongua said.

The new Swanu president, who spent more than five years in exile in the United States, said Swanu aimed to widen the party's base. In the past Swanu has gained a reputation of being a party composed mainly of Hereros.

"As part of our struggle for change and independence Swanu will step up its opposition to everything that is bad in our country — the inhuman working conditions in most work places, the creation of ghettos and compounds for black people, the segregated and inadequate medical facilities and the horrifying education and remuneration for black people," Mr Katjuongua said.

Overdue prices lead to red faces

Mail Reporter

THERE were red faces at the SABC early yesterday when the stock exchange prices — due to be broadcast for the first time since being taken off the air two weeks ago — failed to arrive in time for the 6.20am slot.

An SABC official said a "small human error" had led to the prices not arriving before deadline.

The early morning stock exchange report — comprising the previous day's closing prices — was discontinued two weeks ago because the SABC felt it had a "minority audience".

"A lot of complaints were received from the public, especially country people who didn't get a newspaper regularly, or soon enough for the prices to be accurate," said Mr Eric van der Merwe, public relations officer for the SABC.

The organisation then reinstated the morning stock exchange report which supplements the midday prices broadcast at 4.30pm on the Afrikaans Service.

"I hope they will arrive in time today," he said.

Union wins settlement in long dispute

AN EAST Rand labour dispute, which was due to lead to a crucial Industrial Court case later this week, has been settled.

The dispute — between the Metal and Allied Workers' Union (Mawu) and the German-owned East Rand firm Litemaster — also threatened to involve West German union action.

But, in a settlement announced yesterday, the company has agreed to re-employ 22 workers it fired last October and to open recognition talks with the union.

The dispute flows from an incident last October when 22 of the company's workers were fired. The union alleged that the company was trying to "lock out" workers and that it refused to negotiate with Mawu on the firings.

The union took the matter to the Industrial Court, arguing that refusal by an employer to negotiate with a representative union was an "unfair labour practice".

Had the court upheld this view, all employers who refused to negotiate with majority unions would have fal-

By STEVEN FRIEDMAN

len foul of the court — a decision which would have had country-wide labour relations ramifications.

During the dispute, the union said it would inform German unions of its side of the dispute and ask them to intervene.

Yesterday, however, a joint statement by the two sides announced a settlement which will lead to the re-hiring of all 22 of the fired workers and negotiations on a formal union recognition agreement at Litemaster.

The company employs about 280 black workers and Mawu claims majority membership.

Statement

Yesterday's statement says an agreement on the dismissals has been reached between the two sides "following extensive negotiations".

A union spokesman said yesterday that the agreement to re-hire the workers was "unconditional". This meant, he said, that "they will all be returning to the jobs they used to hold".

The two sides have agreed, however, not to release details of the terms under which the 22 will be taken back.

Negotiations on a formal recognition agreement will begin within the next few days.

Black pupils forced to sign

By HARRY MASHABELA

BLACK parents are being made to sign statements absolving schools and the Government from blame in the event of their children being injured during school activities or trips.

The children are also required to declare that they will abide by the regulations of the Department of Education and Training and the rules of their schools. They must undertake to



Politics

~~21~~ Sunday

lowers

future

~~63~~ mineral

24/1/82

prices

Finance Reporter

PRESSURE from overseas politicians and to a much smaller extent from the Chamber of Mines to force them to close the wage gap between black and white mineworkers is making it increasingly difficult for small South African base-mineral producers to stay in the export market.

Without export they cannot survive.

This pressure is constantly increasing at a time when there are already mountains of base minerals in many parts of the Europe. The only way to sell is to drop prices to dangerously low levels.

Willie Brugner, managing director of Metramco, a subsidiary of the powerful Klockner Group, said nearly all the pressure to close the wage gap emanated from politicians in the EEC countries.

"Paradoxically, people who buy our products in their countries do not want to pay any more," he said. "They want us to reduce our prices and frequently buy from producers in countries where mineworkers are not even paid a breadline wage.

"Our costs have risen tremendously in the past four to six years and we are paying our black mineworkers between six and eight times as much. However they want us to pay them about four times as much as they are getting now.

"Those people are not bothered about asking for any increase in productivity or persuading firms to pay us more."

Brugner said he was obliged to render "progress reports" on black mine-workers twice a year.

"It doesn't matter what progress we report, it is never enough. We are always criticised for not doing enough and, invariably, those reports are leaked to the overseas Press in such a way that we are damned and condemned."

A spokesman for the Otavi Mining company, Agilolf Fock, who does not want to be named, agreed with Brugner in part, but added that there was little doubt that the Chamber of Mines' avowed policy of closing the wage gap between black and white mineworkers was forcing costs up to such an extent that it was now most difficult and sometimes impossible to meet competition abroad.

Argus 2/2/82
200 car
workers
down tools

Argus Bureau

PORT ELIZABETH. — About 200 employees at the Volkswagen plant in Uitenhage downed tools today over the dismissal of two colleagues on Friday.

The public affairs manager for Volkswagen, Mr. Ruben Els, said the stoppage affected two of the five production lines at the plant.

Management was holding talks today with officials of the United Automobile, Rubber and Allied Workers' Union and shop stewards.

Union officials declined to comment at this stage, saying that negotiations are delicate. A statement would be issued later.

~~4/2~~ (63) Daily Dispatch
VW looks at EL
6/3/82
for new factory

EAST LONDON — Volkswagen has described as "premature" reports that it intends moving part of its motor assembly operation to East London.

The company's press relations manager, Mr Bob Kernohan, said East London was merely "one of several areas studied" by the company and that "nothing concrete" had been decided.

He was reacting to reports in a Port Elizabeth newspaper yesterday that Volkswagen may start part of its vehicle operation to the East London area and build a new vehicle assembly plant for R100 million.

The newspaper said a "comprehensive feasibility study" had been carried out to establish

whether it would be worthwhile moving part of VW's operation to Berlin. It also said the company had held discussions with Mr Donald G. G. G. London, councillor charged with industrial affairs.

If correct, this would have meant two massive injections of cash for the city from the motor industry, as local manufacturers CDA (Car Distributors Assembly) recently announced plans to build Honda motor cars in East London.

Yesterday, however, Mr Kernohan issued a statement in response to the Port Elizabeth report.

It said: "Volkswagen has held discussions to establish facts on the government's decentralisation programmes

and the applicable incentives. One of several areas studied was East London.

"Press speculation on the mode, time and type of operation is incorrect. Such discussions are part of the locational economic studies the company undertakes from time to time in reaction to its expansion plans.

"It is nothing concrete and it is therefore premature to offer comment on possibilities of investment in the area."

Mr Card could not be contacted last night. Earlier, however, he told the Port Elizabeth newspaper that Volkswagen had apparently held discussions with local authorities in other centres as well as East London. — DDB

We do apply EEC codes says Siemens 63

EMPLOYERS and employees may succeed in achieving racial integration in South Africa if they continue to co-operate in a spirit of understanding and social partnership.

This view emerges from a 1980/81 "Business Report" of a German company — Siemens — one of the major overseas companies with investments in South Africa.

The report was in reaction to claims that none of the 12 German companies here have fulfilled the European Economic Community code of conduct recommendations and that 11 have not even seriously considered them.

In the 47-page report Siemens says that the Wiehahn report on labour has set industry on the irreversible course of racial integration.

Industry must cope with new dimensions. Employers and employees may succeed if they continue to co-operate in a spirit of understanding and social partnership.

"For us personnel development is a continuous and irrevocable commitment to the benefit of the individual and the company. This commitment creates work places, requires initial and advanced training, helps employees to get ahead

By JOSHUA RABOROKO

and adjusts the company's racial ratios — first quantitatively and later qualitatively, to that of the entire population.

"It is best achievable within a permanently growing economy. It is therefore that we promote all plans and actions prone to maintain that growth."

The report says that the company had submitted its third report on the implementation of the EEC codes of conduct to Siemens in Germany.

Referring to national developments the report says that new black unions and federations have emerged. Labour unrest and wild-cat strikes increased.

"On 21 January 1981 all race groups for the first time were represented by unions on the National Industrial Council for the Metal and Engineering industry, to which we belong."

Following the Wiehahn Commission's recommendations, Parliament passed major labour laws, namely the

Labour Relations Amendment and the Manpower Training and the Conditions of Employment Acts, setting a framework for non-discrimination in the labour field.

Referring to the company's eight-year survey on staff structure, the report says that over that period the white and coloured staff complements remained almost constant and that any required staff increases could be responded to only by the black labour force.

On the short term development the report says its racial variances were as logical and encouraging for the developing South African labour scene as they may be disappointing to those who advocate repressive action to effect change.

"The number of skilled workers in the company remained at its high level. However, it decreased slightly from 1978 to 1981 from 1072 to 1039; that of technical apprentices rose from 198 in 1978 to

256 in 1981.

"Over three years the white to non-white ratio changed in favour of the non-whites.

"The company was also embarking on a policy of developing locally employed workers to managerial positions, instead of recruiting staff from overseas.

"We are applying experience gained in this process to the racial integration of lower management.

"In 1980/1 overall union membership increased further from 1444 to 1652 members, i.e. from 24 percent to 29 percent of the total number of wage earners. The company experienced a decline in white unionisation."

Referring to education the report says that the company extended 49 engineering scholarships, 43 for white and 6 for black students and 93 study grants to staff members, a third of them blacks.

The company assists the Jabulani Technical High School in Soweto on technology and also helps overcome the teacher shortage by seconding a staff member to teach mathematics and science there.



GE
Disturbed
year at
Jan 19/3/82
Siemens

Labour Reporter

Last year was a period of increasing labour unrest and wildcat strikes, according to the 1980-81 report of the German multinational concern Siemens.

There were isolated confrontations between management and labour and competition for members between newly emergent and long-established unions at Siemens factories, the report stated.

Union membership had increased over 1980-81 from 24 to 29 percent of the wage-earning workforce.

The firm had a works council system and these councils met management at monthly and quarterly intervals.

There was a decline in white unionisation and there was competition for black members between the Fosatu-affiliated Metal and Allied Workers' Union and the registered, unaffiliated Electrical Workers' Union of South Africa.

Siemens continued to "maintain dialogue" with these unions, the report stated.

The report also states that from the middle of 1981 the presence of MAWU had affected the Electrical Workers' Union's membership.

However, electrical union secretary Ben Nicholson said that while MAWU had won over some members of the union at the Siemens plant in Isando, the situation was changing again.

Because the Wiehahn Report had set industry on the "irreversible course" of racial integration, industry had to cope with these new dimensions.

Employers and employees would succeed in reaching this course if they continued to co-operate in a "spirit of understanding and social partnership."

(63) *Sowetan* 16/3/82

No relief from EEC code

By JOSHUA RABOROKO

BLACK workers at Siemens, a major German company with large-scale investments in South Africa, maintain that the company has never explained the European Economic Community codes of conduct to them.

They also claim that in the past some of their colleagues have been summarily dismissed by the management because they were said to be "unproductive."

The workers were reacting to a 1980/81 "Business Report" by the company that it had submitted its third report on the implementation of the EEC codes to Siemens in Germany.

Siemens has maintained that the Wiehahn report on labour has set industry on the irreversible course of racial integration and that the company was committed to a course of continuous personnel development to the benefit of both indivi-

duals and the company.

But workers have given a different view from what the management purports to be practising, in relation to the codes and other benefits.

A worker told **The SOWETAN** that Siemens was working closely with the South African Government and could not imagine that the company would have a positive attitude towards trade unions.

The worker said that maybe Siemens would recognise the so-called unions being set up by the Government at the moment, but he did not think that there was any love lost over independent unions.

About 65 to 70 percent of the black workers belong to the Metal and Allied Workers' Union, but the company did not recognise this union. The work-

ers also have a liaison committee.

"The liaison committee is completely toothless and is really unnecessary. They can't represent the interests of workers against management at all. They are doing nothing less than conveying management's wishes to workers," he said.

Referring to usage of facilities in the management block, the worker said that, for instance, people in the personnel department told workers which toilets "one could use and which ones they can't."

The company based everything on skin colour in the factory: the wages, the job opportunities as well as the installations in the firm, like toilets and canteens. He did not think there were any blacks who did a "qualified job."

The highest position which a black worker can occupy is to become an assistant foreman. Even then, he said, the wage gap between black and white assistant foremen was "quite yawning."

He said the management recently refused to grant workers increases in their pay and, as a result, the workers decided to stop working overtime.

Referring to training opportunities, the worker said that, up to now, training opportunities for black workers was a mockery. They were only now beginning to offer a few people the chance to get technical training.

The Group Personnel Manager of Siemens, Mr J Trotskie, said that there was no discrimination practised in the company.

Business Mercury

Four German businessmen visit S Africa

(63) Mercury 17/3/82
Financial Editor

FOUR senior German executives from chambers of commerce in Dusseldorf, Munich, Hanover and Stuttgart are visiting South Africa and German companies operating in this country.

They will go home and inform their members of developments in this country.

Mr F H Haedicke, senior executive of the Hanover chamber, said that since his last visit he had spoken to at least 3 000 people about South Africa.

Membership of chambers of commerce and industry is compulsory in Germany.

Dr Wilhelm Wimmer, senior executive from the Munich chamber, said that there was a much greater flexibility to arrange how companies operated in South Africa.

German companies were confined in their employment practices: they could not simply close down loss-making sections and it was not easy to get rid of inefficient workers.

Politicians

The executives are in Cape Town this week, where they will see politicians from the ruling and opposition parties. They have visited Johannesburg and Pretoria and will also go to East London.

Dr Klaus Blossere is from Dusseldorf and Dr Hans Horak from Stuttgart while Mr H U Jaensch is representative of the organisation which arranges bi-lateral visits between the countries.

Mr Jaensch said that the main object was not to do business but to become familiar with South Africa, or Germany. The visitors were seeing how German firms operated in South Africa.

EAST LONDON — For Hare University's faculty of education has worked out a long term educational improvement programme aimed at teachers, schools and employer organisations in the Eastern Cape, Border and Ciskei.

The plan was spelled out by the managing director of Car Distributors Assembly (CDA) here, Mr Leo Borman, when he addressed members of the Arcadia Rotary Club on providing for the manpower needs of South Africa.

He said the university would promote the teaching profession through open days, exhibitions, shows and vocational guidance at

NEW teacher training plan

schools and teachers would be motivated to sell their profession.

It was the intention of the university that a model school be erected where learner teachers would do their probation work.

Also planned were refresher courses for teachers during vacations to improve their standards and in-service training programmes to improve their qualifications.

Mr Borman said curri-

culum planning would be given more attention and more use would be made of visual aids, micro teaching methods and computer-based programmes.

He said that, since the university's faculty of education was housed temporarily in a wing of a building used by the faculty of arts, the university would again approach the State for a building and proper teaching aids.

Mr Borman called on companies and other

bodies to support the venture with cash donations.

Confirming the moves, the university's director of development, Mr V. Human, said the educational improvement programme had already started but that some aspects of the plan could only be fulfilled in the long term.

He said the faculty would have an exhibition in Port Elizabeth from May 10 to 15 where education in general

and the university's faculty of education would be the main themes.

A student counsellor, Mr H. Theron, and the Dean of Students, Mr R. N. Sigabi, in conjunction with the Ciskei Education Department and the Department of Education and Training, were visiting schools and giving vocational guidance in the Eastern Cape, Border and Ciskei, he said.

The model school idea

was being brought to the attention of various people who might help in getting it established, Mr Human said.

He said refresher courses for teachers were being given in Alice, Zwelitsha and Mdantsane and, when these were fully operational, they would look beyond these areas into the Eastern Cape and Border.

"I must mention that for these courses to be of real benefit, we need to

run them in areas where there is a concentration of teachers," he said.

On curriculum planning Mr Human said that, with the De Lange Commission report, the whole question of curriculum planning would certainly receive attention at all levels and he felt the fact that this report had been tabled recently before Parliament was to the advantage of their forward planning.

"We have also made strong representations to the Government for a building. We are waiting to see whether there would be any progress in this regard after the budget." — DR

2/3/82 S. Malone

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SONDAY TRI

WORLD BOYCOTT THREAT TO STRIKE FIRM

A N international consumer boycott of all products made by Henkel Chemical Manufacturers will be considered if talks between the company and the Chemical Workers Industrial Union break down in Dur-

ban on Wednesday.

The Secretary General of the International Chemical and Energy Federation, Mr. Charles Lewinson, said from Geneva yesterday that the ICIEF, which represents more than six million workers throughout the world, fully supports a con-

sumer boycott of Henkel products worldwide if the Durban management refused to bargain with the union and reinstate the workers who were "irresponsibly released".

About 200 workers were fired ten days ago, after they stopped work in protest over

lower wages and other conditions of service at the company's Durban plant.

According to the CUIU's national president, Mr. Albie Cecic, about 75 of the striking workers have been reemployed. He is among those

who have been told there are no jobs for them.

Three issues are involved in the Henkel's dispute: dissatisfaction with wages; the company's pension scheme and the introduction of a new shift.

The workers were particularly angry about the introduction of a 45-hour-week night shift, which had the effect of decreasing the differential of wages between day workers and shift workers.

Last year the difference in wages between day and night shift workers of the same grade was 19 percent.

Since the introduction of the new nine-hour, 45-hour-a-week shift, this has been decreased to 10 percent.

A spokesman for the CUIU said the union would consider striking for a consumer boycott of Henkel products if Wednesday talks broke down.

Mr. Peter Fousseau, personnel manager for Henkel's head office in Johannesburg is reported as saying that the "entire package" at Henkel's had changed and the 10 percent differential was "in line with industrial norms".

Henkel faces trade threat over firings

By STEVEN FRIEDMAN and CHERYL VAN EYSSEN

A SOUTH African chemical company, Henkel (SA), faces an international boycott of its products if talks between management and Fosatu's Chemical Workers Industrial Union break down tomorrow, according to the union.

A company spokesman yesterday refused to comment on the warning until after a meeting to discuss union demands for the reinstatement of 140 workers fired after a strike at Henkel's Durban plant this month.

The company initially fired 230 black workers but later re-employed 75, said the union. Of the rest, 140 wanted to be re-instated.

Previous talks on the reinstatement demand ended in deadlock.

Henkel (SA) is owned by the Rembrandt group and a German parent company.

A CWIU spokesman said at the weekend the union would call an international consumer boycott of Henkel products if the company refused to give in to union demands.

He said the 6-million member International Chemical and Energy Federation had undertaken to urge its members in the West to support the boycott.

He said CWIU would demand the workers' reinstatement and that Henkel agreed to negotiate workers' wages and not increase the working week by five hours.

CWIU has accused Henkel of unilaterally breaking off wage negotiations and planning to increase shift workers' hours.

A Henkel spokesman yesterday confirmed that company officials would meet union representatives tomorrow but would not comment on the company's position. "We would rather wait and see what happens at the meeting," he said.

He confirmed that some fired strikers had been re-employed and the rest replaced by temporary workers.

He said: "All new workers are employed on a temporary probation period. There is nothing unusual about our replacing dismissed workers with temporary staff."

INDUSTRIAL COUNCIL				TRADE UNION PARTIES		EMPLOYER PARTIES		
Name	Area of Jurisdiction	Main Agreement	Period	Variations in	Name	Variations in Scope	Name	Variations in Scope

Star 25/1/82

Alberton beer flow stopped

South African Breweries' production plant in Alrode, Alberton, was hit by a work stoppage yesterday.

About 450 workers were involved in the dispute—the second to hit the industrial suburb in recent weeks.

An SAB spokesman said they were trying to ascertain the reason for the stoppage and planned to meet the plant's liaison committee.

The Food, Beverage and Allied Workers' Union has some membership at the plant.

Chemical union threatens boycott

The trade union involved in last year's bitter Colgate-Palmolive dispute — the Fosatu-affiliated Chemical Workers' Industrial Union — is on the verge of launching a consumer boycott of another major chemical firm.

In a statement the CWIU said it would give Henkel SA in Durban "a final opportunity to reconsider its position," otherwise it would call for a boycott of the company's products from next Saturday.

It added that the 6 million-strong Interna-

tional Chemical and Energy Workers Federation (ICEF) had already pledged its support for an international boycott of Henkel products.

The boycott threat stems from the recent strike by about 250 workers at the company which manufactures soap-powder, detergent and glue.

According to the union, the company would not reinstate workers dismissed after the strike — which had been "forced" by management's consistent refusal to negotiate on

wages and other issues. Management comment could not be obtained.

The CWIU launched last year's much-publicised consumer boycott against one of Henkel's competitors, Colgate-Palmolive in Boksburg.

Referring to that dispute, the CWIU statement said Colgate had agreed to negotiate wages with the union only after the boycott was called.

It is understood that the CWIU has also asked the German trade unions to contact Henkel's parent company in Germany.



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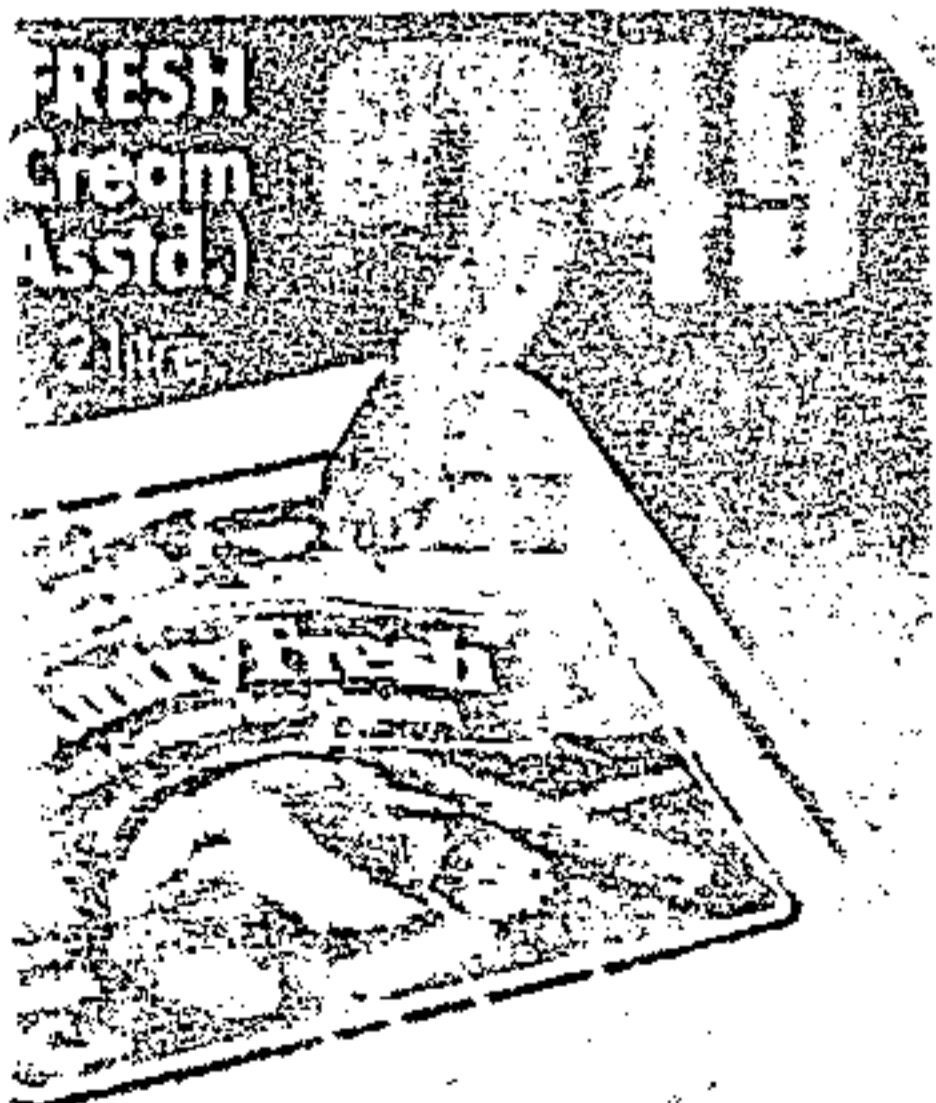
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32c

NESTLE

Union plans boycott

CHE 71.118 26/3/82
63

DURBAN. — The Chemical Workers' Industrial Union plans to boycott all Henkel SA products from tomorrow.

This follows the failure of a bid to settle a dispute between management and the union on Wednesday.

The employees struck on March 9 over their compulsory pension scheme and the refusal of management to negotiate with the CWIU over wages and work hours for shift work.

"The union is giving Henkel a final opportunity to reconsider its position and will call a consumer boycott with effect from Saturday."

In a press statement yesterday, a Henkel spokesman said a meeting had been held on Wednesday to find common ground for solving some of the labour problems.

'Demand'

"In 1981 the company's agreement to negotiate wages with the CWIU was met by a demand from the union to increase wage costs by up to 150 per cent."

The company's request to the union for a more reasonable revised proposal was refused by the union and therefore the company implemented its own increases.

The union's request to change the pension fund to a savings fund could not be met outright, as such a move would not result in any additional benefits for employees. — Sapa

... from 50 others to take part in the finals of the Mod-gh Harding, Denae Wright and Millicent Mseleku.

Picture: DANIE COETZER

out of k Bok

Department did not deal with the was "too administrative" this week Mr Johan "JC" said Siwisa should be given a "chance to the full" before going States is a Rightwing element at the will therefore be better for him. men whites are not around." members of two Railways voi- did not want to hear of Siwisa our centre the Rand Daily Mail reporter her out of the centre saying nt the kaffir here - he must get outside, mother of the youngest SA team, said: fair to think that my 13-year- could practise regularly, as eds, yet Archie - part of the - could not choose when to



Mr Wilfred Venter: We wed to. Picture: ROBERT TSHABALALA

1 errors Mr O via-to-be

could be able to learn from mistakes made in other developing and independent countries in Africa. "It is only foolish people who learn from their experiences. If people are wise they learn from other peoples' experience," he said. Namibia would be the last Africa's countries to gain independence. CDM's policy had been to give more and more of the assets of the diamond industry to the territory from South Africa, Mr Oppenheimer said. CDM was also financing first state-run multiracial secondary school and so far given R5-million to project.

Woman drunk before death

DURBAN. - A 59-year-old woman was naked and "horribly drunk" some hours before her husband allegedly stabbed her to death, the Durban Regional Court heard yesterday. Mr Carl Pieter Gildenhuys, 62, has pleaded not guilty before Mr H A Steyn to a charge of culpable homicide arising from the death of Mrs Elizabeth Gildenhuys on January 12. The court was told Mr Gildenhuys' defence was that he was too drunk to know what happened.

Mrs Valerie Rae, supervisor of Arlington flats where the couple lived, said she had known the couple since September last year, and had often visited their flat.

She went to the flat about 9am on January 12. Mr Gildenhuys was in underpants. Mrs Gildenhuys was sitting naked in the flat and was "horribly drunk".

Mr Gildenhuys did not appear to be as drunk as his wife. He said they had been paid their pensions the day before. Both were heavy drinkers, Mrs Rae said.

About 1.30pm, Mr Gildenhuys came to her office and asked her to phone an ambulance. He told her he had stabbed his wife.

Mrs Rae did not really believe him and they went to the flat. She found Mrs Gildenhuys lying on the balcony. She was naked except for a nightdress over her shoulders.

Mr Gildenhuys showed Mrs Rae a knife and said there had been an argument. Mrs Rae said he seemed normal and more sober than earlier.

She had noticed no ill-feeling, the couple seemed to have a normal, happy relationship.

The State pathologist who carried out the post mortem, Dr B J van Straaten, told the court he found two stab wounds, one of which had penetrated Mrs Gildenhuys' left lung.

Mr Gildenhuys told the court he and his wife drank heavily the previous evening. When they woke on the morning of January 12, they began drinking again.

He said he remembered there was an argument, but had no recollection of stabbing his wife. The case is continuing. - Sapa.

Further notice. Last night's departure for Bulawayo was still to be 6pm, but there would be a 3 1/2 to 4-hour wait in Bulawayo. Return journeys from Johannesburg would also be delayed. - Sapa.

Rembrandt refuses request by union

By STEVEN FRIEDMAN Labour Reporter

DR ANTON Rupert's Rembrandt Group this week rejected a request by a union that the group intervene in a dispute at Henkel, which faces a world-wide consumer boycott from today.

In a telex message to Fosatu's Chemical Workers' Industrial Union Dr Rupert's personal assistant, Mr J H Groeneveld, said Rembrandt was not involved in the management of Henkel.

The CWIU had called on senior Rembrandt officials to attend talks between it and Henkel on Wednesday because the group had a stake in Henkel.

The talks, over the reinstatement of workers fired after a strike at Henkel's Durban plant, ended in deadlock and

the union is to call a boycott of the company's products.

The 6 000 000-member International Chemical and Energy Workers' Federation has pledged support for the boycott.

Mr Groeneveld yesterday released an extract from a telex message to the CWIU responding to its request for senior Rembrandt men to intervene.

"I wish to advise that Henkel is not a subsidiary of Rembrandt, which has only an investment interest in Henkel. Rembrandt has no representative on the board of Henkel and does not participate in management of Henkel."

Earlier this week the union said it would implement its boycott unless worker demands were met by today.

Arrest warrant out for SAR sergeant

By MIKE LOUW

A WARRANT for the arrest of a South African Railways policeman was issued by a Johannesburg Regional Court magistrate yesterday.

Detective-Sergeant Daniel Gabela, 23, failed to appear before Mr A H Barlow on charges of theft of a vehicle, forgery and driving without a licence.

He had pleaded not guilty to all charges at a previous hearing.

The State alleges that he stole a van, forged it's Third Party disc and drove it without having a driver's licence.

The offences were alleged to have been committed between September and October last year. Sergeant Gabela had earlier been allowed R500 bail.

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 **Henkel**
worker
 **boycott**
 **looms**

By SELLO
RABOTHATA

THE Chemical Workers' Industrial Union (CWIU) has threatened to call for a boycott of Henkel products with effect from tomorrow if the company fails to reinstate fired workers.

The Fosatu Workers News, of which the CWIU is an affiliate, reported that Henkel workers in Durban stopped work on March 9 after Henkel management had unilaterally broken off negotiations with the CWIU. Workers at Henkel's Isando plant were considering taking similar action.

Some fan 27/3/84

A statement released by CWIU yesterday said: "Henkel soap powder, detergent and glue manufacturers, have refused to reinstate workers who were dismissed during the recent strike in Durban. The strike was forced by management's refusal to negotiate with the CWIU on a number of issues including wages and management's attempts to increase the working hours of shift workers.

"Henkel's consistent refusal to negotiate reached its logical conclusion when Wednesday's meeting between the CWIU and Henkel ended in deadlock. Henkel is known to be expanding its plant, and making inroads into the detergent and soap powder markets at the expense of its competitors. The union believes this to be a direct result of its low wages and ruthless labour practices."

230 workers at Henkel had initially gone on strike and 75 of them were reinstated while 140 wanted to be reinstated. Henkel is one of the Rembrandt group of companies.

Union can now bargain

DOM Labour Reporter 6/4/82

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THE Metal and Allied Workers' Union has won its first union recognition agreement in the Pinetown/New Germany area outside Durban.

MAWU, an affiliate of the Federation of South African Trade Unions (Fosatu), has been recognised by Henred Freuehauf Trailers, a multinational company which also recognises the union at its Transvaal plants.

This agreement is thus one of the few to confer bargaining rights on the same union in two provinces.

A union spokesman said the new agreement was an extension of the Transvaal agreements and that it provided for recognition of the union and its elected shop stewards committee at the plant.

The agreement, which was signed on April 1, also sets up procedures for negotiating conditions of employment and handling grievances.

A spokesman for Henred confirmed the signing and said the company was not covered by the industrial agreement for the metal industries and the agreement did not, therefore, represent a further breakthrough for unions in their attempt to win bargaining rights outside the official industrial council system.

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189
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...the seven made a re-
mand appearance and
were sent back to jail for
14 days. — (Sapa-Reuter)

Henkel dispute

Mercury Reporter

TWO top officials from the
7 000 000 strong Deut-
schergewerkschaftsbund
(DGB), a federation of
German Trade Unions,
flew into Durban yester-
day and held meetings
with officials of the
Chemical Workers Indus-
trial Union (CWIU) and
Henkel management.

Their 'fact finding' visit
follows a long-standing
dispute between Henkel,
a multinational company
whose head office is in
Germany, and the Fosatu-
affiliated CWIU.

The dispute started
after about 250 workers at
Henkel's Prospecton
plant downed tools on
March 9 over wages, pen-
sions and the introduction
of a new shift.

19/4/82
Mercury

Why Henkel is being boycotted

20/4/82
Sowetan
63

THE row that has erupted between the Fosatu-affiliated Chemical Workers' Industrial Union and the German company Henkel over working conditions at its plant in Durban is likely to have far-reaching consequences.

The union claims the company is trying to break its strength by refusing to re-employ all the 216 workers dismissed earlier.

The workers were dismissed from the company's Prospecton plant after downing tools over three issues — dissatisfaction with wages, the company's pension scheme and the introduction of a new shift.

Union sources see the management's attitude to be in total conflict with the European Economic Community code of conduct which has been formulated to monitor all European companies in South Africa.

Pamphlets, stickers and a booklet have been distributed by the union members in protest against the dismissal.

The firm mainly produces soap products, detergents, glues and adhesives.

The union says management's refusal to negotiate in February made it clear to workers that, after four years of frustrating struggle, Henkel was not going to acknowledge their rights as workers to collective bargaining.

"At the same time their conditions of employment were being eroded. The company was forcing a decision upon them. Should they abandon their claim to collective bargaining rights?"

The union says that on March 9 Henkel's African workers refused to start work and requested management to explain its action to them.

"Up until 11am the company never made any effort to contact the union nor to negotiate with workers, despite requests from workers.

JOSHUA RABOROKO looks at the background to the labour dispute at Henkel which has led to a boycott of its products.

"For the remainder of the week the company refused to even discuss the issue with the union. Subsequently there have been meetings between the company and the union's delegations. At these meetings the company has not wavered in its steady refusal to seriously negotiate.

were willing to return to work.

They have selectively re-employed 75 of the original 230 who were dismissed, but 140 workers have not been taken back. Until they are returning to work the union will advocate a boycott of Henkel's products.

"Henkel has taken full advantage of apartheid laws which allow employers to selectively re-employ dismissed workers, and leave a large number unemployed. In many countries where Henkel operates this would be illegal," the union says.

"They have provoked a strike in order to dismiss the workforce and employed scab non-union labour at worse conditions. This too would be illegal in many countries where Henkel operates.

"While black workers in South Africa were fighting management's attempts to compel shift workers to accept longer working hours, workers in West Germany were waging a campaign for shorter working hours and highlighting the hazards of shift work."

Henkel's personnel manager, Mr Peter Rousseau, is reported to have said that because new staff had been employed at the plant the labour force there was nearly up to its quota.

Henkel's products

THESE are products made by HENKEL: Perfix interior crackfiller, Wallpaper Adhesive; Pattex contact adhesive, Ponal, Dixi Sparkle, Country Pride washing powder, X-tra washing powder, White Giant washing powder, Dato, Swift Scourer, Blitz, Launel, Killer-fix glue and Pritt glue.

"This supports our belief that management provoked the strike and never intended to negotiate a settlement."

The union also says non-union scab labour was rapidly employed. They were required to sign contracts accepting the lengthened working week of 45 hours, lower overtime pay and reduced shift pay.

Later workers decided to end the strike and negotiate their return to work. The company agreed to stop employing scabs, and to reinstate all those who

Staw 21/4/82 (178) (180) (63) (172) (173) (174)

Union scores win in Henkel settlement

By Drew Forrest

The industrial dispute at Henkel SA in Durban was settled yesterday after five weeks with the Chemical Workers' Industrial Union winning the reinstatement of about 100 dismissed workers.

The settlement means that the international consumer boycott of Henkel goods recently launched will be called off.

A spokesman for the Fosatu-affiliated CWIU said the Henkel management had agreed to:

● The reinstatement over two weeks of about 100 workers dis-

missed and not rehired after the recent strike at Henkel in Durban. Workers not placed in their original jobs will receive comparable posts at a comparable wage.

● A ballot, jointly supervised by the union and management, in which workers will choose between a working week of 40 or 45 hours. The issue of hours was one of the causes of the strike.

é A timetable for negotiating a full union recognition agreement.

The dispute sparked a flurry of international activity involving

Henkel's Dusseldorf-based parent company, the DGB (Germany's giant union coordinating body) and the six-industry International Chemical and Energy Workers Federation which backed the boycott.

At its national congress at the weekend, Fosatu threatened to extend the boycott to the Rembrandt group, a major shareholder.

Management could not be reached for comment last night, but the union spokesman said the agreement was "most satisfactory."

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Car firm to lay off 316 unskilled men

Argus 21/4/82

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Argus Bureau
PORT ELIZABETH. —
Volkswagen of South Af-
rica has decided to re-
trench 316 unskilled
workers immediately.

As a result of the less
buoyant economic condi-
tions affecting demand,
Volkswagen 'has been
forced' to retrench 316
people from the total
workforce of 8 700.

Employees with five or
more years service will
not be considered for re-

trenchment.

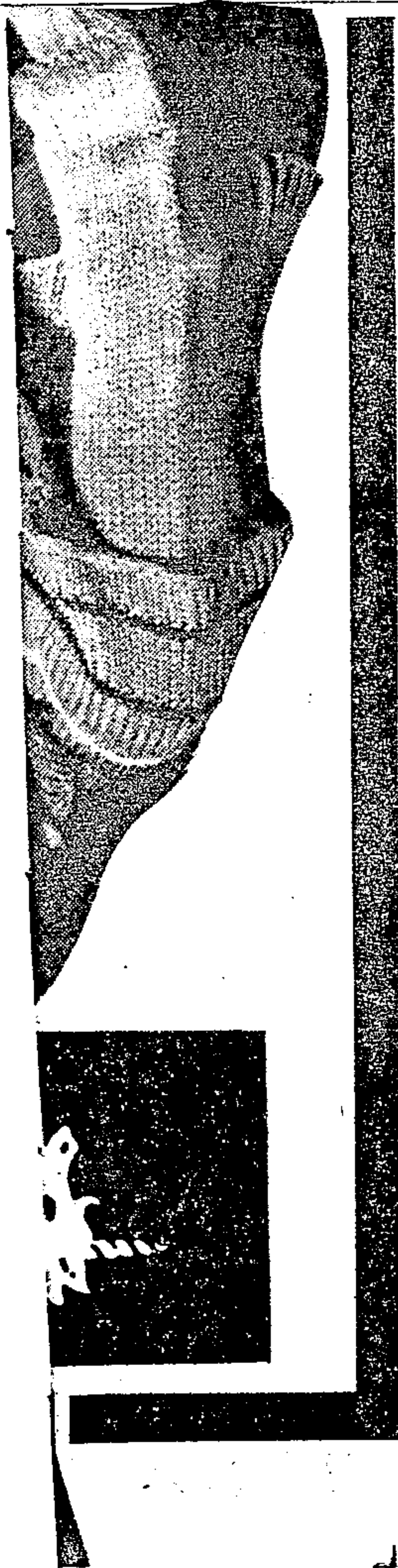
Mr A O Rademeyer,
Volkswagen's industrial
relations director, said
that in the light of the
already serious unemploy-
ment situation in the
area, every effort had
been made to minimise
the number of workers
affected.

For the first time in
two years our dealers are
now reasonably stocked
and with interest rates at
their present levels to-

gether with less buoyant
economic conditions likely
in the months ahead,
there is a need to adjust
production.

'There is, however, a
shortage of skilled work-
ers in the industry and
recruitment in this cate-
gory will continue,' he
said.

The Volkswagen re-
trenchment follows a sim-
ilar action by other major
manufacturers earlier in
the year.



In one of the most
significant days in the
CPMA's 75-year history
yesterday it recommen-
ded almost unanimously
an end to almost all
apartheid at municipal
level, including a common
voters' roll for white,
coloured and Asians.
The CPMA has recom-
mended that the Group
Areas Act be abolished in
certain areas to allow the
more affluent members of
the Asian and coloured
communities to have
homes together with
whites. The CPMA also
called for the more indu-
gent use of the permit
system in the Group
Areas Act.
Included in the pro-
posed constitutional
changes accepted by the
congress, which represen-
ted more than 140 munici-
palities, is the abolition
of the coloured manage-
ment committee system
and the inclusion of all
property owners and
day.

MEDICAL research would
have to find effective
solutions to problems
such as child welfare,
enrichment of diet and
nutrition education, the
State President, Mr
Marius Viljoen, said to-

Research
'key to
health,
welfare'

EAST LONDON. — The relaxation of
aspects of the Group Areas Act, including
its abolition in certain areas, has been
accepted by the Cape Province Municipal
Association at its 75th annual congress
here.

Municipal Reporter

Abolition of town apartheid called for

Argus 21/4/82
292
181
63

CAPK TIMES
22/4/82
(63) (110) (197) (275)

VW lay off 316: Union worried

Own Correspondent

PORT ELIZABETH. — Volkswagen in Uitenhage yesterday laid off 316 workers.

In a statement the company said that as a result of less buoyant economic conditions, it had been forced to lay off 316 workers out of its total workforce of 8,700.

The acting general secretary of the National Automobile and Allied Workers' Union (Naawu), Mr Leslie Kettleidas, expressed concern at the layoffs at a time of high unemployment.

He said the union was still debating with management the principle of layoffs.

Well stocked

The industrial relations director of Volkswagen, Mr A O Rademeyer, said yesterday that in the light of serious unemployment, efforts had been made to minimize the number of workers affected.

For the first time in two years Volkswagen dealers were now reasonably stocked, and with interest rates at their present levels, combined with the economic situation, there was a need to adapt production.

There was, however, still a shortage of skilled workers in the industry, and recruitment in this category would continue, Mr Rademeyer said.

Long service

The company said in its statement that employees with five or more years' service were not considered for retrenchment.

A company spokesman said the company had paid out severance pay of three shifts, while the agreement with the union stated that severance pay should be for one shift only.

But Mr Kettleidas said the union had asked that severance pay of one month for every year worked should be strongly considered.

The union was also adamant that laid-off workers should be the first to be re-employed.

VW workers down tools

Cape Times 23/4/82 (63) (212) (1409) (182) (321)

Own Correspondent

PORT ELIZABETH. —

The Volkswagen company stopped production at its Uitenhage plant early yesterday afternoon after almost the entire black workforce of about 5 600 workers had downed tools at noon in protest against the retrenchment of 316 workers on Wednesday.

Workers insisted that retrenched workers be allowed to work every second week, but management said last night that it was not practical as production in the plant would become unbalanced.

The company said in a statement yesterday that it hoped workers would resume their duties today.

Representatives of the National Automobile and Allied Workers' Union (Naawu) said on Wednesday afternoon that workers had expressed their opposition to the retrenchments, and asked management for a full list

of the names of re-trenched workers.

When management failed to supply a list, workers refused to resume work.

Yesterday workers resumed work until about noon, when they again expressed their opposition to the retrenchment. Many workers with good records had been laid off, the spokesmen said.

Another grievance was the fact that only 13 whites, all with bad job records had been laid off.

The plant was closed about 1.30pm yesterday, the spokesmen said.

A Volkswagen spokesmen said workers were laid off only after a thorough merit evaluation of workers' job records had been made.

He said only unskilled workers had been re-trenched — not on the basis of race, but on performance alone.

Between six and seven percent of the white and black unskilled workers had been laid off.

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ated in the usual manner.
The Baxter commissioned Peter Krummeck to design the posters for the first play in the company's 1982 season, Chekhov's Uncle Vanya.
"It is simply the best poster we have had," he said.

uted in the usual manner.
The Baxter commissioned Peter Krummeck to design the posters for the first play in the company's 1982 season, Chekhov's Uncle Vanya.
"It is simply the best poster we have had," he said.

Baxter's 200 members, individuals and companies who sponsor the theatre, will also be entitled to free copies.

A small quantity — individually signed by the artist — will be available for R2 each from the box office or the book stall in the main foyer.

CARL TINKS 24/4/82 (63) (1400) 152/192

Volkswagen workers return

PORT ELIZABETH. — The 5000 black workers who downed tools at Volkswagen on Thursday returned to work yesterday, but negotiations will continue on Monday.

A spokesman for the workers said they were still adamant that management should reinstate 316 workers retrenched this week or allow them to work every second

week. But the director of industrial relations of Volkswagen, Mr Ollie Rademeyer, said last night that management had "flatly turned down" these demands.

Workers resumed work at 9am yesterday after an appeal by shop stewards to return to work as management had insisted that it would not negotiate

with shop stewards unless workers went back to work, a shop steward said.

A workers' claim that workers with good job records were laid off had been discussed at a meeting between shop stewards and management, and management had declared itself willing to reconsider individual jobs, he said.

PRISONER OF

Staff Reporter

AMNESTY International has selected Mitchell's Plain community leader Johnny Issel as one of its prisoners of the month for April.

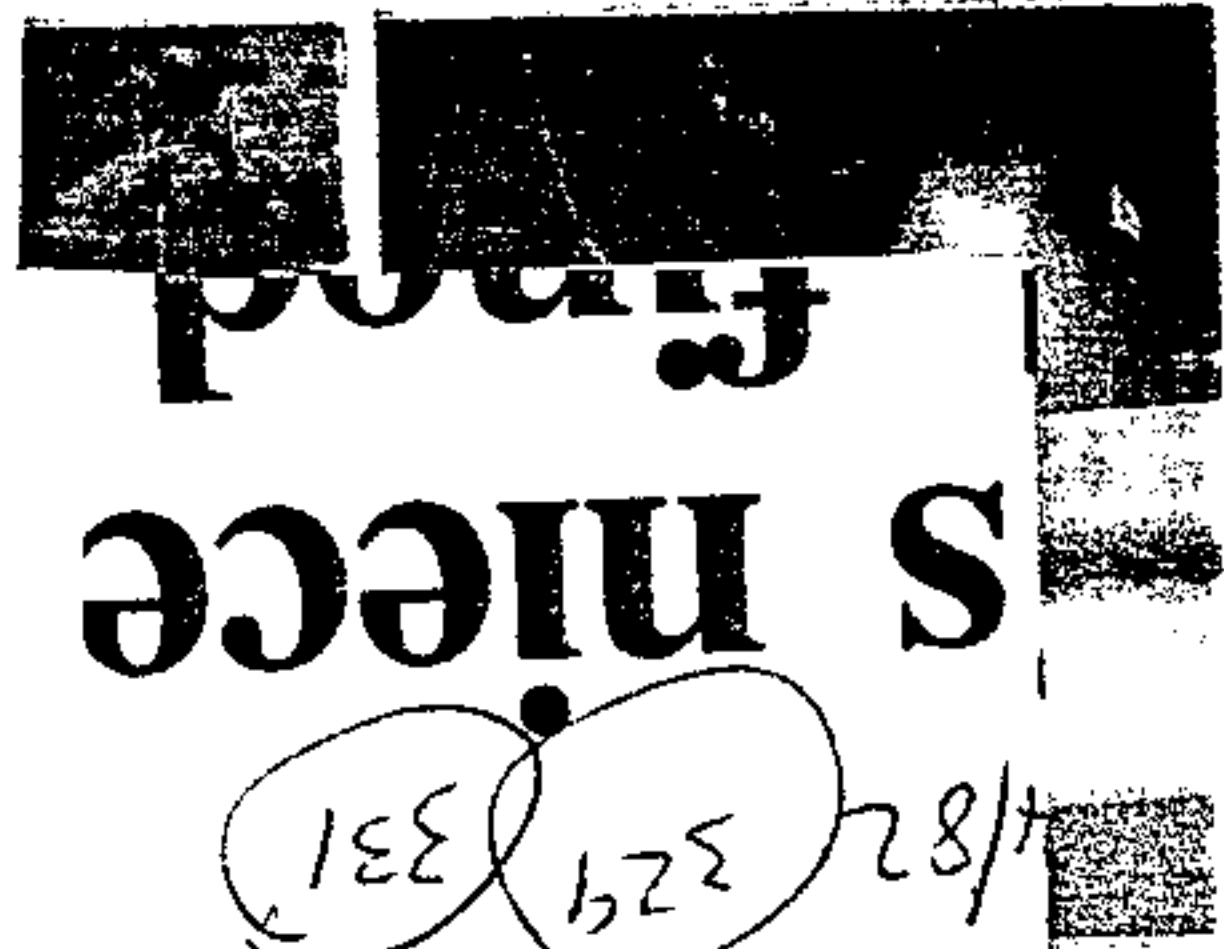
Mr Issel, 35, who was banned for three years in 1980, has been detained without trial since November 2 last year. He is being held under Section 10 of the Internal Security Act at Modderbee prison near Benoni in the Transvaal.

The former student leader is one of three prisoners whose cases are documented in Amnesty International's April newsletter. The other two are Berthony Pierre-Paul, a Haitian student detained since November 1980, and Ewa Kubasiewicz, a member of Poland's Solidarity trade union who is serving a 10-year prison sentence for martial law violations.

Amnesty said each of its prisoners of the month had been arrested be-

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Injected superglue kills man

Own Correspondent

LONDON. — A man died two days after being injected with a medical version of superglue marked clearly "not for use on hu-

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Industrial Reporter

~~297~~ ~~285~~ ~~287~~
HOECHST Pharmaceuticals has ac-
quired the entire assets of Caps Indus-
tries, the South African subsidiary of
Zimbabwe's biggest pharmaceutical

(63) ~~287~~ S. Times 25/4/82
Pharmaceutical deal

group.

The deal, believed to have involved
more than R1-million, covers all the

pharmaceutical and medical products,
trade marks and drug registrations be-
longing to Caps Industries.

Deadlock

at VW over demands

attention to

1980 - Receives permits open membership to all

ARGUS
29/4/82

~~11/3/82~~
63
~~15/2/82~~

Argus Bureau

PORT ELIZABETH. — The situation was tense today at the Volkswagen plant in Uitenhage where the company has rejected three demands by the union representing the 316 workers retrenched last week and more than 5 000 who briefly walked out in support of them.

"It is very tense here this thing can go any way," said Mr Jury Harris, president of the National Automobile and Allied Workers' Union (NAAWU), who is a shop steward at Volkswagen.

The company said in a statement it had told the union at a meeting yesterday that it was not able to accede to any of the requests concerning the retrenched workers.

Workers had asked that union representatives report back to them at 2 pm today on yesterday's meeting, said Mr Harris.

Employees demanded on Tuesday that the company reinstate all retrenched workers with good records, that the company discuss all workers with bad records with the union and that the company pay out one

month's wages in severance pay for each year worked.

Mr Ruben Els, public affairs manager of the company, said today the company believed it had already done all it could to meet the demands.

The director of industrial relations, Mr A O Rademeyer, said records of retrenched workers had been re-examined and the company was satisfied that there had been no unfair dismissals. The company had already paid out three times the amount of severance pay required under the existing agreement.

A number of workers would be considered for re-employment when the company required more people.

and

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Industrial Council:

Registration: Yes

Founded:

Area of Operation:

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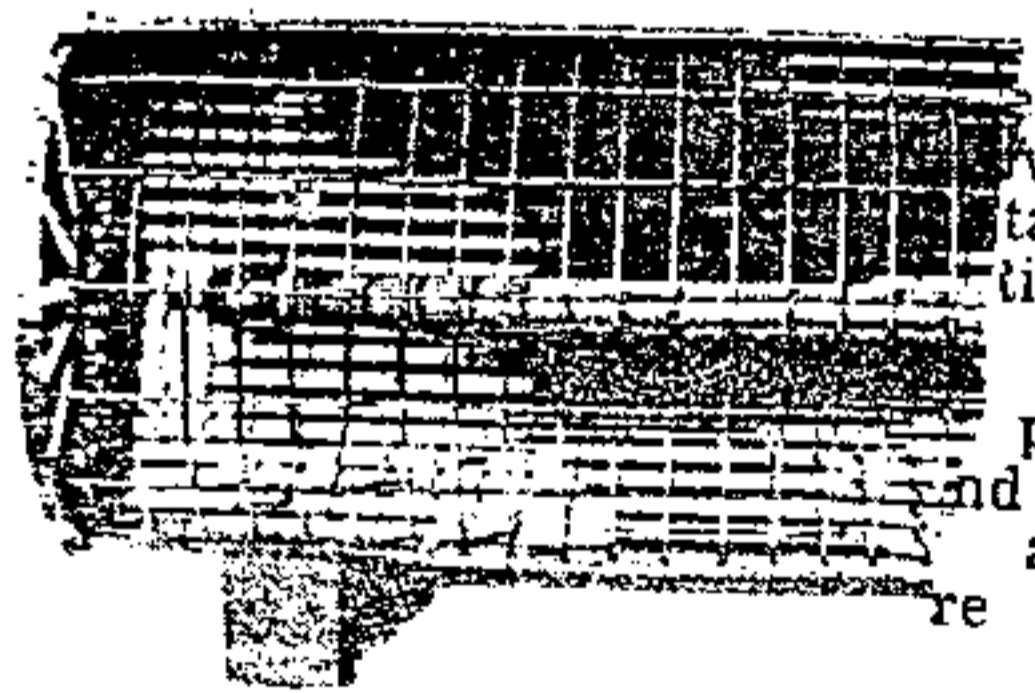
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1973			1 270	1 69
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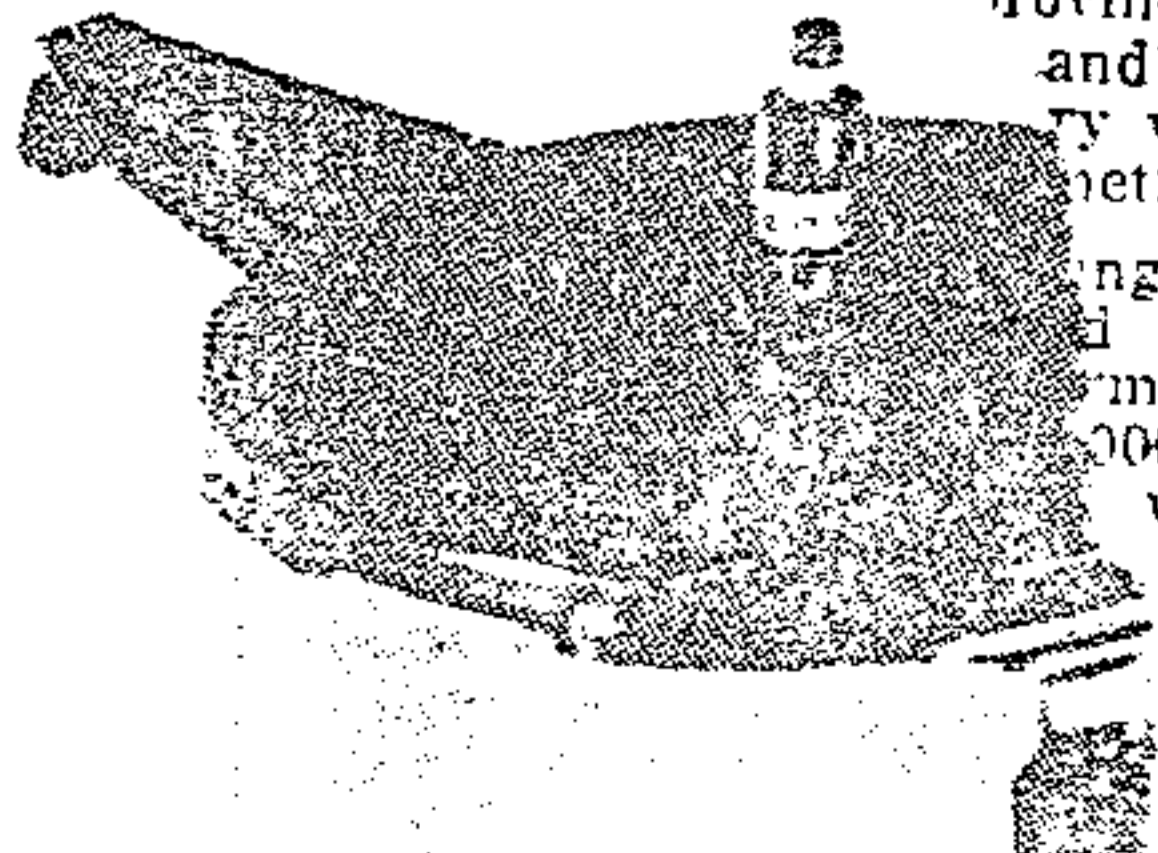


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1 YEAR GUARANTEE

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VW men ⁶³
refuse ^{ARGUS 30/4/82}
to go back

Argus Bureau
PORT ELIZABETH. — Production at Volkswagen was halted again when workers refused to go back to work today following a deadlock in talks regarding the retrenchment of 316 fellow-employees last week.

However, negotiations between worker representatives and management are continuing and the 5 600 black workers who walked out were told by representatives of the National Automobile and Allied Workers' Union to be on the premises at 8 am on Monday morning.

At the plant this morn-

ing the workers gathered inside the premises waiting for shop stewards to report back on a 15-minute meeting with management after yesterday's walkout — the second in a week.

The workers demanded to be addressed by Mr Peter Searle, managing director of Volkswagen, or the company's industrial relations director, Mr A O Rademeyer.

But Mr Jan Louw, VW's labour relations manager, appeared at a window of one of the buildings and, speaking through a loudhailer, told workers they should go through normal channels if they had any grievances.

Milk price

(Continued from Page 1)
 home and paid for by a coupon and 48c if paid for with cash, and a maximum of 56c a litre when sold in plastic bottles.

At the beginning of 1981, home delivery prices and cafe prices were respectively 35c and 41c a litre.

In May 1981 a 14.5 percent increase in the price of milk was granted. The price of milk delivered at home then went up by 5c a litre and milk bought from cafes by 7c a litre.

GERMISTON
 At Germiston, the management of Anglo American's Scaw Metals plant dismissed about 2 800 black and coloured workers who struck on Tuesday for an increase of 10c an hour.

The workers were dismissed after ignoring a 3 pm deadline to return to work. In a statement, Scaw said it would re-employ those who applied for work today.

Two more wage strikes have been reported in the East Rand metal industries, bringing to more than 5 000 the number of workers who have struck in the area this week.

Squatter deadline ^{ARGUS 30/4/82}
— extension if... ³⁰⁷

THE May 1 deadline for the 750 Nyanga squatters to be interviewed would be extended if more could be traced for screening. Mr G N Lawrence, labour officer of the Administration Board, said today.

To date more than 500 had been screened — if more could not be traced then there was no point to extending the deadline.

Delaying the decision, he said, would only set back a decision on whether those squatters interviewed already would be

April 21 was given as the initial deadline for those to be interviewed. This was extended when about 300 of those named could not be traced.

Since then few have been traced. The squatters have asked that the names of other people be substituted for those who can't be traced—a request which was turned down by the Chief Commissioner of the Western Cape, Mr Tom B. ...

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...Africa in particular, their involvement at the lives of many...
 ...use of the threat in Africa was cur- experiencing far economic prob- than South Africa. ...ing to South Afri- position, Mr Botha he Republic sought reatest degree of security and pros- for all its people. he added: "You t have peace with- security. ...urity must be guar- and you can only this if you are eco- cally strong," Mr said.

braai in the Table Mountain Nature Reserve on March 7.
 He further admitted that the fire had spread and destroyed 379 hectares of vegetation and a State Forestry plantation worth R55 000; caused damage of R65 000 to the home of Mr L Hartzenburg, which was destroyed by fire; and had caused damage of R2 180 in a flat at Disa Park.
 He further admitted that the cost of extinguishing the fire for the Cape Town City Council and the Department of Forestry was R20 510.

Warning

Mr D K De Beer, a Forestry Department official, said he had driven past the the braai spot. He had warned the two men that they were not allowed to braai in the area and told them of the high fire risk.
 "Mr Strydom told me he had water in the car to extinguish the fire and that he had a lid to cover the braai. When I left them I was satisfied that there was no danger," Mr De Beer said.

The hearing was adjourned to May 3. Mr Strydom was warned to appear.

Mr T H de Koker was the Regional magistrate. Mr N Treurnicht, assisted by Mr G P C Kotze prosecuted.

5 600 workers walk out at VW factory

Own Correspondent
PORT ELIZABETH. — The entire black workforce of about 5 600 workers yesterday walked out for the second time in a week at Volkswagen in Uitenhage in an ongoing dispute about the retrenchment of 316 workers last week.

This was said yesterday by the president of the National Automobile and Allied Workers' Union, Mr J C Harris.

Mr Harris said the union was told by management yesterday morning that the company stood by its rejection of the three demands formulated on Tuesday.

On Tuesday the workers had asked that all retrenched workers with good job records be reinstated, that the company discuss all retrenched workers with bad records with the union and that severance pay of one month's wages for each year worked be paid out.

Management then said it had re-examined the job records of the re-

trenched workers and was satisfied that there had been no cases of unfair dismissal, and that it had already paid out three times more in severance pay than the existing industrial council agreement required.

Yesterday the workers reiterated their demand that all retrenched workers be reinstated and walked off the premises shouting that they wanted the 316 workers back in the plant.

A report-back meeting would be held with workers today, Mr Harris said.

He said the union objected to the fact that management had a meeting with representatives of Naawu's rival union, the Motor Assemblers' and Component Workers' Union (Macwusa), before its meeting with Naawu after the walk-out.

Mr Harris said yesterday that management's talks with Macwusa was a sign that the company used the union to divide the workers and to weaken Naawu. This was denied by the company yesterday.

Minimum wages

Mr Harris also said the union construed the retrenchment of 316 workers as an effort to keep minimum wages, to be negotiated in the industrial council, as low as possible.

The public relations manager of Volkswagen, Mr Ruben Els, confirmed yesterday that the company's entire black workforce had walked out, and said the company reconfirmed its decision not to reopen discussions on the retrenchment at the meeting with shop-stewards.

The workers assembled at 2pm on the Volkswagen premises, and after a meeting of about 30 minutes walked out of the factory.

At the meeting the workers withdrew their moderated demands formulated on Tuesday and adopted their initial stance that all 316 workers be reinstated, and all workers be allowed to work "short-time".

music review

Concert laurels shared by all

SYMPHONY CONCERT, City Hall, Thurs 29th; **CTSO** conducted by **Brian Priestman**, soloists **Nina Beilina** (violin) and **Hanneli Rupert** (soprano); **Poulenc: Two Marches and In-termezzo; Mozart: Violin Concerto No 5 in A major, K219;**

Mahler: Symphony No 4 in G major.

Miss Beilina had perforce to share the honours at last night's symphony concert.

In spite of a stylistically irreproachable and finely-drawn account of the Mozart Concerto, her contribution to the evening reached its peak in a quite superb encore — the gigue from the Bach G minor sonata for solo violin.

In spite of this truly world-class performance, however, the sheer vastness of the Mahler Symphony impressed itself on the consciousness and left Priestman and the CTSO co-laureates of the evening.

DEON IRISH

Too late for classification

LOST
GOLD bracelet, student's matric present, lost in vicinity of Cavendish Square Thursday afternoon. Reward R50. Ph 75 4079.

BRITHMILAH
MARKOVITZ. — the Brithmilah of Nicholas, the infant son of Leon and Anthula, will take place at our home, 115 Kloof Road, Bantry Bay, on Monday, May 3. Relatives and friends are invited to join us in celebrating the event from 5.30pm.

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WORKERS CAPS TIMES 1/5/82 (23) 1976

Walk out again

Own Correspondent

PORT ELIZABETH. — The black work force of about 5 600 workers walked out of the Uitenhage Volkswagen plant for the second day in succession yesterday.

It was the third work stoppage in a dispute sparked by the retrenchment of 316 workers last week.

The managing director of Volkswagen Mr Peter Searle issued a full statement on the company's current labour problems after the walkout. The statement defends the retrenchments, and says the company would be prepared to talk to worker representatives provided workers returned to work.

A spokesman for the National Automobile and Allied Workers Union (Naawu) said that in yesterday's stoppage the workers had left Volkswagen's premises at 9.45am after a report-back meeting of nearly two hours. At the meeting they had demanded to be addressed by Mr Searle and the industrial relations director, Mr A O Rademeyer.

Refused

A company official addressed the workers after Mr Searle and Mr Rademeyer had refused, he said.

He also said the official had told the workers that worker representatives were the right channel of communication and that the company stood by its decision. He was then "shouted down" by the

workers, who said they would not return to work unless the 316 workers were reinstated, the union spokesman said.

The general secretary of Naawu, Mr Fred Sauls, said yesterday that the union could not understand why Ford could go on short-time next week and Volkswagen not.

Mr Searle's full statement reads:

"Volkswagen's action on April 21 to retrench 316 hourly-paid workers out of a total workforce of 8 700 people was made imperative by adjustments in the economy which are expected to affect the South African vehicle market.

Over-manned

"During the boom conditions of the past two years, we had to over-man our plant due to a high absentee situation. This is a luxury we can no longer afford. Options to reduce production numbers were examined in great detail.

"The final decision as to the exact steps to be taken was only arrived at after discussions with shop stewards with regard to the problem and an agreement on the need to improve efficiency.

"From a pure business point of view, the number of people retrenched should have been considerably higher. Due to the already high unemployment in the Uitenhage-Port Elizabeth area, we considered it our responsibility to our workforce

and the local community to keep retrenchments to an absolute minimum.

"For example, 27 people with unsatisfactory records were not retrenched but warned and retained in view of their length of service. We are satisfied after re-examining the records of all the workers concerned that there were no cases of unfair retrenchment.

Severance

"Also we have exceeded the required terms for the severance of employment. The action we have taken has been necessary to secure the future of this company and its workforce and should obviate any further retrenchment action this year.

"We are prepared to talk to representatives of our employees at any time providing that our workers first return to work. We believe that the normal channels of communication set up between the unions representing our workers and ourselves are ample for the resolution of worker grievances and will continue to use them.

"We are hopeful that the problem will be settled and that the plant will return to normal production early next week. Prolonged and continued worker action such as experienced in the past week will seriously jeopardize future investment plans and future employment possibilities."



Cape Town's Deputy Mayor Mr Sol Kreiner ran the last leg of her marathon run

CAPE TIMES 1/5/82

Strikes hit more East Rand plants

Own Correspondent

JOHANNESBURG. Three new Wadeville plants, all owned by the metal firm Genrec, have been hit by strikes over retrenchments as labour unrest continued to grip East Rand metal firms and police vehicles patrolled parts of Wadeville yesterday.

More than 4 000 workers at five plants were on strike and two other East Rand stoppages ended yesterday.

At the Scaw Metals plant outside Wadeville, riot police stood by as 2 800 workers were paid off yesterday.

At National Spring, about 380 workers sacked earlier this week gathered outside the plant as union shop stewards held

But strikes at Defy in Benoni and Metal and Chemical Industries in Heriotdale over pay were settled yesterday and workers resumed their jobs.

Workers gathered outside two Genrec plants yesterday — Power Steel and Genpipe — where they sang songs and shouted "Amandla" (power) as a union official approached to address them.

MAWU said later that workers at a third Genrec plant, Wadeville Engineering, had left at lunch-time, saying they were going to a meeting on retrenchments.

There are about 1 100 workers at the three plants, according to

Missing man was stabbed weeks ago

THE parents of a Guguletu man missing for more than two weeks learnt yesterday that their son had been stabbed to death on the night of his disappearance.

The Rev Jameson Jonas described the killing of his son as "without motive".

On Friday, April 16, Mr Solomon Jonas, 28, had gone to work as usual. His parents had telephoned his place of employment when he failed to return that evening.

The first the Jonas family heard of their

Dagga offence by dancer

JOHANNESBURG. — One of the lead dancers of a Las Vegas show at Sun City was sentenced yesterday to six months, suspended for 12 months, for possessing more than 400 sticks of dagga.

Steve Nelson Wallace, 22, was charged with dealing in 210g of dagga at the Landdrost Hotel, or alternatively possessing the dagga. An earlier application by the defence to hear the case in camera, was refused in the Johannesburg Magistrate's Court by Mr D J Dafel.

Wallace pleaded guilty to possession of the dagga and not guilty to dealing

in the drug. He said he smoked dagga to relax and intended using the 431 sticks for his own consumption. He said he did not deal in the dagga because he "did not offer it to anybody or tell anybody about it".

He said he had two days off from the Dancing Machine show and came to Johannesburg to "get away". He kept the dagga, given to him at Sun City by someone he did not know, in a bag which he always kept with him.

Giving judgment, the magistrate said there was no indication that Wallace had wanted to

Re bo

Black Allied Workers Union

Cape Explosives Industrial Workers Union

Chemical and Allied Workers Union

Chemical Workers Industrial Union

Chemical Workers Union

Durban Rubber Industrial Union

Engineering and Allied Workers Union

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United African Motor and Allied Workers Union

Deadlock as strikers reject VW offer

Argus Bureau

PORT ELIZABETH. — A compromise offer by Volkswagen management failed this morning to win the support of its striking black labour force, who walked out of the premises after a mass meeting leaving the dispute deadlocked.

The president of the National Automobile and Allied Workers' Union, Mr Jury Harris, said that early today before shop stewards addressed a mass meeting of workers on strike inside the premises, management had made a new offer.

However, the workers insisted on their latest demand of wanting all 316 retrenched workers reinstated and everybody working shorter hours to accommodate them.

PARALYSED

After a two-hour meeting, they walked out leaving the plant still paralysed since Thursday. This was the fifth walk-out after a mass meeting.

Mr Harris would not give details of the compromise offer as another meeting between shop stewards and management was due later today.

It has been reported, however, that the company has offered to reinstate about 20 of the retrenched workers, providing the rest return to work.

The first of four walk-outs at the plant came a fortnight ago when 316 workers were retrenched. The plant has been idle since a walkout on Thursday.

The workers first demanded that all retrenched workers with job records be reinstated, that the company should hold discussions on all retrenched workers with bad records and that severance pay be improved.

When this was rejected the workers withdrew these demands and adopted their initial stance that all retrenched workers be reinstated and all workers be allowed to work "short time."

At yesterday's meeting they reiterated this stand.

The director of industrial relations at Volkswagen, Mr A C Rademeyr, yesterday said the company had already reduced manhours by 30 000 a week.

● In Boksburg labour unrest escalated yesterday when 800 workers at Anglo Vaal's National Bolts plant struck over demands for a wage increase.

At Scaw Metals in Germiston, where 2 800 strikers were fired last week, the management said more than half the day-shift had been re-employed.

and Welders

A. STRIKERS

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South Africa

ARGUS 4/5/82
63

4/5/82

Strikes in dairy and factories

Staff Reporter

STRIKES affected milk deliveries in the Peninsula yesterday, and continued at Parow General Galvanising, as well as at Volkswagen in Uitenhage.

Milk deliveries to 27 000 Peninsula homes were affected as about 500 workers at Van Riebeeck Dairies went out on strike demanding higher wages.

The dairy's marketing manager, Mr M O'Connor, said he hoped the workers would return and deliveries would be back to normal this morning following an offer by the company to backdate a wage increment due in June.

Mr O'Connor said management had at first attempted to deal with the workers *en masse*, but had suggested that the workers elect a committee to discuss the matter.

Late yesterday there was no indication that management had met with worker representatives, but Mr O'Connor said the company had agreed to backdate an increase due in June to April 1.

Supermarkets

● Checkers supermarkets in the Southern Suburbs were caught off guard by the striking milkmen and managers were forced to make emergency arrangements to buy limited supplies from other dairies.

"As a result of the limited supply, we had to limit each customer to one litre," the manager of one branch said.

Parow

● Ninety workers at Parow General Galvanising continued a strike yesterday over a demand that their committee be consulted before workers were dismissed.

A spokesperson for the General Workers' Union, which represents the workers, said they had gone out on strike after negotiations over a constitution had broken down last week.

"Workers downed tools after management refused to agree to a clause obliging them to consult with the workers' committee."

firms where the GWU operated. She said the workers had not yet taken their pay, still considered themselves to be in the employ of the company and would return only if they were all given back their jobs.

Reasons

She alleged that workers were maltreated, worked under "appalling conditions" and were often fired without reasons being given.

Mr Dodds said the workers had "effectively terminated" their service with the company and the company was only prepared to re-employ them selectively. He denied the union's claim that production was stalled, saying sections of the factory were still operating.

● The Cape Times Correspondent in Port Elizabeth reports that shop stewards and management representatives at Volkswagen's Uitenhage plant will meet early today to discuss the dispute over the retrenchment of 316 workers.

Workers gathered at the plant early yesterday but went home after about two hours when they heard management had reaffirmed its decision not to reinstate the workers.

Short time rejected

A further demand that the factory go on "short time" was also rejected by management. This is the fourth time production has been halted since the retrenchments on April 21.

In a statement yesterday, Mr A O Rademeyer, Volkswagen's director of industrial relations, said the company had already reduced man-hours and every worker was working five-and-a-half hours less per week. A further reduction in working time with an increase in worker numbers was not practicable.

'Later stage'

"The action taken by the company is not only to solve an immediate problem but is also designed to obviate further action involving good workers."

Milk deliveries to 27 000 Peninsula homes were affected as about 500 workers at Van Riebeeck Dairies went out on strike demanding higher wages.

The dairy's marketing manager, Mr M O'Connor, said he hoped the workers would return and deliveries would be back to normal this morning following an offer by the company to backdate a wage increment due in June.

Mr O'Connor said management had at first attempted to deal with the workers *en masse*, but had suggested that the workers elect a committee to discuss the matter.

Late yesterday there was no indication that management had met with worker representatives, but Mr O'Connor said the company had agreed to backdate an increase due in June to April 1.

Supermarkets

● Checkers supermarkets in the Southern Suburbs were caught off guard by the striking milkmen and managers were forced to make emergency arrangements to buy limited supplies from other dairies.

"As a result of the limited supply, we had to limit each customer to one litre," the manager of one branch said.

Parow

● Ninety workers at Parow General Galvanising continued a strike yesterday over a demand that their committee be consulted before workers were dismissed.

A spokesperson for the General Workers' Union, which represents the workers, said they had gone out on strike after negotiations over a constitution had broken down last week.

"Workers downed tools after management refused to agree to a clause obliging them to consult with the workers' committee before making changes in the factory affecting them," the spokesperson said. "This relates primarily to dismissals."

'Unacceptable'

Mr I B Dodds, general manager of the company, said they found the clause obliging management to consult with the workers "totally unacceptable".

"What this boils down to is that the workers might as well run the factory," he said.

But the GWU spokesperson said it was a reasonable demand and was agreed to in all other

and would return only if they were all given back their jobs.

Reasons

She alleged that workers were maltreated, worked under "appalling conditions" and were often fired without reasons being given.

Mr Dodds said the workers had "effectively terminated" their service with the company and the company was only prepared to re-employ them selectively. He denied the union's claim that production was stalled, saying sections of the factory were still operating.

● The Cape Times Correspondent in Port Elizabeth reports that shop stewards and management representatives at Volkswagen's Uitenhage plant will meet early today to discuss the dispute over the retrenchment of 316 workers.

Workers gathered at the plant early yesterday but went home after about two hours when they heard management had reaffirmed its decision not to reinstate the workers.

Short time rejected

A further demand that the factory go on "short time" was also rejected by management. This is the fourth time production has been halted since the retrenchments on April 21.

In a statement yesterday, Mr A O Rademeyer, Volkswagen's director of industrial relations, said the company had already reduced man-hours and every worker was working five-and-a-half hours less per week. A further reduction in working time with an increase in worker numbers was not practicable.

'Later stage'

"The action taken by the company is not only to solve an immediate problem but is also designed to obviate further action involving good workers at a later stage during the downward phase of the economy," said the statement.

Mr J C Harris, president of the National Automobile and Allied Workers' Union (Naawu), confirmed that management was not reopening the retrenchment issue but said there were other matters management wished to discuss.

"Management cannot see any way of bringing all the workers back in bulk, but there are individual cases which they would look into," he said.

Other

Diamond Cutters Uni
Jewellers and Golds
Optical Workers Uni
S.A. Association of
S.A. Diamond Worker

ELECTRICITY, GAS AND

Cape Town Gas Work
Escom (Cape Western)
Escom Salaried Staff
Escom Workers Assn
General Workers Union
Johannesburg Municipality

CONSTRUCTION

Amalgamated Society of Woodworkers
Amalgamated Engineering Union of South Africa
Amalgamated Union of Building Trade Workers
Black Allied Workers Union
Blankebouverkersvakbond
Building, Construction and Allied Workers Union
Building Workers Union
Electrical and Allied Trades Union of South Africa
Electrical and Allied Workers Union of South Africa
Engineering and Allied Workers Union
Engineering Industrial Workers Union of South Africa
General Workers Union
Metal and Allied Workers Union
National Union of Engineering, Industrial and Allied Workers
Port Elizabeth Operative, Plumbers Employees Association
S.A. Operative Masons' Society
S.A. Woodworkers
Steel, Engineering and Allied Workers Union
S.A. Electrical Workers Association

WHOLESALE & RETAIL TRADE AND CATERING AND ACCOMMODATION SERVICES

Wholesale & Retail Trade

Black Allied Workers Union
Commercial, Catering and Allied Workers Union
Concession Stores and Allied Trades Assistants Union
Domestic Workers and Salesladies Association
Kimberley Shop Assistants, Warehousemen and Clerks Association
National Union of Commercial, Catering and Allied Workers
National Union of Distributive Workers
Pretoriase Vakbond vir die Kleinhandel Vleisbedryf
Transvaal Retail Meat Trade Employees Union

Catering and Accommodation

Commercial, Catering and Allied Workers Union
East London Liquor & Catering Trades Employees Union

VW strike to end tomorrow

Argus Correspondent
PORT ELIZABETH. — The more than 5 000 workers who have been on strike at Volkswagen in Uitenhage since last Thursday, have decided to return to work tomorrow. This was learnt from authoritative sources today after the workers had a meeting for more than two hours on the company premises this morning. It has also been learnt that the workers today decided to accept management's latest offer to re-open negotiations on the retrenchment of 316 workers two weeks ago. In terms of this, management undertook to re-assess the position of a number of the dismissed workers, provided the work force took up tools again.

UNAVAILABLE

Shop stewards of the National Automobile and Allied Workers' Union were still in consultation with management this afternoon and no spokesman for either party was available for comment. Until this morning's meeting, the workers had been demanding the reinstatement of all retrenched workers, and reduced hours for all to allow for this.

VW talks
ARGUS 7/5/82
on sacked
workers (63)
continue (100)
(100)

Argus Bureau

PORT ELIZABETH. — Volkswagen management and workers' representatives were still trying today to resolve difficulties remaining in the dispute concerning 316 workers retrenched there last month.

The 5 600 workers returned to work yesterday after management agreed to reopen negotiations on the retrenchments.

The workers also insisted on further discussions on retrenched workers' severance pay.

The president of the National Automobile and Allied Workers' Union, Mr Jury Harris, said the company had promised to give to the union later today a list of 20 people to be reinstated next week, following vacancies arising at the plant.

A public relations officer for the company, Mr Bob Kernohan, confirmed that negotiations were continuing but said that to his knowledge no arrangements for any reinstatements had been finalised.

German trade unions interested in local practices

14/5/82 E. Post

190
63
170A
139

Welders

Post Reporter

TRADE UNIONS in West Germany are interested in labour practices and strikes at German firms in South Africa, but it was difficult to say whether they would offer direct support for their actions.

This was said yesterday by the Press and Information Secretary of the Embassy of the Federal Republic of Germany, Mr H P Schiff.

Mr Schiff flew into Port Elizabeth this week for a one-day visit, during which he met representatives of management at Volkswagen, as well as leaders of National Automobile and Allied Workers' Union (Naawu) and the Motor and

Component Workers' Union of South Africa (Macwusa).

He said German trade unions closely followed the implementation of the European Code of Conduct for subsidiaries abroad.

Although a code report was filed voluntarily by companies, it could act as a guideline for their labour practices. The principles of the code covered wage levels and race relations. It specified that wages should be a certain percentage over the subsistence level and advocated equal opportunities for all workers, irrespective of race.

Mr Schiff arrived in South Africa with his family in July after holding a diplomatic post in Cairo.

Amalgamated English Media Workers Ass
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S.A. Electrical W
S.A. Society of J
S.A. Typographic
South African All

Paper & Paper Pr

National Union of
Paper, Wood and A
South African All

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Trunk & Box Worke

Transvaal Leather

Textile Workers U

Textile Workers T

Tanning, Footwear

Tailoring Workers

S.A. Canvas & Ropeworkers Union (Cape)

S.A. Canvas & Ropeworkers Union

South African Allied Workers Union (SAAWU)

National Union of Textile Workers

National Union of Leather Workers

National Union of Clothing Workers

General Workers Union of South Africa

General Workers Union

Garment Workers Union (Western Province)

Garment Workers Union of South Africa

Garment Workers Industrial Union (Natal)

Black Allied Workers Union

African Trunk & Box Workers Union

African Leather Workers Union (Transvaal)

African Garment Workers Union (Natal)

Textiles, Clothing, Leather and Footwear

Rustenburg Tabakwerkersvereniging

National Union of Cigarette & Tobacco Workers

African Tobacco Workers Union

Tobacco

Witwatersrand Brewing Employees Union

Witwatersrand Baking & Confectionery Industrial Union

Western Province Sweet Workers Union

S.A. Electrical Workers Association

S.A. Bollemakers, Iron & Steelworkers, Shipbuilders and Welders

South African Allied Workers Union (SAAWU)

Sugar Industry Employees Union

Sweet Workers Union

Sweet Workers Industrial Union (Natal)

3 500 in VW plant walk-out

Own Correspondent
 PORT ELIZABETH. — The dismissal of a shop steward at Volkswagen yesterday led to 3 500 workers walking out in protest and resulted in the company sending a further 3 500 workers home — virtually bringing the whole plant to a standstill.

A spokesman for Volkswagen said last night that the 3 500 workers would be back at work today and added that sections of the plant still worked a full day yesterday.

Mr Les Kettledas, regional secretary for the National Automobile and Allied Workers' Union, said workers had walked out when they heard about the dismissal of the shop steward, identified as Mr D Kondile.

● Volkswagen production suffered from several work stoppages and walk-outs last month following the retrenchment of 316 workers.

views of the univer
 body and the C.U.P.
 and A.C.U. (U.A.C.)
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Establishment of Mechan
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Some universities have geographical
 restrictions and insufficient
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 productivity and
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rsity Planning:
 Long Term, and the
 nd that, as universities
 and since it cannot be
 "reglementeer" a
 or a re-organized C.U.P.
 be a strong and authoritative
 become the focus of activity for the
 Chapter X, finding (1)).

(a) The Commission's figure of 10 000 students as the ideal population size for a university is not motivated. Nevertheless it would seem that a good number of universities have set this figure as the maximum number of students for their existing campuses.

1.5. Restrictions on Numbers:

(b) The expansion of university education in Britain and Europe has in recent years taken place through the creation of new universities. The creation of a new campus by an existing university would bring with it the possibility of the loss of vigorous renewal since the new institution in the form of a satellite campus will tend to be a reproduction of the parent university.

(c) In view of the possibilities for renewal that present themselves, it may from time to time be in the national interest to start a new university completely from scratch. While the advantages of the College-idea and separate campuses are realised, the above aspect should not be lost sight of.

1.4. The Establishment of New Universities (Continued):

500 down tools

CAPL TIMES 20/5/82

again at VW

(1/6/82) (63) Own Correspondent (172)

PORT ELIZABETH. — Five hundred paint shop workers at the Volkswagen plant in Uitenhage downed tools for the second consecutive day yesterday in protest over the dismissal of a shop steward, Mr D Kondile.

And for the second day a further 3 500 workers in other sections of the plant had to be sent home because they were unable to continue work while the paint shop was out of action.

The striking workers agreed yesterday to return to work on Monday while management agreed to open negotiations with them on their return.

Mr Ruben Els, Volkswagen's manager of public affairs, said Mr Kondile had been dismissed for "a breach of the disciplinary code".

The regional director of the National Automobile and Allied Workers Union, Mr Les Kettleidas, said last night the striking workers viewed Mr Kondile's firing as an attack on the union.

An agreement described by Mr Els as "satisfactory to both sides" had been reached in the dispute over Volkswagen's retrenchment of 316 workers which resulted in several work stoppages last month.

Strike shuts VW plant

ARGUS 3/6/82
Argus Bureau

Since their unsuccessful negotiations on the issue have been held between shop stewards and Volkswagen management.

PORT ELIZABETH. — Volkswagen motor plant in Uitenhage closed down most operations yesterday and today after 500 workers went on strike as a result of management's refusal to reinstate a dismissed shop steward.

The firm shut down most operations for three days last month when the paintshop workers went on strike after the shop steward, Mr D Kondile, was fired.

VW's public affairs manager, Mr Ruben Els, said a meeting between the managing director, Mr Peter Searle, and shop stewards scheduled to take place today, was cancelled "in view of the paintshop workers' refusal to work."

He said the company had reiterated it was pre-

pared to discuss the matter once the workers had returned to work. VW was prepared to re-employ Mr Kondile as a "normal worker."

The general secretary of the National Automobile and Allied Workers Union, Mr Freddy Sauls, said today shop stewards met the 500 workers yesterday.

They reported that a
(Contd on Page 3, col 7)

ARGUS 3/6/82
Plant shut
(Continued from Page 1)

deadlock had been reached.

At the meeting, Mr Sauls said, a manager from the plant had come in and told the workers they had two minutes to return to work or he would close down the plant.

The workers then walked out and VW sent home 3 600 workers in the section dependent on the paintshop.

Shop stewards had decided "as a result of management's intransigence" to hand the matter over to the union's officials, Mr Sauls said.

German MPs visit Uitenhage plant

Post Reporter

TWO West German MPs visited the Volkswagen plant in Uitenhage yesterday on a tour of South Africa to collect information on developments in the field of labour relations.

The Press and Information Secretary of the West German embassy in Pretoria, Mr Hans Peter Schiff, said three West German MPs were in South Africa on the fact-finding mission.

The two who visited Port Elizabeth were the vice-chairman of the executive of the Social Democratic Party, Mr Wolfgang Roth, and a member of the Social Democratic parliamentary group, Mr Kurt Ueberschaer.

They were both members of a standing committee on relations with Southern Africa, and had been to South Africa regularly.

Their aim on this visit was to investigate the developing field of industrial relations and trade unions in South Africa. They will leave next week after spending eight days touring the country.

E. Post (63)
4/6/82

Sweet Workers Industrial Union (Natal)
Sweet Workers Union
Sugar Industry Employees Union
South African Allied Workers Union (SAAWU)
S.A. Boilermakers, Iron & Steelworkers, Shipbuilders and Welders
S.A. Electrical Workers Association
Western Province Sweet Workers Union
Witwatersrand Baking & Confectionery Industrial Union
Witwatersrand Brewing Employees Union

Tobacco

African Tobacco Workers Union
National Union of Cigarette & Tobacco Workers
Rustenburg Tabakwerkersvereniging

Textiles, Clothing, Leather and Footwear

African Garment Workers Union (Natal)
African Leather Workers Union (Transvaal)
African Trunk & Box Workers Union
Black Allied Workers Union
Garment Workers Industrial Union (Natal)
Garment Workers Union of South Africa
Garment Workers Union (Western Province)
General Workers Union

General Workers Union of South Africa
National Union of Clothing Workers
National Union of Leather Workers
National Union of Textile Workers
South African Allied Workers Union (SAAWU)
S.A. Canvas & Ropeworkers Union
S.A. Canvas & Ropeworkers Union (Cape)
Tailoring Workers, Dressmaking & Furriers Industrial Union
Tanning, Footwear and Allied Workers Union
Textile Workers Industrial Union

Textile Workers Union (Transvaal)
Transvaal Leather and Allied Trunk & Box Workers Industrial

Wood & Wood Products, including

National Union of Furniture & Paper, Wood and Allied Workers
South African Allied Workers

Paper & Paper Products, Printing

Amalgamated Engineering Union
Media Workers Association of Paper, Wood & Allied Workers
S.A. Boilermakers, Iron & S.S.A. Electrical Workers Assn
S.A. Society of Journalists
S.A. Typographical Union
South African Allied Workers

ARGUS 4/6/82
VW plant
63
at standstill

Argus Bureau

PORT ELIZABETH. —
The giant Volkswagen plant in Uitenhage was at a standstill for the second successive day today when a strike by 500 paintshop workers forced the company to send home about 3 600 workers from other affected areas.

The area secretary for the National Automobile and Allied Workers' Union (NAAWU), whose workers are involved in the action, Mr Makaya Sam, said the workers had decided to go back to work on Monday morning, but would only work if a dismissed shop steward had been fully reinstated.

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Back to work at VW plant

Argus Bureau.

PORT ELIZABETH. — Production was back to normal at the Volkswagen plant in Uitenhage, following severe disruptions since last Wednesday.

The public affairs manager of Volkswagen, Mr Ruben Els, said today that 550 paint shop workers, who had paralysed production for three successive work days by their strike, returned to work at the usual time today.

On the days concerned, management sent home about 3 600 other workers in affected departments.

Representatives of the National Automobile and Allied Workers' Union (NAAWU) were to meet today with top management, including the managing director, Mr Peter Searle, about the dispute.

10 000 DOWN TOOLS

Argus Bureau
PORT ELIZABETH. — Production stopped today at the three Eastern Cape motor manufacturing giants — Ford, General Motors and Volkswagen — when nearly 10 000 workers downed tools in support of demands for higher wages.

At Ford's truck plant and the Neave plant 1 650 workers walked out at about 9 am after being addressed by representatives of the National

Automobile and Allied Workers' Union (NAAWU).

Union sources claimed that "many workers" at the Struandale plant where the Cortina range is assembled also walked out.

At the Volkswagen plant in Uitenhage the assembly line stopped rolling briefly as more than 4 000 workers gathered on the premises to decide whether they would strike.

According to a VW spokesman, the men returned to work "after an hour and the situation is back to normal. The management was still awaiting contact with union shop stewards who addressed the meeting."

First reports from the General Motors plant in Kempston Road said workers streamed from the factory at 10.30 am. Riot police stood by.

There were no reports of any incidents.

A spokesman for NAAWU, Mr Les Kettledas, said the union had reports of 4 000 workers leaving GM.

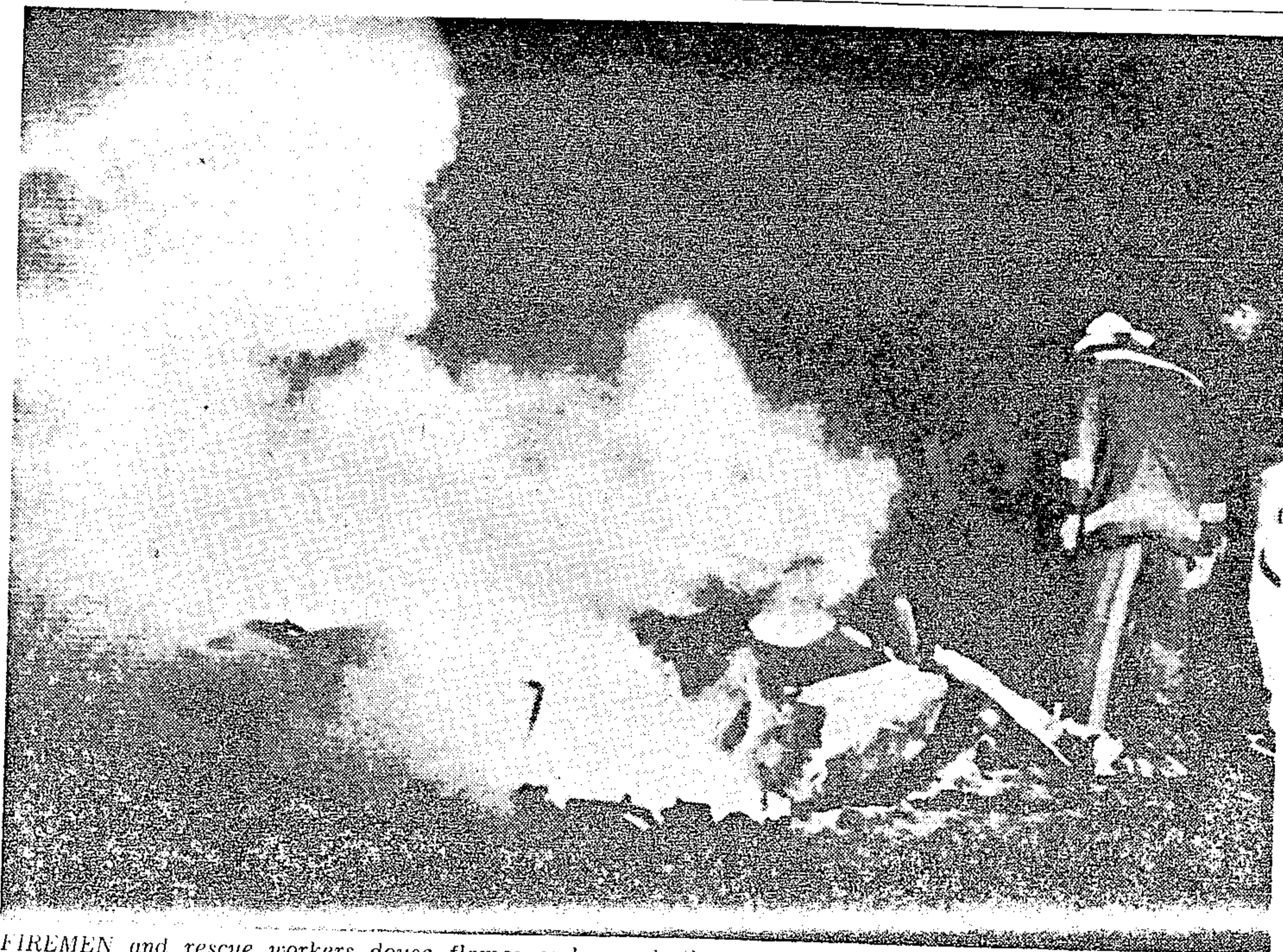
Today's development came after a deadlock yesterday in negotiations at the sitting of the Industrial Council for the motor industry in the Eastern Cape.

The general secretary of NAAWU, Mr Freddy Sauts, said the employers had not been "prepared

to budge" from a proposed increase in minimum wages from R2 to R2.15 an hour. NAAWU has demanded a minimum of R3.50 an hour.

The employers would not accede to other demands including a proposal that workers receive severance pay of one month's wages for every year worked.

Industrial Council negotiations will resume on Monday.



FIREMEN and rescue workers douse flames and search the wreckage of the SAAF Merlin executive aircraft and a Piper Navajo that collided above Pretoria last night. Thirteen people, including three senior Defence Force officers, were killed.



SERGEANT A Niemand.



MRS Jeanette de Villiers, widow of the SAAF pilot, with their 10-month-old baby, Elaine.



CAPTAIN J I T de Villiers, pilot of the SAAF Merlin.



MAJOR - General D J van Niekerk.

City man

Footman was walking

workers went in their thousands today to collect their wages for the week. No incidents were reported.

Mr Jury Harris, president of the National Automobile and Allied Workers' Union (NAAWU), whose members went on strike simultaneously at Ford, General Motors and Volkswagen yesterday, said there was little likelihood of the workers returning to work before Tuesday.

They were now waiting for a continuation of the deadlocked wage talks on Monday between unions and the three companies through the Industrial Council for the Eastern Cape motor industry.

Minimum

The workers had gone on strike spontaneously on hearing that the second round of wage talks on Wednesday had ended in deadlock — with the managements not prepared to budge from their minimum wage offer of R2.15 an hour. The workers are demanding R3.50.

The workers had warned after a series of report-back meetings last week that the employers would have to "face the repercussions" if they did not agree to the demand.

Mr Harris said the union would not meet the workers before Monday.

Confident

The union would try to persuade workers to modify their demand. He was confident they would accept a deal similar to the one at the 1980 wage talks when their demand was met over a period of 18 months.

"They want a guarantee, and not necessarily the full R3.50 immediately," he said.

The director of public relations at Ford, Mr Dunbar Bucknall, said the forced closure of the company's assembly and truck plants at Neave Township had paralysed production at the two Struandale plants where most of the workers, who belonged to the Motor Assembly and Component Workers' Union, were not on strike.

Kept busy

He said the four Ford plants had close "interaction" and that about 2 500 workers at the two Struandale plants were being kept busy although there was no production. These plants would also be closed later today.

A strike by about 250 workers, mostly at the Struandale Cortina plant paint shop and at the adjacent truck plant, had contributed to this development.

Mr Bucknall said more than 3 000 workers at Ford were on strike — 100 at

ARGUS BUREAU

the engine plant, 250 at the Cortina plant, about 2 500 at the Neave assembly plant and 150 at the truck plant.

At Volkswagen's plant in Uitenhage, more than 5 000 were on strike and another 1 000 had been sent home because of the forced closure.

Virtually all the employees on strike in Port Elizabeth are coloured and most of those in Uitenhage are Africans.

At General Motors, 2 000 workers downed tools yesterday and the situation was described as "fluid" today. The company would not comment, but it was reported that workers there were collecting their pay while the plant was being closed.

Management spokesman at Ford and Volkswagen have warned that if the companies acceded to the workers' demand for a minimum wage of R3.50 an hour, Eastern Cape products would be priced out of the national motor market.

PORT ELIZABETH. — Production at two more motor industry plants has come to a standstill because of the strike by more than 10 000 workers employed by the three companies in the Eastern Cape, bringing the total number of workers affected to about 13 000 at six plants

13 000 now idle in big motor strikes

ARGUS 16/7/82

Two other car assembly plants in the region are expected to close down by noon today.

The Volkswagen plant in Uitenhage has been closed down till further notice after workers went on strike yesterday.

Two of Ford's four plants have also been closed. According to an informed source this will lead to the closure of the other two plants from noon today.

The strikers are members of Fosatu's National Automobile and Allied Workers' Union (Naawu), which said yesterday that 15 000 workers were on strike — 7 000 at Volkswagen and 4 000 each at Ford and GM.

But Volkswagen yesterday put the figure at 5 500. Ford at around 3 000 and GM at between 1 800 and 2 000.

No end to the strike is likely until Monday, when the industry's industrial council meets to discuss a deadlocked wage dispute between employers and the union.

The strike follows demands by Naawu at council negotiations that minimum pay be raised from R2 to R3,50 an hour — its biggest-ever demand. Employers replied with their lowest offer for some years — a R2,15 minimum.

'Flat rejection'

Naawu organizer Mr Les Kettleidas said that at meetings held last week, 10 000 workers rejected this. But at a meeting of the council on Wednesday, employers stuck to their offer "despite workers' flat rejection" and another meeting was scheduled for Monday.

When Naawu shop stewards reported back to members that employers were sticking to R2,15, the workers decided to down tools. Mr Kettleidas said.

Almost all the strikers are Naawu members — workers, belonging to the rival Motor Assembly and Components Workers' Union did not join the stoppage. Some white-collar workers are also taking part.

A Volkswagen spokesman, Mr Rubin Els, said workers had met shop stewards yesterday morning and began drifting back to work. But they then decided against returning and began another meeting. The company then closed the plant and is seeking further talks with the union on a reopening date.

Approach for talks

Mr Kettleidas said the company had approached him for talks on reopening the plant, but said he refused. "The only thing union officials can discuss now is wages — but there may be talks with shop stewards on reopening."

At Ford, most workers at the Cortina and engine plants are Macwusa members and the plants remained in operation. But Ford's other plants closed.

The company's industrial relations director, Mr Fred Ferreira, said all plants would be closed today and on Monday morning.

Ford would wait for the outcome of Monday's industrial council meeting.

GM issued a statement saying that 1 800-2 000 workers had walked out yesterday. The company employs nearly 5 000 workers.

The statement referred to the fact that the current wage agreement expires only at the end of the month and that industrial council wage talks are scheduled for Monday.

"We cannot therefore comprehend the action of employees in downing tools at the present time because it is unusual for this to happen while wage negotiations are still in progress," it said. — Own Correspondent-Sapa

● **Strikers face loss of jobs, page 16**

JOHANNESBURG. — Three Eastern Cape car assembly plants closed down yesterday when at least 10 000 workers stopped work in the biggest strike to hit motor manufacturers in the area.

Own Correspondent

3 plants close in car strike

APK
TUES 16/7/82
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152
1752

Firms would be 'ruined'

Own Correspondent

PORT ELIZABETH. — The three motor manufacturing companies in Port Elizabeth and Uitenhage would collapse if striking workers' demands for a R3,50 an hour minimum wage were met, spokesmen for two of the companies said yesterday.

Faced with the demand for a 75 percent increase of the minimum wage, Volkswagen and Ford are looking at a combined annual increase in their wage bills of about R50-million.

Executives at Ford and Volkswagen agree that the average price of a new car would increase by between R800 and R1 000 if the minimum wage of R3,50 were implemented.

Mr Fred Ferreira, industrial relations manager at Ford, said simply: "Motor manufacturers in the Eastern Cape would cease to exist."

It is estimated that the total shutdown at Ford is costing the company R2,4-million a day — the value of the 300 vehicles it usually produces in one day.

Mr Ferreira said that based on a 43¼-hour week, an unskilled worker earning R3,50 an hour would take home R658,43.

"In this category we have sweepers and cleaners who are trained in one day to do their jobs. In this category we have workers whose jobs it is to lash cars to trucks.

"And this is the kind of salary which we pay to newly-graduated engineers. The demand is just crazy."

Modified pay demands by car union

178645 16/782

~~63~~ ~~140A~~ ~~153~~ ~~192~~ ~~376~~

Argus Bureau

PORT ELIZABETH. — The National Automobile and Allied Workers' Union (NAAWU) presented modified pay demands at this week's meeting of the Industrial Council for the motor industry in the Eastern Cape.

Union officials indicated that the modified demands were for an initial increase in minimum hourly wages of 25 per cent. Originally a 75 per cent increase in minimum wages, from R2 an hour to R3.50, was sought.

At Wednesday's Industrial Council meeting, which ended in deadlock, the NAAWU delegation suggested that workers in grade one receive R2.50 an hour.

SPIRIT

This would be increased to a minimum of R2.75 after six months, R3 after a year and R3.25 after 18 months.

The union's general secretary, Mr Fred Sauls, said: "There was a complete lack of any negotiating spirit at the Industrial Council meeting and the employers were not prepared to discuss a move from the offer of R2.15 an hour minimum."

"The employer representatives' attitude makes us believe either that these individuals cannot make the decisions or that this is a strategy to force the workers into a strike situation. They may see this as a way to force division among the workers and destroy the union."

After a report back to workers yesterday on the negotiations by shop

stewards at Ford, General Motors and Volkswagen, all hourly paid employees at two Ford plants and a number at two of the company's other plants and workers at General Motors and Volkswagen walked out.

In an interview yesterday, NAAWU officials said the aim in initially demanding R3.50 an hour was not to keep wages abreast of inflation but to improve the workers' standards of living.

BACKLOG

A member of the NAAWU negotiating team, Mr Brian Fredericks, said it was pointless to talk of a downturn in the economy in the context of wage negotiations.

"We believe there is a backlog of low wages among workers in South Africa which has to be rectified."

Mr Sauls said the union did not believe increased mechanisation — widely predicted in the face of wage demands — would necessarily lead to unemployment.

"To pay the high rates would push management into accepting their responsibility for ensuring better production, quality and efficiency — and not laying the blame for low productivity on the workers," he said.

Referring to the possibility of the wage demands leading to retrenchments, he said the union thought "a solution could be found to this kind of problem through negotiations conducted in a spirit of goodwill on both sides."

Strikes: All plants close

CAPE TIMES 17/7/82 (63) (192)

BY PHILLIP VAN NIEKERK

ALL MOTOR assembly plants in Port Elizabeth and Uitenhage were closed until further notice yesterday as the strike by more than 10 000 workers over wage demands brought production to a standstill.

Spokesmen for the three companies — Ford, General Motors and Volkswagen — said they would not resume industrial council wage negotiations, due for Monday, until the dispute had been resolved.

The workers downed tools on Thursday after shop-stewards of the National Automobile and Allied Workers' Union (Naawu) had reported back from the industrial council talks that the companies were only prepared to offer a minimum rate of R2.15 an hour.

While at least 10 000 workers went on strike, another 3 000, many of them members of the Motor Assembly and Component Workers' Union (Macwusa), have been affected by the halt in production.

Leyland not hit

The strike is restricted to the Port Elizabeth-Uitenhage area. Leyland, the only major motor manufacturer in the Western Cape, where Naawu is also organized, do not fall under an industrial council and there are no wage negotiations in progress.

Mr Rod Ironsides, the acting chief executive of General Motors and chairman of the Eastern Province Automobile Manufacturers' Association, said the strike had created a "de facto dispute" which had to be resolved before negotiations could continue. Employers were "not prepared to negotiate under duress".

It was "deeply regretted that one party to the industrial council has seen fit to take arbitrary action while negotiations are in progress and despite strong appeals by employers for responsible action".

'Out of touch'

Mr Fred Sauls, general secretary of Naawu, said the employers had not conducted the talks in a spirit of compromise. They were out of touch with the feelings of their workers and had been shocked at the extent of spontaneous worker reaction.

"We offered a compromise deal, starting with a R2.50 an hour minimum now and rising over 18 months to R3.25. They refused to offer more than R2.15 an hour — only 5c more than their first offer in April.

"The workers got fed up when they heard this, because they felt management was just playing

♦♦♦♦

To page 2

A

CAPE TIMES 17/7/82

A

From page 1

around and not really negotiating."

Naawu is to meet workers before Monday's meeting to decide what action to take.

'Exploitation'

The Macwusa organizing secretary, Mr Government Zini, said Macwusa workers had decided not to support Naawu, an affiliate of the Federation of South African Trade Unions (Fosatu), in the strike. Macwusa members, who are mainly at the Ford Cortina engine plant and General Motors, reported for work yesterday.

Mr Zini said they could not support a strike which was involved with the industrial council "which we totally reject as an apartheid vehicle geared to place management in a better position to exploit workers".

Mr Zini also listed the failure of Naawu to support Macwusa in several other strikes and their "half-hearted" action over the half-hour work stoppage called after the death in detention of trade unionist Dr Neil Aggett.



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Fosatu backs striking Cape car workers

Cape Times 19/7/82

63

Staff Reporter

THE Federation of South African Trade Unions (Fosatu) has come out in support of car industry workers who are striking in the Eastern Cape.

In a statement issued yesterday, the Fosatu central committee said it backed the demands of the National Automobile and Allied Workers' Union (Naawu) for a "living wage and better working conditions".

"We wish to condemn Eastern Cape motor employers for offering the pittance they have despite record sales for the past two years. The June car sales report of an all-time record makes a mockery of the 7½ percent increase offered by employers.

"This does not even compensate for the increase in the cost of living. Fosatu condemns the intransigent attitude of the employers. We are clear that employers in the motor industry are co-ordinating on a national basis and that there is

now a concerted effort to check and even break the union on a national basis.

"Non-unionized firms have been given large increases, while in all unionized companies management have firmly resisted demands made by the unions. We are also aware that employers are using the press and opportunist unions to break the struggle.

"Fosatu wishes to congratulate its motor affiliate on the courageous and far-sighted way it has led the battle for higher wages, shorter hours and a better standard of living for all workers in South Africa."

The committee said it was aware that the dispute was entering "a critical and dangerous phase" and asked the workers to be "far-sighted" so that they could emerge with strength.

It added that delegates from the meeting would take up the issue with their respective unions, shop steward councils and shop floor committees.

2 ✓ Q 1.

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

All answer boxes

Number of boxes
Number of questions

Surname.....

First Name (s).....

Date.....

Degree/Diploma you are registered.....

Subject.....
(to be copied)

Paper No.....
(to be copied from the heading on the Examination Paper)

	Internal	External
(1)	(2)	(3)
1	54	
2	52	
Examiners' Initials		

NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

E Cape car plants to *CAPE TIMES 20/7/82* 'prepare to reopen'

Own Correspondent
PORT ELIZABETH. —
Car manufacturers in the
Eastern Cape are expect-
ed to begin preparing
their factories for produc-
tion today after a strike
by more than 10 000 work-
ers led to their plants be-
ing closed last week.

A spokesman for the

manufacturers said they
were making the prepara-
tions following a state-
ment by the general
secretary of the National
Automobile and Allied
Workers' Union, Mr Fred-
die Sauls, during indus-
trial council talks
yesterday that workers
were prepared to return

to work. Meanwhile, at least
4 000 workers, all Naawu
members and mostly Ford
workers, are expected to
return to factories today
after deciding to do so at
a report-back meeting
after yesterday's talks.
The aim would be to as-
sess the position and em-
bark on further action as
the situation demanded.

Naawu spokesmen said
yesterday that at the talks
the union had rejected
management's ultimatum
for a return to work by
more than 10 000 workers
from Ford, Volkswagen
and General Motors be-
fore continuing discus-
sions on a wage
agreement. They said,
however, that they had
proceeded with wage
talks after management
had backed down on the
ultimatum.

Meanwhile, Mr Rod
Ironside, chairman of the
Eastern Province Auto-
mobile Manufacturers'
Association, said the em-
ployers had undertaken
to advise the unions in-
volved in the talks of "the
appropriate plant start-up
schedules".

Report-back meetings
are still to be held with
Volkswagen and General
Motors employees. It is
expected similar deci-
sions will be taken to that
taken by the 4 000 who at-
tended yesterday's report-
back meeting.

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ARGUS 20/7/82

62 63 64

Car men locked out

152 197 346

PORT ELIZABETH. — Several thousand eastern Cape motor industry workers who returned early today to the plants where they downed tools on Thursday, found the gates locked. They were told to leave until the companies could accommodate them again.

This follows a third round of Industrial Council negotiations yesterday where the wage talks which led to the strike again ended in deadlock. A union report-back meeting last night left workers confused about the exact state of affairs.

Before yesterday's industrial council meeting, Ford, General Motors and Volkswagen, said they were not prepared to negotiate further on wages while workers were on strike. However, at the council meeting yesterday, the union said that it had not sanctioned the strike and that they were there to talk wages.

Mr Jury Harris, the President of the National Automobile and Allied Workers Union (NAAWU) which represents the about 13 000 workers who downed tools, said today that employer representatives seemed unprepared for wage talks.

The employers stood by their offer of R2.15 minimum wages. The union was hoping they would negotiate on their moderated demand of an initial

ARGUS BUREAU

R2,50 minimum and a guarantee of R3,50 over 18 months.

The union refused to discuss the strike as it regarded the strike as spontaneous and not sanctioned by them.

At last night's report-back meeting, the workers, said they wanted to return to work today, said Mr Harris.

The acting Executive Director of General Motors Mr Rod Ironside, said workers who turned up today had to be turned back as it took time to phase them in again and through new schedules.

It could take some days before the plants could be fully opened. Operations had to be re-started and other workers who were affected by the strike would have to be recalled first.

Further industrial council meetings were scheduled for Thursday and Friday, and it was likely that the council's dispute procedures would come into effect.

The Argus early today found close on 4 000 workers crowded outside General Motors where the factory gates had been firmly locked.

Motor workers back but gates shut

Argus Bureau

PORT ELIZABETH. — Several thousand motor workers turned up at work today for the second day, only to find the premises locked.

According to the president of the National Automobile and Allied Workers' Union (Naawu), Mr Jury Harris, and Mr Roger Gamomo, chairman of the Volkswagen Shopstewards' Committee, the entire workforce at Volkswagen in Uitenhage — about 6 000 — arrived for work at 6 am and were told that "limited production" would start tomorrow.

LOCKED

When The Argus visited the plant, workers said most of the workers had already gone home. About 100 workers were talking in small groups outside the factory.

At the Ford truck assembly plant, a few workers stood in groups at the locked gate. They said all the workers had arrived to work, but the security guards had told them to go home. They did not see any of the managerial staff.

"The workers are angry about being locked out," said one worker at Ford. "We are suffering

(Contd on Page 3, col 9)

ARGUS
21/7/82
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197
376

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(Continued from Page 1)

through this thing," he added.

Mr Harris, said he thought the employers were trying to confuse the workers by locking the gates. "The workers are clear that they want to return to work. They decided at a meeting on Monday to return on Tuesday."

A reliable source said there were no workers at General Motors today.

Workers

Naawu officials in Port Elizabeth, were not available for comment.

While Volkswagen was preparing today to reopen its paralysed plant in Uitenhage tomorrow after the work stoppage, Ford and General Motors in Port Elizabeth appeared to be in no hurry, aiming at re-opening only early next week.

Volkswagen said yesterday that it intended starting its plant gradually tomorrow and on Friday, and that it was hoping to be in full operation on Monday.

● A new proposal on wage increases has been made by the three motor companies, Naawu officials have disclosed. The proposals were put at Monday's Industrial Council meeting between the employers and the union.

Cape Times 22/7/82 (3) ~~1972~~ 1972
Volkswagen to reopen today 3706

Own Correspondent
PORT ELIZABETH. —
The Volkswagen Motor
Company in Uitenhage re-
opens this morning as the
fourth round of Industrial
Council talks on mini-
mum wage levels in the
motor industry begins.
The factory was closed

last week — as were Ford
and General Motors in
Port Elizabeth — after
more than 10 000 motor
industry workers went on
strike.
The strike followed
deadlock in the Industrial
Council wage negotia-
tions.

Management at Ford
and GM have said they
will open their factories
when the National Auto-
mobile and Allied Work-
ers Union (whose
members went on strike)
informs them that the
workers are prepared to
return.

Rise in ~~1972~~ 63 EL car ~~1971~~ workers' E. Post pay scales 22/7/82

Post Reporter

WORKERS at the Car Distributors Assembly motor plant in East London would receive increases in basic pay scales in excess of 23% this year in terms of an offer made yesterday by the company to two unions.

They are the South African Iron, Steel and Allied Industries Union, and the National Automobile and Allied Workers' Union and it means an absolute minimum on the lowest grade of R419 a month.

The proposed rises are weighted in favour of the workers who earn least so that this year's rises for the lowest grade would top 34%. At R2,15 an hour, pay rates for this grade would have more than tripled over 2½ years.

The unions asked for time to consider the CDA proposal. It was agreed that formal talks would resume on Thursday, August 4.

Naawu had originally demanded a minimum lowest grade wage of R3,50 an hour and amended this yesterday to R2,50 an hour increasing to R2,75 in January.

The dispute between the union and the Eastern Province motor manufacturers of Ford, General Motors and Volkswagen led to a strike and a week-long total shutdown.

In East London union officials and CDA management have decided that whatever agreement is eventually reached will be back-dated to the beginning of July.

At the lowest grade management proposed a 19,4% increase in the hourly rate from the R1,80 that has applied since January, to R2,15 an hour. This would compare with the R1,60 an hour that applied until the end of December, bringing the increase this year to 34,4%.

This compares to 61c an hour paid in June 1978.

A CDA worker in the lowest grade would earn R419,25 a month in terms of the new proposals. At the top end of the scale, CDA proposed increasing the pay rate to R4,43 an hour compared to the R3,80 that applied to the end of June and R3,60 at the end of December.

This represents a 23,1% rise this year alone.

Since June 1978 rises have averaged 37% a year compound at the lowest grade through to 20,5% a year compound at the highest grade.

A further important objective of the CDA proposal is to reward workers who are loyal to the company. Thus the year-end gratuity for those employees with more than one year's service but less than five would be increased from 6% to 7% of basic pay.

CDA has proposed changes to the long-service leave arrangement whereby an extra two days' leave a year would be granted to employees with two years' service. This would rise to four days extra leave a year after five years' service, and six extra days a year after 10 years' service.

Back to work at VW plant

ARGUS 22/7/82

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Argus Bureau
PORT ELIZABETH. —
The Volkswagen plant
was reopened today after
being closed for a week,
but the two other Eastern
Cape motor firms, Ford
and General Motors, re-
mained closed.

The fourth round of

Industrial Council talks
on wages between the
employers and the
National Automobile and
Allied Workers' Union
(NAAWU) begins again
today, although no solu-
tion is yet in sight.

Several thousand
workers turned up for

work on Tuesday and
yesterday after a decision
taken at a mass meeting
on Monday night to re-
turn to work.

Workers have been con-
fronted with closed fac-
tory gates for the past
few days and attempts by
shop stewards to talk to
management have not
always been successful.

RESOLVE

The workers and
NAAWU regard the man-
agement action as a lock-
out designed to divide the
employees. Shop stewards
say it is a strategy aimed
at weakening their re-
solve to fight for a
"decent living wage."

Management, however,
initially maintained it
was not possible simply to
open the factory gates
after the plant had been
out of operation for two
days.

It was necessary to
phase workers back in
gradually by "reschedul-
ing work programmes,"
said a spokesman for one
company.

RDM 23/7/82
Car firm
offers ~~R2,15~~ 63
R2,15 ~~R2,15~~
pay base ~~R2,15~~

Labour Correspondent

EAST London's only vehicle manufacturer, CDA — which makes Mercedes Benz cars — has made a wage offer to unions at its plant which would raise minimum pay to R2,15 an hour.

The offer comes as Fosatu's National Automobile and Allied Workers' Union stands deadlocked with Port Elizabeth and Uitenhage employers over a R2,15 offer.

CDA said in a statement yesterday that its offer — made to NAAWU and the all-white SA Iron, Steel and Allied Industries Union — would raise minimum pay at least 19% over the minimum agreed in January.

The company said its offer would raise pay scales covering all workers at the plant by at least 23%.

Wages in East London lag behind those in the PE/Uitenhage area, although CDA said its offer would mean pay rates for the lowest grade had more than tripled over the past 30 months.

The statement said unions had asked for time to consult their members on the new offer and formal pay talks would resume on August 4.

Union spokesmen could not be reached for comment yesterday.

CDA's statement said the company's offer was weighted in favour of lower paid workers and that a R2,15 minimum would guarantee workers in the lowest grade a wage of R419,25 a month. Taken with January's increase, it would mean a 34% increase for this year.

According to the company, workers in the lowest grade were earning only 61c an hour in mid-1978 and 77c an hour at the end of 1979.

The minimum last December was R1,60 and that agreed in January this year was R1,80.

At the top of the scale, the company was offering workers R4,43 an hour, a 23% increase over the year, it said.

204 23/7/82 (63) (S) (107)

Meeting on motor men's strike ends in deadlock

By STEVEN FRIEDMAN
Labour Correspondent

AN INDUSTRIAL council meeting called to resolve the pay dispute between Port Elizabeth and Uitenhage motor manufacturers and Fosatu's National Automobile and Allied Workers' Union ended in deadlock yesterday.

As a result, the council's disputes procedure would now come into effect, announced the chairman of the industrial council, Mr Fred Ferreira.

This is the first step towards a legal strike or lock-out in the dispute, which has halted all vehicle production in the area over the past week.

Despite the deadlock, production resumed at Volkswagen's Uitenhage plant yesterday as the company opened its gate to allow in workers, who had downed tools last Thursday.

Employer sources indicated that full production is likely to resume at Ford's and General Motors' PE plants early next week. Limited production could resume at Ford today.

NAAWU officials, who were holding a series of meetings with their members last night to discuss the deadlock, could not be contacted.

All vehicle production in the area has been halted since last Thursday when at least 10 500 workers downed tools. NAAWU claims employers have been implementing a lock-out since the day after the strike. Employers deny this.

The council met twice yesterday in an at-

tempt to resolve the pay dispute in which employers have offered a minimum of R2,15 an hour. NAAWU originally demanded R3,50 but it has since indicated it will accept much less.

No new wage proposals were made by either side and they are now formally in dispute. A legal strike or lock-out will not be possible before the end of this month — when the present wage agreement expires — at the earliest.

At Volkswagen yesterday a company spokesman said workers had returned to work staggered shifts, as agreed, with NAAWU shop stewards on Wednesday.

Ford and GM stayed closed. GM said it had told unions of its re-opening plans at yesterday's meeting, but did not reveal the plans. It is understood that full production is likely to begin again early next week.

Mr Ferreira said Ford, which said it could not re-open its plant until it received a NAAWU assurance that all workers would return, had not been given this undertaking yesterday.

But he said the motor company had told NAAWU it would re-open the plant if "substantial numbers" of workers returned. However, because two of the company's four plants had worked on the day of the stoppage, some workers would have to return earlier than others to allow production in some areas to catch up.

It is expected that the plant could resume limited production today, with full production beginning early next week.

E Cape motor industry in deadlock

CAPE TIMES

23/7/82

63

Own Correspondent

PORT ELIZABETH. — The Industrial Council for the Motor Industry in the Eastern Cape entered official dispute procedure yesterday afternoon when all parties in the negotiations on minimum wage levels for the industry acknowledged deadlock.

And last night at a National Automobile and Allied Workers Union (Naawu) report-back meeting on the talks — during which a recording device was found hidden in the folds of curtains in the hall — General Motors workers agreed to return to work on Monday.

The Volkswagen plant was reopened yesterday but Ford remains insistent that it will reopen only when the union informs it that the workers are prepared to return.

Strike

The General Motors, Volkswagen and Ford motor companies have been closed for a week following a strike last Thursday of more than 10 000 motor industry workers. The workers went on strike after the wage negotiations reached deadlock.

Unions officials said they yesterday repeated to management their argument that the decision to strike was not taken by the union but by the workers. The union officials on the IC are not prepared to discuss the return to work with managements.

Their presence at the IC talks was purely to negotiate wages and working conditions on a specific mandate from the workers, said the officials.

During the report-back meeting someone in the audience noticed a bag hanging in the folds of curtains above the stage.

The bag was of an identical colour to the curtains.

Recording device

On his remarking that the bag was there, Mr Fred Sauls, national secretary of the union, told the audience that it probably contained a police bug but that the meeting should expect there to be recording devices — it was part of the struggle, he said.

Colonel Gerrit Erasmus, head of security police in the Eastern Cape, said last night he had no knowledge of the device.

Cape Times 24/7/82

Dispute in car industry declared

PORT ELIZABETH. — The Industrial Council for the Automobile Manufacturing Industry in the Eastern Province has declared a dispute after holding two meetings in Port Elizabeth yesterday.

The council reached a deadlock in negotiating a new wage agreement to come into effect from the beginning of August.

The chairman of the council, Mr. Fred Ferreira, said the council would meet again on August 5 to determine whether to follow the path of mediation or arbitration.

'Disappointed'

Employers are disappointed that no progress was made at yesterday's meeting of the Industrial Council, a statement issued by the Eastern Province Automobile Manufacturers Association said.

Compared with the position in August 1981, the current offer for a Grade 1 employee represented an increase in basic wages of 19,4 percent (R1,80 to R2,15). Over the corresponding period the forecasted consumer price index increase was 16 percent.

Employers had guaranteed a further minimum across-the-board increase in February 1983 which starts at 10 cents for a Grade 1 employee. The effect of this adjustment was that a Grade 1 employee would receive, within a six-month period, an effective basic rate increase of 25 cents an hour, the statement said.

Improvements

Employers have offered the following improvements in general conditions of employment.

"Service leave to increase from a maximum of three days to six days.

"Separation payment — to be funded entirely by the employers — ranging from 10 days pay to a maximum 35 days pay.

"An increase in short term lay-off benefits in excess of 180 percent."

These offers are apart from an agreement to review the total grading structure, which could have enormous cost implications — to be carried by the employers. The employers believe their offer, seen with existing benefits, is amongst the best in the country. — Sapa

Two PE car plants stay shut

ARGUS
27/7/82

63
346

Argus Bureau

PORY ELIZABETH. — In spite of a warning of legal action to be taken against Ford Motor Company by the National Automobile and Allied Workers' Union (NAAWU) if the company did not open its gates to the union's members today, the two plants were still closed today.

Early today a huge crowd of workers gathered outside the two Ford plants, as they have done now for six successive days.

However, according to reports, they were told by the company that only workers of two important departments — "cut and sew" and "parts and accessories" — could start to prepare the way for the rest at a later stage.

REFUSED

Yesterday they were also told that only a limited number of workers could start work at first. But they refused, insisting that all should return to work immediately.

By 9 am it was not clear whether the workers had dispersed.

Yesterday Ford was served with a lawyer's letter on behalf of NAAWU.

The letter says that "in closing down the factory and excluding the employees from the factory premises your company has committed an

act of lock-out as is defined in the Industrial Conciliation Act.

"Where there is a dispute in regard to the terms of a future agreement your company has no right to cease operations on condition that the factory will not be reopened until the dispute has been resolved.

"In the circumstances we are instructed to call upon you to re-open the factory at 7 am on the 27th instant, failing which our clients have no alternative but to move the Court to oblige you to do so."

CONCEDED

The letter said it appeared that when demands for new conditions of employment were made to the employers on behalf of the employees they were rejected. This was reported to the employees on the factory premises on July 15. As a result they downed tools.

"It is unequivocally conceded that this action constituted an illegal strike," it said.

No spokesman for Ford was available today, but the director of public affairs, Mr Dunbar Bucknall, said yesterday that the company had reached an impasse with the workers.

Meanwhile, the Cortina and engine plants, staffed mainly by members of the Motor Assembler's and Component Workers' Union, have been working since yesterday on a limited production schedule.

£. Post
New VW
28/7/82
training
centre
opened (3)

VOLKSWAGEN's extensive apprentice training operation has moved into a new R1 million centre in Uitenhage.

Announcing this, the company's industrial relations director, Mr Ollie Rademeyer, said:

"Apprentice training — which accounts for R3 million of the total annual education and training budget of R4,5 million — has expanded to such a degree that our centre at the main plant in Uitenhage could no longer accommodate the people and equipment."

"Looking to the longer term and in view of the vital need to train apprentices, the company decided to provide a specialised facility and purchased the former Cam TRW plant in Uitenhage.

"This has now been refurbished and equipped with the most up-to-date machinery and equipment and now consists of workshops, lecture rooms and offices.

"Volkswagen at present has 222 apprentices undergoing training in six trades, consisting of toolmaking, turning, motor mechanics, machine fitting, electricians and welding.

"We also have people undergoing general pre-apprentice training," said Mr Rademeyer.

Last year, Volkswagen was the first company in South Africa to qualify black artisans through its apprentice training programme.

BUSINESS 3

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TECHNOLOGY

63

28/7/82

Hoechst, Siemens boost German investment in SA

West German industrialists are pressing ahead with new investment to expand the South African industrial machine even though their own country is experiencing one of its worst depressions since World War 2. Schemes launched by two major companies alone will cost nearly twice the R27.7 million direct German investment in South Africa last year, which was 87.6 percent more than in 1980.

They are Hoechst, which is building a R30 million plastic wrapping plant at Chandor, Kruger's dorp, and Siemens, which is spending about R20 million on upgrading its nine factories in South Africa.

Possibly more important than the Rands and cents being pumped into the South African economy is the transferring of German high technology to South African industry across a wide field of manufacture.

Hoechst, the German chemical giant, already has seven factories in South Africa. These make a variety of products ranging from pharmaceuticals through polyphosphoric acid to PVC. The new plant, due to be commissioned in 1984, will have a capacity of about 6 500 tons of bi-axially oriented polypropylene (BoPp) and cast polypropylene (unoriented polypropylene) a year.

BoPp is used for wrapping food and cigarettes, and for wrapping confectionery and sweets. Most of South Africa's requirements of these products are imported by Hoechst from Kalle, a division of Hoechst AG.

Mr Arno Baltzer, Hoechst's manager director in South Africa, explained: "We feel that in spite of the cyclical downturn, the local economy will show a healthy growth.

"We are constantly assessing new products and openings here, particularly where we can employ either innovative or high technology."

Siemens, over the last few years, according to Wilfried Wentges, chief executive, has invested between R15 and R20-million a year.

"Our investment this year will not be used to build any new factory, but to upgrade nearly every one of our nine factories."

Mr Wentges said that Siemens is currently in its third 10-year agreement with the Post Office to supply it with telecommunications equipment and "in line with those agreements we have been investing in South Africa on an annual basis since 1958.

"However, we have no such long-term agreements with our clients on our power side. There we have been investing because we regard it as important that the services and products we offer here must be as local as feasible.

"We also need investment to safeguard and to introduce a new market share and to introduce technological advancement."

Steinmuller is one of the biggest German companies in South Africa. It builds power stations for Escom, it virtually markets lead and probably employs more South African labour than any other German company here.

Added to the German list are the Volkswagen and BMW motor companies, both with plans to expand in South Africa.

Ford Strike in PE ends

CAPT. TRAVIS 29/7/82
63
142/772/346

PORT ELIZABETH. — Production returned to normal at the four Ford motor plants yesterday after a two-week strike that led to the closure of all the company's operations.

The plants were closed on July 16 after a strike by about 3 000 members of the National Automobile and Allied Workers Union (Naawu). Production was partially resumed at Ford's engine and Cortina plants on Monday.

The strike — which followed a deadlock in talks with the Industrial Council for the Motor Manufacturing Industry of the Eastern Cape — also led to the closure of the General Motors and Volkswagen plants in Uitenhage.

Production returned to normal at GM and VW on Monday after the companies had held talks with Naawu shop stewards. Workers in these two plants have refused to work overtime since their return.

Volkswagen's public affairs manager, Mr Rubin Els, said workers in certain sections had refused to work any overtime.

Naawu's regional secretary, Mr Les Kettledas, said the same applied at GM. A General Motors spokesman was not available for comment.

One of the demands made by the union was that all overtime work be voluntary.

Ford announced on Tuesday it would open all its plants yesterday, as the cut-and-sew seat section had produced enough material.

On Monday, Naawu delivered an attorney's letter to Ford saying the union would take the matter to court if the two plants did not re-open yesterday.

The chairman of Volkswagenwerk in Germany, Mr C Hahn, is visiting the Uitenhage plant.

He held talks with union shop stewards at the Volkswagen plant in Uitenhage yesterday. — Sapa

The battle for a 'decent living wage'

A key issue raised in the recent strike by more than 10 000 motor workers and the subsequent closure of three Port Elizabeth motor companies for nearly a week after the workers had decided to return to work is that of a "decent living wage".

PHILIPPA GREEN,
The Argus Labour Reporter, reviews the recent motor strike in Port Elizabeth

said that while the report of the record car sales had been correct, the market had been made "artificially high" through incentive programmes and discount schemes.

But the workers disagree.

"The employers are talking now about a downturn in the economy, but when there was a boom they did nothing to uplift the living standards of the workers," said Mr R Gamomo, chairman of the shop-stewards' committee at Volkswagen.

Naawu has alleged that motor employers are co-operating on a national basis to crush the union.

A further complication in the dispute between Naawu and the employers has been the attitude of the previously militant Motor Assembly and Components Workers' Union (MACWUSA), which represents part of the workforce.

MACWUSA has refused to support the Naawu workers in their wage demands. About 1 300 MACWUSA members manned the engine and Cortina plants on Monday and Tuesday this week before Naawu and Ford agreed on procedure for a return to work by the Naawu workers.

A MACWUSA spokesman said the reasons for the refusal to support Naawu were:

●The fact that the conflict erupted after a breakdown in Industrial Council wage talks. MACWUSA rejects the Industrial Council system as "an apartheid vehicle geared to please management".

●Naawu had not supported MACWUSA in strikes last year at Ford, General Motors and Firestone.

●Naawu members had stopped work for only five minutes during the half-hour work stoppage to mourn the death of trade unionist, Dr Neil Aggett, in spite of a call by Naawu's mother body, FOSATU, to support the stoppage.

FOSATU has accused MACWUSA of being an "opportunistic" union which has been used by the employers to weaken and divide the majority of workers.

On August 5 the Industrial Council will meet to discuss ways of resolving the formal dispute that was declared last week. There is little chance that there will be agreement on the manner of resolution.

The display of strength by both the National Automobile and Allied Workers' Union (Naawu), representing the workers, and the three motor giants — Ford, General Motors and Volkswagen — in the deadlocked conflict has raised two further questions about the strategies of management and labour. These are:

●The allegations by Naawu that the motor employers are co-ordinating on a national scale to undermine the power of the union.

●The inter-union conflict that has emerged in Port Elizabeth with the Motor Assembly Component Workers' Union (MACWUSA) members refusing to support their fellow workers in their demand for R2,50 an hour.

Previously the demand had been for R3,50 an hour.

Thousands of workers at two mass meetings held in Port Elizabeth last week stressed that they did not consider their demand for R2,50 an hour excessive.

Although motor workers are probably the highest paid factory workers in South Africa, the workers and their union consider themselves in the forefront of the battle for a "decent living wage" for all workers.

The chairman of the shop-stewards' committee at Ford, Mr Douglas Slingers, said the battle was an important one for "our futures and our families' futures".

Another worker said their children should remember them as the ones who fought for a better standard of living for workers of the future.

Naawu's mother body, the Federation of South African Trade Unions (FOSATU), has come out in strong support of the workers' demands for a decent living wage and a better standard of living.

Referring to a report of record car sales over the past two and a half years, FOSATU said they made a "mockery" of the 7,5 percent increase offered by the employers. "This does not even compensate for the increase in the cost of living," said the federation.

The employers, who have stood by their original offer of R2,15 an hour, maintain they cannot afford further increases.

Mr Fred Ferreira, Ford's industrial relations director, said the motor firms paid "substantially higher" wages than any other employer in the country and they were "well in excess of the minimum living wage." Employers could not afford to pay the R2,50 an hour the workers were demanding, he said.

Mr Rubin Els, PRO for Volkswagen,

ARGUS
30/7/82
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Car industry production disrupted

CAPL-TMKS 30/7/82 (63)

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Own Correspondent
PORT ELIZABETH. — Production was disrupted at Ford, General Motors and Volkswagen yesterday.

At Volkswagen in Uitenhage, 2 000 workers were sent home yesterday after repeated requests to them to resume work had been ignored, said Mr Bob Kernohan, press relations manager for the company.

Management had delivered an ultimatum to employees to get production up to "normally achievable production targets" within an hour of starting their shifts this morning or face being sent home again.

At General Motors, a shop steward claimed the company was yesterday faced with so many cars with missing or ill-fitting parts that it threatened to close the plant on Monday.

Threats

He also said workers had claimed foremen were threatening them when they said they could not work overtime because of prior commitments.

Ford workers in the Neave and truck plants

demanding their pay slips to know what they were to be paid during the factory's closure when they had been at the gates every morning available for work.

They were told they would receive their payslips this morning.

The demand halted production in the trim section in the Neave plant for two hours.

The three companies were closed after production was halted by a strike on July 15 by more than 10 000 members of the National Automobile and Allied Workers' Union (Naawu).

Deadlock

The strike followed deadlock in Industrial Council wage negotiations for the motor industry in the Eastern Cape.

Volkswagen's closures came after workers in the press and body shops downed tools.

A shop steward said the workers had said they wanted management to accede to Naawu demands.

The union is demanding an immediate R2.50 an hour minimum wage with an eventual R3.25 rate. Management has offered a R2.15 hourly minimum.

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Treatment of workers still falls short of code

W/E ARGUS
3/17/82

63

Argus Correspondent

BONN. — Treatment of their black workers by West German firms operating in South Africa is improving but still falls short of the principles recommended by the European Community, according to the Government here.

The Government commented on the third set of reports on compliance with the community's Code of Conduct since it was approved in 1977.

Forty-seven German-owned firms, employing 36 904 people, about 90 percent of all those employed by German companies in South Africa, sent reports this year.

About 19 200, or 52 percent, of people employed by these firms are black.

"Overall the reports give the impression that, above all among the larger employers, an awareness of the problems of black African workers and

the necessity of taking special supportive measures has increased," the Government said.

"But in a number of cases the practice does not yet meet the demands of the Code of Conduct.

"Positive developments are observed mainly in the areas in which economic interests have triggered a relaxation of discriminatory barriers in South Africa, that is, in internal company relations and in training.

"The Government remains convinced that the policy laid down by the Code of Conduct is correct and is showing results.

While understanding the short-term burdens that greater realisation of the code of conduct would bring, the enterprises should not overlook the fact that removal of racial discrimination, which is the aim of the code, also could be a contribution to long-term securing of their investments."

Output low: VW sends 1 000 home

CME Times 31/7/82
Own Correspondent

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PORT ELIZABETH. — More than 1 000 assembly workers at Volkswagen were sent home yesterday morning after only four hours of their shift because of excessively low production in the company's manufacturing sections on Thursday.

Yesterday afternoon Mr Ruben Els, public affairs manager at VW, announced that the assembly area would also be closed on Monday because production was still too low yesterday.

On Thursday morning 2 000 workers were sent home from the manufacturing area of the plant after workers in the press and body shops had downed tools.

Workers at the company have also refused to work overtime since Tuesday.

At Ford yesterday, workers from the truck plant were sent home at noon because normal production targets were not being met.

Volkswagen, Ford and General Motors resumed their operations this week after closing down their plants two weeks ago following a strike by more than 10 000 members of the National Automobile and Allied Workers' Union which halted production on July 15.

The strike followed deadlock in Industrial Council wage negotiations.

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NEWS

Amnesty letter drive on bannings

The human rights organisation Amnesty International, has extended its letter campaigns in South Africa to the subject of banned persons.

Until now the organisation has mainly paid attention to the sentences and health of prisoners and detainees in this country.

Recently, however, there has been a flow of letters from many countries to the Minister of Justice, Mr H J Goetsee, urging the lifting of the bans on a Johannesburg attorney, Mr Nicholas Haysom, and an executive member of the Natal Indian Congress, Mr Pravin Gordhan.

Both men were served with banning orders when they were released this year after a period of detention.

The writers sent Sapa copies of their letters to the Minister.

The letters on behalf of Mr Haysom were all from legal people.

They referred to Mr Haysom as a 29-year-old attorney, a researcher at the Centre for Applied Legal Studies at Wits and a former president of Nusas.

They stressed that his two-year banning order prevented him from practising as an attorney and pointed out that, in the past, banned attorneys had been granted an exemption allowing them to follow their profession.

The letters said Mr Gordhan had not been convicted of any offence and was considered "a prisoner of conscience." — Sapa.

'Treatment of workers falls short of code'

Own Correspondent
BONN — Treatment of black workers by West German firms operating in South Africa is improving but still falls short of the principles recommended by the European Economic Community, according to the West German Government.

The government com-

mented this week on the third set of reports on compliance with the EEC's code of conduct since it was approved in 1977.

Forty-seven German-owned firms, employing 36 904 people, about 90 percent of all those employed by German companies in South Africa, sent reports

this year, the government said. About 19 200, or 52 percent, of people employed by these firms are black.

"Overall the reports give the impression that, above all among the larger employers, an awareness of the problems of black workers and the necessity of taking special supportive measures has increased," the government said.

"But in a number of cases the practice does not yet meet the demands of the code of conduct."

It continues: "Positive developments are observed mainly in the areas in which economic interests have triggered a relaxation of discriminatory barriers in South Africa, that is, in internal company relations and in training."

"The government remains convinced that the policy laid down by the code of conduct is correct and is showing results. While understanding the short-term burdens that greater realisation of the code of conduct would bring, the enterprises should not overlook the fact that removal of racial discrimination, which is the aim of the code, also could be a contribution to long-term securing of their investments."

680-m litres of milk go down the drain

Own Correspondent
South Africa pours 680 million litres of milk — one quarter of the annual production — down the drain each year, because of mastitis.

This meant an estimated annual loss of R270-million to the dairy industry, said Dr J H du Preez, of the Department of Pathology of the Veterinary Science faculty at the University of Pretoria.

These losses were direct and indirect through the loss of actual and potential milk production, he said.

The various bacteria that caused mastitis could be harmful if consumed. It depends on how well milk is pasteurised.

For a number of years representations had been made to the department of Agriculture and Fisheries for

financial assistance to start a National Mastitis Action Council, but this had been refused, Dr du Preez said.

"We asked for a 0,1 percent levy to be added to the price of a litre of milk, to go towards the formation of this council," he said.

"If we could raise R10 million to control mastitis we could cut the losses by about 50 percent to about R50 million, and consumers would be able to buy milk for less."

The Dairy Board's public relations officer, Mr J de Bruyn, said: Mastitis is always mentioned when farmers ask for an annual increase in subsidy.

"It is the one problem they spend the most money on, and it is a very real economic problem."

London - born looks, Maxim seems all

Mr Vause Raw
 meaningful power. They were "rigged" to ensure that the National Party could dominate the political scene for the foreseeable future.
 "It is no more and no less than tarted-up white baasskap.
 "The ultimate goal seems to have been white Nationalist control at all costs, and in this they have succeeded. When seen together with the awesome powers vested in the executive president, we are witnessing the first step towards overt dictatorship.
 "The so-called checks on his power are a fraud and the thought of P W Botha having even more power than he already has is a chilling one," Dr Boraine said.

hoped the Prime Minister and the government would have a "considerable rethink".
 ● After a meeting yesterday, the New Republic Party leadership issued a statement on the NP proposals.
 It said the urgency of seeking agreement by negotiation on the accommodation of blacks both inside and outside the homelands in the final constitutional structure was a problem area which the NRP hoped to discuss with the government.
 At the meeting were the NRP leader, Mr Vause Raw, and the four provincial leaders of the party — Mr Ron Miller (Natal), Mr Pat Rogers (Cape), Mr Alex Anderson (Transvaal) and Mr Willem Barnard (OFS).

S. Times 3/8/82
Virtual halt at VW plant

Own Correspondent
PORT ELIZABETH. — Workers operating a go-slow at Volkswagen brought the Uitenhage motor company's production to a virtual halt yesterday.
 And today, for the third consecutive working day, the assembly and machinery sections will be closed because production in the press and body shops has been so low.
 Yesterday all 1200 workers from the body shop were sent home at 9am because of low production, said Mr Ruben Els, VW manager of public affairs.
 The 2000 assembly and machinery workers were sent home on Friday and told there would be no work for them yesterday. There would be no work for them again today because too few units were produced in the body shop yesterday, said Mr Els.
 The workers are protesting at management's offer of a R2.15 minimum hourly wage.

City attorney suspended

Staff Reporter
 A 27-year-old Cape Town attorney, Mr Julian Horak, was suspended in the Supreme Court yesterday from practising as an attorney for three years, as from November 30, 1980.

This followed an application for Mr Horak's suspension brought to the Supreme Court by the Law society of the Cape of Good Hope. The application was unopposed.

Mr Horak, who voluntarily stopped practising in November 1980, was implicated in the criminal trial of John Friedman on February, 1981.

According to the affidavit of Mr Louis van Zyl, president of the Law Society, Mr Horak turned State witness in the case, in which Friedman was charged with illicit dealing in uncut diamonds.

Rewarded
 Mr Van Zyl said Mr Horak acted as go-between between Friedman and the man who arranged the purchase of the diamonds. He was also rewarded by Friedman, who gave him R2500. He later handed the money to the police.
 Mr Van Zyl submitted that Mr Horak had been guilty of unprofessional, dishonourable or unworthy conduct and was not a fit and proper person to continue practising as an attorney.

Mr Horak had been admitted as an attorney on May 30, 1979. He had then practised as a professional assistant with the firm Bloomberg and Company until he resigned in 1980.

Mr Horak stated in an affidavit that he purposely withdrew from the legal profession to try to avoid the adverse publicity which might result from his involvement in Friedman's conviction.

'Ashamed'
 "I am acutely aware of the seriousness of my misconduct and deeply ashamed of what I have done," he said. He asked the council to consider the circumstances in which he became involved.
 He first met Friedman, who was in a wheelchair following a tragic accident, when he was an inexperienced articled clerk, he said.
 "My sympathy for Friedman, coupled with his ability to evoke my sympathy, and the fact that I got caught up in what I can only describe as the web of what I saw as his sincere gratitude, was at all times at the root of my involvement," he said.
 Mr Justice Grosskopf, sat with Mr Justice Vivier concurring, Mr D Scott, instructed by Bisset, Boehmke and McBlain, appeared for the applicant, Dr W E Cooper, assisted by Mr J Sher and instructed by Fairbridge, Arderne and Lawton, appeared for Mr Horak.

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VW closes plant — 6 000 sent home

ARGU' 3/8/82

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Argus Bureau

PORT ELIZABETH. —

Continued work disruptions at the giant Volkswagen plant in Uitenhage today led to the company sending home its work force of about 6 000 and closing the plant until further notice.

Workers streamed out of the plant's gates shortly after 9 am. In a statement afterwards, the company said it was closing all production until further notice.

"This has become necessary due to the continued go-slow strike in

progress in certain areas and which is causing the whole factory to operate on a complete uneconomic basis," the statement said.

"Employees will be advised of any developments which may take place which will enable us to reopen the plant."

The public affairs manager, Mr Ruben Els, said the company was today still hoping to have discussions with shop stewards on the production problems.

Early today, about 2 000 workers were sent

home by the company when arriving for work, as the assembly and machinery sections remained closed for the third consecutive day because of the go-slow.

The rest of the workers were sent home later when production remained slow in the body shop, where a go-slow strike since early last week has caused major disruptions.

Yesterday, the 1 200 workers in the body shop were sent home while 2 000 other workers were idle because their work

was hampered by the slow production in the body shop.

Mr Els said it was not clear if there had been an intentional go-slow in other departments because they were hampered by the limited production in the body shop.

The company had not been informed officially of the reason for the go-slow strike, Mr Els said.

Volkswagen shop stewards have said, however, that the workers wanted in-plant wage talks to replace the Industrial Council wage talks,

which have been formally declared to be in dispute after a series of deadlocked meetings.

The last wage agreement expired at the end of last month and it could now take months before a new settlement is reached.

The president of the National Automobile and Allied Workers' Union (NAAWU), Mr Jury Harris, a VW shop steward, said today that he had informed the company of the workers' demand and was awaiting its response.

ARGUS 4/8/82
63 1100A 157/107/206

Giant car plant still closed today

Argus Bureau closed until further notice.

PORT ELIZABETH. — That means that the giant Volkswagen company is closed for the second time in less than a month, the first time still closed today, with no prospect of a settlement between the company and a large section of the workers who had caused the closure yesterday by their go-slow strike.

The public affairs manager for the company, Mr Ruben Els, said today that no meeting between the company and representatives of the National Automobile and Allied Workers' Union (Naawu) was being planned before tomorrow's scheduled Industrial Council meeting in Port Elizabeth.

Mr Els announced yesterday that a week-long go-slow by workers in some areas had caused the factory to be operating on a "completely uneconomical basis" and that all production would be closed until further notice.

That means that the company is closed for the second time in less than a month, the first time being three weeks ago, when more than 10 000 motor industry workers stopped work at Volkswagen, General Motors and Ford over a wage dispute.

After a week, production at the three plants returned to normal, but Volkswagen started experiencing a go-slow strike.

At tomorrow's meeting, the council is expected to consider the further negotiation options available.

Meanwhile, about 50 workers at the Veldspun International Textile Company in Uitenhage have reportedly been sacked for refusing to do work of about four workers who were retrenched last month because of production cut-backs.

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Times Classified

More E. Cape motor plants hit by strikes

PORT ELIZABETH — The current wage dispute in the motor industry in the Eastern Cape was further highlighted yesterday with the assembly section of the General Motors plant, the truck plant at Ford and the whole of the Volkswagen plant closed

And a statement issued by the National Automobile and Allied Workers' Union (Naawu) yesterday indicated that the union might withdraw from the Industrial Council if the dispute was referred to arbitration.

The council meets today to discuss the procedure it will adopt to resolve the deadlock in negotiations.

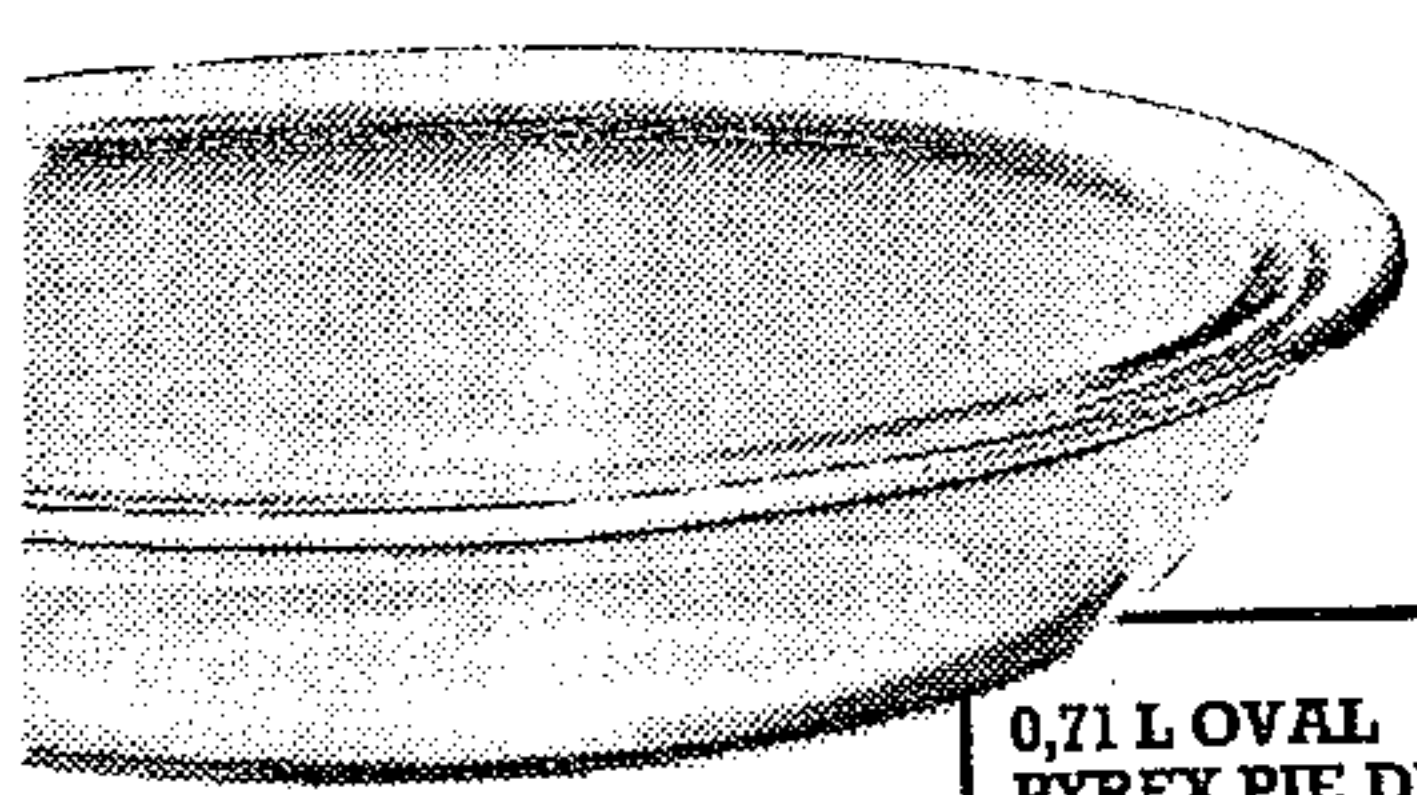
At Ford yesterday the truck plant was closed after workers downed tools in protest at a company bulletin which was posted in the plant detailing management's wage offer at the IC talks.

A shop steward said the workers saw this as provocation and believed it indicated that the company would insist again on its offer of a R2.15 minimum hourly wage when the IC talks resumed today.

Volkswagen was closed "until further notice" on Tuesday after a week-long go-slow affected production so badly that the company announced it was no longer able to operate economically.

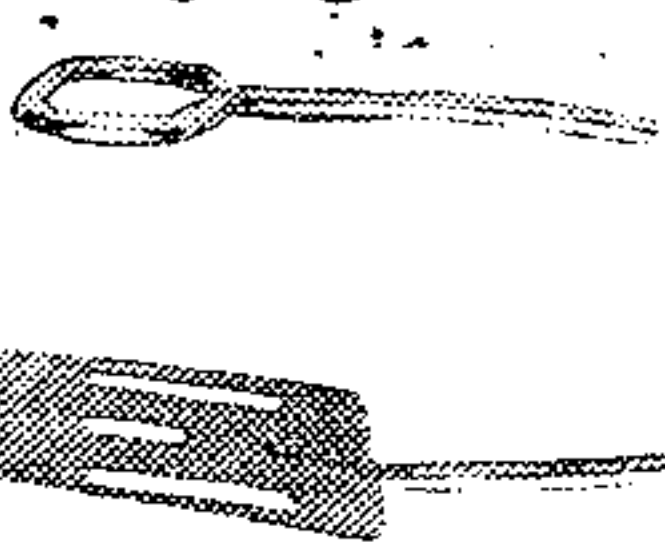
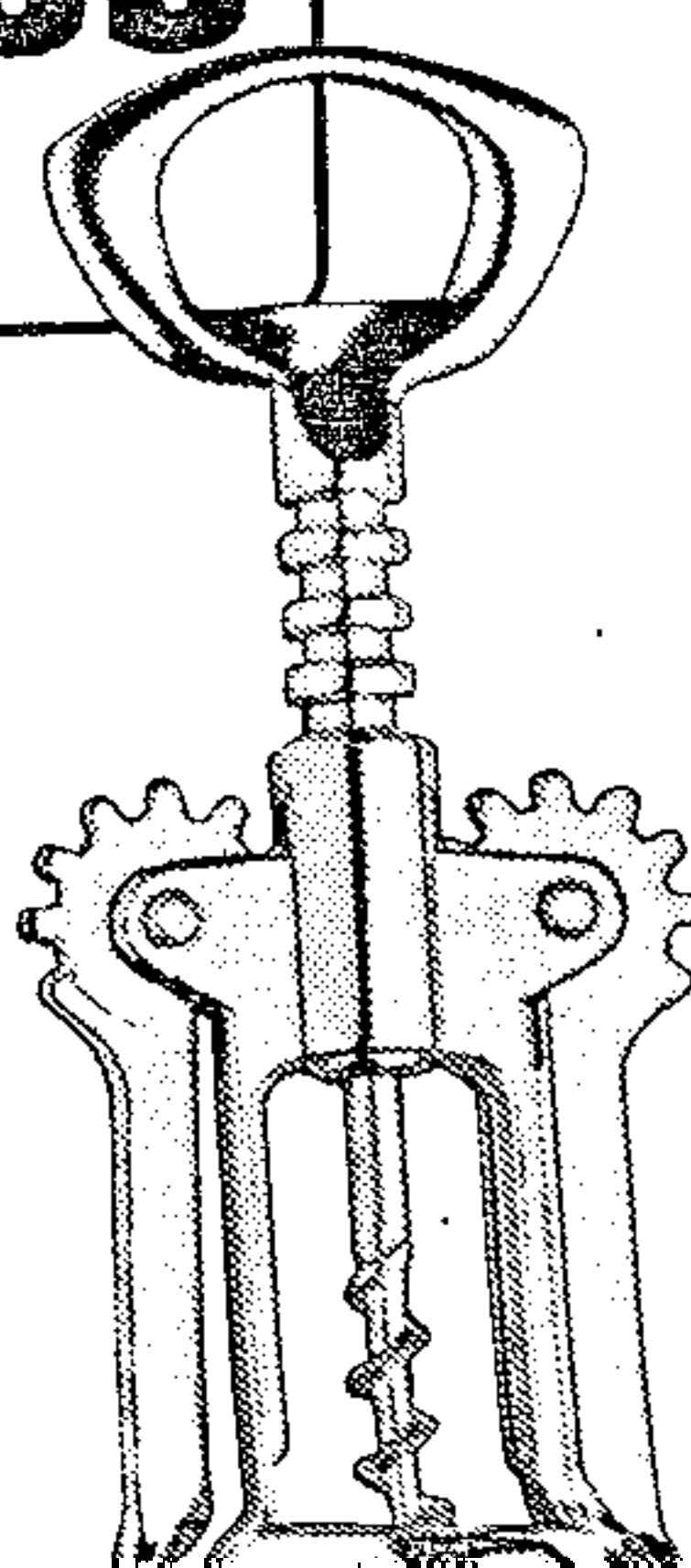
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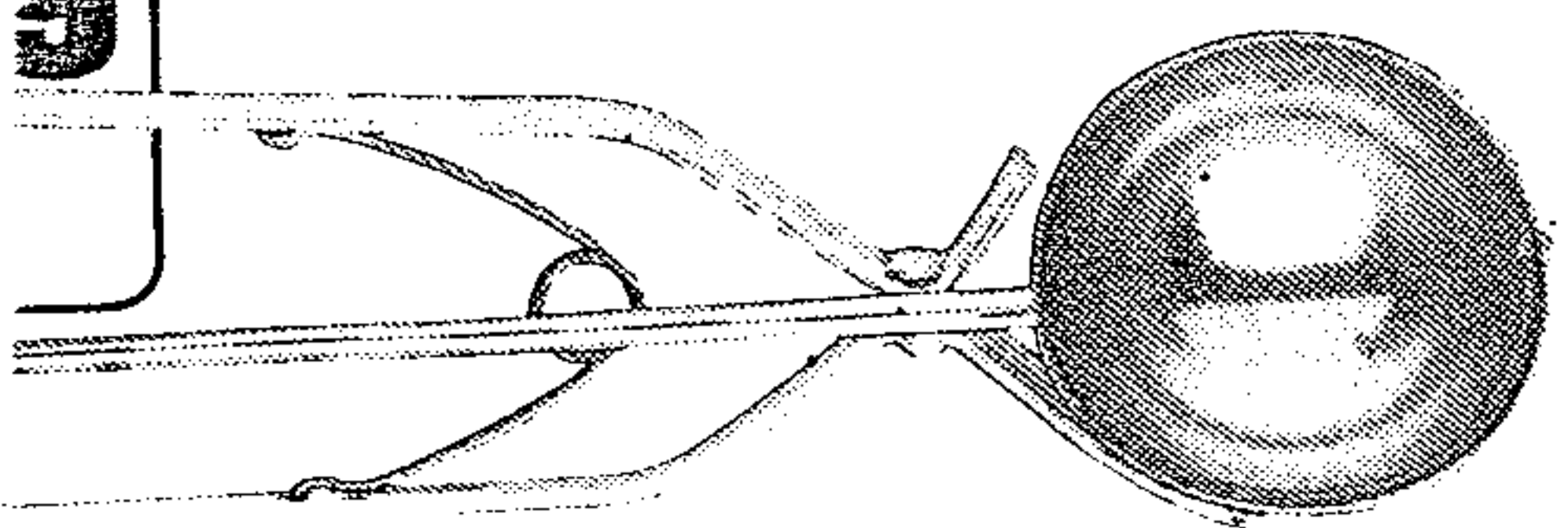


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Closure of plants a 'lockout'

ARGUS 5/8/82

63 140A

152 182 346

Argus Bureau

PORT ELIZABETH. — The closure of plants by Ford, General Motors and Volkswagen for more than a week last month after a strike by about 11 000 workers was "an illegal lockout," according to the deputy general secretary of the Steel and Allied Industries Union, Mr H Ferreira.

The union, one of the more conservative white unions, is negotiating on wages and working conditions at the industrial council for the motor manufacturing industry of the Eastern Cape, which meets today.

Also represented are the three companies and the National Automobile and Allied Workers' Union (Naawu).

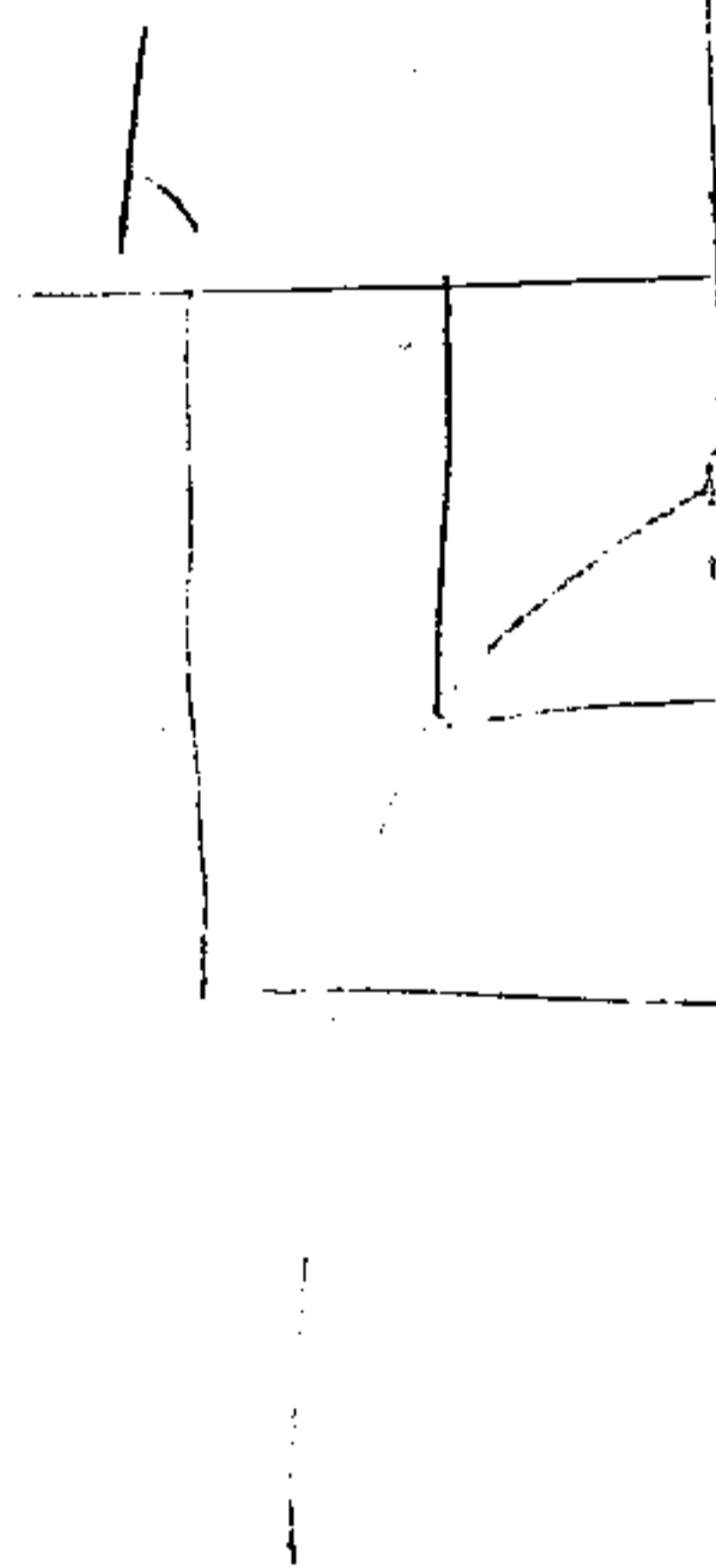
Mr Ferreira said his union had asked the employers to pay its members for the period the plants were closed. Its members did not take part in the strike on July 15 by members of Naawu.

Naawu has also demanded payment for the period the plants were closed.

The manufacturers refused to pay the steel union's members for time not worked. The union has demanded that the matter be discussed at today's meeting.

"We will go all the way if necessary to get payment for our members," Mr Ferreira said.

The union supported Naawu's demand for severance pay of one month's wages, for every completed year of service.



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CAPE TIMES 6/12/62

Naawu rejects new wage offer

Own Correspondent

PORT ELIZABETH. — Several thousand members of the National Automobile and Allied Workers' Union (Naawu) employed at Ford, General Motors and Volkswagen last night rejected outright the new wage offer made by the companies at yesterday's Industrial Council talks.

The council, which is negotiating an agreement for the motor industry in the Eastern Cape and is formally in dispute over the wage talks, was adjourned until Monday for the union to take the offer to its members.

At the three Naawu report-back meetings on the talks, workers were told that the companies had offered a R2,20 minimum hourly wage — five cents more than their previous offer.

The union is demanding an immediate R2,50 hourly minimum with six-monthly increments of 25 cents to an eventual R3,25 hourly minimum at the end of two years.

A severance pay offer was rejected by all three meetings on the grounds that it did not make provision for workers with less than two years' service to the companies.

At the General Motors and Volkswagen meetings workers accepted a management proposal for "lay-off" pay which would provide workers with scaled guaranteed annual payment if they should have to work short-time during the year.

Ford workers rejected this proposal.

54, 5 + 30 = 84



UNIVERSITY OF CAPE EXAMINATION ANSWER BOOK

PORT ELIZABETH.

 — After three weeks of major disruptions in the Eastern Cape motor industry, the peaceful strikes took an ugly turn today when fighting broke out between workers at the giant Ford Neave plant.

Authoritative sources reported that striking Ford workers were involved in brawls with workers who wanted to continue their jobs.

A later report said knives were used in the fighting, and that 11 people were injured, but not seriously, and that they were being treated at the company's first aid department.

The police liaison officer for the Eastern Cape, Major Gerrie van Rooyen, confirmed that police were on standby outside the Neave plant, including a contingent of the reaction unit (riot squad).

Meanwhile the Neave plant was said to be on the point of closing because of walkouts there today, the Ford truck plant was closed early and the General Motors plant at noon today.

With the Volkswagen plant closed since Tuesday, this brings the number of closed motor industry plants in Port Elizabeth and Uitenhage to a confirmed three, with another pending and walkouts of numbers of workers were also reported at a Ford plant at Struandale.

EVADED

An authoritative spokesman said that shortly before noon, a group of workers who had walked out at Ford's Neave assembly plant, had evaded security personnel by climbing over a fence.

Inside the premises they argued with workers who would not leave their jobs and fighting broke out, resulting in five people being injured and treated in the first-aid department.

All Ford's top executives were said to be at the Neave plant in an attempt to "sort things out".

A spokesman for General Motors confirmed that the company has closed its production section when workers walking off their jobs "made it impossible to continue".

The workers had collected their pay before noon, when downing tools.

At three report-back meetings last night, several thousand members of the National Automobile and Allied Workers Union (NAAWU) employed at three motor companies rejected outright the new wage offer made by the companies at yesterday's Industrial Council talks.

The council, which is negotiating an agreement for the motor industry in the Eastern Cape, and is formally in dispute over the talks, adjourned until Monday for the union to take the offer to members.

Workers were told that the employers had offered R2,20 minimum wages — 5c more than their previous offer.

The union is demanding an immediate R2,50 an hour minimum with six monthly increments of 25c to an eventual R3,25 an hour.

The national secretary of NAAWU, Mr Fred Sauls, said today that the union would not accept arbitration or mediation as a further procedure to try to resolve the issue as it did not want another party to decide on the issue, which was being handled by collective bargaining.

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Fighting as strike tensions mounts
ARGUS 6/8/82

Paper No.....
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4. Do not write in the left hand margin.

do not communicate with other candidates or with any person except the invigilator.

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Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

CRUCIAL WEEK AHEAD FOR MOTOR INDUSTRY

W/E Argus 7/8/82

163

Weekend Argus Reporter by one of the motor industry unions were totally unacceptable.

PORT ELIZABETH. — The troubled Eastern Cape motor industry will be largely at a standstill next week, and thousands of workers may lose their jobs if the situation is not resolved at an industrial council meeting on Monday.

More than 2 000 workers in other industries here have lost their jobs in the past two days through strike action.

A motor industry official, who asked not to be named, said the employers were likely to set ultimatums next week for strikers to work or lose their jobs.

A spokesman at another company said only that it would regard it in a "very serious light" if employees did not return and work normally next week.

Already more than 15 000 workers are idle at Eastern Cape factories, two major factories are closed and at least three others have been operating at less than half their production capacity.

The managing director of Volkswagen, Mr Peter Searle, yesterday told a conference in Johannesburg that wages demands

Go-slow action which paralysed Volkswagen for most of this week has been attributed to workers wanting in-plant wage talks. The company is reopening some sections of its plant on Monday and is hoping to be in full production on Tuesday.

Ford will open its gates on Monday. The company closed its truck plant for two consecutive days this week and many workers downed tools in its three other plants.

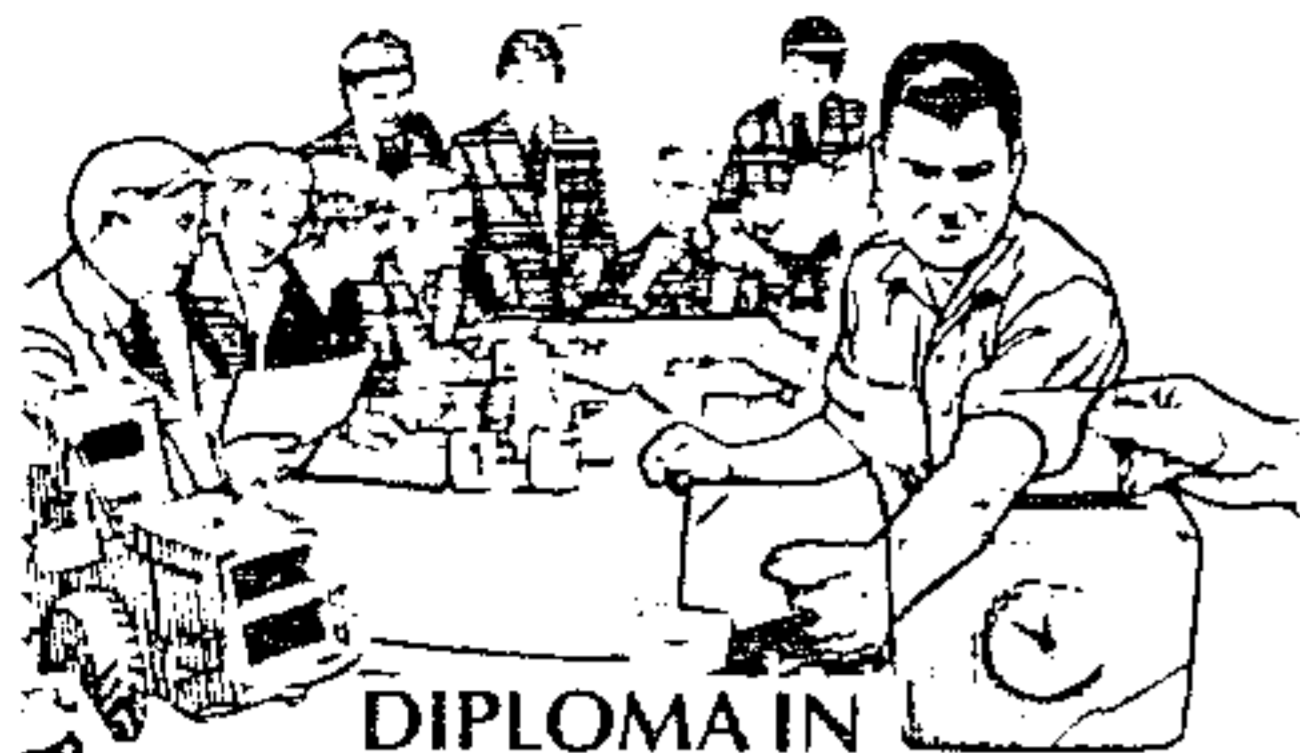
General Motors closed at noon yesterday because of the walkout and it is believed the plant will remain shut on Monday.

Thousands of members of the National Automobile and Allied Workers' Union (Naawu), rejected an improved wage offer from employers this week. The white SA Iron, Steel and Allied Industries Union said it believed it could get its members to accept the wage offer.

The employers are now offering R2,20 an hour on their minimum scale — an extra five cents. Naawu is demanding R2,50, with six monthly increments of 25c to an eventual R3,25

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...any more. It's a potential
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...and it's just being totally
...ignored," said the group's
...secretary.



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CAPE TIMES 7/8/82

Kaplan: Student bodies shocked

Staff Reporter

STUDENT organizations have expressed their shock and condemnation of the deportation on Wednesday of UCT post-graduate student Mark Kaplan.

Immigration officials and members of the security police gave Mr Kaplan, who was detained for 51 days last year, an hour to pack before putting him on an aircraft to Zimbabwe.

The UCT Community Video Resource Association (CVRA), of which Mr Kaplan was co-ordinator, released a statement yesterday protesting "in the strongest possible form".

"His deportation amounts to conviction without trial. It implies guilt, where there is none, of an offence for which the State has no name, after imprisonment for no reason."

Video shows

His only "crime" had been to help produce video documentaries in Cape Town on such issues as poverty, TB and education, the statement said.

The Nusas head office called the deportation an underhand means by which the State removed "so-called undesirable aliens". It was a method used by a "fearful, crisis-riddled government" unable to cope with opposition.

● The South African Society of Journalists yesterday condemned the deportation as a "sinister attack on the media and the free flow of information."

● Leading article, page 8

CAPE TIMES 7/8/82

Motor plants close as men down tools

Own Correspondent

PORT ELIZABETH. — Almost the entire workforce at General Motors walked out yesterday and Ford's Neave and truck plants were closed after workers had downed tools.

A number of workers at Ford's Cortina and engine plants also downed tools, but Mr Fred Ferreira, director of industrial relations at the company, said production in these plants was continuing and a skeleton staff would be brought in to man the other sections of the factory essential to their operation.

The closure of the plants follows repeatedly disrupted production at the three motor firms currently facing a wage dispute in the Industrial Council for the Motor Manufacturing Industry in the Eastern Cape.

Ford, GM and Volkswagen — which has been closed since Monday — are trying to reach an agreement with the National Automobile and Allied Workers' Union (Naawu) and the SA Iron, Steel and Allied Workers' Union to replace an agreement which expired at the beginning of this month.

Fighting

At report-back meetings on the Industrial Council talks on Thursday, thousands of Naawu supporters rejected the companies' new wage offer.

At the Neave plant yesterday, fighting broke out between workers who had downed tools and those who wished to continue working. A reliable source said 11 workers

were injured, some with knife wounds.

However, neither Mr Ferreira nor a spokesman for Naawu was able to confirm this.

Major Gerrie van Rooyen, police press liaison officer for the Eastern Cape, confirmed that members of the reaction unit had been deployed at the Neave plant but said this was not at the request of Ford.

The policemen had been present in case the workers spilled into the street from inside the plant and in case a public disturbance was created.

'Compelled to close'

At GM, thousands of workers left the plant after being paid and went home.

Mr Peter Sullivan, public relations manager for the company, said the company was "compelled to close when workers walked off the job and made it impossible to continue normal production".

He said the company was not in a position to give details of the number of people who walked out.

Meanwhile, Volkswagen announced yesterday after discussions with shop stewards that it would reopen most of its Uitenhage plant on Tuesday.

A company spokesman said more than 75 percent of the workforce would start on Tuesday in order to enable full production to begin on Wednesday.

A union spokesman confirmed the decision had been reached after discussions with management.

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RDM (63)
7/8/82
VW may
bring in
robot
workers

Labour Correspondent

THE managing director of Volkswagen SA, Mr Peter Searle, yesterday attacked the trade union stance in the East Cape motor industry's wage dispute and said employers might introduce robots into plants if the labour situation remained unchanged.

Volkswagen's plant has been closed for much of this week after a continuing go-slow over wage demands and further unrest had led to the closure of one Ford and one General Motors plant yesterday as workers rejected a fresh wage offer which would raise minimum pay to R2,20 an hour.

Mr Searle was speaking at a seminar organised by his company in Johannesburg.

The East Cape motor industry has been hit by continuing unrest as employers and the National Automobile and Allied Workers Union remained deadlocked on the wage dispute.

The union initially demanded a R3,50 an hour minimum, but now wants R2,50.

Mr Searle said the union's demand was "totally unrealistic relative to current wage levels, the state of the economy and the state of the businesses on whom the demands are made".

● See Page 2

Motor giants idle in EP

AKews 9/8/82

63

PORT ELIZABETH. — Most of the giant Eastern Cape motor industry was still idle today, following go-slow strikes and walk-outs last week, and there was little prospect of the wage dispute being resolved at another Industrial Council meeting.

It has been learnt that the three employer companies — Ford, General Motors and Volkswagen — would not improve their latest wage offer.

This offer, made on Thursday after a series of deadlocked council meetings and major work disruptions, has been rejected by the National Automobile and Allied Workers' Union (Naawu).

More than 10 000 Naawu members have sporadically disrupted the industry here in the past three weeks.

On Friday, after report-back meetings, thousands of them walked out again at General Motors and

Ford Volkswagen, which closed its Uitenhage plant early last week, announced today that after consultation with worker representatives it intended to open partially tomorrow and fully on Wednesday.

General Motors announced today that it would re-open on Wednesday after being advised by shop stewards that workers who had walked out at noon on Friday would return.

Ford's four plants were open today, but there was high absenteeism and a vital department, cut-and-sew, was at a standstill because none of the staff had arrived.

The director of industrial relations, Mr Fred Ferreira, said staff would be brought from other sections to get production going again. If this was not successful, large sections of Ford would have to close.

CAR: Traffic 63
9/8/72

VW training 222 apprentices in new centre

VOLKSWAGEN'S extensive apprentice training operation has moved into a new R1m centre in Uitenhage.

Announcing this, the company's industrial relations director, Mr Ollie Rademeyer, said: "Apprentice training — which accounts for R3m of the total annual education and training budget of R4.5m — has expanded to such a degree that our centre at the main plant in Uitenhage could no longer accommodate the people and equipment.

"Looking to the longer term, and in view of the vital need to train apprentices, the company decided to provide a specialized facility and purchased the former Cam TRW plant in Uitenhage."

This has been refurbished and equipped with the most up-to-date machinery and equipment and now consists of workshops, lecture rooms and offices.

Six trades

"A present we have 222 apprentices undergoing training in six trades, consisting of toolmaking, turning, motor mechanics, machine fitting, electricians and welding. We also have people undergoing general pre-apprentice training," said Mr Rademeyer.

Last year, Volkswagen was the first company in South Africa to qualify black artisans through its apprentice training programme.

"We will have many apprentices qualifying this year, but even taking this into account, the total number of apprentices in training will increase to just under 300 in 1983 and to more than 450 per year by 1987."

Mr Rademeyer said that greater attention was also being paid to the training of semi-skilled workers.

"This former Volkswagen apprentice training centre at our main plant is now to be used for such training, which was previously carried out in a smaller area," he said.

Basic skills

"The extension of this facility will also enable the setting up of vestibule training i.e. training in practical job situations away from the normal work area. Here, all new operators will be trained in basic skills. There will also be an area for training key operators, such as CO₂ welders, electrical fault-finders, repair men and utility operators.

"This facility will provide many Volkswagen workers with the opportunity to acquire new skills and thus advancement. It will also do much to maintain Volkswagen's high product quality."

Mr Rademeyer said a further vital area for training was for shop floor supervisors.

"We are now running such programmes aimed at improving the administrative, supervisory, interpersonal and technical skills of the supervisors."

The emphasis is on equipping the supervisor with the necessary skills needed to perform his very important function rather than providing him with a lot of theory."

Education

In addition, Volkswagen is concentrating on providing assistance in education to the community at large, running programmes such as:

- An ongoing careers guidance programme at local high schools:

- Extra lessons for black matriculation pupils;

- A holiday school for teacher training.

Mr Rademeyer said: "It is no good for industry to sit back and wait for education to be improved; industry has to get involved and play its part in providing better teaching and job opportunities."

Naawu pulls out of negotiations

Own Correspondent

DURBAN. — The National Automobile and Allied Workers Union (Naawu) delegation yesterday walked out of the Eastern Cape motor industries' Industrial Council meeting and the union has withdrawn from present negotiations.

Naawu organizer Mr Les Kettleidas said: "As talk turned to whether the council should now apply for arbitration, we

made our position clear that we would not be party to such a decision."

Volkswagen and General Motors remained closed yesterday and Naawu members at Ford did not report for work

New offer

A formal dispute was declared last month and the resulting Industrial Council meeting adjourned last Thursday when employers made a

new offer of R2.20 an hour — 5c up on their previous offer.

Naawu has demanded an immediate R2.50-an-hour minimum wage with six-monthly increases up to an eventual R3.25.

When the council reconvened, the union reported its members' rejection of the employers' new offer.

"Employers said they were not in a position to increase the offer and no further negotiation took place on the issue," Mr Kettleidas said.

The employers and the SA Iron and Steel Workers Union then decided to settle for arbitration and the Naawu union delegation withdrew from the council, he said.

Mr Kettleidas said the union had withdrawn because "we felt this was not the proper course of action to take, as it should have been settled between the parties concerned".

General Motors announced that its plant would not re-open till tomorrow. This followed Friday's walkout by the entire workforce.

At Volkswagen preparations were being made to open certain departments today. The Uitenhage plant shut down early last week following a go-slow by workers.

A company spokesman said the decision to re-open the plant had followed discussions with employee representatives. Production should be back to normal tomorrow, he said.

At Ford, the industrial relations manager, Mr Fred Ferreira, said all the plants were operative but there was a "fairly high" worker absenteeism.

According to worker reports only Ford's Cortina and engine plant were in full production.

CARL limits 10/8/82

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10-day closing for Ford plants

CAPE TIMES 11/8/82

PORT ELIZABETH. — The Ford Motor Company yesterday announced that all its Port Elizabeth plants would be closed until August 20, after workers at the company's Neave plant had downed tools and walked out at midday.

were stationed at both Ford and General Motors yesterday and workers emerging from the Neave plant were told their gathering on the pavement outside the plant was illegal. They were given two minutes to disperse.

Workers said they walked out yesterday in protest at the firing of six of their colleagues and the

suspension of a seventh on Monday.

Ford's director of industrial relations, Mr Fred Ferreira, confirmed the dismissals saying the six had been fired for "their participation in the hooliganism at the plant on Friday".

He could not confirm the suspension of the seventh man.

It was reported on Friday that fighting between workers who downed tools and those who wished to continue their shifts had resulted in 11 people being injured.

However, the National Automobile and Allied Workers' Union (Naawu) said earlier this week that efforts to confirm the alleged acts of violence and intimidation had been unsuccessful.

'Saw no acts'

Workers interviewed said they did not know of anyone who had been injured on Friday and said they had not witnessed acts of violence.

The whole factory was closed last month after deadlock in wage negotiations in the Industrial Council for the motor-manufacturing industry in the Eastern Cape had sparked off a strike by more than 10 000 Naawu members.

The Volkswagen and General Motors plants were also closed.

Production has repeatedly been disrupted since the three companies reopened.

Mr Ferreira said Ford would be closed today "as a result of work stoppages". It would reopen on August 20.

Holiday pay

About 5 000 hourly workers affected by the closure would receive three days' holiday pay, he said.

At General Motors yesterday, several hundred people arrived for work to find the gates closed.

A Naawu spokesman said there was confusion about the reopening of the plant, which closed on Friday, because the union had not had time to contact all its members after being informed by management on Monday that the plant would reopen only today.

From page 4

eggs prices to 45 cents a dozen last week, while Checkered the price reduced the price to 48 cents today and 59 cents. And prices are expected to drop even lower next week.

Spokesmen for the Grand Bazaars said they could have expected to see prices in the Cape had also been reduced to a lesser degree. A spokesman for the Bazaars said that had he been subjected to such a treatment, he might have expressed his displeasure in a different way.

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... after taking the South Africa Good Hope Centre last night tournament, back page.

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Carl Rogers in SA Report,

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VW gets a R1-m

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training centre

Volkswagen's extensive apprentice training operation has moved into a new R1 million centre in Uitenhage.

Industrial relations director Mr Ollie Rademeyer said apprentice training now which accounted for R3 million of the total annual education and training budget of R4.5 million.

"At present we have 222 apprentices undergoing training in six trades, consisting of toolmaking, turning, motor mechanics, machine fittings, electricians and welding. We also have people undergoing general pre-apprentice training," said Mr Rademeyer.

BLACK ARTISANS

Last year, Volkswagen was the first company in South Africa to qualify black artisans through its apprentice training programme.

"We will have many apprentices qualifying this year, but even taking this into account, the total number of apprentices in training will increase to just un-

der 300 in 1983 and to more than 450 a year by 1987."

Mr Rademeyer said that greater attention was also being paid to the training of semi-skilled workers.

"We are now running such programmes aimed at improving the administrative, supervisory, inter-personal and technical skills of the supervisors. The emphasis is on equipping the supervisor with the necessary skills needed to perform his very important function rather than providing him with a lot of theory."

In addition, Volks-

wagen is concentrating on providing assistance in education to the community at large, running programmes such as:

- An ongoing careers guidance programme at local high schools.

- Extra lessons for Black matriculation pupils.

- A holiday school for teacher training.

Said Mr Rademeyer: "It is no good for industry to sit back and wait for education to be improved; industry has to get involved and play its part in providing better teaching and job opportunities."

Uitenhage is equipped with the most up-to-date equipment for 222 apprentices at present.

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Paper No. Page 11

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NOTE CAREFULLY

1. Enter at the top of each page and in the left hand margin of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for all answers. The use of a ball point pen is not acceptable. Red or green ink may be used for underlining, emphasis or for diagrams which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
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No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.

Candidates are not to communicate with other candidates or with any person except the invigilator.

No part of an answer book is to be torn out.

All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

R42-million lost in motor strikes

CAR, Times 13/8/82

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R2/346

Own Correspondent

PORT ELIZABETH. — Two of the three strike-ridden Eastern Cape motor manufacturing giants, have together lost about R42-million in revenue and production and 11 400 workers have lost about R2-million in unpaid wages since the start of the troubles on July 15.

These figures were released by spokesmen for Ford in Port Elizabeth and Volkswagen in Uitenhage yesterday.

General Motors, which has 4 000 hourly-paid workers, declined to supply figures but said that

the effect on families in loss of earnings through work stoppages was of particular concern to the employers.

GM's assistant managing director Mr Rod Ironside, said that despite repeated appeals for responsible action and a realistic approach compensation, the economics of the situation were not being viewed on a rational basis.

Volkswagen's public affairs manager, Mr Ruben Els, said that with R96 000 as the daily pay packet for the company's 6 000 hourly-paid workers, unpaid wages totalled

more than R1-million in 12 working days lost from July 15 to Tuesday this week.

Mr Els said that over the 12 days the company had lost R24-million in production turnover.

Ford's public relations officer Mr Harry Hill said the company was working on a figure of R100 000 a day for its 5 400 hourly-paid workers.

In nine lost working days and six days of interrupted production, workers had lost about R1-million in wages.

The figure did not include Ford's present closure from Wednesday this week to August 20 during which workers would get three days' holiday pay.

With daily revenue losses estimated at about R2-million, the company had lost R18-million in the nine days' shutdown.

He expressed particular concern for the large number of workers who were compelled to lose earnings because of the actions of others.

Inevitable industrial consequences were that manufactured products had been curtailed and sales lost.

● Production resumed at General Motors yesterday, Sapa reports, leaving only Ford's Port Elizabeth plants closed after a strike, go-slows and walkouts in the Eastern Province motor manufacturing industry during the past month.

General Motors closed on Wednesday after workers downed tools when 18 employees were dismissed in connection with alleged assaults and damage to company property on Friday.

At Volkswagen, production returned to normal yesterday after the Uitenhage plant had closed last week when workers started a go-slow.

Union says sackings raise conflict chance

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Weekend Argus Bureau
PORT ELIZABETH. —
The mass retrenchment at
Ford this week is seen by
workers as an attempt to
frighten them of calling
further strikes, but it has
raised the "conflict poten-
tial".

This was said today by
the secretary of the
National Automobile and
Allied Workers' Union
(NAAWU), Mr Fred
Sauls.

His union's members
have in the past month
been responsible for an
unprecedented wave of
strikes in the Eastern
Cape motor industry re-
lated to a protracted wage
dispute.

MEETINGS

Mr Sauls said in an
interview that a further
line of action would be
decided at a series of
union-worker meetings
early next week.

Ford announced yester-
day that 507 workers
were being laid off be-
cause of hardship in the
industry. The company
has already this year in-

plemented shorter weeks
and short-time
on any country it oper-
ated in."

The reaction of workers
to their retrenchments
"could not be expected to
be passive and without
resistance." Mr Sauls
said.

MANUFACTURERS

Contrary to frequent
claims that the motor
manufacturers in the
Eastern Cape were there
for the well-being of the
community, Ford had
shown it protected the
interests of its share-
holders "irrespective of
the repercussions on
human life or the effects

Irrespective of the
workers' decision
NAAWU would take up
with managements the
lay-offs and the sacking
of six Ford workers and
17 General Motors
workers for alleged
"molestation" of other
workers, he said.

The sackings led to
walkouts at both plants
early this week.

Ford then closed its
operations until August
20, but General Motors
has remained open.

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Telefunken 'lost' millions in Republic

CAPE TOWN 16/8/82

63

Own Correspondent

JOHANNESBURG. — A legal slip has cost the German inventor of South Africa's PAL television system millions of rands because it forgot to patent the system in the Republic.

As a result, the SABC does not pay a patent-licensing fee to the inventor — AEG-Telefunken — on television sets sold in South Africa.

This was confirmed last week by both AEG-Telefunken and an SABC spokesman.

In the past eight years, 800 000 sets have been manufactured under the Telefunken name by an East London company.

If there had been a local patent, the SABC would have had to pay 0,08 percent of the retail price of each set to AEG-Telefunken as royalties under the usual patent agreement.

The managing director of the company's South African subsidiary, Mr Peter Hutz, confirmed the legal error last week when he held a press conference to explain why the giant European firm had come under judicial management, owing R1 750-million.

Mainly banks owed money

The debts were owed mainly to a banking consortium which has supported the massive shipbuilding, nuclear reactor and electronic corporation.

Mr Hutz said failing to patent the system in South Africa apparently had been an oversight by the company's patent lawyers.

Mr Hutz said it was possible the German patent lawyers had not foreseen that South Africa would ever instal television.

In Japan recently, a PAL licensing agreement required the Japanese Government to pay 0,08 percent royalty to AEG-Telefunken on every set manufactured.

"We pay licensing fees only on receivers, not on any of the studio equipment or any other equipment," an SABC technical spokesman said.

'Disastrous' nuclear adventure

Mr Hutz also said that a "disastrous" adventure into nuclear power stations in Germany had cost the company millions of rands and had contributed to its present situation.

There was also heavy political pressure to continually increase safety factors.

"Eventually the costs of the safety factors came to two or three times the projected building costs. They even wanted us to make the stations nuclear-bomb proof, until someone pointed out that if an atomic bomb were dropped, it wasn't going to make much difference if it hit a power station," he said.

AEG-Telefunken last week announced that a Frankfurt attorney, Dr Wilhelm Schaaf, had been appointed judicial manager and would decide during the next fortnight whether an offer of compromise to wipe out debts of R1 000-million would save the company. Dr Schaaf said the company could be rescued.

Cape Times 18/8/87 (1400) (52)
Workers criticize Hendrickse

PORT ELIZABETH — Ford, General Motors and Volkswagen workers have condemned statements by the leader of the Labour Party, the Rev Allan Hendrickse, that their union does not have community support for its wage demands.

In another development, a meeting of Ford workers decided yesterday to return to work on

Friday if the company reinstated 507 workers it retrenched last week.

Mr. Hendrickse was reported to have said the National Automobile and Allied Workers' Union leadership was "abusing strikes as a weapon" and did not have community support for its "high demands".

The Ford company has closed its Port Elizabeth operations for 10 days until Friday because of repeated work stoppages after a breakdown in wage talks.

At yesterday's meeting, workers rejected the retrenchments and demanded that those paid off be reinstated. — Sapa

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Missing man may have been murdered

Staff Reporter

BOLAND police are investigating the possibility that Mr A H P van Zyl, who went missing on Aurora Mountain two weeks ago, may have been murdered.

Mr Van Zyl, 58, was reported missing on August 9, when he failed to arrive home after leaving work earlier that day.

The search began after his car, with lights and windscreen wipers on, was found abandoned on the slopes of the mountain near the farm, Gys se Kraal, where he and his partner farmed proteas.

Subsequent searches of the area by police, neighbours, family, farmers and an Air Force helicopter, proved fruitless.

A doctor has told police that Mr Van Zyl, who had recently undergone an operation, would not have been able to walk much further than 500 metres.

Last night a close family friend said Mr Van Zyl had not locked his car, something he always did without fail, and the car was parked unusually.

Mr Van Zyl was as a driving force in the development of the Saldanha-Vredenburg complex, was chairman of the West Coast Regional Development Association in the Sishen-Saldanha iron-ore export project, and was a former town councillor.

Pay rises 'undermine SA's competitiveness'

Staff Reporter

CONCEPTS such as the Poverty Datum Line (PDL) had been instigated by people overseas to destroy South Africa's competitiveness, Mr Basil Landau told the economic affairs committee of the President's Council yesterday.

Mr Landau, a member of the PC, said that 10 years ago South Africa had been competitive, but this had been undermined by wage increases.

"Where did all this stuff about the PDL come from? It was orchestrated by people overseas to make South Africa less competitive than them."

Mr Landau linked this



Mr Basil Landau

with an allegation by Mr Braam Raubenheimer, chairman of the committee, that German trade union leaders had instigated the strikes in the Port Elizabeth motor in-

dustry to help German motor workers.

Mr Raubenheimer said these unionists, pretending to serve the interests of local workers, had merely provided the German workers with more work to do.

The discussion took place during a special debate on productivity called by Mr Landau while the committee was hearing evidence on the free-market system yesterday.

He said wage increases of 12 to 13 percent — "almost the rate of inflation" — were too high, and were in fact responsible for the high rate of inflation in South Africa.

Body found in airport dustbin, court told

Staff Reporter

A RAILWAY police-woman told the Supreme Court yesterday she found the tightly-wrapped body of a baby in a dustbin at D F Malan airport in December last year.

Mrs Karen Visser was giving evidence in the trial of Miss Christina Beukes, 32, of Lavistown, who is charged with murdering her new-born baby.

Miss Beukes, an unmarried mother of two,

pleaded not guilty to murder, but guilty to attempted concealment of birth. The State did not accept her plea.

She conceded that she gave birth to a boy on December 16 last year and that the same baby was found at the airport later that day.

Mrs Visser told the court she was called to investigate a bundle in a dustbin in the women's cloakroom on December 16. Only when she unwrapped part of it did she become aware it contained a baby.

A State pathologist, Dr L van Ieperen, said the baby died as a result of a shortage of oxygen. The towel and nightgown could have caused his death, he said.

Under cross-examination, Dr Van Ieperen said it was unlikely the baby died during birth. He was large — 5kg — and showed no signs of illness or internal obstruction of

his air passages.

His lungs were fully dilated and there was a strong likelihood he had breathed outside his mother's body.

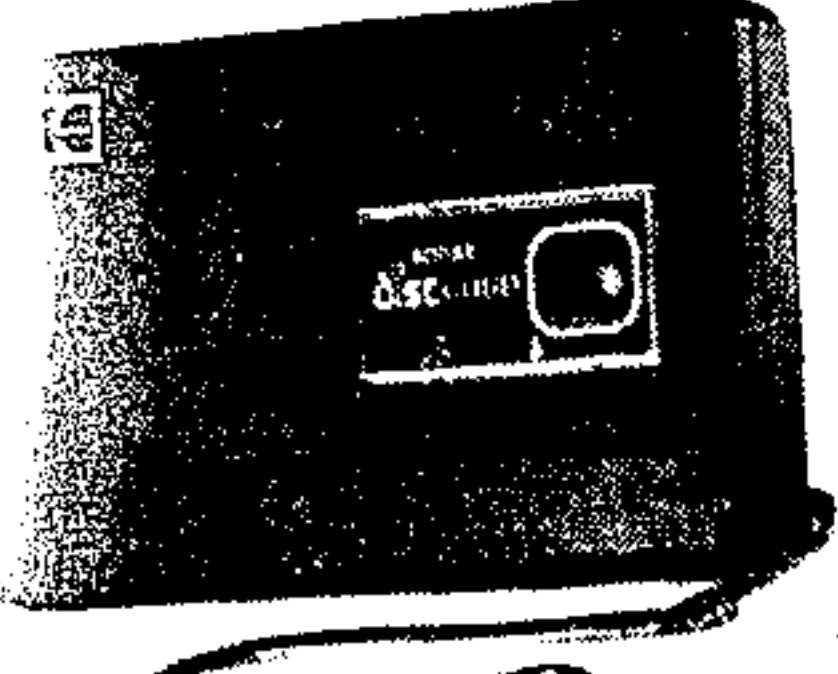
Miss Beukes's aunt, Mrs Johanna Siljeur, said Miss Beukes had lived with her during her pregnancy and had never wanted the baby. They had planned to take her to a home for unmarried mothers but shortly before the birth she had refused to go and had left their home.

She said Miss Beukes's two children were being cared for by other people. The baby's father, who was a boarder in a relative's house, had not been prepared to marry her.

The hearing continues today.

Mr Justice Fagan sat with two assessors, Mr J J Basson and Professor D van Zyl Smit. Mr H Barnard appeared for the State. Mr W Duminy appeared pro Deo for Miss Beukes.

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Concert a curate's egg

SYMPHONY CONCERT, City Hall, Thurs 19th; CTSO conducted by Brian Priestman, soloist Yonty Solomon; Josephs: Variations on a Theme of Beethoven, Op 68; Haydn: Symphony No 45 in F sharp minor ("Farewell"); Rachmaninov: Piano Concerto No 3 in D minor, Op 30.

A FULL house packed the City Hall for what proved to be a concert of curate's egg dimensions. Joseph's Variations afforded a witty start to the proceedings, although presages of poor ensemble crept in. Thereafter the miniscule orchestra bounced through Haydn's

20/8/82
German link with
(63) (140A) (150)
strikers denied (152)

E. Post Post Reporter

AN allegation that German trade unions instigated the Port Elizabeth motor industry strikes has been received with surprise by Volkswagen of South Africa.

Mr Braam Raubenheimer, chairman of the economic affairs committee of the President's Council, was reported to have suggested that German trade union leaders instigated the strikes to help German motor workers.

Mr Ruben Els, the public affairs manager of Volkswagen in Uitenhage, said such actions could actually harm the German industry.

"It would be extremely short-sighted of the German trade unions to make this area uncompetitive in comparison to the rest of the country.

"Strikes here could affect the amount of material the Germans have to manufacture to send out to us."

In this way, he said, the strikes here could result in less work being available for the German workers, and not more.

He said that Volkswagen South Africa did not have any negotiations with German trade unions.

A spokesman for Ford Motor Company said that as their contact with Germany was minimal, the company could not comment on the allegation.

Spokesmen for General Motors were not available for comment.

Naawu is 'shocked' at VW attitude

By SANDRA SMITH

THE National Automobile and Allied Workers' Union (Naawu) today described Volkswagen's announcement that it is to shelve a R70-million expansion programme as an attempt to counter the wage demands of workers.

Naawu's general secretary, Mr Freddy Sauls, said "VW was attempting to gain maximum public support for its position in negotiations with the union."

He also said veiled threats that the company may have to move to another centre where a contravention of a 1976 international Labour Organisation (ILO) convention in Geneva in 1977.

Naawu believed the West German Government was a signatory to the declaration of principles concerning multi-national enterprises and social policies, by which the Government and employers undertook not to pressurise any union into accepting conditions under threat of a company moving its plants.

"We are shocked and disillusioned at the attitude of VW management," Mr Sauls said.

In view of statements made to Naawu by the chairman of the Board of Management of Volkswagenwerk AG, Dr C H Hahn, in July, the union intended to contact the company in Germany.

It would also request the International Metalworkers Federation and the German trade union movement to raise the matter with the ILO on the basis that an ILO declaration had been contravened by a German multi-national company.

"It is unfortunate that this exercise by the company can only have negative results and workers will be all the more adamant about reaching a finalised agreement with VW," Mr Sauls said.

The deputy general secretary of the Iron, Steel and Allied Industries Union, Mr H Ferreira, said today VW's decision must have been effected by "the instability of the workforce in the Eastern Cape at the moment".

He said in view of high unemployment in the area, he was sorry the company had not gone ahead with expansion plans, and hoped it would reconsider soon.

Labour unrest: Car plants hold up expansion plans

ARGUS 26/8/82 (62) (63) 1401 1402 1492

Argus Bureau
PORT ELIZABETH — The uncertain labour situation in the Eastern Cape has not only contributed to the temporary shelving of a R100-million expansion programme at Volkswagen, but has also delayed a multi-million rand expansion programme at Ford.

At the same time, both these giant companies are constantly looking for possibilities of expanding elsewhere, and Ford was meeting a delegation from Transkei on this issue today.

This picture emerged from inquiries today fol-

lowing the announcement yesterday by Volkswagen that because of the labour situation and the downward trend in the economy it has suspended decisions on any investment in the immediate future.

The third Eastern Cape motor company, General

Motors, which has also in recent weeks been hit by unprecedented labour unrest, issued a statement today warning about the negative effect of an unstable labour situation, and hinted that this might have delayed expansion programmes.

The public affairs manager of Volkswagen, Mr Ruben Els, said today that a R100-million programme to establish an engine plant, more training facilities and the introduction of new models was almost completed,

but that a further programme for R100-million had now been shelved.

Tenders for the new programme had already been called for, but no contracts would be signed, at least before the situation had changed.

permission of

VIEW

000 coloured people Chapman's Peak on the three distinctly, at least half the Town. They were a naval dockyard or and the town, despite perceived itself as the town were two he living in poorer, Simon's Town and people also helped and exploiting the and herbs. These affiliated to the (ic) or to Islam. and valley between speaking rural community s, both by natural wided areas elsewhere, ing farms at Dassenberg h Hoek, although some the growing agro- ; Afrikaans speaking, ;) and very poor.

be doctors, by its own in the town. In the t that they were forced s of Simon's Town recall dly and efficient re similar - "Dr. Alpha than a doctor. He d by a dedicated and doctors who would . But the journey to d until the new False wn Hospital closed. former residents of most found the medical heir high regard for

2/.....

This background is important if we are to understand the nature of medicare facilities available to the people, and the attitude of the people towards them. Medicare is a set of resources defined by its function, which is to maintain and restore the health of a community, the individuals in the community defining "health" in their own terms for the most part. As such the expectations of the community concerning the physical ups and downs of life, and the knowledge and skills existing within the community, are vital components. The people of Ocean View brought with them a fund of folk wisdom, learned from their parents and their peers, and a set of expectations about the behaviour of doctors and the operation of hospitals, as well as ideas about normal levels of discomfort to be tolerated and normal levels of well-being appropriate to different age groups.

This paper treats medicare as a set of resources to be drawn upon by members of the community in exchange for some other valued element - time, money, humiliation, or discomfort additional to that which made them seek care in the first place. We assume that, given the knowledge available to them, the people make rational choices i.e. that they seek to maintain or restore their sense of physical well-being at the minimum expenditure of other scarce resources. This is not to reduce the exercise to one of formal economics, as the valued elements sacrificed in the search for medicare cannot themselves be reduced to a common monetary denominator. It does assume that people economise in terms of their own values and that it is possible to explain their behaviour in rational terms.

Part 1. The Folk System.

Ocean View people are not homogeneous. There are graduates and illiterates, some economically secure, many very poor, Muslims and Christians, devout and lapsed, alcoholics and teetotalers. They share, however, the heritage of Simonstown district (Whisson 1972) a network of kinship ties (Whisson 1976) religious associations and sporting links which ensure that information travels quite quickly from one group of people to another. The folk values regarding the pre-requisites of good health are fairly consistent across the whole population, though probably best articulated by the older people who have had most time and cause to ponder them.

Those who have enjoyed good health, or who have lived beyond the span of most of their peers, have little difficulty in explaining their good fortune. For some there is an implicit recognition that they have fulfilled their side of the Covenant of their faith in God. He looks after those who worship regularly and live cleanly, but this is not then taken to imply that those who suffer necessarily do so as a result of their own wickedness. Many, however, do suffer as a result of excess, notably through heavy drinking, and the moral is not lost on the healthy. Some put their good health down to their attitude of mind, and the way in which they express that attitude. "fight it," they said, referring to any minor ailment. Those who take note of their every ache soon find that the aches multiply (Jerome 1903 : Ch 1) so one should ignore little aches and pains. "Avoid draughts, have plenty of sleep and eat the right sorts of food," was another bit of advice. A diet which includes plenty of vegetables and fruit (both more plentiful when people had their own well established gardens and plots in the peri-urban shanty settlements), not too much "greasy food" or starch, and not too "strong" i.e. heavily spiced, food is a fair consensus of the popular recipe for good health. Exercise, whether in the form of hard work, as recommended by a lady who had had at least five children under the age of ten living with her for all of the past twenty years, or in a more congenial form, was also recommended. The longevity of "the old folk" meaning both those still alive and those who had lived in the past, was ascribed to the physical toughness of their lives and the absence of vehicles to carry them about. One old man ascribed his failing health to the fact that

3/.....

R1,2m factory will double production

~~1987~~ 63
D. Dispatch

11/9/87
EAST LONDON — The construction of a R1,2 million factory and office complex for the Kromberg and Schubert company here, is expected to be completed in November.

The company, which manufactures cable harnesses for the motor vehicle industry, is a subsidiary of a German company.

The move from its Braelynn factory to the new factory under construction in Schoof Street, Wilsonia, had been made as part of the company's expansion programme, the factory manager, Dr E. Thull, said.

Production at the new premises was expected to double, and an increase in factory employment of about 40 per cent — bringing the work

force to about 250 — was envisaged for the future.

The factory is expected to be completed early in November, and the offices by the end of November.

Plans for the factory were among the 91 building projects approved by the City Engineer's Department in August.

The total estimated cost of the projects was R2,7 million, an increase of about 35 per cent on the approved projects of August last year.

There have been 635 projects approved by the department since the beginning of the year at a total estimated cost of R14,4 million, which is about five per cent lower than the estimated cost of R15,1 million for 647 plans passed during the same period last year. —
DDR.

~~27/192~~
**Four-day
working
week for
400 in EL**
63 E. Post
28/9/82

Post Reporter

EAST LONDON — About 400 workers in the Mercedes Benz truck assembly plant in East London went on to a four-day working week yesterday.

A spokesman for the company, Car Distributors Assembly, said the short working week was introduced as economic circumstances had made it necessary to curtail production.

This action was decided upon in preference to a retrenchment of staff.

He said the truck assembly line would be closed on Mondays until further notice.

Where possible the affected employees would do other work such as cleaning, on Saturdays, so that they could receive a full week's pay.

The spokesman said all the company's other plants would operate as normal.

Firm to help house workers

Sowetan By 29/9/82
SELLO RABOTHATA

THE SEVERE housing shortage has led to BMW (South Africa) Pty Limited's involvement in assisting employees to achieve a high standard of living.

This was said by the company's managing director, Dr E von Koerber, when he handed over keys to nine families for their new homes in Mabopane, Pretoria. Another eight families will move into their homes by the end of the month as a result of the R360 000 first phase of the company's housing assistance scheme.

Mr von Koerber said: "It is our belief that the most charitable act a company can perform, is to help employees to help themselves. This is why training, for instance, has always been high on the priorities list of BMW South Africa. But while training has helped black employees in particular to reach higher positions and to earn higher wages than was possible even a few years ago, many of them are now in a position where they can afford to buy a house — but find that neither houses nor funds are available.

"Many more employees are in a position where their monthly income is high enough to repay the bond instalments on a house, but the deposit required to make up the shortfall between bond and price, is just not available," he said.

The Mabopane houses have been designed in such a manner that the buyer can start with a basic house to which additions can be made as his income increases and his family grows. The houses cost from R17 000 to R27 000.

(63)

Naawu backs move to work four-day week

D. Dispatch 11.10.22

EAST LONDON — The National Automobile and Allied Workers' Union (Naawu) supported the decision by Car Distributors Assembly (CDA) here to put 400 workers onto a four day working week.

This was confirmed yesterday by the Naawu organiser in East London, Mr Juda Fazzie.

Mr Fazzie said the union's shop stewards met with CDA management about a week before the decision was made. The management had declared its intention to retrench the 400 workers at the meeting.

"Fortunately, in our house agree-

ment with the management we have a proviso that before management retrench workers the option of short-time be tried and it was agreed to put the 400 workers onto a four day working week." Mr Fazzie said.

Mr Fazzie said Naawu and the CDA management had agreed on a formula whereby workers on the short-time programme would be paid their full wages for the four days plus an additional rate calculated according to the employee's length of service with the company.

He said the union was still working towards improving conditions for workers at the factory. — DDR

BMW housing plan

(63) E Post 9/16/82



Mr A P DASHWOOD, managing director of Afcan Muffler Co (Pty) Ltd, discusses the plans of houses being built for two black employees — Mr JOHNSON NCOKO (left) and Mr MORIS SECANI.

THE first phase of BMW South Africa's R360 000 housing scheme for black employees came into practical effect recently when the first nine homes in Mabopane, near Pretoria, were handed over to staff members.

Another eight families will be moving into their own homes soon through the help of BMW's housing assistance scheme.

"The severe shortage of housing has led to our involvement in assisting our employees," said Dr E von Körber, managing director of BMW South Africa, when he handed over the keys.

He said BMW's part in the project had comprised:

- Finding good sites in an attractive neighbourhood.
- Commissioning a firm of architects to design an interesting variety of houses, and to engage a firm of building contractors to construct the homes.
- Investing funds with building societies as collateral for bonds.

"The Mabopane houses have been designed in such a way that an employee, if he so wishes, can start with a basic house to which additions can be made as his

income increases and his family grows," Dr Von Körber said.

The houses are registered in the names of employees.

The stands are about 600m² in size while the floor area of the houses varies between 70m² and 116m².

Many more employees are in a position where their monthly income is high enough to repay the bond instalments on a house, but the deposit required to make up the shortfall between bond and price is just not available, said Dr Von Körber.

Huge new SA vehicle maker

By Colin Haynes
and Stephen Orpen

IN A complex corporate reshuffle, what by certain yardsticks could be South Africa's largest big-truck manufacturer has been formed, with a production capacity of more than 5 000 units annually.

In the vanguard of the new giant's drive into the heavyweight end of the market is a range of Samag trucks derived from military vehicles produced for Armscor.

The battle for business in South Africa's ailing truck market mushroomed this weekend as the huge Messina group launched a new range of commercial vehicles which until now have been hiding under military colours.

Under the Magnis Truck Corporation standard, Messina has brought together the production and marketing of South African model derivatives from leading European and Japanese manufacturers.

The European models come from the "Club of Four" association of Magirus-Deutz, DAF, Volvo and Saaviem.

It is from the designs of these manufacturers that Messina subsidiary Truckmakers has developed Samil and Sakom military vehicles under an exclusive Armscor contract since 1976.

It is the commercial versions of these trucks — called Samags — which now come on the market, alongside the Nissan Diesel truck and bus range, which is also in the Messina stable.

So Magnis Truck Corporation and Truckmakers are now blended into a new and powerful force in South African trucking, with integrated production and sales making them the biggest single factor in the business.

There are 17 Samag models from Magnis spanning the 12-26-ton range; the small-

● To Page 3

Huge new truck manufacturer

63
S. Times
10/10/82

● From Page 1

er ones showing their European ancestry more clearly than the heavyweights.

With Magnis aiming to capture 10% of the 10 000kg-and-above market with the Samags, and Nissan Diesel already holding 16%, the Magnis conglomerate will become a major factor in its sector of the market.

An expected outcome of the Messina move is that it will enable the Datsun operation to concentrate on trying to regain the share of the passenger-car market it has lost recently to arch-rival Toyota in particular.

Sigma has also carried out a corporate restructuring to separate truck and car operations, and it is widely

known in the industry that Toyota has important truck developments on the way after its move into leadership of the car market.

So the current top three companies in the South African vehicle-manufacturing business will be the centre of a fascinating battle for supremacy in the coming months.

Toyota's position as No 1 with nearly 25% of the total vehicle market looks safe, but the Messina and Sigma groups could both be close contenders for second spot.

All three are local companies predominantly relying on Japanese products and which have opened up a clear lead from the European and American multinational motor manufacturers operating in South Africa.

Mercedes sales record

E-Pos- 12/10/82

DESPITE the current economic climate, sales of Mercedes-Benz cars are at an all-time high, according to a weekend Press statement.

With 12 327 units sold so far and 14 600 projected for the full 1982 year, distributor UCDD reports unprecedented demand this year for its cars.

The record year for Mercedes-Benz until now was 1975, when 10 749 units were sold.

However, sales are expected to reduce to about 1 000 a month from October.

The company needs to undertake important plant extensions as part of its R47-million East London expansion programme, and it will be producing some 900 of the new Honda cars each month following their launch this week.

As a result Mercedes-Benz production will be temporarily reduced from 1 500 to between 800 and 1 000 units a month from September until mid-1983, when the new paint shop — major bottleneck at this stage — is opened for production.

Mercedes keeps that shine

63
14/10/82

Star
14/10/82

Despite the current economic climate, sales of Mercedes-Benz cars are running at record levels. With 12 327 units sold so far and 14 600 projected for the full year, the distributor, UCDD reports "unprecedented demand" for Mercedes-Benz cars. Mercedes last had a record year in 1975 when 10 749 units were sold.

EXTENSIONS

Important plant extensions — part of the company's R47 million East London expansion programme — are in progress. As a result, Mercedes production will be temporarily reduced from 1 500 to between 800 and 1 000 units a month from now to mid-1983 when the new paint shop is due to open.

UCDD has entered the quality smaller-car market with the introduction of the Honda Ballade.

A company spokesman said at the launch

in Cape Town this week that the choice to manufacture and market Honda arose from the need "for a small car franchise to expand the range of products available to customers through the Mercedes dealer network."

"The addition of Honda to the franchise gives us wider geographic coverage. Areas previously excluded now become viable propositions for dealership ventures."

HONDA RANGE

He said the Honda Ballade was chosen because it had suitable body style, quality, finish and performance.

Manufactured at CDA, the UCDD subsidiary in East London, the Ballade will be entered into the local content programme with the locally produced mass of 68 percent. The engine, transmission and drive unit will be imported from Honda, Japan, and about 900 cars will come off the assembly line each month.

ST 20 1072 63

Rudolf Albrecht

dies at 70

A prominent Johannesburg businessman and former president of the German-South African Chamber of Commerce, Mr Rudolf Eduard Albrecht, died yesterday at his home in Parktown, Johannesburg.

Mr Albrecht (70) founded the Ozalid group of companies in Southern Africa in 1937.

He was a past president of the Northern Central Branch of Rotary and a landscape painter.

He leaves his wife Elizabeth, who is the national president of the Southern Cross Fund, three children and nine grandchildren.

Mrs Albrecht said today that her husband had been a kind man and a "pillar of strength" to her in her work with the Southern Cross Fund.

Mr Albrecht's funeral will be a private family affair.

Invest in South Africa

VW to work short week

E POST
22/10/82 Post Reporter



THE Volkswagen motor plant in Uitenhage will work a four-day week twice next month but, unlike its Port Elizabeth competitors, Ford and General Motors, this is not connected with the downturn in the economy.

VW's public affairs manager, Mr Ruben Els, said today the plant would probably close on November 8 and 22.

This was due to a "structural change-over" and was not related to a cutback in production, he said.

Yesterday Ford and GM announced that they would be working shorter time in the future.

GM was closed today and production will resume on Tuesday — but the firm may continue with a four-day week. Ford's Cortina plant will work a four-day week every alternate week from Monday.

BMW intends to stay on in SA

SAW 29/10/82

BMW, the motor manufacturing company, had generated 10 000 jobs in South Africa and to disinvest would be disastrous, the chairman of the BMW board of management, Mr E von Kuenheim, said in Johannesburg this week.

Mr von Kuenheim said that although the first objective of his company was to conduct its business successfully, the political climate of a country also had to be taken into consideration.

"Today major industrial decisions always have political implications."

However, from BMW's point of view, the original investment decision in 1972 did not go along with the politics of disinvestment, nor would it now.

Over 10 years' BMW's activities in South Africa included:

● More than 2 000 new positions had been created — mainly for blacks.

● The motor plants were instrumental in introducing black people from rural areas into industrialised society.

● By eliminating race discrimination in the BMW factories, the company was contributing to changed attitudes and increased racial tolerance.

● By tying in with the Government policy of decentralisation, BMW was able to bring the benefits of technical training and the income generated by factory jobs to all corners of South Africa.

Mr von Kuenheim also announced the opening of the new BMW plant in Botswana — which will produce seats and upholstery for South African-made BMW cars.

Wirth sets up export base

Handwritten notes and scribbles in the right margin, including a circled 'S' and a circled 'A'.

Financial Reporter

A MINING equipment manufacturing plant which will also serve as a base for exports is to be established in South Africa next year by Wirth of Germany.

Wirth's facilities will be extended into manufacturing facilities, particularly of products such as drilling equipment.

"We intend using South Africa as a base outside Germany from which to export to other countries," said Mr Gerhard Mueller, Wirth's sales director.

The plant will be an extension of the company's subsidiary, Transbor of Randburg, which provides after sales service and support for Wirth products.

The company has been involved in operations with the Wirth boxhole borer at Anglo American mines in the Free State and the Wirth tunnel borer is boring its second tunnel in quartzite at the President Steyn mine where penetration rates of 3 m an hour have been achieved.

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BMW moves plant

BMW South Africa has moved its upholstery section from its plant at Rosslyn to Bophuthatswana's industrial area of Ga-Rankuwa. This is the first major investment in the area by a multinational company, according to a statement by BMW and the Bophuthatswana National Development Corporation.

Mr Ebarhard von Koerber, managing director of BMW South Africa, said the expansion had become necessary as the increasing market for its products had put severe pressure on the BMW plant at Rosslyn.

"The new development is in line with official policy of decentralising industry to neighbouring countries, as outlined at the Carlton and Good Hope conferences," he said.

OGY

Star 3/11/82

63

**German
firm plans
SA plant**

A mining equipment manufacturing plant, which will also serve as a base for exports, is to be established in South Africa next year by a leading West German manufacturer.

Mr. Gerhard Mueller, sales director of Wirth, said his company had such faith in South Africa that both its present and planned short-term facilities would be extended into manufacturing plants.

"This applies particularly to products like drilling equipment, for which there is a big demand.

"We are planning to have a significant manufacturing facility in South Africa by the end of next year. It is essential that it is in operation by that time as we intend using it as a base outside West Germany."

Back to business for rescued AEG

31/11/82

62

A new lease of life given to AEG Telefunken by an injection of R1300 million in credits and guarantees in Germany has cleared any doubts about the future of the company's South African operations.

"It's business as usual," Mr Peter Hutz, managing director of AEG in South Africa, said today on hearing the news that the German parent company had been placed in a position to carry out a rehabilitation programme and, in so

doing, restore profitability.

"This has confirmed that there will be no change to local operations," he added.

The rehabilitation programme was made possible by the judicial confirmation on October 31 by a court in Germany of an offer of compromise to creditors.

AEG says the German banks have already agreed to finance the restructuring programme that was submitted to them and the German government has provided guarantees.

German projects in SA at a peak

Financial Staff

Direct German investment in South Africa this year is heading for a record, says Mr Arno Baltzer, president of the South African-German Chamber of Trade and Industry.

Figures for the first half of this year, released yesterday, show an inflow of DM31,8 million in direct investment, equivalent to R13,9 million.

NEW LEVELS

"If the trend continues for the second half of the year — and there is every indication that it is continuing — we will exceed the DM56,4 million (R21,8 million invested in 1981," Mr Baltzer said.

Direct investment in 1980 totalled R12,8 million.

The official figures,

Mr Baltzer pointed out, represent only part of the total annual investment from Germany — although "they clearly show how attractive South Africa is to German investment."

He added: "Some of this direct investment comes from new companies setting up in the country, and some of it represents expansion of existing companies."

NOT INCLUDED

"Not included are those cases where German companies expand their South African operations by ploughing back local profits, or through funds from holding companies outside Germany.

"So, we might say that the 1982 record bid is really only the tip of the iceberg of German investment interest in South Africa."

63
STW
4/11/82

German firm pledges more investment in SA

(63) Industrial Week 9/11/82

A MINING equipment manufacturing plant, which will also serve as a base for exports, will be established in SA next year, according to a leading German manufacturer.

Gerhard Müller, sales director of Wirth, said in

Johannesburg recently that his company had such faith in SA that both its present and planned short term facilities would be extended into real manufacturing plants.

"We anticipate having a significant manufactur-

ing facility in SA by the end of 1983.

"It is essential that this plant is in operation by that time as we intend using SA as a prominent base outside Germany from which to export locally manufactured products to other countries."

Star 10/11/82

R100-m projects for Uhde

By Frank Jeans

The German chemical-plant construction group Uhde, which moved strongly into the South African market only a year ago, is on the brink of three major projects in the Transvaal and Natal valued at R100 million.

These contracts, along with work already in hand, raises Uhde's commitment in the chemical engineer-

ing field to R325 million and underlines the growing competition between the big three in this sector — the US giant Fluor, Foster Wheeler and Uhde.

The German company — a wholly-owned subsidiary in the Hoechst chemical empire — was previously represented in South Africa through an agency.

"Now," says Mr Manfred Armbruster, joint managing

director, "we have fully fledged, self-sufficient departments covering all aspects of plant contracting."

Settling into its new headquarters in Parktown, Johannesburg, the company has also opened up a process engineering department as well as a section to handle feasibility studies for new projects.

Among the projects in which

Uhde is currently involved are a fertiliser plant for Omnia at Sasolburg and a nitric acid plant for Sasol, due to start up early next year.

Uhde is also building a chlorine dioxide plant for Sappi at Ngodwana in the Eastern Transvaal and an ammonia off-loading terminal and rail loading facility in Richards Bay for Sendev.

Uhde 63 progress

Financial Reporter

A YEAR after its inception, Uhde, the SA subsidiary of chemical engineering plant builder Uhde GmbH of Germany, is engaged in the construction of plant involving capital investments totalling R225-million.

The company marked its first anniversary by moving into its own premises, Uhde House, in Parktown, Johannesburg.

It has departments covering all aspects of plant contracting, including such services as electrical and instrument engineering, process engineering and pipeworks and a feasibility studies section.

Among current projects are the Omnia fertiliser plant at Sasolburg which has reached an advanced construction stage and a nitric acid plant for Sasol, due to go on stream early next year.

MERCEDES-BENZ

20m 11/11/82

SA steel wanted

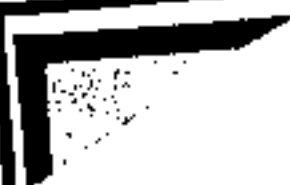
(63)

WEST Germany had signed an agreement with South Africa which will enable it to manufacture an alloy steel developed entirely by South Africa, says the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis.

nigh-volume chromium alloy, known as 3CR12.

A similar agreement was expected to be signed shortly in Australia, and keen interest in the South African-developed alloy had been expressed in Japan, the United Kingdom, France, Italy, Belgium and Luxembourg.

Addressing an international conference in Pretoria on materials development, he said South Africa would supply the raw materials for production of the steel, a



21/11/82
Strikes

↳ *hit*
threat

over SA

WEST Germany faces strikes by the powerful Transport Workers' Union if a German bank grants credit to a South African company.

Mr Siegfried Merten, deputy chairman of the union, said the company concerned supported apartheid and had fired 600 workers because they planned to join a trade union.

Warning

On a report in a Johannesburg magazine that South African Transport Services planned to ask the bank for a R47-million loan, Mr Merten said it was "beneath our political morals to grant money to a South African company which strictly adheres to a hard and relentless apartheid policy".

He warned that relations between the two countries could worsen and reach a stage where "goods from and to South Africa will no longer be handled in German ports".

Deutz to raise local content in engines

63

DPP to spend R10-m on plant in Maritzburg

By Stan Kennedy

Deutz Dieselpower (DPP) will invest a further R10 million on its Maritzburg plant to increase the local content of diesel engines from 50 percent to 70 percent — if the Government approves.

This announcement was made in Johannesburg yesterday by Mr Bodo Liebe, chairman of Klockner Humboldt Deutz (KHD) of West Germany, and Dr Bruce McInnes, managing director of Hudaco Industries. Hudaco has a 70 percent shareholding in DPP and KHD 30 percent.

DPP is the only diesel engine manufacturer, other than ADE, to be granted a Government manufacturing programme for industrial diesel engines.

The plant, which produces engines from two kW to 400 kW, has an annual capacity of 4 000 units.

According to Mr Liebe and Dr McInnes, it is not the intention to increase DPP's capacity, but to step up local content.

The investment will cover the tooling for locally cast and machin-

ed crank cases for the engines.

GROWTH POINT

Mr Liebe said KHD was keen to increase investment in South Africa. It viewed the local market as one of the major growth markets of the future. The company has 40 manufacturing plants in 40 countries.

"The presence of Deutz in South Africa as an alternative engine supplier to ADE will be a positive force in ensuring economic production," he said.

"In addition, the plant may develop as a viable base for Deutz engine exports to the developing countries of Africa."

Deutz is an accepted world leader in air-cooled diesel engines, which are capable of operating at high efficiency in climatic extremes.

Messina is looking for a major share

S. Fines 21/11/82

THE strong new contender in the South African trucking business — the Messina group's Magnis Truck Corporation — aims to take around 26 percent of the 10 000kg and above market with ranges from 10 to 26 tons.

Magnis is looking for a 10 percent slice of this vital market sector with its newly launched Samag range of 17 trucks based on vehicles developed for military use, spanning the 12 to 26 tons range.

Messina's Nissan Diesel range spans 10 to 26 tons and already holds a 16 percent share of the over 10 000kg market sector.

Samags and Nissan Diesels are built in the same Truck-makers' factory at Rosslyn which with an output of 5 000 units annually makes it the biggest truck plant in the country.

Marketing

The marketing teams for the two ranges will also be headquartered here, although it is said that they will function as separate, competing operations within the Messina group.

The Samags are being sold through 50 franchised dealers, with the 120 strong Nissan Diesel dealer network acting as service dealers.

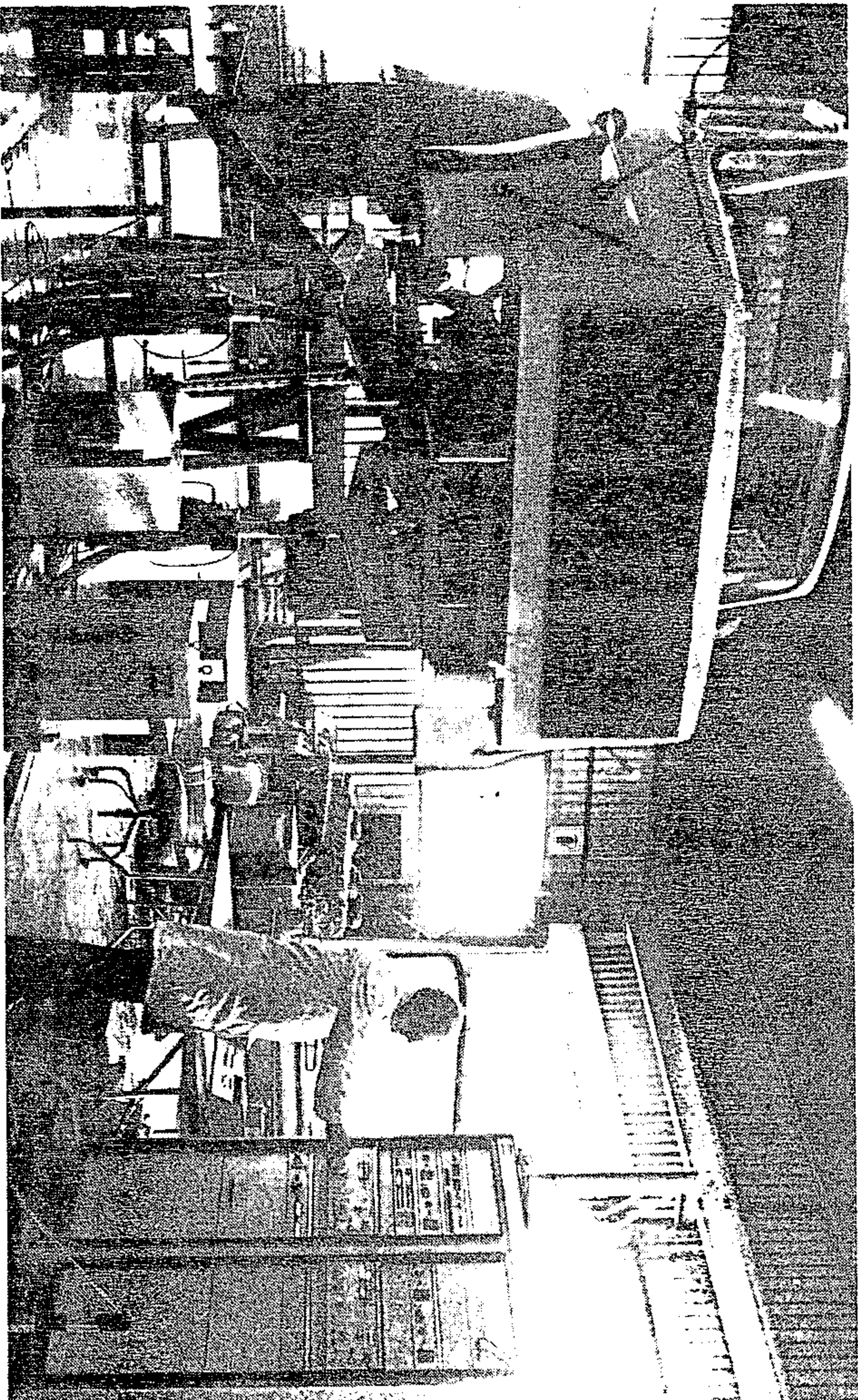
This most important of recent developments in South African truck manufacturing has come about as a result of Messina's corporate strategy to rationalise its vehicle production and marketing activities.

Datsun passenger cars and light commercials now become a specialist operation in their market sectors, while all the truck activities are concentrated up the road under the Magnis banner.

Samag range is expected to fill the gap

RIGHT: This R180 000 cab testing rig at Magnis Truck Corporation has two hydraulic actuators which simulate extreme stresses under widely varying road conditions.

BELOW: A Samag prototype undergoes accelerated durability testing at the Magnis test track near Rosslyn



members with high tolerance to extreme flexing in off-road conditions.

The cabs for both are very similar, with large panel pressings to reduce weight. There are plans for a local modular cab and new forward control cab also.

Among the more interesting design features are the nine-speed applications, while some trucks have two speed all-wheel-drive transfer boxes.

Magnis Truck Corporation managing director Don Fyfe says he anticipates Samag reaching a higher level of South African manufactured parts than any other volume selling commercial

Expanded

san Diesel dealer network acting as service dealers.

This most important of recent developments in South African truck manufacturing has come about as a result of Messina's corporate strategy to rationalise its vehicle production and marketing activities.

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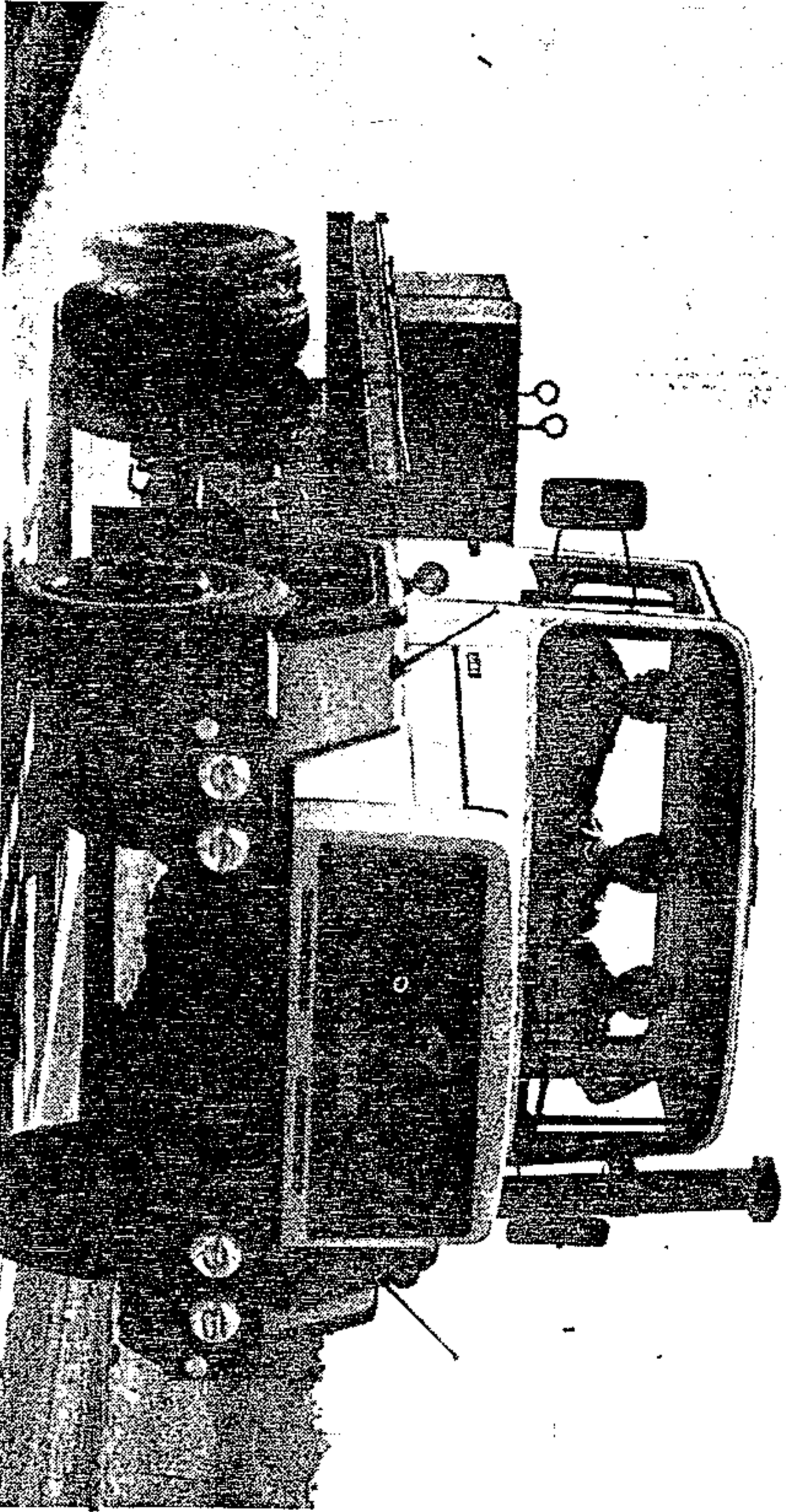
Expanded

The Samag and Nissan trucks are produced in what used to be the Fiat plant, now considerably expanded.

The Samags, with their military heritage and very high local content levels, are pitched firmly up-market against the likes of Mercedes-Benz and M.A.N., while the Nissans will presumably continue as higher volume, mainly general purpose units in the toughly competitive arena of the trucking business where pricing is all important.

This heightens further the pattern in which European designed trucks are trying to carve out a permanent niche as premium-priced units despite the fact that they, and their increasingly aggressive Japanese-sourced rivals, now

BELOW: A Samag prototype undergoes accelerated durability testing at the Magnis test track near Rosslyn



share similar ADE units and, in many cases, local transmission components also.

The Samags trace their lineage back to the European Club of Four designs, espe-

cially the cabs and chassis frames, resulting from the pooling of resources by Mercedes-Deutz, Saviem, DAF and Volvo. The Nissans, of course, are of Japanese con-

cept. There are two distinct Samag ranges — the 12 and 14-tonners designed mainly for short haul work and the 16 to 26-tonners intended for long

hauls and heavy duty roles in construction, forestry, etc. The larger units more clearly show their Samil military development input with deeper section chassis

members with high tolerance to extreme flexing in off-road conditions.

The cabs for both are very similar, with large panel pressings to reduce weight. There are plans for a local modular cab and new forward control cab also.

Among the more interesting design features are the efforts made to reduce mass despite what, for some commercial applications, might seem to be "over-engineering" as a result of the high specification levels for the heavier Samags.

Bolted

For example, bodies can be bolted straight onto the flat top flange without the need for a sub-frame

Two basic ADE power units are used — the 352 and 407 — both in-line six-cylinder diesels with turbo-charging and intercooler capability. Axles are standardised on identical banjo casing and differential carrier external dimensions.

The 27r and Plan-Fuller gearboxes cover five, six and

nine-speed applications, while some trucks have two speed all-wheel-drive transfer boxes.

Magnis Truck Corporation managing director Don Fyfe says he anticipates Samag reaching a higher level of South African manufactured parts than any other volume selling commercial truck.

The military Samil is already at 55 percent and Armscor is aiming for at least 90 percent by 1984.

"The South African truck scene is undergoing a major change at present due to the development of local diesel engines, gearboxes and rear axles. We believe there will be an inevitable further increase in the local content requirement for trucks in South Africa," says Mr Fyfe. "Our commitment is to continually increase the local content of the Samag truck without waiting for legislation to force us in this direction."

"So the launch of the Samag range is of tremendous strategic importance to South Africa."

FOREIGN FIRMS IN S.A — GERMAN

1983 — 1984 — DEC.

Blacks will buy more

BMW sees potential for growth in SA

~~11/18/63~~
63
Stan
11/18/63

Financial Staff

South Africa is one of the few industrialised countries that can expect major and continuous growth of the car market — at least to the century's end, says BMW managing director, Dr Eberhard von Koerber.

Writing in the company publication, "BMW in South Africa", he says this country has enormous growth potentialities and he is confident about the future demand for BMW cars.

"In Europe and North America we have reached a high degree of saturation — basically replacing cars and not dealing with expanding markets."

He sees the serious shortage of managerial skills in South Africa as an avenue to increased sales and believes the shortage will encourage employers to offer incentives, such as a quality car, to their valued staff.

The skilled manpower shortage, he says, is a problem that will become more acute in the years ahead.

This will enhance the positioning of BMW, with its range of quality cars aimed at the young executive on his way up.

Playing an important role in the growth market is blacks buying power, he says.

"I expect, for example, that in a few years half the blacks working at our Rosslyn plant will own cars. They would like to buy BMWs but if they cannot afford it they want us to help them buy something else.

"These people are in the process of obtaining so much disposable income that they can afford to lease a BMW 518 at market rates already."

The narrowing white-black disposable income gap augurs well for a company such as BMW, he says. Black aspirations in the quality car market are already making themselves felt, and will accelerate.

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E Cape car plant lays off 200 workers

Argus Bureau
PORT ELIZABETH. — Volkswagen South Africa was to lay off 206 employees today at its Uitenhage plant, continuing a pattern of regular retrenchments in the Eastern Cape motor industry in recent months because of the economic slump.

The company announced that a total of

206 people are to be retrenched today as a result of the current economic situation and its effect on the vehicle market".

Every effort had been made to limit the numbers affected by the lay-off by reducing the working week to four days and by reducing working hours.

The car market was at its lowest for three years and production had to be adjusted accordingly.

"Those laid off will be given preference when demand and production improves," the company said.

"We are confident that the upturn will not be too long in coming, but in the

meantime it is essential that the cost to the customer be contained and that our market share improves further."

It has been learnt that the lay-offs were being discussed with unions this morning, and that employees affected were of all races, both salaried and hourly paid.

5/10/83

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NEWS

Giant piston factory opens

THE largest automotive piston factory in Africa was officially opened last week by Dr Dawie de Villiers, Minister of Industries, Commerce and Tourism.

Karl Schmidt SA recently completed a R6-million expansion programme on its aluminium automotive piston plant at Alrode, Johannesburg.

A subsidiary of Karl Schmidt GMBH, the company will initially increase its production capacity by 50% from 1 million pistons a year to 1,5 million.

This will enable it to increase its annual group turnover from the present R20-million to R30-million a year in 1985.

Karl Schmidt SA provides Kolbenschmidt original equipment pistons to every major motor manufacturer in SA, that assembles engines locally, in addition to a R3,3-million a year contract with Atlantis Diesel Engines (ADE).

"This can be seen as an invitation from us to the South African motor industry at large, to go confidently into increased local content", said chairman Casimir Prince Wittgenstein.

"We are utilising the current recession - even though it has delayed a number of our important projects - as a training period for the 'Big Match', and our newly-introduced, sophisticated manufacturing technologies will ready Karl Schmidt for future ADE challenges, new original equipment contracts and the next phase of the local content programme", he said.

The expansion programme affects every section of the factory, from the foundry, gudgeon pin plant and heat treatment section through to the machining facility.

About R4-million of the total budget was allocated for the acquisition of the new plant and machinery, while the R2-million balance will provide additional buildings.

63
2/3/83
Industrial Week

Union's 'sabotaged' by State

By JOSHUA

RABOROKO

Sowetan 4/3/83
THERE IS increasing evidence that the country's migrant labour laws are being used against workers in an attempt to curb trade union strength.

According to the Federation of South African Trade Unions (Fosatu), members of the more than 10 000-strong

63
Metal and Allied Workers' Union (Mawu) involved in a dispute with Screenex company have found themselves confronted not only by a stubborn management but also by the might of the East Rand Administration Board (Erab).

Following discussions last year with workers at the factory near Elandsfontein, management agreed to renew all migrant labour contracts. However, just

before closing time they cancelled 11 call-in cards.

Screenex refused to discuss the issue with workers or the union and when workers reported for work in January, the management called in the police. Six workers were arrested and one was later charged with trespassing, according to Fosatu.

The company has not hired 73 new migrant

workers and Mawu members have been threatened with eviction.

"It appears that the Government is prepared to use the country's migrant labour laws against workers exercising their rights to withhold their labour."

Workers have slammed the German-owned company for not complying with the EEC code of conduct and for exploiting local workers.

national board of directors of the International Marketing Institute. Based in Boston, United States, the institute conducts its courses at the Harvard Business School. Forty-four South Africans have passed the IMI course.

Seminar on women at work

WOMEN are not assertive enough, particularly at work, in the opinion of American clinical psychologist Dr Herbert Fensterheim and his wife, authoress Jean Baer.

The couple are to conduct a seminar in Cape Town designed to give women more confidence and help them to succeed in business and in private life.

Their advice is: "Don't get stuck in a dead-end job. Prepare yourself for your boss's job even if you have to find its counterpart in another company."

Other advice is: "Be mobile. Don't stay in one job for long. Remember, if you're indispensable where you are you may be unpromotable."

Their Cape Town seminar will be on March 28 at the Mount Nelson Hotel.

Production declining

WASHINGTON. — Industrial production in the major industrial countries outside the United States dropped 1,1 percent in 1982, the largest decline in years, the US Government reports.

Four of the seven major countries represented in the Commerce Department's international trade administration index reported declines in their output levels.

They were West Germany, the Netherlands, Italy and Canada.

Industrial production was up in the other three countries, France, Britain and Japan.

In the United States it dropped by 8,1 percent in 1982, the largest drop in many years. — Sapa-AP.

VW plan delights E Cape businessmen

Argus Foreign Service 24/3/83

PORT ELIZABETH— An announcement by Volkswagen, a key industry in the depressed Eastern Cape economy, that it is embarking on a R200-million expansion programme in the next five years, has been greeted with delight by business leaders here.

The latest investment would ultimately create about 2 000 new jobs, but there will be no immediate recruitment. The plant is still working on a four-day week.

Mr Denis Creighton, president of the Port Elizabeth Chamber of Commerce, said the programme was "good news for everyone in the Eastern Cape."

His view was echoed by Mr Malcolm Gilmer, president of the Uitenhage Chamber of Commerce, and Mr Brian Matthew, director of the the Midland Chamber of Industries,

VOTE OF CONFIDENCE

Mr Wallace Life, president of the Midland Chamber of Industries and manager of Good Year Tyre and Rubber Company South Africa, said: "This is probably the best news for the Eastern Cape in years."

"It is a vote of confidence in this country's vehicle market."

"Apart from the new jobs created at Volkswagen there will be a ripple effect throughout the Eastern Cape economy and perhaps thousands of new jobs will be created at satellite industries."

Share offer

Argus Foreign Service LONDON. — Datastream, a computer-based investment research organisation, is to launch itself on the stock market with an offer of shares to the public.

AVC is a leading manufacturer of electronic equipment with worldwide sales of R1 800-million

Seven percent of Sansei's exports are to South Africa.

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GERMAN GIFT

FM 11/4/63 ~~11/4/63~~ 63
The West German government is taking part in a tripartite deal, with the Department of Education and Training (DET) and the SA German Chamber of Trade and Industry, to finance a science education centre in Soweto.

The centre will be adjacent to the Urban Foundation-sponsored non-formal education centre in Diepkloof. The SA German Chamber is backing building costs. So far it has raised R750 000, and is seeking donations to bring the figure up to the total estimated cost of R1,2m.

Bonn will pay salaries for four German teachers, plus "topping up" other salaries and costs of equipment and teaching aids — a total of DM1,3m or R900 000, according to an embassy spokesman. The DET is to cover the centre's running costs and provide local teaching staff.

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SA critic admits US can't disinvest

Argus Foreign Service
WASHINGTON. — An outspoken critic of South Africa, Mr Stephen Solarz, has admitted that American disinvestment from South Africa is not politically feasible at present.

"A political resolution of South Africa's problems will come from within — not from the US or any other outside nation," he said.

Mr Solarz, a liberal Democrat and former chairman of the House of Representatives subcommittee on Africa, was appealing for support for a Bill restricting trade with South Africa.

SYMBOLIC

Because of the large amount of "economic inter-action" between the two countries, implementation of the Bill would have a symbolic and substantive impact on events in South Africa.

Earlier, Mr Solarz tried to force the measure into law by attaching it as an amendment to a Bill providing funds for the State Department.

The amendment was removed because of objections that it was holding up the authorisation of the State Department's money.

The Solarz Bill aims at making fair employment practices mandatory on US firms employing more than 20 people, banning the sale of Kruger Rands in the US, and prohibiting new bank loans to the South African Government.

210M 6/6/83
BMW agreement

192 Mail Reporter 63

THE National Automobile and Allied Workers' Union has signed an agreement with BMW.

Mr Taffy Adler, Transvaal secretary of Naawu, said yesterday the agreement represented a milestone in industrial relations.

The agreement provided

that BMW would negotiate wages, working conditions and stop order facilities with Naawu. The union would have access to the election of shop stewards as soon as 50% of workers belonged to the union.

The union at present has 40% membership at the plant.

BMW plans new complex at Midrand

GEARING up for the next upswing, BMW South Africa is to build a new headquarters and additional motor sales and servicing facilities on a newly-acquired 13ha site at Midrand.

This was announced at a Press conference in Johannesburg last night by BMW SA's managing director, Dr Eberhard von Koerber.

Construction on the new site, positioned alongside the Johannesburg-Pretoria motorway, will begin at the end of the year and completion is scheduled for mid-1985. Buildings to be erected include a new national parts distribution centre and an after-sales training complex.

In an optimistic forecast of the company's prospects, Dr Von Koerber predicted that turnover would double within the next five years from last year's outturn of R270-million.

Turnover in 1982 was more than 300% up on the figure four years earlier.

Dr Von Koerber also announced that a new top-of-the-range model, with a showroom price of R65 000, was to be manufactured in South Africa alone from September this year.

The company was established 10 years ago when it took over the company which held the franchise for local assembly.

In recent months a series of bullish statements and forecasts have emanated from the company, indicating that its Munich-based parent considers its South African subsidiary

By SIMON WILLSON
Industrial Editor

to be in one of the world's best growth markets for up-market cars.

Last year, for instance, the volume sales of the company's top marques were higher in South Africa than in any other market except the domestic German market.

In 1978, the company's car output was 7 000 units, a market share of 3,4%. Last year sales were more than 15 000 units with a market share of 5,3%.

Dr Von Koerber said the company's sales target was now 30 000 cars a year within the next five years, following the completion of its new R100-million plant investment at Rosslyn which was started in 1980.

"It remains the responsibility of our parent company to develop new models, but there is an ever-increasing need for specialised development, testing for local conditions, and to exploit opportunities for an extension of the local content in our products."

He said the new plant would be on stream by October this year, with extended assembly lines capable of producing more than 100 cars a day. At the same time, a larger training centre would be commissioned at Rosslyn.

The company would concentrate on extending its training programmes to improve productivity in the company and in its dealer network.

Mawu condemns 'refusal'

WOM Mail Reporter 25/7/83
THE Metal and Allied Workers' Union yesterday condemned the "rigid refusal" of the Association of Electric Cable Manufacturers to continue wage negotiations and said it was proceeding with a dispute against two companies.

Mawu also warned it had asked for the co-operation of employees of these two companies in Sweden and Germany and had contacted the International Metalworkers' Federation to co-ordinate this support.

Mawu has been in dispute with Asea Cable and Semens Cables since the association refused to allow them to return to the workers to get a

mandate on wage negotiations.

The dispute centres around Mawu's claim that the negotiations were concluded prematurely and that the wage increases were too low.

In a statement yesterday, Mawu "strongly condemned the rigid refusal of the association to show any movement in their dispute".

Mawu said the employers had refused to negotiate at a meeting last week and had also refused to follow the alternative steps for a dispute set out by the industrial council.

These steps were voluntary mediation or voluntary arbitration.

The refusal to take these

steps made a mockery of the industrial council's procedures.

Mawu is now proceeding with disputes against Asea Cable and Semens Cables, where it claims to have majority membership.

"The union has also notified Swedish and German workers in Asea and Semens of the disputes and has asked for their co-operation. The International Metalworkers' Federation has been contacted to co-ordinate this.

"Mawu is also calling on workers in Aberdare Cables, Aycliffe Cables, African Cables and ATC to join Mawu and unite with other workers." the statement said.

Now — BMW's Three Series

By David Carte

AFTER spending R50-million tooling up, BMW South Africa this week took the veils off its Three Series — its big hope for the mid-Eighties.

According to managing director Dr Eberhard von Koerber, the R50-million spent on bringing the new series to production is the biggest investment in a new model of any car in South Africa, and "BMW's most important launch for 10 years".

Dr von Koerber said the three series of compact luxury performance cars, comprising the BMW 318i, 320i and 323i models, is the culmination of a long-term strategy embarked upon when BMW was set up in SA.

"At that stage the production capacity of our Rosslyn plant was extremely limited. We embarked therefore on a strategy of competing in the very top sectors of the car market only, concentrating on relatively low-volume models. The object was to maximise profits to complete the expansion and tooling requirements of subsequent years."

Initially, the Five series was used to carve out a niche in the upper market. Then the Seven series was launched in 1978 in the highest end of the market.

Success in these quarters



BMW Three Series — refined without losing elegance

enabled a R100-million investment in the much expanded and modernised factory that makes the Three series.

The Three series, which offers uncommon performance, braking and roadholding together with luxury in a smaller package, will be a higher-volume car. It will still be in the upper bracket, with the cheaper models costing more than R12 000.

Since its launch in 1975 the Three series has sold 1,5-million units and accounted for

two-thirds of BMW's international production.

It has helped the company achieve 7,5% average annual volume growth during the past 10 years, making it, according to Dr von Koerber, the fastest-growing car manufacturer in the world.

BMW also claims to have outgrown any car manufacturer in South Africa.

In the first six months of its existence, more than 100 000 of the new upgraded model being built in SA were sold worldwide.

"The new Three series has helped BMW push up its overall sales in Germany by 23% in the first half of this year — 210 000 BMWs were produced in the first half of this year, 5% up on the first half of 1982."

The 2,3-litre 323i and 2-litre 320i have six-cylinder engines, while the 1,8-litre 318i has a four-cylinder power unit. All three boast fuel injection and disc brakes all round. They are available in manual or automatic.

The SA Three series has 556 local design variances from the German one because of different driving conditions. The fuel tank, the exhaust manifold, the rear stabiliser, shock absorbers and springs are some major components that differ.

BMW has opted for front-wheel drive and is proud to have kept the traditional BMW look "without losing elegance to the demands of excessive aerodynamic appearance".

Passive safety features include a passenger compartment designed to withstand a 50km/h head-on collision without distorting and a long dynamic deformation path of the front end that ensures lower vehicle deceleration after impact. A divided steering shaft limits displacement of the steering shaft in an accident.

Germans may set up brick factory in PE

19/11/83

EP

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E Post

By CLIFF FOSTER

A GERMAN brick company this week flew representatives to South Africa to investigate the possibility of establishing factories in Port Elizabeth, Cape Town and on the Reef.

The company is to ship between one and two million bricks a month to the Eastern Cape soon.

It is making a revolutionary tongue-and-groove brick that is cheaper than the traditional brick and effects a saving on mortar of 90%.

The East Cape consignment is part of a huge import order placed to ease South Africa's critical brick shortage which threatens to stall the country's recovery from recession. The order consists of 25 million face bricks nationwide, carried in six ships.

It has been negotiated with Oltmanns (which operates 10 factories in Germany, two in France and one each in Britain and the Ivory Coast) by a Cape Town builder, Mr Stone Stemmet, a director of

Debisa (Pty). He was in Port Elizabeth this week collecting import orders as well as information about possible factory sites.

He told Weekend Post: "It would be wrong for me to tell you which specific builders in the Eastern Cape have placed orders because the South African monopolists will get at them, as in Cape Town.

"But I can tell you that between one and two million bricks will be shipped into the Eastern Cape every month.

"I am meeting in Johannesburg with the German exporters this coming weekend. We are sincerely hoping they can establish a factory in the Eastern Cape. We will be looking at the potential clay deposits."

Of the revolutionary brick, he said: "It is manufactured so accurately — to a tolerance of less than 1mm — that the handyman can use it to build his own home.

"You can put down 400 of these bricks an hour. They are a tongue-and-groove

clay brick with a part polystyrene content. The brick is completely airtight, has excellent thermal qualities and is very light to handle.

"It is 20% cheaper per cubic metre than the ordinary brick and it gives a 90% saving on mortar," he said.

Mr Stemmet said he hoped the first shipment would reach the South African coast before Christmas.

He began his search for imports after delays of a year had built up on certain

● To Page 3

Germans may start brick plant

19/11/83
● From Page 1

types of brick in parts of South Africa, including the Eastern Cape. He found the German brickmaker, with an annual output of 300 million, had surplus capacity because of recession in Europe.

Then, because of the shipping slump, he found he could charter carriers at R25 a ton instead of the usual R175.

"I am able to sell the face bricks at R240 a ton compared to the local equivalent of between R225 and R250 on site. The quality of the bricks is superb — even better than the high standard set by the SABS."

Mr Stemmet is this weekend discussing arrangements with two Oltmanns executives, Mr Karl Richter, general manager, and Mr Bernard Flukke, production manager.

PE talks to be held on factory for new bricks

63 E. Post 26/11/83

By CLIFF FOSTER
TALKS are to be held in Port Elizabeth next week with a view to setting up a factory to produce a revolutionary German-designed brick which, claim the Germans, makes the building process eight times faster.

Mr Stone Stemmet, of Cape Town, who has already arranged the import into the Eastern Cape of two million face bricks a month from Germany — part of a 25-million consignment nationwide — will be conducting the talks with smaller brick producers in the area.

"We will have to go to the smaller brickfields and see what clay deposits

they have," he told Weekend Post.

"The most practical way may be to form a consortium of the smaller brickmakers in Port Elizabeth."

He gave more details of the revolutionary brick.

"The clay is mixed with polystyrene and then when the brick is fired, the polystyrene disappears and leaves a very porous-looking brick. It's very light, size-for-size a quarter of the weight of an ordinary brick, and it is much larger, taking the space of six or 12 normal bricks depending on which size is produced.

"It means a wall can be built up to eight times faster. No mortar is used on the end of the

brick. It is tongue-and-grooved to fit perfectly, being machined to a tolerance of 1mm.

"The initial cost of the brick is 20% lower than the South African brick and then there's the saving on mortar."

He added: "I think it's time something new was brought onto the market in the building industry.

"We have to have something to enable people to build quickly and at less cost. This new brick will help and it is something the handyman will find easy to use."

As for the production of the revolutionary brick in the Eastern Cape, he said: "New equipment would be prohibitively expensive so we want to

import plant from European factories which have been closed down.

"The Germans would have people here operating a training programme for at least three months."

Mr Stemmet said he had not met with any opposition from brick companies over the import of bricks.

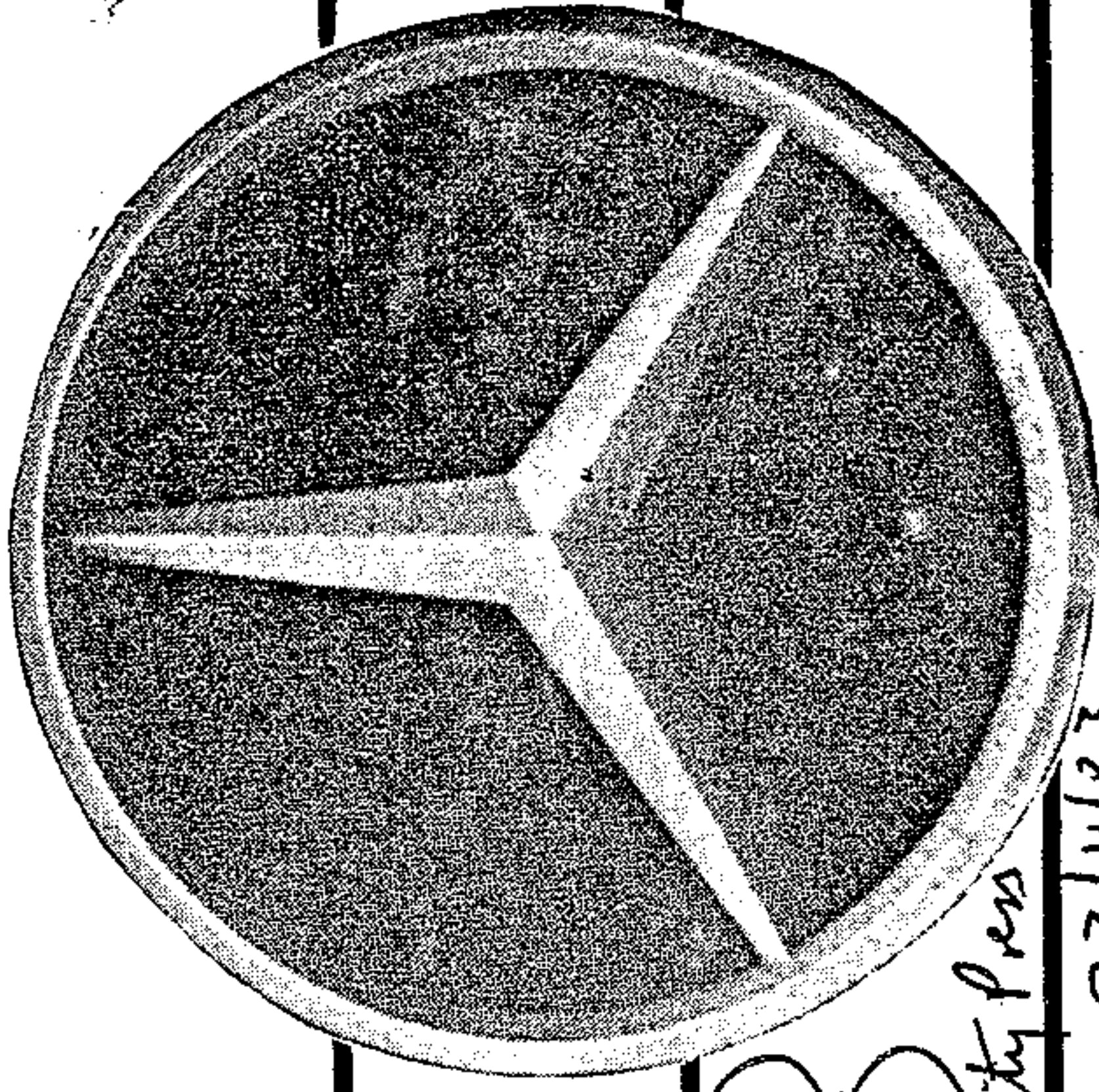
"The whole climate of opinion is very favourable," he said.

"I would like to have the first shipment in by the end of this year."

Price of the imported face bricks will vary between R230 and R330 a thousand, which is more expensive than local bricks, but the imported product is 10% bigger.

Sebe (WHO DRIVES) A BMW

blames it all on Mercedes



City Press

27/11/83

PRESIDENT Lennox Sebe — whose homeland government runs a fleet of expensive BMW motor cars — this week accused Mercedes Benz of being responsible for the turmoil in Ciskei.

He told a rally at Mdantsane's Sisa Dukashe "terror stadium" that East London industrial firms were behind the

BY BENITO PHILLIPS

Who drives a Mazda

bus boycott in the homeland and unrest that went with it.

He then singled out the Car Distributor Assembly plant, where

South Africa's Mercedes and Honda motor cars are assembled, and warned: "Ciskei has laws to deal with people like those behind the Mdantsane troubles."

CDA managing director Leo Borman said later he was baffled by the president's accusation, saying he had done his bit for Ciskei by trying to get a technician established to serve

Ciskei, Transkei and East London.

President Sebe initially blamed the SA Allied Workers' Union for the boycott and subsequent unrest — but at the weekend rally they escaped the homeland leader's wrath.

Not so for the boycotters themselves, however, with President Sebe warning them to "watch

their step". Meanwhile, the SA Transport Service says the number of people using trains between Mdantsane and East London has increased fourfold since the boycott started in July.

"The number increased from 6 000 a day to 23 000 a day," SATS said in a statement released to City Press.



● SEBE: It's Merc's fault.

VW BEEFS UP TRAINING PLAN

By PRISCILLA WHYTE

VOLKSWAGEN of SA has extended its apprentice training scheme.

A training centre was opened by Dr Wolfgang Habel, chairman of Audi NSU of Germany, who was in South Africa for the launch of refurbished Audi range. The VW R1,5m apprentice facility is the first part of the company's R200m expansion programme.

The training centre is the largest in the SA motor manufacturing industry and about 36% of all apprentices in the industry are trained by Volkswagen. SA needs to train 20 000 artisans each year to maintain growth in the motor industry. In 1982 only 14 497 apprentices were indentured.

Dr Habel says training is part of

VW's business philosophy as shown by the growth in the company's training budget (1980, R0,73m; 1981 R1,3m; 1982 R2,9m; and R3,9m this year).

In 1982 and 1983 the apprentice intake was 100. VW SA employs 300 technical trainees on a full-time basis.

It offers training for motor mechanics, electricians, electronics technicians, die-and-press tool-makers, tool and jig makers, turners, machine fitters, automotive machinists, machine tool mechanics and welders.

Additional training in hydraulics, pneumatics and electronics is offered. VW has 239 000 employees throughout the world and has trained 20 000 young people in Europe, America and Africa.

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BMW workers down tools

COM Mail Reporter 18/1/84
ABOUT 1500 workers at BMW's Rosslyn plant near Pretoria downed tools yesterday while negotiations for better wages were being held.

mobile and Allied Workers' Union (Naawu) the workers have promised to go back to work today while negotiations continue.

The statement said production on about 80 cars had been disrupted, but that they would have no problems in supplying customers.

According to a joint-statement released by the company and the National Auto-

D. Disputa (63) 280 150
21/1/84
Trade union body may drop sanctions call

BONN — The International Confederation of Free Trade Unions is likely to drop its call for comprehensive economic sanctions against South Africa in favour of a boycott in selected fields, according to Mr John Vanderverken, the confederation's general secretary.

At a press conference at the opening of a two-day evaluation symposium on the confederation's action programme in support of black South African trade unions, Mr Vanderverken said the unions should identify areas of vulnerability and call for a selective boycott to be imposed against South Africa.

Mr Ernst Breit, chair

man of the powerful German trade union movement, which hosts the conference, said: German unions were not likely to call for comprehensive sanctions because they believe such measures would hurt black South Africans most.

Instead, the unions tried to use their influence on German employers with subsidiaries in South Africa in order to bring about fair employment practices.

Mr Vanderverken confirmed that the confederation had put forward demands to the French government — in its capacity as temporary head of the European Community — in order to change the EEC's code of

conduct for companies active in South Africa.

He said the confederation's demands were identical to German trade union calls for a more substantive reporting by the companies.

Mr Breit told journalists that his organisation was highly critical of the German Government's acceptance of the fact that reports by companies were not and could not be checked.

South African delegates at the conference in Duesseldorf include Mr Phiroshaw Camay, secretary general of Cusa, Mr Joe Foster, secretary general of Fosatu, Mr Emma Mashinini of Ccawusa and Mr Sam Mabi of Mwasa. — DDC

Daimler-Benz to acquire control of UCDD

JOHANNESBURG — Daimler-Benz of Germany is to acquire control of its South African franchise holder, UCDD Limited.

A company statement said this development had been entered into in full agreement between the shareholders of UCDD because of the growth and still growing level of importance of the South African market to Daimler-Benz in respect of sales and industrial activities.

UCDD, which manufactures and distributes Mercedes-Benz cars and commercial vehicles in South Africa and also holds the Honda car franchise, is one of the largest firms in the South African motor industry and one of the country's largest private companies.

UCDD is currently owned 39.9 per cent by Volkskas, 36.7 per cent

by Daimler-Benz and 23.4 per cent by the Gohner Foundation of Switzerland.

As a result of an expansion in UCDD's share capital, effective by June 1984 at the latest, the Daimler-Benz shareholding will move to 50.1 per cent, Volkskas moves to 26.5 per cent and the Gohner stake remains at 23.4 per cent.

The UCDD group and its dealer organisation around the country is in the last stage of a R200-million expansion programme started in 1981, which has effectively more than doubled the car production capacity at its CDA assembly plant in East London, substantially increased commercial vehicle production, and increased the capacity of the parts operation.

The manufacturing and assembly operation in East London is one of

the largest Mercedes-Benz car and commercial vehicle activities outside West Germany.

South African sales of Mercedes-Benz cars are expected to total 13 600 in 1983. Commercial vehicle sales will be about 4 200 and the sales of the Honda Ballade, introduced in October 1982, are expected to be about 10 000 units for 1983.

With the higher assembly capacity presently coming on-stream, increased passenger car sales can now be provided for, which is intended to overcome the short-supply position existing over the last three years.

The statement said the Daimler-Benz investment signified its confidence in the ability of UCDD to build upon its leadership in the top end of the quality car and commercial vehicle

markets.

The move has particular significance for the East London/Border development area, where UCDD is one of the largest established industries, with an annual contribution to the regional economy of more than R75-million.

UCDD's East London wage and salary bill (including bonuses and employee benefits) for the 3 900 employees at its CDA plant is about R34 million a year.

The company spend a further R33 million a year on local content purchases, rates and utilities in the Border/Ciskei area and pays freight and wharfage charges to the East London port authorities of some R9.6 million a year.

The managing director of CDA in East London, Mr Leo Borman, said he had nothing to add to the statement. — SAPA.

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UCDD takeover will cost R30-m

63 Star 23/1/84

Financial Staff

The deal in terms of which Daimler-Benz of Germany gained control of its South African franchise-holder, United Car and Diesel Distributors, was worth R30 million.

UCDD, which is owned 39,9 percent by Volkscas, 36,7 percent by Daimler-Benz and 23,4 percent by the Gohner Foundation of Switzerland, makes and distributes Mercedes-Benz cars and commercial vehicles and also holds the Honda car franchise.

As a result of an expansion in the firm's share capital, the Daimler-Benz shareholding will increase to 50,1 percent, the Volkscas share will decline to 26,5 percent and the Gohner stake will stay at 23,4 percent.

UCDD chief executive Mr Morris Shenker said the R30 million involved in the deal was being injected to re-arrange the shareholdings.

"It's business as usual. This was not done with any new developments in view on the horizon."

Volkscas, he said, was happy for Daimler-Benz to take the controlling shareholding in an operation in which it is so heavily involved.

UCDD has reached the final stages of a R200 million expansion programme started in 1981.

The programme has more than doubled car production capacity and substantially increased commercial vehicle production at the CDA assembly plant in East London.

Car plant
Ston 63
closes after
strike

23/1/84

Pretoria Correspondent

The BMW car manufacturing plant at Rosslyn, Pretoria, has been closed down indefinitely by a "wildcat strike" involving about 1 500 workers.

It is the second time this month that the BMW plant has been closed down by labour unrest.

The strike started yesterday after wage negotiations between management and National Automobile and Allied Workers' Union representatives ended in deadlock.

A statement by BMW management said production was halted after threats and acts of violence against black supervisory staff.

"The plant will remain closed until management is confident that the intimidation of fellow workers will not recur," the statement said.

1 500 workers strike at BMW Rosslyn plant

ARGUS
24/1/84

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Argus Correspondent

PRETORIA. — About 1 500 workers at the BMW car-manufacturing plant in Rosslyn here went on strike today — the second in eight days — following a breakdown in negotiations for a pay increase.

The strike started a day after the negotiations between the plant management and National Automobile and Allied Workers' Union (Naawu) representatives ended in a deadlock.

A spokesman for the union said the workers were not happy when they reported the outcome of the negotiations yesterday. The management cited the economic climate for their "unwillingness" to meet the workers' demands.

It is the second work stoppage to hit the plant in a week. About the same number of workers refused to enter the workshop last Tuesday when they were unhappy about the 10c an hour across-the-board wage increase offered by the management.

The workers decided not to resume work until the dispute was settled. They returned to work the following day pending the outcome of negotiations between Naawu and the management.

The union spokesman said Naawu had been trying to reach the management to propose a new round of talks.

The BMW management could not immediately be reached for a comment.

Meanwhile, hundreds of OK workers at three branches in Johannesburg downed their tools yesterday in sympathy with 180 Sandton Hyperama workers who were dismissed last week after a strike.

Star
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Second strike at car plant

Pretoria Correspondent

About 1500 workers at the BMW car manufacturing plant in Rosslyn, Pretoria, went on strike today — for the second time in eight days — after negotiations for a pay increase broke down.

The strike started a day after the talks between the plant management and the National Automobile and Allied Workers' Union (Naawu) representatives ended in deadlock.

A spokesman for the union said today the workers were not happy when they reported the outcome of the negotiations yesterday. The management cited the present economic climate as a reason for its "unwillingness" to meet the demands of the workers.

REFUSED

This is the second work stoppage to hit the plant in a week. About the same number of workers refused to enter the workshop last Tuesday in protest against the 10c an hour, across-the-board wage increase offered by management.

They vowed not to resume work until the dispute was settled but returned to work the next day pending the outcome of negotiations between Naawu and management.

The union spokesman said Naawu had been trying to reach management to propose a new round of talks to solve the dispute.

BMW management could not be reached for comment.

● Hundreds of OK workers at three branches in Johannesburg downed tools yesterday in sympathy with 180 Sandton Hyperama workers who were dismissed last week after striking.

BMW plant closes down

CALL TIMES 26/1/87

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Own Correspondent

JOHANNESBURG. — The BMW plant at Rosslyn near Pretoria — where about 1 500 workers are out on strike over wage demands — remains shut until further notice.

BMW closed the plant on Tuesday after the workers had downed tools for the second time within a week, rejecting management's offer of a 10c across the board increase.

A spokesman for the National Automobile and Allied Workers' Union (Naawu) said they had met with their shop stewards and general membership yesterday and that they would be attempting to reopen talks with the company.

A BMW spokesman said there had been no further talks with the union and the plant would not reopen "until we are satisfied our

people will be safe when they report for work".

Meanwhile, members of the Metal and Allied Workers' Union (Mawu) downed tools at three Rand plants yesterday.

A spokesman for Mawu said workers at Promac Plastics in Wynberg stopped work yesterday morning over the retrenchment of eight workers, but returned to their jobs yesterday afternoon.

He said that at Reliable Products at Herrietales about 100 workers downed tools over the dismissal of three workers. A spokesman for the company said it was a "minor problem" and the dispute had been settled within half an hour.

The Mawu spokesman said about 400 workers were on strike at Powerlines in Springs over the dismissal of a union shop steward.

WORKERS OUT AT BMW

THE BMW car manufacturing plant at Rosslyn, Pretoria, has closed down indefinitely following a "wildcat strike" over wages involving about 1 500 workers.

This was disclosed to The SOWETAN by the company's spokesman, Mr Michael Brandt, who said that production at the plant was halted yesterday after "threats and acts of violence against black supervisory staff during a wildcat strike."

More workers were reported to be on strike over wages in the Transvaal yesterday, and labour relations consultants warned that 1984 seems set on a torrid course.

BMW's spokesman said: "It would appear that some employees have been misled by their leaders into believing that unreasonably high wage increases could be expected because of the exceptional demand for BMW."

The plant will remain closed until management is confident that the intimidation of fellow workers will not recur.

By JOSHUA
RABOROKO

- About 300 workers at Vulco Latex Company in Industria went on strike yesterday over wage demands. The workers were told to leave the company's premises and to report for work today.

The company's director, Mr S Lipschitz, said the workers made wage demands in the morning and the management was having discussions with the workers.

- About 450 minework-

ers at Ucar Mine in Bophuthatswana went on strike again yesterday, after the Government had put pressure on the company, Union Carbide, not to talk to the National Union of Mineworkers (Num), which represents the miners.

- Other strikes were at OK Bazaars: Carlton Hotel, Promex Plastics in Wynberg, Reliable Products in Johannesburg and Powerlines in Springs. The strikes are over the dismissal and retrenchment of workers.

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BMW is
losing
R1,7m
a day

By PHILLIP VAN NIEKERK

THE strike by about 1 500 BMW workers at the Rosslyn plant near Pretoria has entered its fourth day and the demand for higher wages remains unresolved.

There is still no end in sight to the dispute, which began on Tuesday and is costing the company an estimated R1 750 000 a day in sales.

But a spokesman, for the National Automobile and Allied Workers' Union (Naawu) said they were attempting to meet management on Tuesday.

A spokesman for BMW said the company was "being held to ransom" by people demanding even higher wages.

It had "every reason to regard such demands as unreasonable and not worthy of further consideration".

The company paid the highest minimum wage in the industry, R507 a month.

And the depressed motor market made retrenchments and short working weeks the order of the day, elsewhere in the motor industry.

He emphasised the company was not conducting wage negotiations with Naawu and the current wage increase had been announced last June.

The Naawu spokesman said the workers were holding to their demand for R3,50 an hour — which they regarded as a "living wage" — though they were open to negotiation if the company wished to discuss the issue.

He said 16 workers had been taken aside when they went to collect their pay yesterday and told to report for disciplinary hearings on Monday morning.

After a general meeting yesterday, the workers decided they should not report for this hearing as this constituted "victimisation".

BMW might seek new workforce

Pretoria Correspondent

The management of the BMW plant at Rosslyn — closed after labour unrest — is considering hiring new production staff.

"This might become necessary in the event of union leaders or the attitude of our current employees forcing us into a position where we have to dismiss a part of the labour force," said a BMW spokesman.

The plant, which opened last November after a R100-million expansion, remained closed for the sixth consecutive day since a wildcat strike was staged.

The strike by about 1 500 workers cen-

tres on dissatisfaction with a 10c-an-hour across-the-board wage increase introduced at the beginning of January.

There have been allegations of violence and intimidation during the strike and the BMW management has refused to reopen the plant until those responsible have been dealt with.

"The continued intimidation of black supervisory staff had necessitated special security precautions at the homes of people involved," said a statement.

An inquiry into the allegations started yesterday and continued today. So far 15 people have been charged.

A spokesman for the National Automobile and Allied Workers' Union (NAAWU) denied the allegations of intimidation and violence.

"Violence and intimidation have never been condoned by this union and it has never been our method of working in the past," he said.

He added that BMW was using the allegations to avoid the real issue of the strike — pay negotiations.

BMW management and representatives of NAAWU were due to meet today to discuss the situation.

192 (63)
Star

Labour Correspondent

TALKS aimed at ending the deadlock at motor company BMW's Rosslyn plant — which the company closed over a week ago after a wage strike by 1400 workers — failed to settle the dispute yesterday.

The company met the National Union of Automobile and Allied Workers, to which most strikers belong, at a Pretoria hotel. NAAWU accused BMW of go-

Talks fail to end BMW strike deadlock

ing back on an undertaking concerning wage negotiations and said workers would not return unless BMW agreed to negotiate.

BMW spokesmen replied that the company was not prepared to reconsider a 10c an hour wage rise which, NAAWU charges, sparked the strike. It also said it was

unwilling to re-open the plant unless workers returned.

In another development, the company issued a statement saying it was preparing to employ new workers because it might fire some of the strikers. BMW closed the plant after alleging that some of its staff had been subject to intimidation.

On Monday, it said it had identified some workers who had been accused of intimidation and had summoned them to disciplinary hearings. If they were found guilty, they would be fired, it added. The plant would not re-open until these hearings were over.

According to NAAWU, 19

workers have been summoned to appear at hearings. In the statement, BMW said firing some strikers might be necessary.

A union spokesman, Mr Brian Fredericks, said yesterday NAAWU was opposed to the hearings. "Simply picking out 19 workers in this way can only inflame tensions."

It's D-Day for car plant's 1 500 strikers

By Carolyn Dempster,
Labour Reporter

BMW is to decide today whether to fire the 1500 workers who went on strike at the motor manufacturer's Rosslyn plant in Pretoria last week.

Talks between the National Automobile and Allied Workers' Union (Naawu) delegation and management deadlocked yesterday and the fate of 19 union members charged with intimidation and violence is still uncertain.

A crowd of about 400 workers, reportedly Nissan employees retrenched last month, gathered at the gates of the BMW plant this morning seeking work.

Mr Pierre de la Rey, communications manager for BMW, confirmed that application forms were given to the queues of waiting workers "in the event of a decision to dismiss the striking Naawu workers".

He said the fate of the 19 union members was a separate issue and a decision on whether to dismiss them was pending.

"We met the union yesterday and they could not give us any assurances that if we reopened the plant they would help to prevent further unrest," said Mr de la Rey.

"We strongly believe there is a political motive behind this whole thing and have come to the conclusion that there is enough evidence to prove this is not a normal dispute," he added.

A spokesman for Naawu denied that there was any more to the strike than dissatisfaction over management's refusal to budge over its wage offer, which resulted in deadlocked negotiations last week.

He also said the claims of "intimidation and violence" by certain union members were untrue.

Strikers' fate still hangs in balance

By Carolyn Dempster,
Labour Reporter

The fate of the 1500 striking workers at BMW's Rosslyn plant was still hanging in the balance as the factory remained shut for the eighth day today.

In the latest twist in the saga, helicopters distributing pamphlets reportedly attacking the National Automobile and Allied Workers' Union flew over three Pretoria townships yesterday.

Later in the day thousands more pamphlets were distributed inviting the striking workers and their wives to a party at the Garankuwa Community Hall on Friday at 2 pm. Videos on soccer and music will be shown and free cooldrink and food has been promised, to be followed by a discussion on

the strike

The decision whether or not to dismiss the striking workers has not yet been taken, but BMW's communications manager, Mr Pierre de la Rey, said yesterday it was likely a "skeleton" staff would be employed to start up operations before the factory was placed on line once again.

Now the union is threatening BMW with legal action, saying the first of the two pamphlets distributed in Mabopane, So-shanguve and Garankuwa was defamatory.

A union organiser said workers would be advised not to attend the party which, he claimed, was nothing but a blatant attempt to sweet-talk workers into returning to work without negotiating wage demands.

A final decision on the future of the 19

union members charged with alleged intimidation and violence has not yet been made.

The dispute began when wage negotiations deadlocked last Monday. Naawu demanded a R1-an-hour increase across the board, while management refused to go higher than a 10 c increase. The lowest minimum wage is R2,50 an hour.

Management has accused certain union members of intimidation and violence.

Naawu assistant general secretary Mr Brian Fredericks also denied management allegations that there were "political overtones" to the strike.

"If management is not prepared to recognise that the workers have legitimate needs, then it is behaving in a totally unrealistic way," he said.

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BMW workers sign 'ballot'

By Carolyn Dempster
Labour Reporter

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The whole BMW workforce gathered outside the gates of the company's Rosslyn plant this morning to find out whether management intends reopening the factory which has been shut for nine days.

At a meeting called by the National Automobile and Allied Workers' Union yesterday, the 1 500 workers, who went on strike last Tuesday, resolved to respond to a management request to come to the plant.

According to a union spokesman monitoring the situation at the plant this morning, workers were asked inside the plant and made to sign a declaration saying they were prepared to return to work under the conditions of employment stipulated by management.

"The shop stewards told management this was unacceptable and are meeting them to find out what BMW's plans are about opening the plant," he said. However, according to a statement released by BMW, an overwhelming majority of plant workers voted in favour of returning to work under the ruling wage conditions and employment policies of the company.

Hundreds signed the "ballot" indicating they were prepared to accept the ruling wage scales and poli-

cies of the company, said Mr Michael Brandt, public relations director.

Once the workers had signed the form, the conditions would be binding on them, he confirmed.

Small groups of workers were already performing maintenance and preparation work in the plant and management would decide during the course of the day when to resume full scale production.

Naawu has refuted reports of union resignations. "We have received at least 300 applications for membership from BMW workers since the plant shutdown last week," said a union organiser.

BMW confirmed today that the resignations had come from the small group of employees performing maintenance work in the factory over the past two days.

The union has also levelled accusations of an unfair labour practice at BMW for refusing to continue negotiating with the union.

BMW announced on Tuesday this week that it was no longer prepared to negotiate with the union and would continue to liaise directly with the workers. Reasons given by management were that it felt the union no longer represented the interests of the workers.

Disenchanted strikers quitting union **BMW**

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3/2/84

By STEVEN FRIEDMAN
Labour Correspondent

WORKERS at motor company BMW's Rosslyn plant, closed early last week after a wage strike, are resigning from their union, the National Automobile and Allied Workers Union (NAAWU), in protest at its handling of the dispute, the company claimed yesterday.

But a NAAWU spokesman told Sapa the union had no knowledge of resignations.

And a meeting of about 1 400 workers has voted not to return to the plant until management guarantees that 19 strikers, who were summoned to disciplinary hearings for allegedly "intimidating" workers, will not be fired.

The company summoned the workers to appear at the hearings, after charging

that it had evidence they had assaulted or "intimidated" supervisory staff, and said they would be fired if found guilty.

NAAWU says this has angered workers and raised tensions in the dispute.

BMW's statement comes in the wake of a sharp deterioration in relations between it and NAAWU, a union it recognises.

A meeting between the two sides on Tuesday led to this escalation of tension. In its wake, NAAWU attacked BMW for refusing to negotiate on pay, while BMW criticised the union for refusing to guarantee workers would return to work and that alleged "intimidation" would end.

The dispute flows from the workers' rejection of a 10c an hour wage rise granted by the company. Workers initially demanded a R1 an hour rise, but the union has since said this is negotiable.

BMW, which says it refuses to negotiate on wages until mid-year because NAAWU has agreed in negotiations that pay should only be negotiated then, closed the plant in reaction to the strike. The company has announced that staff have been appointed to prepare the plant for re-opening, but says no decision has been taken to restart production.

In its statement, BMW said "the first batch of resignations from people apparently disenchanted with NAAWU's handling of the current labour problems arrived yesterday". It gave no details of how many workers had resigned.

It added that, in terms of the company's agreement with NAAWU, workers wishing to resign from the union hand in their resignations at the plant and the company then passes them on to union headquarters.

Legal action threat in BMW strike

By STEVEN FRIEDMAN
Labour Correspondent

RELATIONS between motor firm BMW and the National Union of Automobile and Allied Workers, which represents strikers at its Rosslyn plant, deteriorated sharply yesterday as both sides threatened the other with legal action.

In key developments yesterday at the plant, which the company shut nine days ago after a wage strike by about 1 400 workers:

- BMW said it was allowing a skeleton staff to begin work aimed at re-opening the plant, but said no date had been fixed for restarting production.

Earlier in the day, NAAWU had written the company a letter asking when it would re-open the plant.

- The company dropped notices by helicopter over three black townships in the area sharply attacking the union. NAAWU charged the pamphlet was "defamatory" and said it might take legal action.

- BMW said it had told NAAWU it reserved the right to sue it for damages resulting from the strike and to end its recognition agreement with the union.

- The company later dropped a second pamphlet over the townships inviting workers and their wives to an "entertainment" at which free cold drinks would be served, videos shown and the strike discussed.

A company spokesman said yesterday the decision to allow staff to begin maintenance work meant simply that the plant would be able to re-open as soon as management decided this was necessary. It did not necessarily mean that a re-opening was imminent.

He confirmed that BMW had dropped pamphlets over the townships accusing NAAWU of not representing the "true feelings" of workers and of not being in control of its members.

It said it had done this after a meeting with the union on Wednesday at which NAAWU had been "unable to give any assurance that it could get workers back to work or end the continuing violent intimidation of workers".

"We decided that if we could not achieve a re-opening by talking to them, we would do so by talking directly to our workers," he said.

But a NAAWU spokesman, Mr Brian Fredericks, said the pamphlet showed BMW was "totally out of touch with the feelings of their workers".

"They do not realise that our demands come from the workers and that pamphlets like these simply anger them further," he said. Mr Fredericks said NAAWU had "tried every means at our disposal to keep talks open but BMW has flatly refused to even discuss wages".

The company's spokesman reiterated BMW's refusal to negotiate pay until mid-year, saying this had been accepted by NAAWU in negotiations.

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BMW plant set to re-open

4/2/84
By STEVEN FRIEDMAN
Labour Correspondent

BMW's Rosslyn motor plant, which has been closed since early last week after a wage strike, is set to begin re-opening early next week.

Workers returned to the plant yesterday to tender their services and were told to report for work on specified days next week.

This indicates that the plant is to resume production in stages next week, with groups of workers reporting on different days. It is not yet clear when the plant will be fully operational again.

However, the return to work does not mean the end of the dispute between the company and the National Automobile and Allied Workers' Union.

A union spokesman said yesterday that NAAWU would now take legal action

against the company for allegedly "locking out" workers by closing the plant. It would also take action alleging that BMW had been guilty of an "unfair labour practice" by refusing to negotiate with NAAWU on pay.

The dispute which closed the plant began when workers rejected a 10c an hour wage increase granted by the company and demanded a R1 an hour rise.

Since the plant closed, BMW has refused to negotiate on pay, saying it had already agreed with NAAWU that wages would be negotiated in mid-year only.

After a stormy meeting on Tuesday, BMW said it would not negotiate with NAWU on a return to work but would deal directly with workers.

In a statement yesterday, BMW claimed that workers flocked to the plant yesterday

to take part in a company-organised ballot on whether to return to work "under the existing work conditions stipulated by the company".

This meant, it said, that they had voted to accept "the ruling wage scales and policies of the company".

BMW said groups of workers were already performing maintenance and preparation tasks and a decision on when to resume production was imminent.

But a NAAWU organiser, Mr Brian Fredericks, said the workers' decision to return to the plant and offer their services was taken by about 1 400 BMW workers at a union meeting on Thursday and was communicated to the company in a telex from the union office.

"By the time workers began arriving at the plant, the

company was well aware they had decided, under the auspices of the union, to return. No ballot was ever held," Mr Fredericks said.

He said that, on arriving at the plant yesterday, workers were asked to fill in forms agreeing to work under existing wage rates and work conditions.

They had not been prepared to sign these until they were advised to do so by NAAWU shop stewards, he added.

Mr Fredericks also replied yesterday to a company statement claiming that workers were resigning from NAAWU in protest at its handling of the dispute.

"It appears now that at most 15 out of 1 400 workers resigned. The majority remain strong and committed to their union," he said.

Strike-time is party time at BMW

5/2/84
C.P.R.S.
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IN WHAT must be regarded as one of the most determined efforts to break a strike, BMW in Pretoria have used their company helicopter to drop pamphlets over Mabopane and Garankuwa inviting workers and their wives to a party today.

The offer of free drink, videos and a chance to discuss the possibility of the plant re-opening is seen as part of BMW's effort to avoid dealing with the National Automobile and Allied Works' Union (Naawu).

Last week 1 500 workers downed tools when BMW refused to continue negotiations over workers' demands for a rand an hour increase.

BMW closed the plant and demanded that 19 workers — six of them Naawu shop stewards — accused of "intimidation and violence" during the strike face a disciplinary hearing.

Naawu responded by asking BMW to defer the hearing until the plant re-opened, maintaining that while workers were locked out any disciplinary procedures would constitute unfair labour practice.

BMW refused to defer the hearing and in turn accused Naawu of neglecting to assist its members.

Talks between Naawu and BMW on

By BRIAN TILLEY

Tuesday ended in deadlock, with BMW claiming that Naawu no longer had control of the situation.

The pamphlets from BMW's helicopter urge workers to "come to the main entrance of the plant where notices will be handed out daily". Approximately 900 workers at a Naawu meeting in Soshanguve welcomed the helicopter with stones and chants of "We are not afraid".

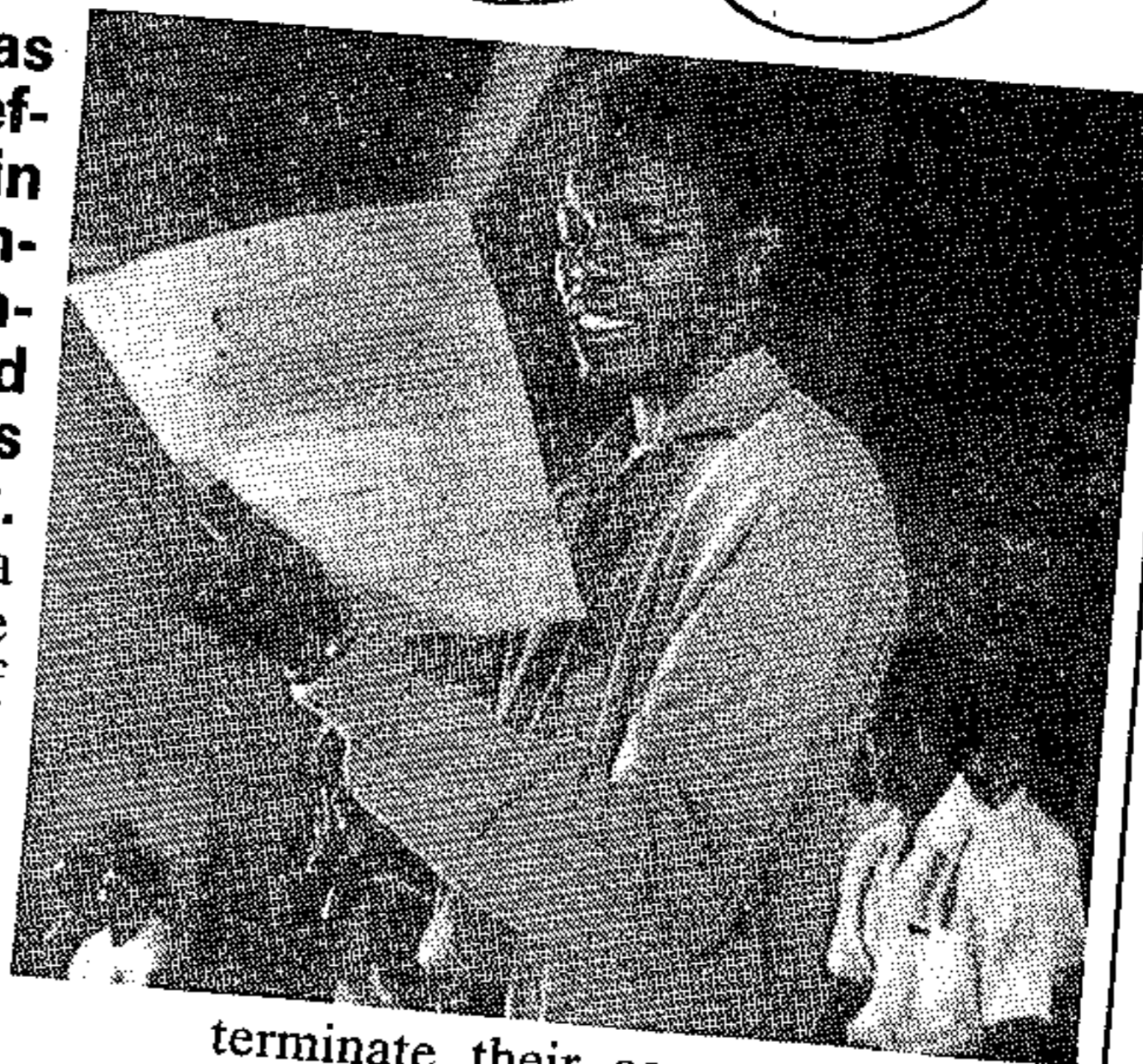
In their latest statement BMW maintain they reserve the right to

terminate their agreement with Naawu and sue the union for damages in respect of the wage dispute, as their agreement with the union specified that salary adjustments would not be considered until June.

Naawu are also contemplating legal action, claiming the BMW pamphlet distributed on Wednesday is defamatory.

Meanwhile, BMW says it has begun receiving union resignations from some striking workers.

A company spokesman said the first batch of resignations from people apparently disenchanted with Naawu had arrived on Wednesday.



A BMW employee studies a pamphlet dropped on workers this week.

Allianz SA seeks a local partner

6/2/84 Stan 63

By Duncan Collings
Deputy Financial Editor

The Allianz group of insurance companies in South Africa will seek a local partner before considering a Johannesburg Stock Exchange listing.

The newly appointed chairman, Mr Michael Linck, says the company has given an undertaking to the authorities that its parent, Allianz of West Germany, will reduce its shareholding in the local operation to around 50 percent as soon as this is in everyone's interest.

"In my view we will first look for a strong, entirely South African partner and thereafter seek a JSE listing.

"Following the takeover of Rand Life in November 1982, we first want to establish a good track record in our new form before going to the market."

Judging by the group's results for 1983, that track record is well on the way to being set.

"In the year premium income rose 19 percent to R47,0 million from R39,5 million in 1982, while total assets grew 26 percent to R175 million from R139 million.

Of the total premium income in 1983, R19 million related to life and pensions operations and R28 million to short-term insurance.

Rand Life is still operating separately from the group's other life interest, Allianz Life, but Mr Linck says these will be merged progressively over a maximum of five years.

On the short-term market, Mr Linck says the reinsurers have his sympathy over the very much harsher terms they have imposed on the insurance companies' treaties for 1984.

He says it is inevitable that premium rates — particularly those relating to industrial fire risks — will go up this year.

But he suggests there are two courses the industry could follow to

lessen the impact.

First, he says, that while avoiding any suggestion of a Cartel the industry could produce a guide tariff book. The major object of this would be to collect statistical information so that insurers could better assess risks.

"When the rate book of the industry was abandoned some years back, we lost our only form of statistical reference.

"This has resulted in some very peculiar rating of large industrial risks in a highly competitive climate and led to the large underwriting losses."

The second path the industry could follow, he says, lies more in the hands of brokers. He suggests they should introduce and emphasise to clients their risk management facilities.

Looking at the life insurance industry, Mr Linck says it is difficult to see how it can come up with any entirely new types of products after the new generation of policies were launched last year by virtually every company.

"Developments as far as the future of the life insurance industry is concerned will lie in marketing, client service and maximising the use of computers to ensure maximum flexibility for policyholders," he says.

On expansion of the group in South Africa, Mr Linck says there are two courses the group could follow.

"If Allianz were to bid for, and gain control of, a large UK domestic insurer which also has a South African operation this would be one form of expansion for us."

The second route to follow, says Mr Linck, "is for us to fulfil our commitment of giving a substantial share of the local operation over to local shareholders, and thereafter to speed up our expansion using the vast technical expertise available to us via our West German association."

8/2/84 Star
1963

Union set to go to court

By Eugene Saldanha

The National Automobile and Allied Workers Union (Naawu) is considering legal action against BMW in Rosslyn, despite an agreement reached yesterday which brought to an end a two-week dispute at the Pretoria plant.

The threat of legal action arises from a claim by Naawu that BMW defamed the union's leaders in certain official statements, and that the company "refused to deal with a representative union and instead chose to deal with union members in an unequal face-to-face situation in the plant".

The Rosslyn plant returned to full production yesterday after being shut-down since January 24 after the workers' rejection of a 10c-an-hour pay in-

crease. Naawu asked the company to enter into negotiations for wage increases, but BMW said it had previously agreed with the workers that pay talks would only take place during the middle of this year.

The parties have also agreed that the company will not dismiss any workers without an impartial inquiry at which Naawu shop stewards will be present.

In a letter to BMW, Naawu states that the dispute arose "because of wages and working conditions which are the result of unilateral decisions by management after consultation with a puppet Works Council".

A BMW statement said the company had reached agreement with Naawu that the existing wage structure would not change before July 1.

Business Day

BMW gets back into gear after pay dispute

63
VIEW
8/2/84
1704
150

By SIMON WILLSON

PRODUCTION started again yesterday at BMW's strike-hit motor assembly plant near Pretoria.

The Rosslyn factory was shut for 10 working days by an industrial dispute.

It is estimated to have cost BMW at least R17m — the value of the 800 cars that would normally have been produced during the closure.

Rosslyn, the only plant outside West Germany that manufactures BMWs, was closed by the company on January 25 after some workers allegedly threatened supervisors with violence during a pay dispute.

A company spokesman said yesterday that the 10 days' lost production would delay launch of the latest variants in the 3 Series range — the 318i and the 323i.

Since the 3 Series appeared late last year only one model — the 320 — has been produced. Others were scheduled to make their debuts this month and next month.

The 3 Series has proved to be the company's best-selling

marque with more than 2 000 units taken in its first three months on the market.

Waiting lists already range between three and six months and the spokesman said yesterday that these were bound to lengthen. BMW is looking at ways of making up the backlog but is reluctant to speed production line in case quality suffers.

Before launch of the 3 Series BMW was ranked ninth among manufacturers with sales of 905 units. The December national car sales figures showed that the company had risen to seventh place with 1 517 sales.

The spokesman said that the dispute would prove worthwhile in the long run. Expectations of higher pay being conceded by the company under duress had proved unrealistic. A new agreement had been signed between the company and the trade union involved — the National Automobile and Allied Workers' Union (Naawu) — governing this financial year's pay rates.

The union also recognised the company's right to take disciplinary action against workers who went on strike.

BMW, ^{ROM} 8/2/84
workers
end ⁽⁶³⁾
dispute

Labour Correspondent

BMW'S Rosslyn plant returned to full production yesterday, after a shut-down of nearly two weeks, when the company and the National Union of Automobile and Allied Workers Union signed an agreement ending their dispute.

But tension between them remains high, and yesterday NAAWU labelled the shut-down a "lock out", saying it was still considering legal action against BMW.

The plant was closed after a stoppage prompted by worker rejection of a 10c an hour pay rise.

NAAWU pressed for negotiations on wages, but BMW said it had agreed with the union that pay talks would take place in mid-year.

During the shut-down, BMW accused strikers of "intimidating" supervisory staff and summoned 19 of them to disciplinary hearings.

The key features of yesterday's agreement are that NAAWU will now submit proposals on wages and conditions which will be negotiated.

But the union has agreed that any wage rise negotiated will not be introduced before July 1.

The two sides have also agreed that workers accused of "intimidation" will appear at a hearing at which union shop stewards will be present and that none will be fired except as a result of such a hearing.

A company statement yesterday noted, "that the existing wage structure would not be changed before July 1".

Chopper used to tame a strike

By Angus Macmillan

BMW used unorthodox tactics — including showering a union meeting with leaflets from a helicopter and asking workers to a soccer match — to bring the militant National Automobile and Allied Workers Union to heel this week.

Workers returned to the production lines without a single concession from the company.

Other methods used by the luxury car manufacturer to secure a settlement varied from delivering letters "on the economic facts of life" to workers' homes and the presentation

of an audio-visual in a Ga-Rankuwa hall.

After management consultation with shop stewards, workers signed an agreement accepting the company terms. The main clause was that wages would not be increased before July — BMW's traditional time for increases.

The National Automobile and Allied Workers Union (NAAWU), which has been behind several successful strikes in the Eastern Cape, is up in arms over the company's tactics and is may go to court over what it calls an illegal lock-out, and possible defa-

mation.

According to BMW communications manager Pierre de la Ray, the car plant was closed in the last week of January because some workers were threatened with violence.

The dispute arose over dissatisfaction with a management offer of a 10c an hour pay increase. Workers wanted R1 an hour more — or about 40% — says BMW. BMW workers earn R570 a month on average.

NAAWU spokesman Taffy Adler says BMW pegs wages unilaterally, merely consulting a puppet workers' council. He claims that the increase

offered was less than that granted by other motor companies. He says of the company's tactics: "God knows what anthropologist they consulted, but they really dropped to the depths of naivety offering cold drinks and dropping pamphlets."

But Professor Roux van der Merwe of the University of Port Elizabeth's industrial relations department says: "Management should do its damndest to put its point across to workers. BMW has been innovative, but must realise that winning a battle does not necessarily mean winning the peace."

12/2/84

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63

BUSINESS

West German trade links are growing

Emphasis is on long-term investment

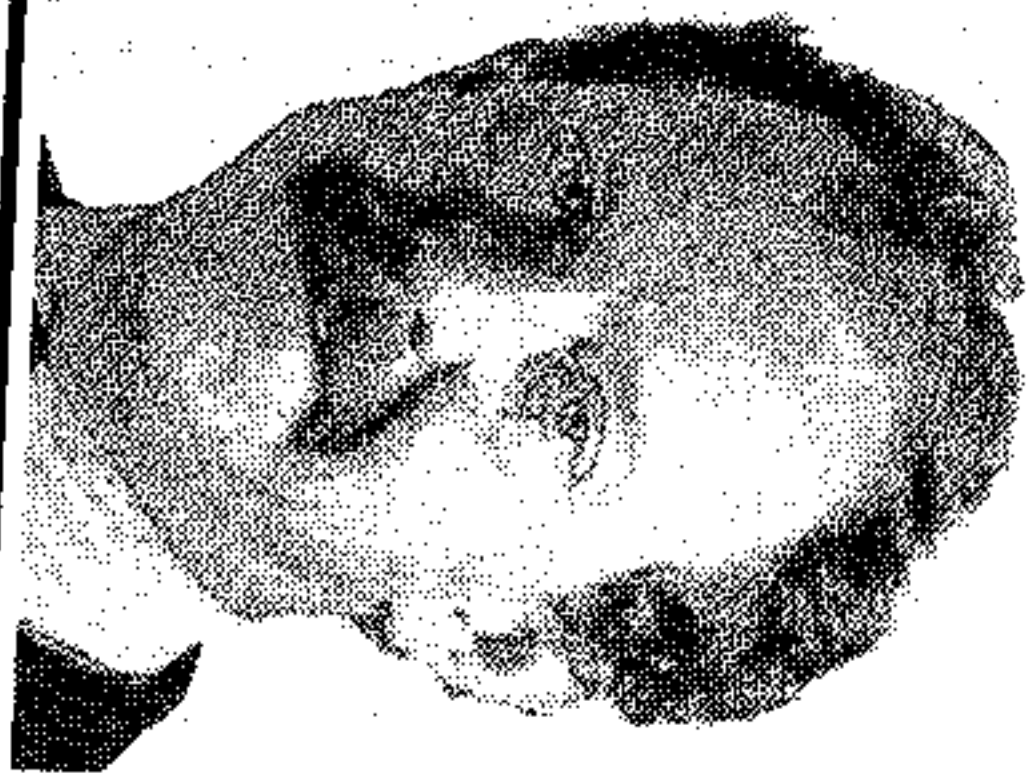
Most South Africans are aware of the enormous role played by German industry and German products in South Africa.

In 1979, for the first time, the Federal Republic was South Africa's biggest import partner and has held this position alternating with the United States ever since.

The organisation that represents the involvement of Germany's interest in South Africa is the SA-German Chamber of Trade and Industry which will celebrate its 32nd birthday later this year.

Viewpoint

Mr Achim Stracke is chief executive of the SA-German Chamber of Trade and Industry. In this article he gives an outline of the Chamber's activities and looks at SA/German trade links.



Having started as an importers/exporters association to provide import permits for German industry after the Second World War, the Chamber has developed into a large professional organisation serving a wide variety of members' needs.

The Chamber assists in legal, financial and custom matters, and many court cases have already been avoided because the litigants have agreed to accept the arbitration of the Chamber to settle their cases.

With its growing activities the Chamber has set up representative offices in Cape Town, Durban and Port Elizabeth, where German involvement is also fairly large.

Membership of the Chamber is not restricted to German companies. Anyone who is interested in German-South African business relations of any

kind is entitled to become a member.

German businessmen are eager and willing to set up links with South Africa. This came through very clearly during a recent 29-city tour of West Germany by myself and senior executives during which we met members of various chambers of commerce.

I was astonished at the number of inquiries from German businessmen. It came through very clearly that the interest in South Africa stemmed from the fact that the expanding business has no where else to go.

The interest of German businessmen in black Africa and South America is declining and they also tend to regard North America and Europe as stagnating areas as far as their expansion is concerned.

The main areas of interest in South Africa are imports and exports and the setting up of licenses in South Africa with the

emphasis on longer-term investment.

The Germans, however, are critical about the response by South African business to the opportunities which exist with foreign groups.

COMPLAINTS

We heard complaints in Germany which more or less said that even when excellent openings for business arise, some South Africans are very slow in answering approaches from Germany. Sometimes they don't even bother to reply at all.

Apart from looking after members' interests, the Chamber also represents German business involvement in general in this country.

On behalf of German industry, the Chamber, in conjunction with the German Embassy in Pretoria, has made a meaningful contribution to the upgrading of the black population in this country.

Later this year the multi-million-rand Teachers' In Service Training Centre in Soweto, which was financed by contributions of members of the Chamber, will be officially opened. The running costs of this training centre are mainly met by the German Embassy.

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153 20/1 22/2/84 Germans see SA as good market

Financial Reporter

WEST GERMAN industry would strongly oppose trade restrictions with South Africa and continue to take advantage of investment opportunities here, the South African-German Chamber of Trade and Industry heard yesterday.

SA was Germany's most important economic partner on the African continent, said the chief executive of the Federation of German Industries, Dr Siegfried Mann, in

Johannesburg.

With the challenges posed by growing levels of international competition, German industry relied upon taking advantage of the favourable production and investment opportunities abroad.

It was in the interests of both Germany and SA to co-operate in the development of economic links which would complement each other.

"The SA and German business communities are faced with new challenges which it will be easier to cope with in a joint effort.

"German industry needs reliable partners such as SA. Its highly-advanced industrialisation, well-developed infrastructure, rich resources of raw materials, policy based on free enterprise and its rising purchasing power offer manifold opportunities for industrial co-operation.

"European companies with production units or trade interests in SA are time and again exposed to political criticism. But the Federation of German Industries strongly opposes trade restrictions as a foreign policy instrument and our government is determined to pur-

sue a liberal course in our external economic relations.

"Business commitment in foreign countries is quite naturally influenced by the pace and direction of internal change."

Dr Mann welcomed the progress achieved in recent years in the fields of labour relations, training and trade unionism.

"After the positive outcome of the plebiscite on a new constitution, it is German industry's sincere wish that, in the interests of all concerned, it may be possible to realise further achievements in the course of an evolutionary process."

HOOK-UP

BY MIKE JENSEN

DUN & BRADSTREET has announced the only direct satellite link with its corporate information data-base in the US.

For the last two weeks a service using the Post Office's Saponet network to link to a satellite has been able to provide credit reports in under five minutes, where once they used to take four weeks, it says.

"The cost is about R100 a report and, in addition to the basic credit information, the service provides extensive financial analysis of companies," says Dun & Bradstreet's managing director, Mr Alan Mankoff.

POC POWER

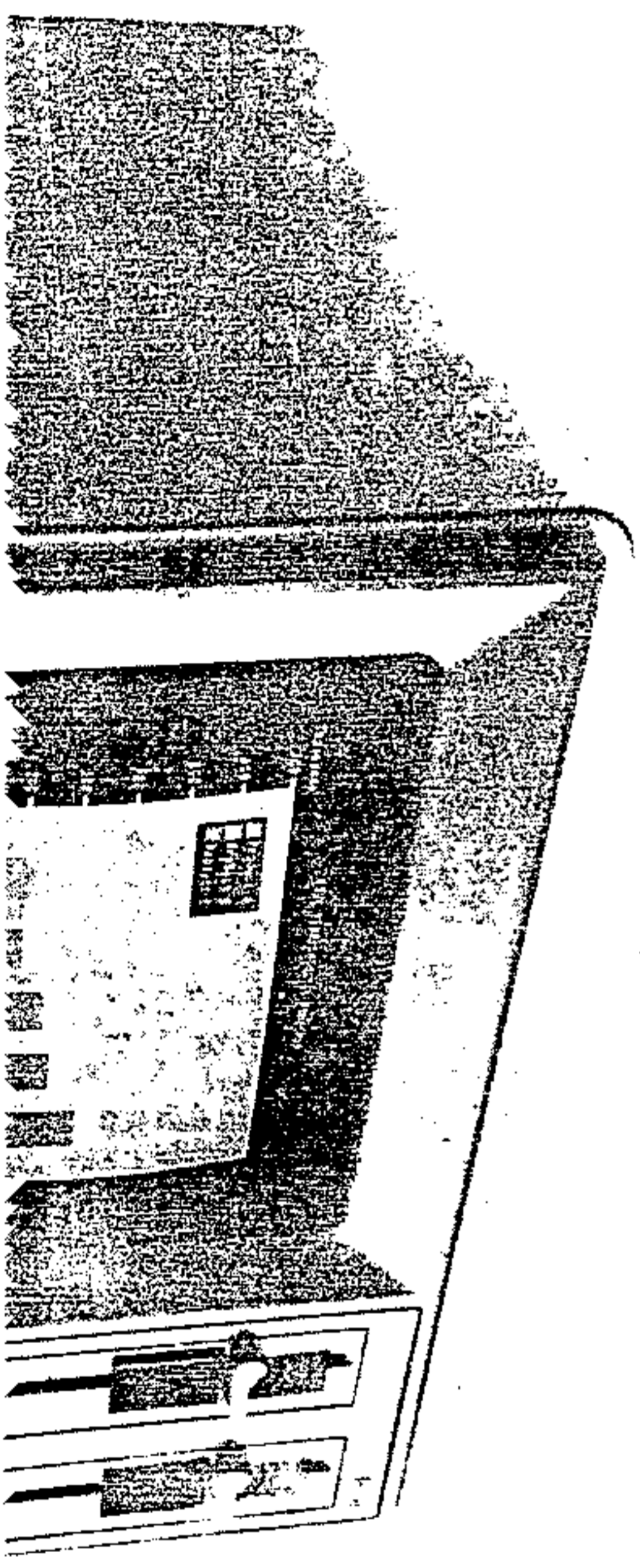
Slender starters in for a big finish

Financial Reporter

A NEW award for the Emergent Businessman of the Year will be made in Johannesburg next Wednesday.

Dr Simon Brand, chief executive of the Development Bank of Southern Africa, will be the guest speaker at the presentation banquet at the Carlton Hotel.

On the panel of judges will be Mr Howard Preece, Editor of Busi-



Motor ~~USA~~ company fires ~~1999~~ workers ~~63~~

By ALINAH DUBE

Sawetor 7/3/84

TWENTY-FOUR workers have been fired from the BMW Rosslyn plant near Pretoria, according to the company's Public Relations Officer, Mr Michael Brandt.

The dismissals came as a result of disciplinary hearing after a strike for better pay by about 1 200 workers, a month ago. About 200 employees were identified by management as having been responsible for the labour unrest at the plant. It was then decided that inquiries be held to establish what action to take against such people.

Mr Brandt refused to discuss the matter further because of an agreement his company has with the National Automobile and Allied Workers' Union (Nawu). He said a joint statement would be made.

A spokesman for Nawu confirmed that some of the workers had been fired from work after inquiries were held. He said, however, the union would meet BMW soon to review the situation. "I would not like to go into details as we have an agreement to always make a joint statement," he said.

RDM 16/3/84

Union acts on BMW sackings

By STEVEN FRIEDMAN
Labour Correspondent

MOTOR firm BMW and FOSATU's National Automobile and Allied Workers Union, who clashed in a recent strike at BMW's Rosslyn, Pretoria, plant are at loggerheads again — this time over the firing of 37 workers in wake of the strike.

The union's general secretary, Mr Fred Sauls, says he has called on German unions to act in support of the fired workers and says NAAWU does not accept the sackings.

And BMW said yesterday it had postponed indefinitely a meeting scheduled for Monday at which fired strikers were to have appealed against their sacking.

The company says it did this because NAAWU twice failed to provide it with a list of names of fired strikers who it believed had been unfairly dismissed.

The 37 workers were fired after two sets of hearings held during and after the strike.

They centred around BMW charges that some workers "intimidated" supervisory staff and that supervisors had to be protected against assault.

According to the company's figures, a total of 97 workers appeared at hearings, of which 37 were fired.

According to NAAWU, as many as 150 workers were originally to have appeared, but it says the company agreed to scale down this figure.

The workers appealed against their sacking and NAAWU says they are still due to appear at an appeal hearing on Monday.

Mr Sauls said that, at this week's meeting of the South African council of the International Metalworkers Federation, to which NAAWU belongs, the IMF's general secretary, Mr Herman Rebhan, pledged overseas union support for local unions.

NAAWU had asked a major German union, IG Metall, to act in terms of that commitment.

A company spokesman said yesterday the appeal meeting would not be held until NAAWU submitted the list BMW requested.

pressed a complete lack of interest in turbo engines.

"Our engines have enough power. One goes for turbo only when one is limited in engine size, as in grand prix racing," said Dr. Hasselkus, whose marque won the world Formula 1 championship last year.

"Turbo is in fashion right now," said Dr. Liener, "but we don't believe in turbo-charging petrol engines. We are more interested in quality than performance and are spending R1 000-million a year on research and development. This should keep us ahead and is concentrated mainly on fuel consumption, weight reduction, pollution reduction, safety, reliability and comfort."

Dr. Hasselkus did not envisage any new model from BMW for some time and said the Three, Five and Seven series would continue in up-

rise stake

dated form for some years. Dr. Liener told Business Times that Mercedes had factories in Brazil, Argentina, Spain, Turkey, Saudi Arabia, India, Iran and Indonesia. The South African operation had overtaken Brazil as the biggest outside Germany.

Investment so far in South Africa was about R240-million and Mercedes employed 4 500 people in this country. Its factories at East London covered 65ha, of which 18,8ha was under roof. Mercedes made and sold about 10 000 Honda cars a year.

The company planned to spend another R140-million in the next five years, mainly on the dealer network. Mercedes' investments over the years by far exceeded dividends taken out.

Dr. Liener said the local content programme preclude production of the Mercedes 190, a smaller, lighter car recently unveiled in Europe.

Mercedes changes name, lifts investment

BMW challenge follows R200-m spending

German car-makers step up SA stake

By David Carte

GERMAN motor giants Mercedes-Benz and BMW achieved sales of more than R950-million last year as well as large profits in a small, overcrowded South African market in which most contenders struggle to break even.

After grabbing nearly a quarter of new-car revenues last year, the arch-rivals in luxury cars both announced new top men this week.

With retail car, truck and bus sales of R700-million last year, Mercedes-Benz was second only to mass producer Toyota. In rand terms, Mercedes boasted 14% of total sales even though it sold only 7% of vehicles by number (see table).

Mercedes-Benz main board director, Gerhard Liener, tells Business Times that the SA company is to change its name to Mercedes-Benz of South Africa from United Car & Diesel Distributors.

Importer

This follows increased investment in the company by Mercedes-Benz of Stuttgart. Mercedes of Germany now has 50,1% of the SA company compared with 36% before its most recent purchase from Volkscars. Volkscars now

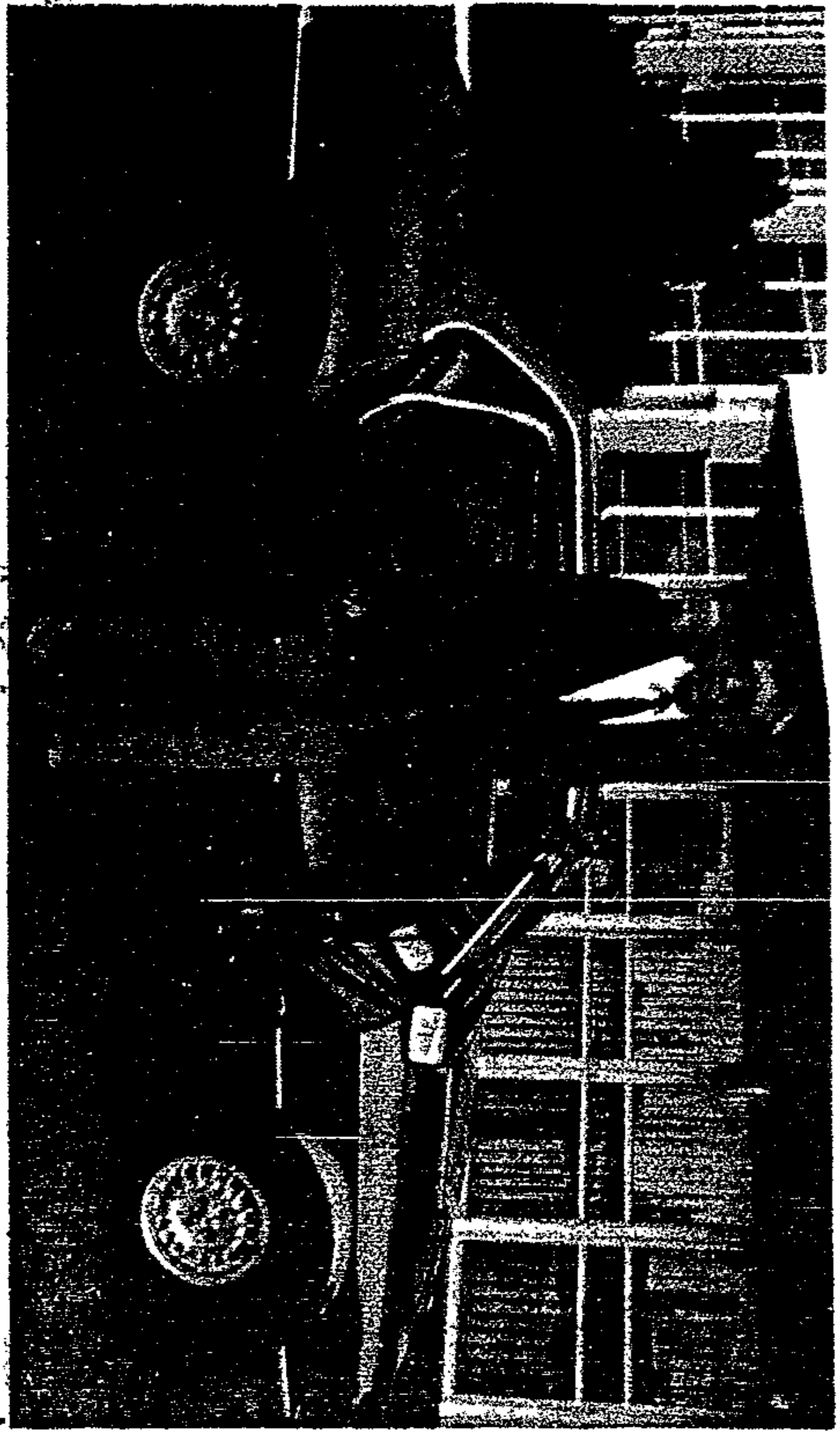
This comes after a R200-million investment programme by BMW.

Taking into account that it does not sell trucks and buses, BMW's performance in the past decade has been as impressive as Mercedes'. After being nearly bankrupt and on the verge of being taken over by Mercedes in 1966, it claims to have been the fastest-growing motor company in SA — and the world since then.

Target

Dr. Hasselkus said BMW aimed to sell 20 000 cars in SA this year compared with 13 000 last year and its record of 15 000. As BMW now had the capacity to make 85 cars a day, it would have no problem in meeting this target — provided there were no labour upheavals. He forecast a total market of 285 000 cars this year and 305 000 next year.

Dr. Hasselkus said there would be no radical changes



BMW'S new boss Dr. Walter Hasselkus with the company's newest model — a four-door Three Series
Picture: Dave Attwood

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... Dr Liener named Jurgen
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... reins of Mercedes SA from
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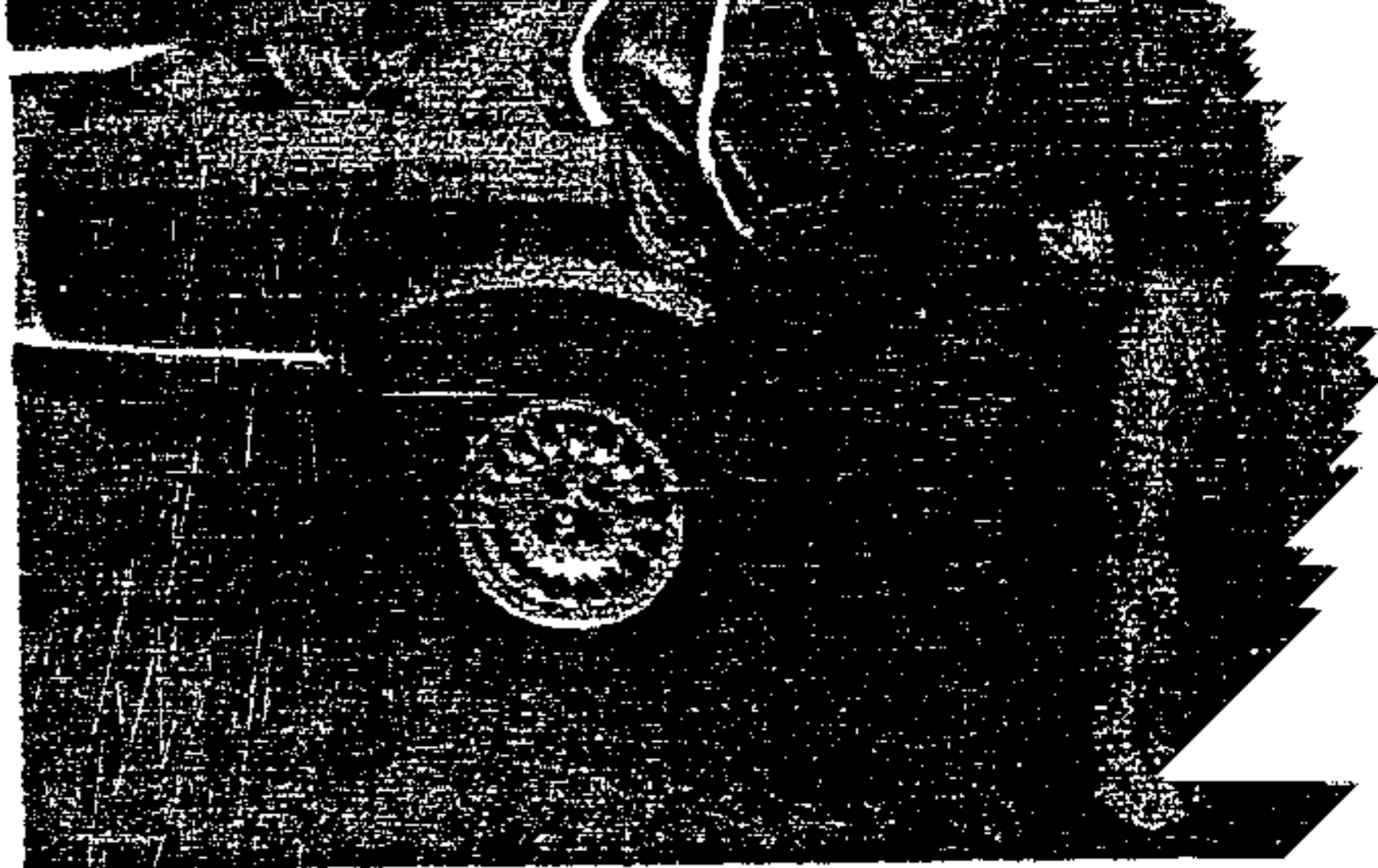
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... centrate on expensive cars
... and motorcycles.

... The company could start
... making components it was
... now buying from SA suppli-
... ers. BMW's plan to export
... components to its German
... parent would also receive
... emphasis. There was particu-
... lar scope in leather uphol-
... stery.

... Neither of the two makers
... expects to unveil a new
... model soon and both have ex-

□ To Page 3



MOTOR INDUSTRY 1983 — SALES AND TURNOVER*

1983 Position	Manufacturer	Passenger Cars Rm	LCV (-4000 kg) Rm	HCV (+4000 kg) Rm	Total Value	% By Value	Sales	% By Units
1	Toyota	564	316	71	951	19,0	92 386	22,8
2	Merc SA	478	3	212	693	13,8	27 951	6,9
3	Nissan	290	228	107	625	12,5	57 323	14,1
4	Ford	411	133	49	593	11,9	56 073	13,8
5	VW	371	142	—	513	10,3	44 420	10,9
6	Sigma	311	65	75	451	9,0	44 689	11,03
7	Gen Mot	217	131	78	426	8,5	38 225	9,44
8	BMW	267	—	—	267	5,3	13 168	3,25
9	Leyland	58	10	59	127	2,5	6 253	1,54
10	Alfa	116	3	—	119	2,4	11 560	2,85
11	Renault	89	1,5	—	90,5	1,8	10 983	2,71
12	MAN	—	—	54	54	1,1	754	0,19
13	Int Harv	—	—	27	27	0,5	374	0,09
14	Malcom Scan	—	—	18	19	0,4	209	0,05
15	Erf	—	—	16	16	0,3	211	0,05
16	Vetsak	—	—	13	13	0,3	288	0,07
17	Oshkosh	—	—	11	11	0,2	134	0,03
18	Fodens	—	—	2	2	0,1	41	0,01
19	Tak (Lancia)	2	—	—	2	0,1	103	0,03
20	VSA Mot Dist	—	—	,5	,5	—	5	—
		3 174	1 032,5	793,5	5 000	100	405 139	100

Total revenue of all car- and truck-makers in South Africa. Sales were calculated by multiplication of units sold by average 1983 price. Mercedes-Benz of SA did the calculations

CDA name changes to Mercedes-Benz

63
D. P. Dispatch
2/14/84

PRETORIA — One of the giants of the South African motor industry UCDD (Pty) Limited, has been renamed Mercedes-Benz of South Africa.

This name change will apply to all the operating companies in the group, including the wholly owned CDA assembly plant in East London.

The new Mercedes-Benz SA had a turnover in 1983 from sales of Mercedes-Benz cars and commercial vehicles and Honda cars, of almost R700 million.

The company's manufacturing and assembly operation in East London is one of the largest Mercedes-Benz car and commercial vehicle activities outside West Germany.

The decision to change the name of UCDD to Mercedes-Benz of South Africa has been taken following the acquisition by Daimler-Benz of Germany of a 50,1 per cent controlling stake in its South African franchise holder. The decision has been taken together with the other major shareholders, Volkscas Industries Limited (26,5 per cent) and the Ernest Gohner Foundation of Switzerland (23,4 per cent) and has been welcomed by the Honda organisation in Japan.

Daimler-Benz acquired control of UCDD as a result of a R30 million rights issue earlier this year in which Volkscas elected not to follow its rights in full.

Chairman of the board of directors of Mercedes-Benz SA, Dr Tom Muller, who is also vice-chairman of the Volkscas group and a director of Volkscas Industries, said: "The move to allow Daimler-Benz

to assume control of the company has had the fullest support at all times of the Volkscas group, and we welcome the advent of the illustrious Mercedes-Benz name to the ranks of South Africa's motor manufacturers.

"The Mercedes-Benz group and its dealer organisation around the country are in the completion stage of a R200 million expansion programme started in 1981 in order also to accommodate the new Honda passenger car franchise, Dr Gerhard Lienar Daimler Benz," said.

At its assembly plant in East London, Mercedes-Benz South Africa has effectively more than doubled the car production capacity and substantially increased commercial vehicle capacity, as well as increasing the scope of the parts operation.

"Honda has been an outstanding success since its introduction in October 1982, and its activities will be continued on an extended basis. With sales in 1983 close to 10 000 units, Honda achieved a 3,6 per cent share of the market," he said.

● "Mercedes-Benz has announced the name of the successor to Mr Morris Shenker, when he relinquishes the position of chairman of the company's management board towards the end of 1985.

He is Mr Jurgen Schrempp, a former senior executive who became vice-chairman of the management board with responsibilities for marketing.

Mr Shenker has now also been appointed to the shareholder board and Mr Schrempp rejoins the management board. — DDC

Profits before politics and boo to churches

HOW does Hoechst regard its South African investment?

The company's policy is to trade in every country, particularly where its big international competitors BASF, Bayer, Dupont, Dow and ICI are represented — regardless of politics.

Hoechst has come under fire from German churches for dealing with South Africa, but it points out that it is also represented in Moscow, Lagos and Peking.

First duty

German churches are extremely wealthy as 10% of all taxes collected accrue to them. They are pillars of the World Council of Churches, which is strongly anti-South African, and are therefore militant.

But Hoechst stands its ground, pointing out that its first duty is to make money for shareholders and employees and that its presence is positive for the people of all countries in which it is represented.

I asked a company spokesman on international affairs about risk.

"You could say we face greater risk in France, where the Mitterrand government seriously thought about nationalisation."

Commercial risk, he says, is far greater in countries like Brazil, which has 400% inflation, or Argentina, which is burdened with debt.

The company is open about its SA operation and even brings union members to SA to see the country and Hoechst SA. It reckons this has tended to soften attitudes.

Hoechst adheres to the EEC code of employment, paying more than the recommended wages and appointing people regardless of race.

Still, I was told forcefully in Frankfurt: "Hoechst condemns apartheid. We don't believe this is a method to run society. We try to have a liberal tolerant attitude towards all people."

"Of course, we are aware of the complexity of politics in your part of the world and don't expect overnight change. But we welcome the signs of evolutionary reform that we see."

R400-m sales

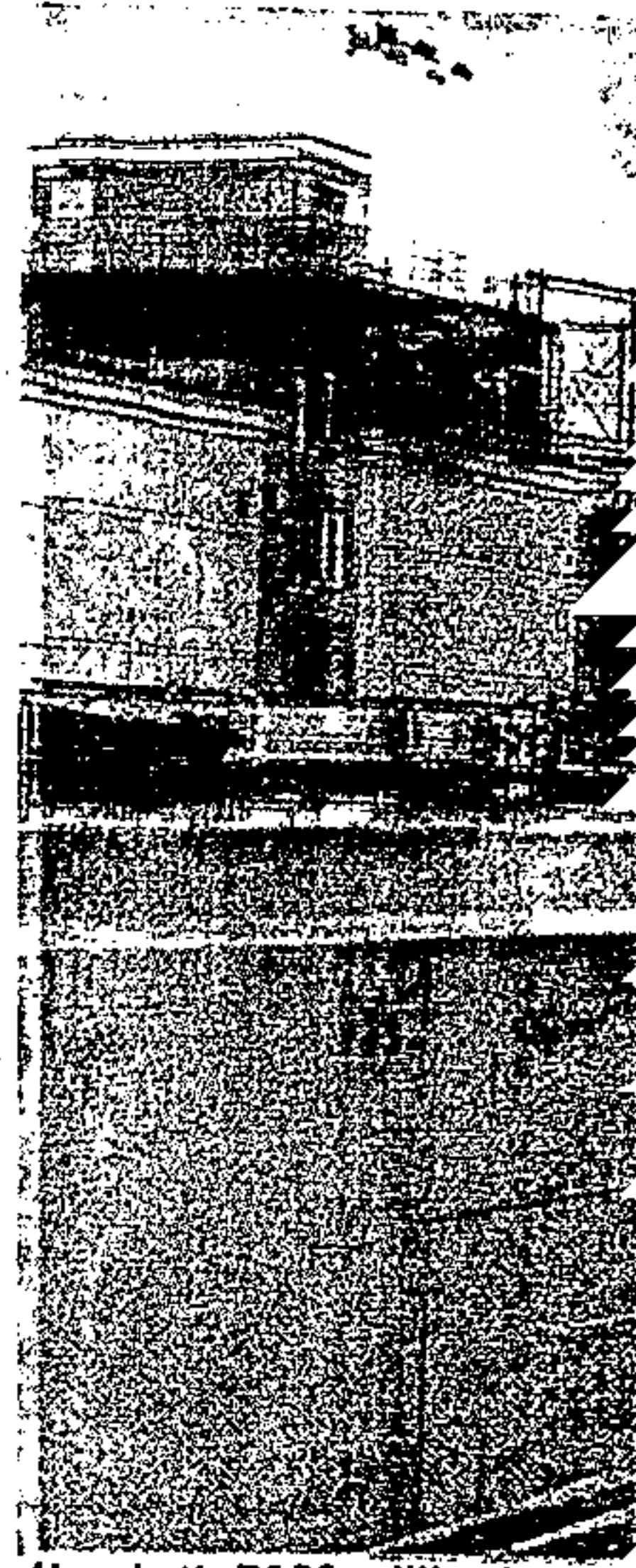
Hoechst SA represents 2% of Hoechst internationally, but is certainly no minnow in the industry, ranking third after AECI and Sentrachem.

Its sales in this country are about R400-million. Hoechst prides itself on being a manufacturing company, not a trading house in this country. Seventy percent of its sales are manufactured here. The company has invested R150-million in the past five years in SA.

Plastics

For historical reasons, the market penetration in pharmaceuticals in SA is not as big as it is internationally. Plastics rank first, followed by fibres and textile products, chemicals and veterinary and agricultural products.

There is no great desire to go for a bigger slice of the pharmaceutical market as Hoechst maintains there are 80 contenders for R400-million of business.



Hoechst's R100-million biological before letting the water back

Hoec. Germ

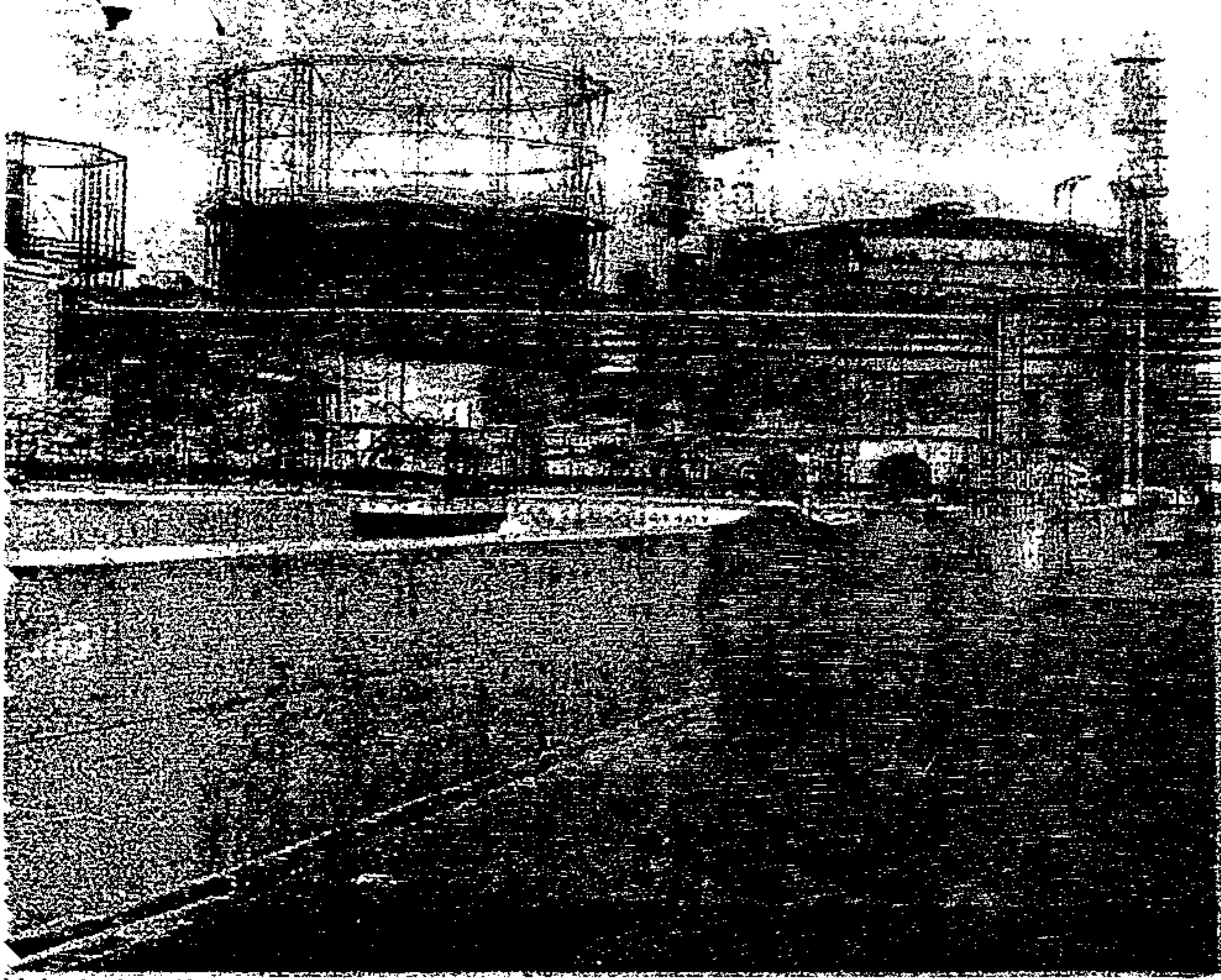
PERHAPS the most forceful of many lessons for a South African visitor to Hoechst in Germany is that without protection, the SA chemical industry cannot compete.

Hoechst's world-wide sales last year were R17 600-million — three quarters of SA's Budget and more than 10 times AECI's R1 620-million.

Depending on exchange rates, Hoechst is the biggest chemical company in the world. There are several others, such as Bayer, BASF, Dupont, ICI and Dow in the same league — dwarfing even the biggest contender in our industry.

With sales of R6 199-million, the German operation of Hoechst accounted for only 35% of total sales. The rest were made by overseas subsidiaries, such as Hoechst of SA. More than 54% of Hoechst Germany's sales were exports, so more than 70%, or R12 000-million, of the worldwide group's sales were exports.

Pharmaceuticals are most important, accounting for



Biological purification works treat 60 000m³ of water a day and remove 92% of all impurities back into the Main River

Hoechst — awesome man juggernaut

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Business Times editor DAVID CARTE visits one of the world's largest chemical companies

18% of sales, followed by plastics (10%), organic and inorganic chemicals (10%), fibres (8%) and paints (7%). Otherwise the group is well spread over dyes and pigments, agricultural chemicals, biochemical and other products.

It is hardly surprising, facing giants such as these, that the SA industry is in disarray as the Government lowers the barriers that have shielded it against international competition until now.

Another enormous disadvantage for our industry is that it is coal based, while others are oil based in an oil glut.

Not that the local boys are doing so badly. Hoechst of Germany's pre-tax profit in 1983 was R438-million compared to AECI's R186,4-million. So Hoechst's pre-tax profit on sales was only 7% compared with AECI's 13%.

Import protection is one reason AECI's margins are relatively fat. Another is that margins are unusually generous in the explosives busi-

ness, in which there is little competition.

Another relative advantage that AECI enjoys is that it does not carry the research and development burden of Hoechst, which spends a staggering R714-million on R&D a year. AECI spent R10-million last year, but also benefited from untold millions spent by its parent, ICI, on research.

Judging by the thick black smoke emanating unapologetically from its Holland Electro Chemicals plant near Newcastle, AECI is not spending as much on pollution control as Hoechst either.

Spin-off

With the environmental protectionist Green party ascendant in Germany, Hoechst spends R238-million annually combating pollution. It spent no less than R100-million on cleaning up the Main River at its main plant — and this is one of dozens worldwide.

No fewer than 13 000 of Hoechst's 180 000-strong labour force are engaged in research and perhaps a fifth are scientists and chemical engineers!

Hoechst has not had a strike since 1952 and that was a minor industrial tiff. It has never laid off workers for economic reasons. When it closed its cellophane plant and its naphtha cracker because they were no longer competitive, moved redundant workers were placed in other areas.

The company has never had a serious industrial accident or explosion and the only fatalities at work have been road accidents.

Most astonishing, labour has 50% of the votes on the supervisory board.

South Africa has been full of free-market talk for the past three years. Business is there to make profits, seems to be the new attitude and to hell with the rest. But the super-efficient juggernaut, Hoechst, makes one wonder.

Perhaps there is a return on investment not only in plant and research, but in people and the community at large.

RICH harvest from billions on research

HOECHST needs to spend billions of marks on research because competition in basic chemicals is becoming too hot internationally.

More and more Opec competitors are trying to diversify their exports by down-line processing of their cheap crude oil.

Unable to compete far from their home bases in such run of the mill areas as fertiliser and PVC, European and American chemical companies have to move into higher technology areas or lose out.

Chemical technology is every bit as exciting as computer technology. Indeed, were it not for Hoechst-developed chemicals, certain printed circuits that are pushing electronics into new areas would not have been available.



HANS M DEGER... head of biotechnology research

improve fuel consumption, more plastic is being used in cars — one reason the world steel industry has struggled.

Protein

Hoechst is tinkering with molecular and cell structures of living organisms in its biological research unit. It has produced protein from methanol, removed the fat and has come up with a tasteless, high protein powder than can be used to enrich all kinds of food.

This has been achieved in a R25-million pilot plant. Work is expected to begin soon on a R1 000-million production plant.

These developments could alleviate world food shortages. Hoechst is working on such diverse projects as new low calory sweeteners and the use of lasers in printing.

I visited the pest control laboratories, where many of the world's most virulent insect and bacteriological pests are bred, often in tropical conditions, placed on plants and exposed to new pesticides.

Equally impressive were the plastics laboratories and the bioengineering workshops where the DNA molecule is being manipulated to help mankind.

It was a fascinating view of the future — and an encouraging one insofar as the solutions to many of today's problems are in the making in these laboratories.

Nobel Prize

Hoechst spends R700-million a year on research, R300-million of it in pharmaceuticals, where it has a proud record. Several Hoechst researchers have won the Nobel Prize.

For every 10 000 pharmaceutical and pesticide products the company tests, only one reaches the market. Some researchers have spent a lifetime at Hoechst never to see a product they work on reach the market.

More than 13 000 Hoechst workers worldwide are engaged in research. One research area across the Main River from the main plant is bigger than the Council for Scientific and Industrial Research.

R&D has certainly paid off in terms of human progress and profit. Hoechst scientists discovered the TB bacillus and the first TB vaccine, then went on to discover cures for diphtheria, syphilis and many other diseases.

It has been a leader with the development of insulin and antibiotics. It should soon have a new nasal spray birth control device on the market.

Pest control

It is a leader in herbicides and pest control, a vital area as a third of the world's crops are destroyed by pests. One of its important research farms scattered all over the world is at Malelane in the Eastern Transvaal lowveld.

Hoechst has come up with many new plastics and fibres, including its winner, Trevira. The main drive in plastics research today is in new applications. Hoechst has one R25-million laboratory which aims exclusively at finding new ways to use plastics.

As the motor industry moves to reduce weight and

27/4/84
Workers dispute

for improvements in pay and call-out allowances, production bonuses, day pay and the special advances paid to artisans substitute for others. Until yesterday the Chamber was offering an 8,5% pay increase with no improvements in fringe benefits. This was upped to a total increase of 10% at yesterday's talks. The CMU dropped yesterday from a 15% pay demand, with the fringe benefits added up to a total increase of 20%, to a 10,5% package increase. Mr Johan Liebenberg, industrial relations director for the Chamber, declined to comment "at this stage". The Chamber and the unions settled on an 8% increase last year plus a 1% increase in employer contributions to the Mine Employees Pension Fund.

Dumped baby boy 'doing fine'

Mail Reporter
AN ALBERTON schoolgirl who will appear in court soon in connection with a newborn baby found abandoned on Monday, was discharged from hospital yesterday and is at home with her parents. The baby boy, currently at Germiston's Willem Cruywagen Hospital was reported to be "still very badly bruised, but otherwise fine". He was found head down and naked in a plastic bag in the back yard of a service station by garage owner, Mr Peter Kandalidis, who said he was "ice-cold and crying weakly". The umbilical cord was still attached. Police said yesterday the girl would probably appear in court next week. She received blood transfusions earlier this week.

NDM 27/4/84 150 (140A) 183
400 workers at Reef factory in pay strike

Labour Correspondent
ABOUT 400 workers at the Dunlop Industrial Products plant in Benoni went on strike yesterday after the company and the Chemical Workers' Industrial Union — affiliated to the Federation of SA Trade Unions — deadlocked over wages, a union representative said. She said the number of strikers could grow as it was possible that night shift workers would join the stoppage. The strike comes as Dunlop and another Fosatu union, the Metal and Allied Workers' Union are locked in a continuing dispute over wages and other issues in Natal. Mawu and Dunlop remain deadlocked over wages at the company's Durban tyre plant and, at one point, the union declared a dispute with the

company over union recognition at its Ladysmith plant as well. The union has declared a dispute with the company at the Durban plant and, in a secret ballot last year, workers voted to strike. Workers at the Durban plant have held talks with Dunlop workers at Benoni and Ladysmith in an attempt to launch joint action in support of their wage demands. The strike at the Benoni plant began yesterday afternoon after CWIU officials reported back to workers that wage talks had deadlocked. The union's representative said the CWIU was demanding a rise in minimum wages of 35c an hour from May 1, but that the company was offering an 18c rise to come into effect on June 1. Comment from the company could not be obtained yesterday.

NDM 27/4/84 150 (140A) 183
R3m spent on housing workers

Mail Reporter
THE BMW motor company yesterday opened a R3-million section of a major housing project for their employees at Mabopane, Pretoria. Mr D P Kirby, the company's industrial relations executive, said the project had been BMW's number one priority. The company intended to complete it by the end of September. "We realised that the need of workers should be fulfilled for they are the people who are doing the work and who need to rest after the heavy, all day labour," he said.

MATTER OF FACT

TO CORRECT specific errors of fact, write to the Editor at P O Box 1138, Johannesburg, or telephone the Editor's secretary at 710-9111 between 9am and 5pm on weekdays. If you have broader complaints about the Rand Daily Mail these can be taken up with the Mail Ombudsman, James McClurg, c/o the Editor's secretary. POLITICAL comment in this issue by David Hazell and Peter Bunkell; newsbills by Pat Carfax; headlines and sub-editing by Paul Holroyd; cartoons by David Anderson; all of 171 Main Street, Johannesburg.

ty insurance renewal reminder

and parties as they could be chased from so many companies. He said many motorists are not aware that, according to law, third party discs should be placed on the left and bottom corner of the front windscreen and that if a new third party was put before April 30, the old

disc should not be removed until that date. Mr Denzyl said the price of a third party for a private vehicle was R20,60, a vehicle used for a lift club was R23,60, rental cars were R54,60, taxis R56,60, trucks R50,60, buses R220,60, school buses R34,60 and motor cycles R4,60 (under 50cc) and R12,60 (over 50cc). Third party

ties for caravans will cost R4,60. Sapa reports that the AA has said insurance companies were concerned at the slow renewal of compulsory third-party insurance. "The recent announcement by the Department of Transport Affairs of an increase in the third-party insurance

premium could have caused some delay in the forwarding of renewal notices, so some motorists may not have been notified in time," the spokesman added. "Nevertheless, it is a serious offence to drive a vehicle without third-party insurance on a public road. It is also illegal to replace the old token before the time."

NT
ans mask redeems all

ALLET
AEFORD DANIEL
OMEIO AND JULIET
opera, State Theatre, Pretoria
The company acquits itself well throughout. Highlights are the lovely pas de deux danced by Weller and Raisnick, particularly those choreographed for the balcony and bedroom scenes by Ashley Killar, the bravura

dance of the troubadours in the second act by Kit Lethby, Dewi Fairclough, Nigel Hannah, the harlots of Dianne Finch, Marion Lindsay and Mandy Brak, and most exciting of all, Joseph Clark's impressive debut in the role of Mercutio. With his incredible agility and engagingly impudent air, Clark makes immediate impact, notably in his taunting of Tibalt in the ballroom scene. But is he mature enough, I found myself wondering, to realise the full potential of his complex character, to give credence to that subtle blend of mockery and bitterness that so exemplified Edgardo Hartley's memorable reading of the role? The duel scene quickly resolved my doubts. Clark is — well — mercurial. Malcolm Burn, making a welcome return to the com-

pany after his triumphs in "Swan Lake" and "Giselle" in Utah, is in excellent form as Tibalt and Phillip Betley is a rollicking, mischievous Benolio. Jeremy Coles dances Paris with sympathy and elegance. Kenlyne Sutherland is again the Nurse — is there a better? I have not seen her. Ian Harper and Liane Lurie make strong debuts in the roles of Lord and Lady Capulet, as does Spanish dancer Theo Dantes in that of Friar Lawrence. Ken Yeatman's entrance as the Duke of Verona has impact. There is attractive ensemble work, notably from Beverly Bagg, Stella Horwitz, Sandra Bloch, Karen Henning, Rolene Menachemson and Annette Everitt as Juliet's friends, and again from Horwitz, Bloch, Everitt and Bagg as troubadour girls.

INTERNATIONAL guitarist Narcisco Yepes is in Johannesburg for a three concert season, starting next week. His first will be in Wits Great Hall this Tuesday, the second in the Linder Auditorium on Sunday, May 10, and the third in the Johannesburg Civic Theatre at 8.30pm on Wednesday, May 30. Yepes will be conducting two master classes on Saturday, May 19. These have been made possible through the collaboration of Adcock-Ingram Ltd, L'Alliance Musi-

Guitarist Yepes for SA concerts
cale and the Classical Guitar Society of South Africa. The closing date for applications, either as participants or as observers, is May 9. For further information, contact the secretary of the School of Music at (011) 716-3879.

achieving some depth

TV REVIEW

to "Midweek", although Murphy did say that the programme would be delving mainly because of the ace interviewer, Willem de Klerk, and his guest the former

RHODES PARK RESTAURANT
executive chef Keith Morris invites you to sample his
NEW WINTER MENU

Firm gears into SA ⁽⁶³⁾ industry ^{Star}

Financial Staff ^{2/5/04}

After more than 10 years of close co-operation in the local manufacture of specialised transmissions, Zanraderfabrik Renk AG of West Germany and Sandock-Austral have taken up a partnership in a new local company, Renk SA.

Renk AG will hold 51 percent and Sandock-Austral 49 percent of the R5,9 million share capital in the new company. Renk SA will take up a 26 percent participation in Gear Ratio Engineering (GRE) for Renk AG.

GRE is a subsidiary of Sandock-Austral and specialises in high precision mechanical engineering. It has spearheaded its holding company's drive to locally manufacture specialised transmissions, gears and drive-axles in the past 15 years.

The partnership is aimed at strengthening existing local expertise in specialised gearbox manufacture.

Renk SA has been granted the local marketing agency and manufacturing rights.

(62) (337)
S. Times 27/5/84

Disinvestment move defeated

A BILL that would have barred American state-operated pension funds from investing in companies with financial ties to South Africa has been defeated by the Illinois House of Representatives.

The House voted 37-48 against the Bill which would have required six pension funds to sell hundreds of millions of dollars in stock in companies such as General Motors, Coca Cola, IBM and

DuPont, all of which do business in South Africa.

The funds also would have been barred from depositing money in banks that have made loans to South Africa.

Supporters of the vote contended that divestiture by Illinois pension funds would not change the South African political system, but would make it more difficult for the pension funds to earn a high return on their money. — Sapa-AP.

Star 5/6/84

Botha and Kohl discuss investment and Namibia

By Peter Sullivan,
Political Correspondent

BONN — The independence of Namibia and West German investment in Southern Africa were at the top of the agenda today when the Prime Minister, Mr P W Botha, met his German counterpart, Chancellor Helmut Kohl, here.

Present at the meeting between the two heads of government were the two Foreign Ministers, Mr Pik Botha and Mr Hans-Dietrich Genscher.

Initial talks were followed by a working lunch which the German Minister of Economic Affairs, Dr Otto Lambsdorff, also attended.

With his European visit now at the halfway stage, Mr Botha is looking relaxed and pleased

with the progress he has made.

Despite some negative reports about the British leg, Mr Botha is happy about the outcome of his discussions with Mrs Margaret Thatcher and last night was brim-full of confidence about the outcome of today's talks.

Yesterday he spoke to leading industrialists before chatting to reporters at a cocktail party arranged by the South African Embassy in Bonn.

Mr Botha was due to meet the leader of the Opposition, Dr Hans-Jochen Vogel, this afternoon.

This was to be followed by a meeting with the President, Dr Karl Carstens. Anti-apartheid demonstrators have promised a major protest, which will include effigies of black bodies dripping blood, at this meeting.

ROM 9/18/94 (63)

Work stoppage hits Volkswagen production line

By ANDREW DUNCAN

VOLKSWAGEN is losing production of about 200 cars a day because of a work stoppage at its Uitenhage factory.

The 4 000 production staff have been off since Tuesday.

The company said last night the situation was unchanged and the plant remained closed because of persistent work stoppages over the past month.

The public affairs manager, Mr Graham Hardy, said that over the last few months there had been isolated work stoppages in various sections of the factory.

A dispute in the paint shop had forced the closedown of the whole plant.

Mr Brian Robinson, Volkswagen's industrial relations director, said the repeated refusal by workers to follow agreed dispute and grievance procedures had made it impractical and uneconomical to continue production.

At issue are two incidents involv-

ing the alleged assault by black workers of a white colleague and a supervisor and a number of other grievances.

The first case was being dealt with by management strictly in terms of the grievance procedures agreed to by the unions and the company.

The second case involving the alleged assault of a supervisor was still to be reviewed. The employee would remain on full pay while the matter was being investigated.

Volkswagen is meeting representatives of the National Automobile & Allied Workers Union today in a bid to resolve the dispute.

Mr Robinson said the company was willing to continue to negotiate with worker representatives in order to resolve the situation as quickly as possible.

Spokesmen for both General Motors and Ford said the dispute was confined to Volkswagen and that there had been no impact on their own production.

63

Star 9/8/84

By Eugene Saldanha

Govt 'must decide on political role of black unions'

The Government had to decide whether it wanted the black union movement to become a vehicle for political change, a top business executive told the Public Relations Institute of South Africa today.

Addressing public servants at a seminar in Pretoria, Dr Walter Hasselkus, managing director of BMW in South Africa, suggested the Government should monitor the development of the trade union movement closely.

Comparing the development of local trade unions with those in Europe, Dr Hasselkus said that organised commerce would at some stage be faced with the question of whether the unions should become partners in a new social democratic structure in industry.

"If the local union movement is to develop into a rallying point for black political aspirations, I would be hesitant to encourage any move towards worker participation in company policy-making," Dr Hasselkus said.

"Monitoring this development goes beyond



Dr Walter Hasselkus

the scope of management-employee relations.

"The Government must decide whether to allow the unions to become vehicles for political change."

WARNED

Dr Hasselkus warned against a proliferation of trade unions, as in Britain, and said union for-

mation based on industrial sectors, as in Germany, was preferable.

He said as long as the union movement evolved within a sound legal structure, with realistic agreements between employers and employees, its growth had to be seen as an excellent opportunity for communication.

It should not be seen as a liability or vehicle for conflict.

Dr Hasselkus urged civil servants to ask themselves whether the two-way communication system within the Government was as effective as the channels of communication employed in the private sector.

"Employers should try to ensure their employees have a full grasp of the system of taxation and budgeting, which determines the extent of their salary increases," he said.

Labour unrest unlikely

BLEAK second-half prospects for the motor industry have been dramatically underlined in latest statistics from Pretoria.

Estimates of trading revenue earned by retailers in motor vehicles and accessories show a sharp 17% decline for July (after the GST increase), compared with June.

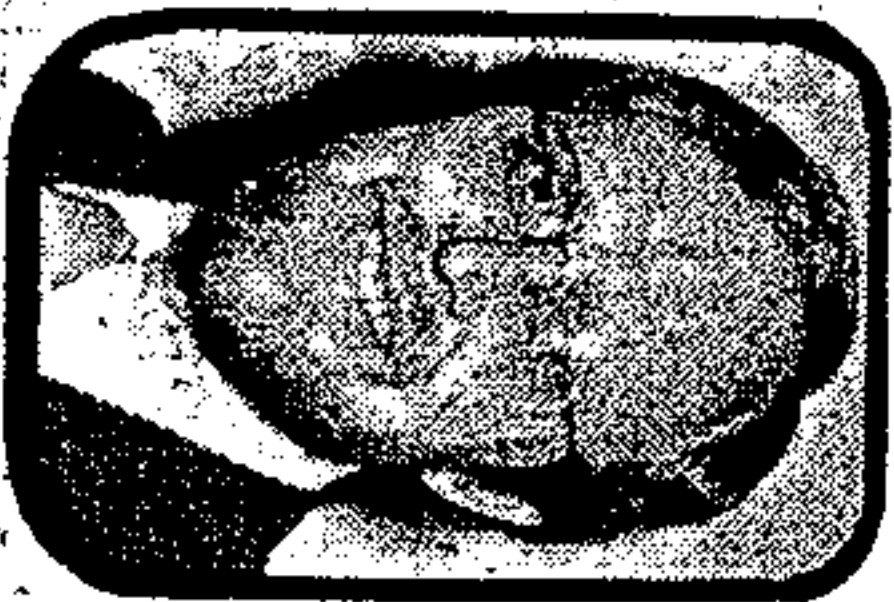
Whereas countrywide vehicle sales in April (+42.3% on April '83), May (+57.1%), and June (+58.4%), were all strongly up on last year's sales, the growth rate dropped by more than half in July to 23.9%.

Though this arguably remains a considerable improvement in real terms on last year's sales, the decline was precipitated almost exclusively by the compensations for the large increases in sales ahead of the July 1 increase in GST from 7% to 10%.

Effects of the harsher HP demands introduced by the Government's August austerity package and further fiscal measures, still expected in a twin campaign to boost Government revenues and combat inflation (with rumours persisting of a further increase in GST) worse may yet be in store.

Such bleak prospects are perhaps feared most acutely in the Eastern Cape, where:

● A disproportionate contribution to regional



By Louis Beckerling
Business Editor

gross domestic product (GDP) — some 40% in the PE/Uitenhage metropolitan area, compared with an average of 22% for the country — comes from the manufacturing sector.

● Some 70% of factor income generated in the area by the predominant manufacturing sector come directly from the motor industry. That adds up to a heavy dependence by retailers

in tight economy

and job-seekers in South Africa's "motor town" on the fortunes of the country's motor trade.

Since the area has also — largely unfairly, argues labour expert Professor Roux van der Merwe of the University of Port Elizabeth — become known as South Africa's strike centre, the latest threat to motor sales is greeted with some anxiety in Port Elizabeth.

However a recent study by Mrs Martheanne Finnemore, lecturer in Prof Van der Merwe's Institute for Industrial Relations at UPE, suggests immediate fears of strikes erupting as a result of threatened labour lay-offs, might be groundless if historical lessons remain relevant. Recent events at

Volkswagen's Uitenhage plant appear to bear this out.

In a paper presented to a sociology conference at Wits University, Mrs Finnemore argued that a study of the strike record in the Eastern Cape motor industry suggests that during recessionary conditions "management was in a far more powerful position due to the lack of pressure for production".

Under the circumstances of plant shutdowns enforced by management for "economic reasons", Mrs Finnemore's research showed "workers' potential power was severely eroded".

Mrs Finnemore's findings, included in a study for which she was awarded a master's degree, support mobilisation theorists who

have demonstrated that it is not during periods of "absolute deprivation that a group is likely to mobilise, but rather when conditions are improving".

"This hypothesis is supported by events in the auto industry, as the strikes (of 1980, and again in '82), did not occur during the period of low wages or absolute lack of collective power, but only after the negotiated minimum wage (in 1979) had, for the first time, exceeded the calculated subsistence level."

The perception of such "relative deprivation", according to Mrs Finnemore, is one of several factors which contributed to worker mobilisation in the East Cape auto industry. The second of the "structural" factors, and the most important of all,

she says, was the changing composition of the workforce and the growing dependence of the employers on skilled black labour.

At Volkswagen's Uitenhage plant, for example, the number of Africans employed in jobs graded from five to eight (trainee inspectors, artisans, assistant foremen, and technicians), rose from 64 in 1977 (or 1.9% of the 1 002 workers in these grades at the time), to 477 last year (or 8.4%).

At Ford the increase over the same period saw 237 African workers (or 5.4% of the total), employed in these grades in 1980, compared with zero 10 years earlier. If coloured workers are included, the reliance on non-white workers in

skilled positions rose from 3% in 1971, to 54% in 1980.

"The increasing power on the shop floor was to raise expectations that some change in the material conditions of black workers was possible," Mrs Finnemore argues.

In Port Elizabeth, the emergence of a ethnically-oriented community organisation, Pebco (the Port Elizabeth Black Community Organisation), was a further factor promoting worker mobilisation "and also the philosophy of black consciousness".

An exclusively African union, Macwusa (the Motor and Component Workers Union of SA) enjoyed close links with Pebco. Repression, particularly of the more broadly "political

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Handwritten notes: 63, 139, 176, 9/9/84, Port

Dispute referred to ILO

63 Star Labour Reporter 18/10/84

For the first time in South African labour history, a union has referred a dispute with a multinational to the International Labour Organisation and the European Economic Community.

The dispute between the Metal and Allied Workers' Union (Mawu) and Transvaal Alloys, a subsidiary of Nord-Deutsche Affinerie of Hamburg, has been referred to the International Metalworkers' Federation (IMF) in Geneva.

A spokesman for Mawu said the IMF would present the case — arising out of the dismissal of 200 workers — to the ILO and the EEC.

RAM 18/10/84 (63)

SA union's dispute is taken overseas

FOR the first time in South African labour history, a union has referred a dispute with a West German multinational to the International Labour Organisation and the European Economic Community.

The Metal and Allied Workers' Union (Mawu) has referred its dispute with Transvaal Alloys, a subsidiary of Nord Deutsche Alleeine of Hamburg, to the International Metalworkers' Federation (IMF) in Geneva.

The IMF will present the dispute to the ILO and the EEC, according to a statement issued by Mawu yesterday.

Mawu said it had set out the circumstances of the dispute in which more than 200 workers were dismissed from the vanadium mine and plant at Middelburg, Transvaal, last year.

The union accuses Transvaal Alloys of breaching clauses of an agreement multinational companies in SA

have with the ILO and the EEC's code of conduct for companies with subsidiaries in South Africa.

The union accuses the company of:

- Paying "starvation" wages of 55c per hour, well below the minimum specified in the codes;
- Denying workers trade union rights and representation;
- Subjecting workers to racial discrimination;
- Breaching international standards of human rights and freedom of association;
- Subjecting workers to unfavourable wage benefits and working conditions;
- Failing to consult, examine grievances and attempt to settle disputes.
- Failing to alleviate suffering caused by the migrant labour system.

According to Mawu, Mr Brian Fredericks, the IMF secretary in South Africa, has undertaken to assist the workers. — Sapa.

Calls for trade boycott are basically flawed,^{25/10/84} says delegate to UN

New York

The United States yesterday defended its policy of constructive engagement with South Africa and said calls to end investment in the country were fundamentally flawed.

Anti-apartheid campaigners claim victory

NEW YORK — In the aftermath of the United Nations Security Council debate, South Africa emerged more isolated than ever from the West, observers here said.

The three permanent Western members of the council (the United States, Britain and France) all condemned South Africa during the debate.

Only the US abstained from voting. Britain and France voted in favour of the resolution.

Today anti-apartheid campaigners in New York said they were "delighted" over the condemnation uttered by the Western nations.

"It was more outspoken than we expected — South Africa looks terribly alone in the world community," one leading anti-apartheid campaigner said.

Mrs Jeane Kirkpatrick, the US Ambassador, expressed "her distress and concern" about recent violence in South Africa, and said the US fully supported the call for self-determination and equal rights contained in the resolution.

Sir John Thomson, the British Ambassador, and Mr Luc de la Barre de Nanteuil, the French Ambassador, expressed more strident views.

Sir John spoke of "tragic and violent events, repression and the denial of civil and political rights".

Mr de Nanteuil quoted his Foreign Minister as saying that the situation in Southern Africa was "morally unacceptable, politically dangerous and spiritually disgraceful". — Sapa.

The US delegate to the United Nations, Mr Harvey Feldman, asked: "Will disinvestment, isolation and trade boycotts bring majority rule closer? Will it free Namibia? Will it bring about the change we want and the better life the peoples of Southern Africa need?"

Mr Feldman, speaking in a debate of the UN Fourth Committee, which discusses issues related to decolonisation, said:

"Those who support isolation, disinvestment and trade boycotts seem to believe that high-minded pronouncements by high-minded outside observers will somehow compel constructive social and political change ... we are sceptical of the soundness of such an approach."

Minimum pay

"The inexorable tide of change in South Africa derives its strength from the critical position of the black worker in the economy there."

He said the presence of US corporations in South Africa, operating in accordance with the Sullivan Codes — which insist on minimum wages and training schemes for blacks — had proved a positive force for change.

The codes are named after the black religious leader who saw the use of foreign investment in Southern Africa as a means to further equality, social justice and integration.

In the Security Council resolution condemning apartheid on Tuesday, the US was the only abstention — because it contained "some excesses of language". — Sapa-Reuter.

● See Page 3,
World section.

(63) Spain
US defends SA investments

Township raids: US capital plans action

By Neil Lurssen,
The Star Bureau

WASHINGTON — Outraged by the police-cum-military operations in Transvaal black townships, Washington city councillors introduced tough new legislation yesterday to punish United States companies which do business with South Africa.

If it becomes law, the companies stand to lose hundreds of millions of rands of business in the city.

Earlier this year Washington passed a law giving the city pension fund two years to get rid of millions of rands worth of shares in companies which have South African ties. The law also ordered the city to close its accounts in banks which continue loan transactions with South Africa.

Yesterday's proposal takes the sanctions further. It will list demerit points against US companies doing business in South Africa, and these points will be taken into account when they bid for contracts.

A city spokesman explained:

"If, say, five companies bid for a city contract and two of them have South African connections, the chances are the winner will be among the other three."

The spokesman could not say exactly how much money was at stake, but noted that Washington had a R3 600 million annual budget, and hundreds of millions were spent on construction.

The chief sponsor of the law, Councillor John Ray, said: "We are saying loud and clear that we do not support apartheid."

The Bill will expire automatically when the council session ends soon. But it will be introduced again early next year.

Its passage through the coun-

cil's Government Operations Committee and the full council by March or April is thought to be a certainty.

The only place where it could be stopped is the US House of Representatives, which has to approve Washington's financial measures because of the large Federal subsidy the city receives.

Analysts here say that a Congressional veto seems unlikely because the House of Representatives approved the earlier disinvestment measure and because the House Congressmen — Democrats and Republicans — have shown a growing willingness to support sanctions

against South Africa.

A Reagan election landslide which brings more conservative Republicans into Congress could alter the picture, but few analysts expect the Republicans to gain control of the House of Representatives.

The Senate, which is expected to stay in Republican hands, and which has been the chief barrier against sanctions so far, plays no role in Washington's financial affairs.

Companies with South African ties are expected to lobby against the new proposal — but their lobbying failed to stop the disinvestment law passed by Washington in May.

German firm whipped workers - IMR

63

Sawyer 23/11/84

GENEVA — The International Metalworkers Federation (IMF) alleged on Wednesday that a West-German multinational's South African subsidiary has allowed the whipping of black workers.

The IMF levelled the accusation against the Nord Deutsche Affinerie company of Hamburg. It claimed that the firm's subsidiary in South Africa, engaged in open-cast mining and vanadium smelting, gave workers the choice of dismissals or beatings.

"These included the use by managers of a sjambok "a whip made out of elephant hide" the federation charged in a formal complaint to the UN International Labour Organisation (ILO).

The IMF said it was acting on behalf of its South African affiliate, the Metal and Allied Workers' Union. In all, the IMF's member unions around the world represent 14-million metalworkers in non-communist countries.

"Two hundred and fifty workers at the company went on strike in protest against wages well below the accepted poverty level and a refusal by the company to meet or recognise the union," the IMF complaint stated.

"Workers also complained of physical attacks by managers and supervisors, often with a sjambok, and details are submitted of such attacks between April and August 1983.

Union action solves stoppage

Cape Times 12/12/84
 Own Correspondent

EAST LONDON. — Swift union action at the car distributors' assembly plant here yesterday solved a 90-minute work stoppage over the proposed re-trenchment of 280 workers.

This was confirmed yesterday by the Port Elizabeth-based regional secretary for the 21 000-strong National Automobile and Allied Workers' Union (NAAWU), Mr Les Kettledas, and a spokesman for Mercedes Benz South Africa, Mr Richerd Wagner.

The brief stoppage by about 500 day-shift workers took place during negotiations between the management and the union yesterday following the re-trenchments on Friday.

They reached a compromise agreement that the 280 retrenchments will not be final. The workers will be laid off for two months and if there is an improvement for the badly-hurt motor industry following the severe hire-purchase restrictions and the new fringe-benefit tax, the workers will be re-hired.

Mr Wagner said tough conditions in the economy had led directly to the proposed retrenchments.

Rajbansi opposes cabinet

Cape Times 12/12/84

By ANTHONY JOHNSON
 Political Correspondent

THE sole Indian member of the cabinet, Mr Amichand Rajbansi, leader of the National People's Party, has spoken out against the government's policy of detention without trial.

Mr Rajbansi said that all remaining detainees in South African prisons should either be charged or released.

He was reacting to the government's decision this week to release detainees under Section 28 of the Internal Security Act.

Mr Rajbansi is a member of the cabinet by virtue of his chairmanship of the Indian Minister's Council.

'Encouraging'

The minister welcomed the latest move as "very encouraging" but emphasized that he stood by the policy of his party rather than that of the government.

"The policy of my party opposes detention without trial and even though I am a member of the cabinet, I cannot deviate from this policy."

In taking this stand, Mr Rajbansi becomes the

first person of colour in the cabinet to differ openly with government policy on a significant issue.

The leader of the Labour Party, the Rev Allan Hendrickse, who is also a cabinet minister, has not been available for comment on this issue for the past two days.

He and Mr Rajbansi have been criticized recently for their "deafening silence" on controversial issues like forced removals and detentions, which significantly affect their communities.

Although strongly critical of the government in the run-up to the August elections, both are now effectively part of the government.

Both are also bound by the principle of joint cabinet responsibility and are obliged to get the consent of the State President, Mr P W Botha, before publicly differing with government policy.

This has routinely produced some awkward silences in the face of controversial government actions that extra-parliamentary political groups have been at pains to highlight.



Congressman Mick Adam DeBaugh, a lon ton yesterday for pr ing against the Sou "Black people have

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Sadie warns

Cape Times 12/12/84
 ON wages

Staff Reporter

THE migrant labour system, as well as influx control and the coloured labour preference policy in the Western Cape, had kept wages for unskilled labourers artificially high, Professor J L Sadie, a professor of economics, told an industrial court hearing yesterday.

He was giving evidence in the hearing to arbitrate on the wage dispute between the Cape Town Municipal Workers Association and the Cape Town Municipality, in which the 11 000-member association is demanding a "living wage".

Euphemism

Professor Sadie, a former director of the Bureau for Economic Research, told the court that additional forces which caused the "contrived scarcity" of unskilled labour and higher wages in the Western Cape were trade unions who catered for the interests of their members only.

He said it made "absolute economic nonsense" to raise wages according to increases in the cost of living. This would perpetuate the spiral of "senseless inflation".

Open beach — MPC

Municipal Reporter

THE whole of Kleinmond's west beach should be opened to all races to prevent "the further bedevilling of race relations" in the village, according to the opposition spokesman in the Provincial Council on

private resorts, Mr Jan van Eck.

Mr Van Eck said yesterday that South Africa could not afford to let "racist pressure groups" like the white Kleinmond Ratepayers' Association "bedevil race relations by being allowed to get away with blatant racism".

Sapa reports that the Kleinmond Town Council paid back an amount of R100 000 with interest to the provincial administration after agreement could not be reached about the development of a picnic site and the white camping area at the Palmiet River for coloured people.

The town council decided that the white camping site should provisionally remain for the use of whites only.

The Town Clerk of Kleinmond, Mr Kobus du Plessis, confirmed yesterday that the money had been repaid and that

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^{23/12/84}
workers
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HAMBURG — A West German company has denied allegations that it ordered the management of its South African branch to have black workers whipped.

The International Metalworkers Federation in Geneva charged that Norddeutsche Affinerie AG's South African branch, Transvaal Alloys in Wapadskloof, had used physical force, including whips, against black workers on orders from its Hamburg headquarters.

Norddeutsche Affinerie rejected the charges and said in a statement it regretted that the federation had not contacted the company before making the allegations.

The firm noted that in the past a few isolated fights had occurred between white and black employees. It had immediately sacked the white workers responsible, the statement said.

The metalworkers' federation announced in Geneva that it had filed a formal complaint with the International Labour Organisation, charging Transvaal Alloys with a series of malpractices.

A statement issued at the federation headquarters alleged that the malpractices included the frequent use of a "sjambok" by managers of the company.

The federation claimed wages paid by the firm were well below the poverty level and that health and safety precautions were "virtually non-existent". — Sap-AP

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Foreign Firms in SA - German

1985.

63 17/1/85
D. Disfaldt

Phone factory for Dimbaza

BISHO — An international telecommunication company is to build a factory and training centre at Dimbaza.

Siemens Ltd's chief executive and vice-chairman, Mr W. F. Zieler, made the announcement at the official handing over by the company of a panel van to the Department of Posts and Telecommunications.

The factory will come on stream in March this year and will manufacture Ciskei's telephone requirements at a rate of about 5 000 instruments a year.

The company will introduce its internationally approved maintenance training scheme which should enable the department's staff to take over the maintenance of telephone exchanges in two to three years' time.

Mr Zieler said the van donated should help the department to improve its telephone exchange maintenance service. The gift reflected appre-

ciation of the outstanding relationship which had developed over the years between the department and his company.

He said that since the long-term telecommunications supply and assistance agreement was signed, the department had established its medium-term equipment requirements up to 1989-90 and subsequently ordered about 45 000 nominal subscriber line units and about 15 000 junction and trunk line units.

Of this, the first telephone exchange in Mdantsane was officially handed over to the department last April and supplied the area with 6 000 subscriber line units.

Mr Zieler said negotiations were progressing well for the supply of an electronic telex exchange for possible delivery in 1986-87, which would subsequently open the door for the introduction of teletex services in Ciskei. —
DDR

RDM 22/1/85
Siemens (63)
in Ciskei

SIEMENS is to build a factory and training centre at Dimbaza, Ciskei.

The company's chief executive and vice-chairman, Mr W F Zieler, said in Bisho the factory would come on stream in March and would manufacture about 5 000 telephone instruments a year.

Mr Zieler said Siemens would also introduce an internationally approved maintenance training scheme to enable Ciskei to take over the maintenance of telephone exchanges within the next three years.

Mercedes silent on perks tax rumour

Star 24/1/85

By Harvey Thomas

Mercedes-Benz South Africa would not comment yesterday on reports rife in the motor industry that unless the application of the recently announced perks tax on cars was amended, the company would withdraw from the South African market.

But senior executives in other motor companies said Mercedes-Benz had made strong representations to the Minister of Finance, Mr Barend du Plessis, to extend the two-year phase-in period of the perks tax.

Company cars account for about 85 percent of the sales in South Africa

by Mercedes-Benz which had a record year in 1984.

The implications of the perks tax are that from March 1, when the tax becomes effective, users of company cars will pay heavily for the privilege.

The Commissioner for Inland Revenue, Mr Carl Schweppenhauser, has been reported as saying that there would be no delay in the implementation of the tax.

He was reacting to reports that there was seething dissatisfaction in the motor industry because the perks tax on cars could result in a strong swing towards the prestige upper lines of less expensive marques.

Shenker steps down as Mercedes hits No 2 spot

S. Times
63
17/2/95

By David Carte
MORRIS Shenker, retiring chief executive of Mercedes-Benz, is "doing a Rocky Marciano" — going out at the top.

Mr Shenker, a publicity-shy giant of SA industry, leaves Mercedes at the end of the month at its finest hour.

The retail value of Mercedes cars and trucks sold last year was R872-million — R179-million more than 1984. Its sales ran away from third-ranking Ford and were surpassed only by mass manufacturer Toyota.

Plunging

Mercedes, under his successor, Jurgen Schrempp, faces formidable problems — plunging national car and truck sales, a 40% fuel-price increase and a heavy perks tax on luxury cars.

Mr Shenker, South African born and bred, is the only non-German head of a Mercedes operation in the world.

Under his stewardship, Mercedes SA has gained a bigger market share than any other Mercedes manufacturing operation outside Germany. Its share of the total SA market last year was only 7,5% by units — but 15,2% by retail value. Ford's estimated share by rand sales was 11,1% and Toyota's 22,4%.

Another achievement is that even though Mercedes cars are 66% local content by weight, the SA products measure up to exacting German quality standards.

Quality control

Mr Shenker says: "Every part we use is approved by Stuttgart and the quality control people are all from Daimler Benz."

Because of this, Mercedes cars and trucks are a legend for holding their value.

Mr Shenker joined Mercedes' forerunner, SA Auto Union, as a salesman 25 years ago. Two years later United Car & Diesel (UCDD) was formed, comprising SA Auto Union and six previously unconnected Mercedes importers. Mr Shenker took the UCDD helm 20 years ago.

When he took over, sales were R13,5-million, comprising 2 689 cars and 755 commercials. This compares with 26 300 cars and 3 872 trucks last year.

With car sales of R633-million, Mercedes is today No 2. It is No 1 in trucks and buses



Morris Shenker... crest of the wave

above 4 000kg with sales of R236-million and 25,9% of the market. It has 70% of the car market over R30 000 and 25% of the big truck market.

Shareholders

Mercedes SA's investment totals R200-million and it employs 5 200.

Not only Mercedes and its shareholders (Daimler Benz 50,1%, Volkscas 26,5% and the Gohner Foundation of Switzerland 23,4%) have benefited from this performance. A few components suppliers and small dealers have been made into Mercedes-driving millionaires in the process.

The first Mercs assembled in SA were put together for UCDD by Car Distributors and Assemblers (CDA), in East London, which also built Jaguars, Alfas, Renaults and Fiats.

Later UCDD took over CDA, which has built exclusively for Mercedes ever since. The head office has been in Pretoria since inception.

Credit

Mr Shenker, who is retiring in more ways than one, declines to take much credit for the company's success.

"Our success was based on a product that has been successful all over the world. Quality and integrity of construction have been the key. In addition, we have never sold more cars than the dealer structure and the market could absorb."

Mr Shenker's colleagues are quick to point out that other Mercedes operations have not had to start virtually from scratch, have not been confronted with an onerous local content programme and have not built up market share to the extent that the SA operation has. Mercedes SA has yet to make a significant mistake.

Challenges

Mr Shenker says the most difficult challenges have been meeting local content requirements and "the conversion of dozens of sub-dealers into exclusive dealers. This took many years, caused much heartburn and necessitated the Honda franchise."

Pioneering with high prices and setting up a strong used-car establishment in the 160-dealer network were other big tasks.

The biggest gamble, he says, was going all out for a large slice of the truck market. This required an upfront investment in inventory of tens of millions — a big risk, as it turned out, with a big return.

The most harrowing year for Mercedes was 1979, when motorists over-reacted to 65% fuel-price increases, and virtually in unison dumped their Mercs for Golfs. This quickly corrected itself and has not happened in 1985.

Parrot cry

Mr Shenker disagrees with the "parrot cry" that SA has too many models. In his view, it has too much local content. Tooling up for a new model costs R50-million and this has to be recouped in a model life of four to eight years. This is why SA cars are so dear.

Although he is grateful that the perks tax is coming in over five years and not two, Mr Shenker is highly critical of it, saying it is 220% higher than last August's "more equitable" proposal and it injures the motor industry. Most countries with motor manufacturers do their best to nurture them.

Rumour has it that Mercedes led the fight in getting the perks tax blow softened. Like Rocky, Mr Shenker is going out fighting.

Car plant to export parts to Germany

A programme for BMW South Africa to export car parts to its German parent company was announced yesterday by BMW AG's chairman, Mr Eberhard von Kuenheim.

Mr von Kuenheim, who is visiting BMW South Africa, has held talks with President P W Botha and other senior Government officials, said BMW SA would eventually export up to R50 million worth of high-technology parts a year, with first deliveries commencing in July this year.

As a first step, the company's Bophuthatswana plant would be expanded to employ a further 200 people.

Commenting that such projects would be of benefit to the South African motor industry, Mr von Kuenheim said: "This industry has to improve its manufacturing economies of scale if it is to become truly viable and profitable."

300 strike to protest planned redundancy

Star
Pretoria Bureau

About 300 workers today
downed tools at Siemens'
Waltloo and Koedoe-
spoor factories.

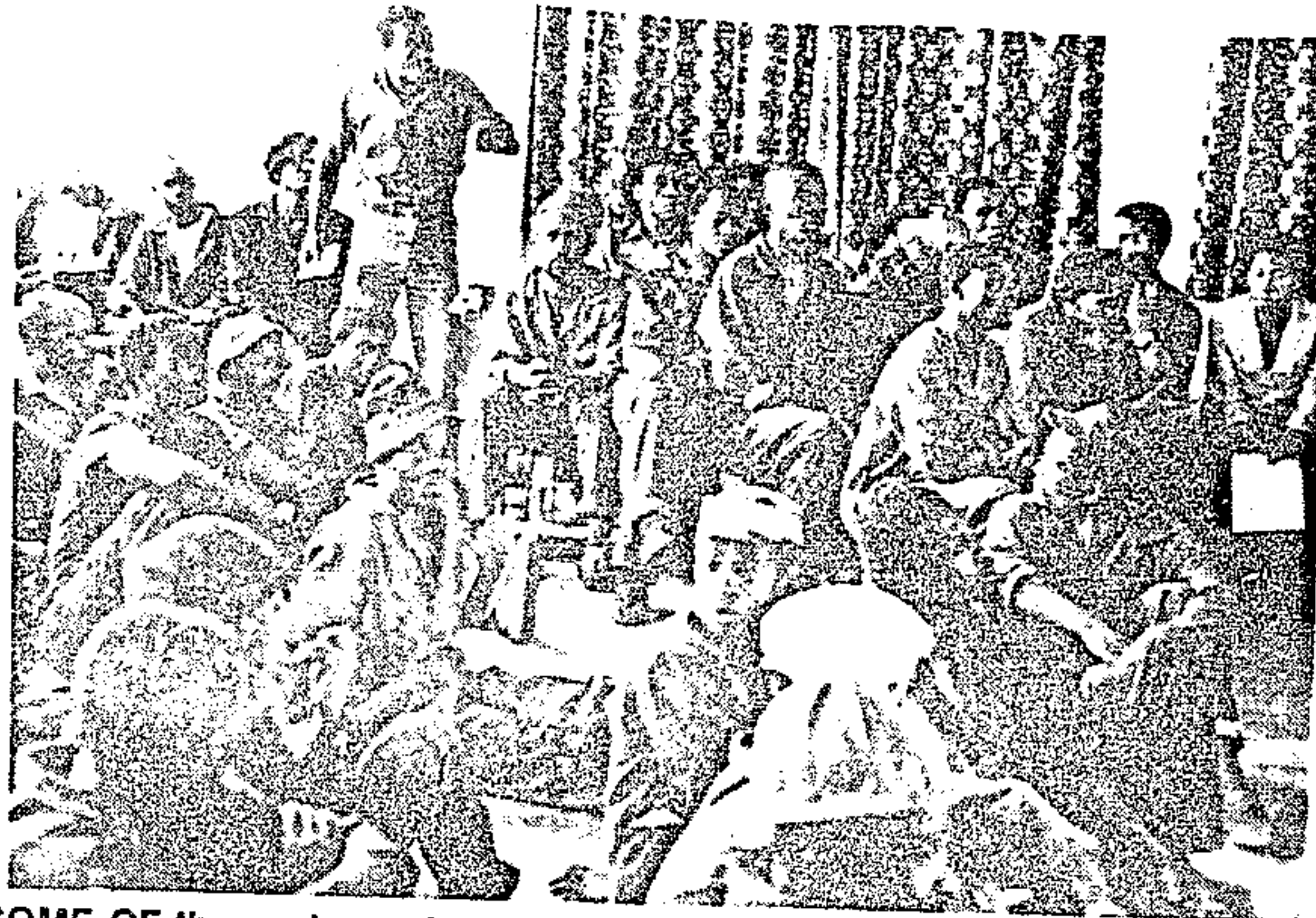
It is believed the strike
was called to protest a
decision to declare about
500 workers at the two
plants redundant later
this month when the com-
pany switches to modern
electronic telephone
equipment.

A company spokesman

said a part of the labour
force at the two factories
had stopped work.

A Metal and Allied
Workers' Union (Mawu)
spokesman confirmed the
stoppage and said that
union officials would be
meeting workers later
today.

The spokesman said it
was unfortunate that the
Post Office made techno-
logical changes which
cost people their jobs.



SOME OF the workers who went on strike at VTC over the dismissal of a
Sowetan 3/4/85 colleague last week.

Siemens workers down tools

ALMOST the entire labour force at a German company operating in South Africa, Siemens Cable Company in Pretoria, yesterday downed tools after management had refused shop-stewards transport to go to the Industrial Council wage negotiations in Germiston.

The workers, members of the Metal and Allied Workers Union (Mawu) have also claimed that a white supervisor referred to them as "bloody kaffirs who steal property" after he had lost his keys on the plant.

Siemens' senior personnel, including the company's director, Mr J Krotsie, were not available for comment. They were said to have gone to the IC where they were having talks with union members.

The unions are demanding the reduction of the working week by five hours to help ease unemployment, high wages and maternity leave in the metal and engineering industry.

This is the second time this year that Siemens has been hit by a strike —

during February some 1 500 workers downed tools protesting the dismissal of colleagues.

Meanwhile more than 100 Vaal Transport Corporation (VTC) workers near Vereeniging have returned to work after going on strike over the dismissal of a co-worker. The workers downed tools last Friday.

Car plant
workers (63)
S. Post
to end
11/4/85
stoppage

Post Reporter

EAST LONDON — Workers at Car Distributors Assembly (CDA) in East London today accepted a package offer from management and the company's plants will go back into production soon.

The plants have been at a standstill since CDA's 3 800 workers downed tools on Tuesday over a wage dispute.

The company yesterday offered wage increases of between 21% and 27% depending on the skills of the workers.

The offer was initially rejected by the workers, even though it was considered reasonable by the National Automobile and Allied Workers Union.

The workers today changed their minds and the offer was accepted by both union representatives and shop stewards.

This afternoon the management and worker's representatives will discuss the scheduled re-opening of the plants.

Union ^{Am}
22/4/85
accuses
VW of ^{63/198}
stalling

Mail Correspondent

PORT ELIZABETH. — The National Automobile and Allied Workers' Union (NAAWU) has accused Volkswagen South Africa of stalling in recent wage negotiations by insisting that talks continue at Industrial Council level.

However, Mr Brian Robinson, VW's industrial relations director, said the union and the company were both parties to the council.

As a result of worker dissatisfaction with a decision to postpone wage increases until August, 3 500 VW workers walked out on Friday last week, bringing production at the Uitenhage plant to a halt.

The walkout came in the wake of wage increases granted this year by Mercedes Benz and Toyota.

In the past two years, workers in the motor manufacturing sector have been given six-monthly increases. NAAWU's last increase was in mid-1984.

Mr Robinson said that in light of the serious economic situation and problems besetting the motor industry, a 12-month interval between increases had been considered.

But Mr Les Kettledas, regional secretary of NAAWU, argued that a six-monthly increase has never been more necessary.

VW workers are to attend a reportback meeting at the plant today and management is hopeful that workers will then return to work.

Workers continue strike at VW's Uitenhage plant

ARGUS 22/4/85
Argus Bureau

PORT ELIZABETH. — There was no production at Volkswagen's Uitenhage plant today as workers who walked out on Friday continued their strike in support of a demand for increased wages.

Several thousand workers belonging to the National Automobile and Allied Workers' Union (NAAWU) gathered on lawns outside the plant for a report-back from union officials today.

The chairman of the Volkswagen branch of NAAWU, Mr John Gomomo, said today the workers went home after he told them that management was not prepared to negotiate on the premises.

MERCEDES

He said Volkswagen insisted on negotiating through the Industrial Council and that the company was trying to bring forward to tomorrow an Industrial Council hearing on the matter scheduled for April 26.

"But the workers are not prepared to take tools until

Volkswagen make an offer acceptable to them," Mr Gomomo said.

He refused to elaborate on what kind of increase the NAAWU workers were seeking but admitted that a recent increase won by some Mercedes Benz workers in East London had affected the workers' demands.

PRICES

"Our last increase was in August last year and since then prices have continued to climb," he said.

"My feeling is that the workers are prepared to go in for a long strike if necessary to back their demands."

A Volkswagen spokesman, Mr Graham Hardy, confirmed that wage increases were the primary cause of the strike.

He said the company was committed to continuing negotiation with the Industrial Council but that NAAWU were opting for direct negotiation.

He said the company was "hoping for a speedy resolution of the matter".

RDM VW stoppage continues
23/4/55 ABOUT 3 500 workers at Volkswagen
in Port Elizabeth resolved at a meet-
ing yesterday to down tools for an
"indeterminate period", following
last Friday's walk-out, over their
claim for an interim wage increase.

63

SANDTON 23/4/85

Volkswagen under attack

A GERMAN multinational company, Volkswagen South Africa has been accused of stalling wage negotiations in the wake of a strike by over 3,500 workers at its Port Elizabeth plant.

A spokesman for the National Automobile and Allied Workers Union (Naawu) said the company was delaying the negotiations by insisting that they continue talks at the Industrial Council.

As a result of the stall over 3,500 workers downed tools for the second time yesterday bringing production at the plant to a halt. The first walk-out was last Friday.

The workers have said they will not return to work until an interim wage increase was granted — the stoppage may last for an "indeterminate period of time."

The Friday walk-out followed wage awards made by Mercedes-Benz and Toyota motor companies in the past workers in the motor industry have been given six-monthly increases. Naawu's last increase was in mid-1984.

VW's spokesman said Naawu and the company were members of the IC. Due to the country's economic climate that was prevailing in the motor industry they had problems and considered a 12-month interval between increases.

However, Naawu's spokesman said the six-month increase has been more necessary.

Ford workers down tools

CAPE TOWN 27/4/85

Own Correspondent

PORT ELIZABETH. — Ford yesterday became the third local motor manufacturer in a week to be affected by a stoppage over interim wage increases.

About 2 000 workers at Ford's Neave plant in Port Elizabeth downed tools after refusing an interim wage increase offer by management.

Meanwhile workers at Volkswagen in Uiten-

hage, affected by stoppages since last Friday, are set to return to work on Tuesday.

And about 3 000 General Motors workers returned to work yesterday after downing tools on Thursday. The workers accepted an interim wage increase between 14c and 24c an hour.

Industrial action at the three plants came after a deadlock was reached at Industrial Council level between the Eastern Province Automobile Manufacturers Association — representing the three companies — and the National Automobile and Allied Workers Union (Naawu).

As a result of the deadlock the companies agreed to negotiate interim wage adjustments at shop floor level.

Yesterday negotiations continued between Volkswagen and VW shop stewards. Mr Fred Sauls, general secretary of Naawu — the trade union representing the majority of workers at Ford, GM and VW — said last night VW workers had decided to accept an increase offered by VW management of between 14c and 24c an hour.

A VW spokesman confirmed that the company had been advised of the workers' acceptance.

Mr Les Kettleas, regional secretary of Naawu, said workers at Neave walked out yesterday afternoon after wage talks began between the company and the union yesterday morning.

Mr Kettleas said talks would continue between the union and Ford on Monday.

with Arcus 15/6/85

ADE set to break new ground

By TOM HOOD

A MAJOR breakthrough has been achieved by Atlantis Diesel Engines, whose giant plant near Cape Town has started making engine blocks and other components for petrol-engined cars, opening the way to a multi-million-rand expansion.

The factory's high-quality diesel products have met the meticulous standards of both Daimler-Benz and Perkins. As a result the Mercedes-Benz organisation in South Africa has placed orders for petrol-engine blocks and crankshafts.

"We can see more and more components coming our way," says managing director Hartmut Beckurts. "This does not mean added cost for us — we are purely expanding our business.

"This factory in years to come will be not only a diesel-engine plant but the area could develop into the centre for engine components for the rest of the country. We have an enormous infrastructure. All the services needed are concentrated here and we only need to expand on it."

The first engine was assembled and tested only four years ago and an ADE engine is now accepted in South Africa as a quality product and in many instances superior to imported ones, claims Mr Beckurts.

"The warranty costs per engine are lower than the standard for engines generally. Overseas people cannot tell the difference between a local and an imported block."

Atlantis has the facility to make 50 000 engines a year and today it is "totally under-utilised" with production estimated at 18 000 engines this year.

The factory is running at its lowest level since production started in July 1981.



Mr Hartmut Beckurts . . . looking to petrol-engined cars and exports.

ADE is also looking for exports, although the company is under some restraints and would need the approval of its partners, Daimler-Benz of Germany and Perkins of Britain, before exporting outside Africa.

Although ADE does not so far directly export its diesel engines elsewhere, they are used in other countries in vehicles and machinery exported by South African companies.

Mr Beckurts also sees a good potential for a South African high-speed diesel engine for bakkies and other light commercial vehicles. Until now ADE has concentrated on medium-speed engines for lorries and tractors.

"If we were to find the right product to power these vehicles that would be a very interesting addition to our products.

"We want to be able to build engines soon which are as competitive as others. We want to improve our productivity so that we can produce at prices which are more or

less internationally competitive.

"The Government might eventually reduce the protection given to ADE engines. By that time we must be able to produce efficiently so that people would not be willing to move from ADE engines.

Mr Beckurts is also confident the Government-backed Industrial Development Corporation will sell shares in ADE to the public.

This offer could be made once the company is showing profits and has recouped its losses.

Quality is the policy of Mr Beckurts. "We wish to be judged by our quality of our workmanship, the quality of our service and the integrity of our relationships with people both inside and outside the company."

Quality for ADE starts on the factory floor. Its cleanliness must be an eye opener for industrialists outside food factories, for dust could pose a threat to the engines.

"It becomes part of our lives. You can produce a qua-

lity product only if you are prepared to subject yourself to this discipline. We are trying to maintain quality consciousness throughout and I believe that is the recipe for success."

"We are very proud that the feedback from the market is a positive one. Initially, there was a reluctance to accept a South African product — people felt it would not work. ADE could not afford to turn out a product that would be suspect and never took any chances. We made certain that at every stage of the operation quality was checked and controlled.

"We have gained access to the latest technologies that were not available before in South Africa and this is one of the remarkable spin-offs of the ADE project."

ADE should be producing 40 000 engines this year. "But we will probably not reach 18 000, so we can hardly be as cheap as an imported product which is turned out in thousands," added Mr Beckurts.

Merger consolidates Bosch SA interests

B-Day
17/6/85

Business Day Reporter

AUTOMOTIVE equipment, power tool and household appliance manufacturer Bosch of West Germany has consolidated its interests in South Africa under the name of Robert Bosch (Pty).

It involves the merger of Auto Electrical & Engineering (AEE), of Brits, the manufacturing subsidiary and supplier of original equipment (OE) with Diesel-Electric (DESA), Johannesburg, Bosch's distribution and product servicing subsidiary.

Thomas Wagner, joint MD, production, finance and administration, said: "The establishment of Bosch as a single entity in South Africa heralds a new era of growth and development for the company".

It also offered significant operational benefits, Wagner said. The merger would shorten lines of communication and ultimately enable Bosch to respond more swiftly to changes in the markets in which it operated. Wagner is AEE's former MD.

Until the merger, AEE and DESA ran in parallel. Elements of AEE and DESA will remain intact, and no closures of branches or agencies or retrenchments directly related to the amalgamation accompany the change.

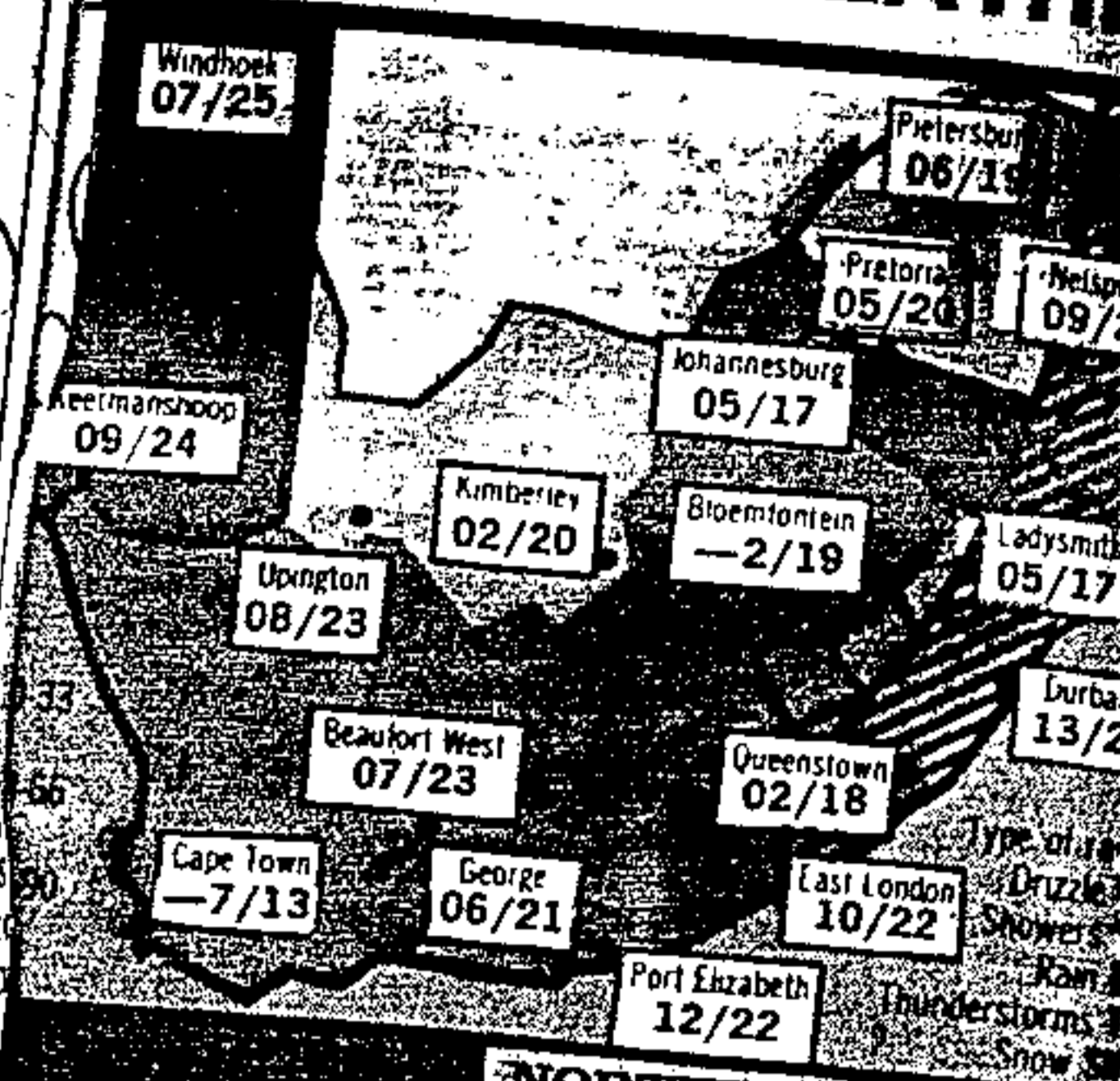
By August of this year — under the West German parent's conditions for the merger — all of DESA's wholesale distribution network of 40 branches across the country will have been sold to independent franchisees.

Wagner said Bosch West Germany's South African interests could not go ahead until they had met its stringent organisational requirements. "It was decided that this point in time had now been reached."

In May the former AEE factory at Brits began to export alternators for the replacement markets in the US and West Germany. Gordon Wright, joint MD, sales and marketing, said, the business had a volume behind it worth about R3m a year or about 10% of Bosch's SA turnover in this line.

About 75% of all locally manufactured cars generate their on-board electricity by means of Bosch alternators, and almost every SA-built vehicle carries one or more of the company's products.

BUSINESS DAY WEATHER



NORTHERN CAPE	FINE and mild
WEST CAPE	DRIZZLE
NATAL	DRIZZLE and showers
SOUTH WEST AFRICA	DRIZZLE

AIR MOVEMENTS

Air Schedule	0800	0900	
Johannesburg to Cape Town	0845	0945	SA502
Arr	1030	1130	SA506
1050	1315	1415	SA532
0935	1600	1700	SA510
1135	1715	1815	SA512
1345	1900	2000	SA514
1505	2100	2200	SA516
1620	2255	2355	SA538
1645			SA594
1805			
2005			
2130			
2225			
0135			
Johannesburg to Port Elizabeth	0705	0925	SA401
0805	0940		SA403
1005	1320		SA411
1215	1510		SA407
1730	1905		SA413
1750	2010		SA405
2200	2335		SA397
Port Elizabeth to Johannesburg	0700	0910	SA400
1005	1130		SA402
1125	1520		SA404
1405	1615		SA412
1550	1800		SA414
1945	2155		SA420
New York to Johannesburg	1930	1730	SA202
Johannesburg to Frankfurt	1915	0800	LH541
Frankfurt to Johannesburg	2225	1105	LH540
Johannesburg to London	1845	0700	BA054
2000	0820		SA234
2040	0725		BA056
London to Johannesburg	1815	0805	SA235
1930	0750		BA057
Johannesburg to Durban	0800		
0900			
1230			
1515			
1630			
1815			
1915			
2015			
2210			
2355			
Johannesburg to Johannesburg	0800		
SA501			
SA525			
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SA340			
SA398			

Driving
CAPE TIMES 10/7/83
them to
~~strike~~ 63
strike

Own Correspondent

PORT ELIZABETH. — Workers at Volkswagen in Uitenhage are said to be unhappy about a decision by the company to provide the All Black and Springbok rugby teams with panel vans, painted in the teams' colours, to be used during the tour.

A worker source said yesterday that industrial action at the plant had been considered.

The majority of workers at the plant belong to the National Automobile and Allied Workers' Union (Naawu) which is affiliated to the Federation of South African Trade Unions (Fosatu).

A company spokesman said yesterday the provision of the vehicles afforded the company a unique marketing opportunity in difficult market conditions. He said the vehicles would be loaned to the South African Rugby Board as courtesy transport. They would then be sold as used vehicles, he said.

All Black row shuts down VW

CAPE TIMES 11/1/85
Own Correspondent

PORT ELIZABETH. —

The row over the loan of 12 VW minibuses for the All Black rugby tour to South Africa led to the shut-down of the Volkswagen plant at Uitenhage yesterday.

Production ground to a halt after more than 3 500 workers downed tools in protest against the company's marketing plan to lend the vehicles to the South African Rugby Board for the coming tour.

A company spokesman said he could not say whether VW might change its mind over the loan of the minibuses adding that he could also not say when the plant would reopen.

The regional secretary of Naawu, Mr Les Kettle-das, said: "The union is opposed to international links which do not further the interest of oppressed people in South Africa."

"Our members at Volkswagen are protesting the building of buses for the pleasure of the privileged minority while the townships burn."

According to Mr Kettle-das, union shop stewards were mandated by

the workers to forward a request to the company not to lend the buses.

"This request was refused by the company and the workers hearing this stopped work," Mr Kettle-das said.

The VW spokesman said yesterday that the matter was being discussed with union officials. The outcome of the meeting was not known last night.

He added that the loan was a marketing promotion to boost sales in a depressed market and thus safeguard jobs. He stressed that the vehicles were on loan and not a gift and would be sold after the tour, which starts later this month.

He said: "Workers became unhappy when they saw the vehicles painted in the green and black team colours, and mistakenly believed Volkswagen was giving the vehicles away."

About 6 000 people are employed at Volkswagen, but although another 2 500 salaried and non-union workers remained at the plant yesterday it was closed as further production would not be economical, the spokesman said.

63 B-Day 12/7/85

Hoechst SA to expand its high-chem industry

By LAWRENCE BEDFORD

HOECHST of West Germany, the multinational chemical giant, has set up a graphics division in South Africa.

The new Kalle division to handle the import and marketing of pre-sensitised lithographic plates, widely used in the printing industry, is seen as a forerunner to the announcement of further multi-million rand investment in this country.

For the time being, the plates are being imported from Kalle in Wiesbaden, a wholly-owned subsidiary of Hoechst AG, and until now handled by a local distributor, AEC Graphics SA.

The MD of Hoechst SA, Arno Baltzer, said in a statement yesterday it was the intention to develop the division "as a full partner to the printing industry", supplying capital equipment and a wide range of other sundries.

He added that the new development — effective from September 1 — would lead to the setting up a local manufacturing facility at Hoechst's industrial complex at Chamdor, near Krugersdorp.

"Such a plant, which involves a high

level of expertise, fits in with Hoechst's international policy of expanding its specialised area of high-chem technology," he said.

"We have decided to develop in the communications industry because we see it as a major growth area. There will obviously be a growing demand for print material of all kinds in the years ahead as educational standards rise and the population increases," he added.

Planning for the Chamdor plant involves a projected future capital investment of around R10m. Hoechst, which has a strategy of manufacturing where it distributes, has spent more than R150m at Chamdor over the last five years.

Its industrial chemical division has invested R6m in a polyphosphoric acid plant at Chamdor. Polyphosphoric acid is used as a feedstock for the manufacture of a vital catalyst in the Sasol oil-from-coal process.

The Chamdor plant has also been extended to manufacture food grade phosphoric acid — an acidulant in the food and beverage industry — thus reducing South Africa's dependence on imports.

Part of its dyestuffs product division is situated on the site as is its high-tech packaging film plant based on bi-axially orientated polypropylene (BOPP).

The construction of this production facility, commissioned last year at a cost of R50m, has many important implications for South Africa's food and cigarette manufacturing industries.

Zapu paraffin death

HARARE — Zimbabwe's chief opposition leader Dr Joshua Nkomo said today an official of his PF-Zapu party, Matienne Nyamweda of Highfield, had died in a rampage by supporters of the ruling Zanu-PF party in black townships around Harare in the past four days.

He said Nyamweda had committed suicide by pouring paraffin over himself and setting it alight on Tuesday, after he had had frequent death threats from Zanu-PF members. — Sapa-Reuter

Coal decided to expand the existence of the...

AR 64512/7/82

~~1972~~ 63 ~~1972~~

Workers' strike over rebel tour vans continues

Argus Bureau

PORT ELIZABETH. — The Volkswagen plant at Uitenhage was silent for the third consecutive day today as workers stayed away in protest against the company's decision to lend minibuses to the All Black and Springbok rugby teams during the rebel tour.

Volkswagen spokesman Mr Graham Hardy said some employees had arrived for work today but not enough to warrant trying to start production.

He could not comment on continuing discussions between management and the National Automobile and Allied Workers' Union representatives.

● The Black Allied, Mining and Construction Workers' Union, which is affiliated to the Azanian Confederation of Trade Unions, condemned Volkswagen's decision to lend the vehicles.

"Having noted the black community's justified opposition to the tour, we call upon the company to withdraw this gesture," a union official said.

(63) ~~1~~ ~~2~~ E. Day
Unions recognised

MORE West German companies in South Africa are recognising emergent unions for black workers. Some 24 out of the 47 companies reporting to the West German Government in terms of the European Economic Community code of conduct, co-operated and recognised emerging trade unions in the past 18 months. In the previous 18-month period this was only achieved by 15. The 24 companies employ about 60% of the black labour force employed in West German subsidiaries in South Africa.

12/7/85

w/e ~~AKS~~ 13/7/88

63

NEWS

R560 million foreign exchange saving for ADE

By TOM HOOD

MORE than R560 million in foreign exchange has been saved by the local production of 69 000 engines since Atlantis Diesel Engines started in 1981, says Mr Otto Scholtz, director of finance and management services.

Total investment in fixed assets is R290 million, priced at a time when dollar was \$1,36 to the rand.

The same development today would cost upwards of R700 million, he estimated this week.

"The project has become more and more justified with the devaluation of the rand."

Criticism had been levelled at ADE for its price increases but Mr Scholtz claimed the increase in prices of petrol engines manufactured elsewhere and ADE's increases were practically in a straight line.

However, the recession had hit ADE's plans for six.

The country's total diesel engine market was 25 000 engines a year when it started but this had dropped to about 8 000 this year. The normal market would average

14 000 to 15 000 a year.

The plant was designed for double shift operation. But it was working only one shift a day and at about 50 percent of capacity and so could meet South African demand for some time to come.

There could, however, be a sudden increase in demand, especially if agriculture recovered.

In its planning ADE expected the replacement market to drop because its engines were likely to have a longer life span than many currently available.

One of the long-term benefits to ADE was that practically every garage would be trained to work on its engines so there would be considerably less down-time for users, said Mr Scholtz.

Standardisation would bring tremendous benefits. There could be three or four spares dealers in any town competing.

A major development would be the production of components for petrol engines.

The Mercedes-Benz organisation had placed orders for petrol-engine blocks and crankshafts and more components could be produced without increasing costs.

CAPL Times 26/7/85
1,000 strike
at Siemens

Own Correspondent

JOHANNESBURG

More than 1,000 workers went on strike at five Siemens plants in the Transvaal yesterday as the Metal and Allied Workers' Union (Mawu) stepped up its plant-level wage demands.

Mawu was the only union which refused to sign the metal industrial council's annual agreement two weeks ago.

The strike at Siemens, which manufactures cables and power-engineering and telecommunication equipment, followed a refusal by the firm to negotiate wages over and above the council increases of 14c an hour.

Siemens sacks 2 000 Mawu

The German-owned multinational, Siemens, has dismissed about 2 000 workers who went on strike on Monday to support wage demands, the Metal and Allied Workers' Union (Mawu) claimed yesterday.

Repeated attempts by *The Star* to reach Siemens management this morning were fruitless.

Management had earlier put the number of strikers at 1 500. *Star*

MEETING

Mawu's Transvaal secretary, Mr Moses Mayekiso, said workers from five Siemens plants in the Transvaal were told yesterday they had been dismissed and should return tomorrow to re-apply for their jobs.

Siemens management had not yet responded to a union request for a meeting.

"We condemn the action of dismissing people instead of negotiating with them. The company must reinstate the work-

ers and negotiate with them fairly," said Mr Mayekiso.

He said the union had sent a telex to the employer body, the Steel Engineering Industries' Federation (Seifsa) asking it to intervene in the dispute because "it is Seifsa which instructed Siemens not to negotiate at plant level with the workers". *17/7/85*

However, this could not be confirmed with Seifsa this morning as its director, Mr Sam van Coller, was said to be out of his office.

Other telexes had been sent to the German Metalworkers' Union asking it to pressure Siemens into reinstating the workers, Mr Mayekiso said.

The Siemens strikers are demanding an across-the-board wage increase of R1 an hour. They have rejected the 14c an hour increase granted by the industry's Industrial Council as too low to meet the cost of living.

CAPE TIMES 13/7/85 (2) 13

Strikes halt work at Ford and VW

Own Correspondent
PORT ELIZABETH. — Industrial action at Ford's Neave assembly plant in Port Elizabeth and at Volkswagen in Uitenhage stopped production at both factories yesterday.

Operations halted at Neave when 16 workers in the paint section downed tools because of dissatisfaction over wage increases.

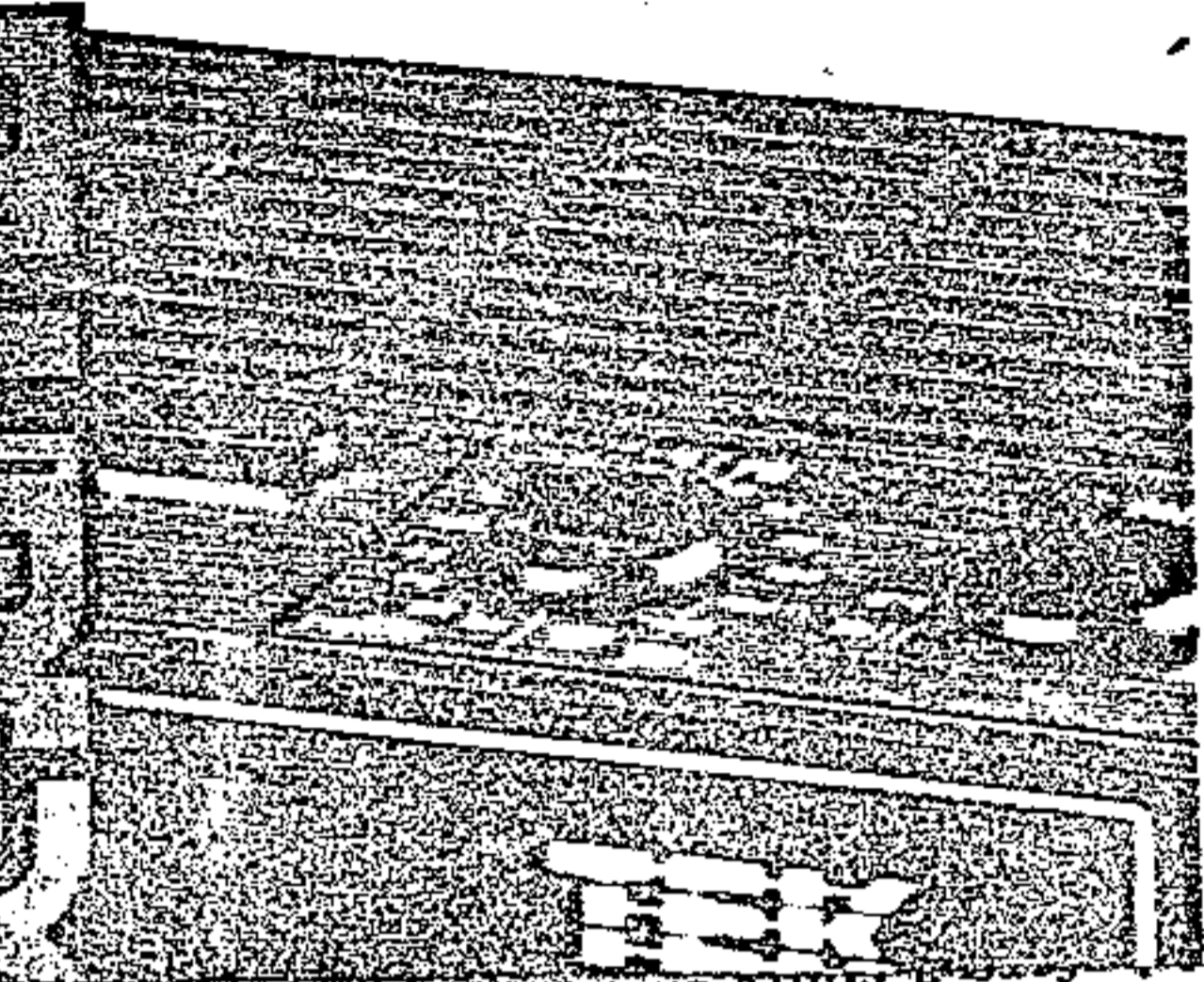
"As a result the assembly line halted and Ford had no option but to close. About 1 500 workers were affected," a Ford spokesman said.

An estimated 500 employees on Volkswagen's Golf line stopped working yesterday. According to a company spokesman, a National Automobile and Allied Workers' Union (Naawu) delegation asked management for payments from their pension contributions.

The spokesman said VW would consider this once Naawu had made an official request.

He said the work stoppage caused a disruption and imbalance on the entire production line.

Well worth the trip to Parow!



Diplomatic sources say that if the dispute went to court of law, South Africa would...

I continued last night that... members

Multinational firm fires about 2 000 over strike

JOHANNESBURG—The German-owned multinational Siemens had dismissed about 2 000 workers who went on strike on Monday to support wage demands, the Metal and Allied Workers' Union (Mawu) said yesterday.

Repeated attempts to reach Siemens management yesterday were fruit-

less. Siemens had earlier put the number of strikers at 1 500.

Mawu's Transvaal secretary, Mr Moses Mayekiso, said workers from five Siemens plants in the Transvaal had been told on Tuesday they had been dismissed and that they should return yesterday to reapply for their jobs.

Siemens management

had not yet responded to a union request for a meeting.

The Siemens strikers are demanding an across-the-board wage increase of R1 an hour. They have rejected the 14 c an hour increase granted by the Industrial Council as too low to meet the cost of living. — (Sapa)

CAPE TOWN 18/2/88 (MARK) (MAY) 63

1 100 strikers fired

Own Correspondent
JOHANNESBURG.
More than 1 100 workers from five Siemens plants in the Transvaal have been fired for striking in support of a demand that the company negotiate wages with them at plant

level.
Messages of support for the Metal and Allied Workers' Union (Mawu) have been received from the International Metalworkers' Federation and the West German union, IG Metall.

Mr C Mkhabele, the national chairman of the Siemens shop steward council, told a press conference yesterday that the workers would not go back to work without a wage offer.

Workers have demanded an increase of R1 an hour but Siemens have refused to negotiate wages at plant level over the 14c an hour minimum increase granted by the industrial council earlier this month.

A management-union meeting held yesterday afternoon failed to break the impasse.

Handwritten initials

Mawu in row with Siemens

63

Sowetan

18/7/85

THE Fosatu-affiliated Metal and Allied Workers Union (Mawu) is to send messages to local and international trade unions to pressurise a German multinational, Siemens South Africa, to negotiate wages with the union at plant level.

The union's Transvaal secretary, Mr Moses Mayekiso, told THE SOWETAN yesterday that the more than 1 500 workers at Siemens' plants in the province were still out on strike, demanding wage increases.

He said: "We have sent an urgent message to the company to open

talks with us at plant level because we are not satisfied with the wage agreement reached at the Industrial Council for metal industries."

However, the company has said it was against its policy to negotiate wages with the union at plant level.

The company's board of directors will meet to decide on the issue, the spokesman said.

Mr Mayekiso said messages will be sent to the International Metalworkers Federation (IMF), to which Mawu is affiliated, and to all unions in Germany in an attempt to pressurise the

local company to start negotiations with them.

Meanwhile the 600 workers who have been on strike for nearly six weeks over long-standing wage demands at Acci's Ballengeigh, Newcastle, factory, will return to work today, according to a company spokesman.

The spokesman said a further meeting would be held between management and the South African Chemical Workers' Union (Sacwu) to finalise an agreement. The 110 workers dismissed earlier have been re-employed.

ARGUS 18/7/85

East Cape plants shut down by strikes

Argus Bureau

PORT ELIZABETH. — Volkswagen SA in Uitenhage and the locomotive plant of General Motors at Aloes shut down today because of strikes.

Workers at Ford who went on strike yesterday returned today.

Volkswagen management said that because so few workers reported for duty today the entire plant would close for the day.

Last week Volkswagen workers downed tools for three days over the management's decision to lend mini-buses for the All Blacks rugby tour.

The plant closed yesterday afternoon after workers on the Golf production line downed tools.

The workers say they want their pension contributions paid out to them and are also unhappy with the existing pension scheme.

The Aloes locomotive plant is to close until Monday through an unresolved strike that started on Monday.

The workers at the Aloes plant downed tools on Monday over an alleged altercation between a white supervisor and a worker.

CAPE TOWN 19/7/85

PE plants shut down by strike

(VAA) (EWA) (1924) (189) (63) (1924) (1924)

PORT ELIZABETH. — Volkswagen and the locomotive plant of General Motors shut down yesterday through continuing strike action by the workers.

Workers at Ford's Neave plant resumed work yesterday but by 10.30am had downed tools again. They went on strike on Wednesday.

A spokesman for Ford said it was not clear at this stage whether the Neave plant would be closed down for the day.

On Wednesday, for the second time this year, all three motor companies in the Eastern Cape had workers out on strike.

● Meanwhile the National Union of Mineworkers (NUM) plans to go ahead with a strike on 27 gold mines and collieries throughout the country early next month, according to the union's information secretary, Ms Manoko Nchwe.

More than 210 000 of the country's 550 000 black miners are employed on the designated mines, which would make the strike, if successful, the largest in South African history.

Ms Nchwe said balloting at 16 of the 27 mines where the union is recognized had brought in more than 60 000 votes favouring the strike with fewer than 1 900 oppos-

ing. This represented 92 percent of workers on the balloted mines, according to the union's figures. "The strike is going ahead," Ms Nchwe said.

The industrial relations adviser to the Chamber of Mines, Mr Johann Liebenberg said yesterday the NUM represented 85 000 paid-up members on the mines.

"The chamber contends that the NUM does not have a mandate from the 27 mines where it is recognized, and most definitely not from throughout the industry," he said.

● In Johannesburg, the Siemens management will meet representatives of the Metal and Allied Workers' Union (Mawu) today to try to overcome the deadlock situation in which about 2 000 striking workers were dismissed, a company statement said last night.

The workers were dismissed at five Siemens plants for going on strike on Monday to back demands for plant-level wage negotiations to supplement Industrial Council wage rates.

Siemens said the company was willing to consider re-employment of the fired workers, many of whom were loyal to Siemens. — Sapa

CAPC - 1965 20/7/65

Car industry strikers 'to go back to work'

1962 1963 1964 1965 1966 1967

Own Correspondent

PORT ELIZABETH. — Workers at Volkswagen in Uitenhage and Ford's Neave plant here are expected to return to work early next week, ending strikes at both factories.

A spokesman for the National Automobile and Allied Workers' Union (Naawu), which represents most hourly-paid workers at both plants, said workers at VW were expected to return on Monday and Tuesday and Neave workers on Tuesday.

Strikes at both companies started on Wednesday this week and affected about 5 000 workers. Both plants were closed yesterday.

Workers at VW downed tools after demands for refunds from pension contributions were refused. Workers at Ford stopped work because of the company's

refusal to backdate interim wage increases, the Naawu spokesman said.

These issues are expected to be high on the agenda when Ford, General Motors and VW meet trade union representatives in the Industrial Council on Monday.

Industrial Council negotiations over wage increases have been going on for about eight months with no results.

Ford and Volkswagen spokesmen could not be reached late yesterday to comment on the expected return to work.

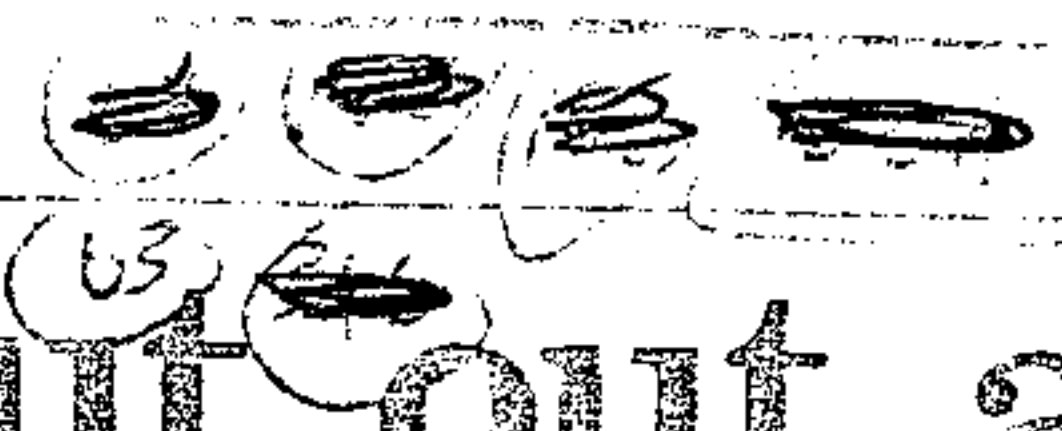
● Sapa reports that yesterday's talks between Siemens and the Metal and Allied Workers Union (Maawu) to break a deadlock after 1 250 workers were fired for striking this week will be resumed on Monday.

A Siemens statement

last night said Maawu delegates were told that the company was willing to re-employ the vast majority of the dismissed workers, as it believed them loyal to Siemens. It said that while the company "clarified" its refusal of the R1/hour increase, individual workers would receive an additional increase based on performance and merit.

The statement said, however: "A small number of the dismissed workers will not be re-employed where acts of violence and intimidation can be proved. In addition, where disciplinary records exist, this will also be taken into account."

The company added it was willing that a small committee, representing both sides in the dispute, investigate the fairness of each case.



1 500 workers shut out at Ford plant after stoppages

Argus Bureau

PORT ELIZABETH. — Samcor have shut out 1 500 workers at Ford's Neave plant and have threatened to close the plant unless the workers return to work and agree to continue working.

The move follows a week of stoppages by workers demanding that recent wage increases be backdated to February 1.

Samcor insists on sticking to an Industrial Council agreement and backdating the increase to May 1.

Recently General Motors and Volkswagen agreed to workers' demands to backdate the increases to February 1.

precipitating the Ford Neave walkouts.

Samcor public relations officer Mr Bot Kernohan said the company had decided on the stoppage because "getting to work every day in the expectation of work not performed is a hopeless exercise".

"Before we reopen the plant we want an assurance from the workers that they will return to work and continue to work," he said.

Denial

He denied that Samcor was taking advantage of the stoppages to close the plant permanently — scheduled to happen at the end of the year in terms of the Ford-Amcar merger.

"We have parts and material in the plant for several months' production. In the motor industry planning has to be done months in advance as parts have to come from as far afield as Europe," Mr Kernohan said.

"We negotiated with the workers for four days before we took this action. That should show that we are not trying to take advantage of the situation."

Slump courts a mixed bag of pessimism

PESSIMISM and frustration are common to all South Africans, according to a survey by market research group Markinor.

The survey shows that a majority of all respondents, regardless of race, sex or language group, blame government for the dire state of the economy.

It notes that the alarming degree of pessimism and frustration is fuelled by the belief that individuals can do nothing to improve the present situation.

Markinor says that 71% of urban blacks have made drastic cuts in their living standards as opposed to only 20% of urban whites. Clothing, food and savings suffer most from the cutbacks; 90% of blacks are spending less on clothes (whites 62%), 86% buy cheaper cuts of meat (whites 39%) and 83% are saving less (whites 81%).

While almost all blacks have been hammered by the recession, whites have been affected more selectively.

Voith digs into SA ⁽⁶³⁾ despite emergency ^{29/7/85 B. Day}

GERMAN machine manufacturer Voith is considering further extensive investment in South Africa, despite the emergency declared by the government.

Discussions have already been held with possible partners in assembly and/or manufacturing plants for the company's range of heavy vehicle automatic transmissions and retarder systems.

Dr Michael Rogowski, corporate executive vice-president of the German company and chairman of Voith SA, is on his first visit to the Republic to attend the international transport exhibition, Itec, and to assess the market conditions.

"The amount of the possible investment is unlimited, but we have to be sure the volume in this country grows large enough to ensure an adequate return," Rogowski said.

The present recession meant economic conditions were "not right".

"But the present state of emergency will in no way influence our plans."

ALAN PEAT

The SA arm of the company is presently only a sales organisation, but Voith water turbines and paper-producing equipment have already been assembled in SA in association with Dorbyl to fill major orders for Sappi and a R2m deal with Escom. The water turbines have a 30% local content level.

"And," said Rogowski, "local content here will certainly affect our marketing plans."

"The proposed local content for heavy vehicles is one of the reasons we have been talking to possible local partners on the assembly and/or manufacture of our retarders. The same goes for the transmissions, though this is such complex equipment it needs costly manufacturing plant and I doubt if South African volumes would justify local manufacture."

Voith SA was established two years ago.

French ambassador leaves in silence

166 held by police

CML Tim U 29/7/85

TWO people died in unrest in Port Elizabeth at the weekend as the number of detainees held under emergency powers rose to 1 166 last night, according to the police list.

And in continuing diplomatic protest against the declaration of a state of emergency by the State President on July 20, the Spanish Government has instructed its ambassador to South Africa to delay his return to Pretoria. Mr Federico Garayalde is on holiday in Spain.

According to the Madrid daily El Pais, the Spanish Government has told Mr Garayalde to postpone his scheduled return to South Africa next week while it reviews its policy toward South Africa.

The French Ambassador to South Africa, Mr Pierre Boyer, left the country yesterday morning after being recalled by his government.

'Non'

A stern-faced Mr Boyer disregarded the local and international media and strode purposefully to the VIP departure lounge at Jan Smuts Airport. A short while later, he was on his way back to France.

A press conference scheduled for 8am was abandoned at the last minute and, to questions from surprised reporters, the ambassador would reply only "non".

The press attache, Mr J L Ducleon, said no reasons would be given for the cancellation and that Mr Boyer had "absolutely no comment".

Meanwhile, a police spokesman in Pretoria said yesterday that 256 people had been detained since Friday, raising the official tally to 1 166. The names of the detainees will be released today.

He also confirmed that two people had been killed in unrest in Port Elizabeth, and that nine people were injured and 12 others arrested during incidents of unrest in townships yesterday.

● A constable was found stabbed to death on Saturday night in New Brighton, Port Elizabeth, about 100m from a burning house belonging to the mother of the New Brighton mayor.

Police yesterday arrested six men in connection with the constable's murder and shot dead a seventh who allegedly had opened fire

on officers attempting to arrest him.

Also in the Eastern Cape, five men were arrested when about 50 people stoned a Defence Force anti-riot vehicle, injuring six soldiers, three seriously.

In the same area, a police constable guarding a shop was assaulted by about 10 men with knives. His condition is not serious.

On Friday a 20-year-old youth was "seriously injured" when a policeman fired at two youths allegedly attempting to petrol bomb his home.

He was in hospital under police guard, police reported.

● In Guguletu about 7.30 last night, a Ken-tucky Fried Chicken van was set alight by an angry crowd at NY1.

Police used teargas to disperse the people and it is believed that no arrests were made.

Earlier, about 6.30pm, a City Tramways bus was set alight at the Nyanga bus terminus. Police used teargas to disperse a crowd that had gathered there. No arrests were made.

A police spokesman in Pretoria could not confirm the incident.

"Our word on Guguletu is that since Friday's incident (in which a truck was burnt) the situation is quite calm and under control," he said.

At Kattlehong on the East Rand, police yesterday used standard rifles after 30 people stoned a police vehicle. Two men were injured, one seriously, and a third was arrested.

In Soweto three "black males" were arrested at

the weekend when about 20 people stoned a bus and attempted to set it on fire.

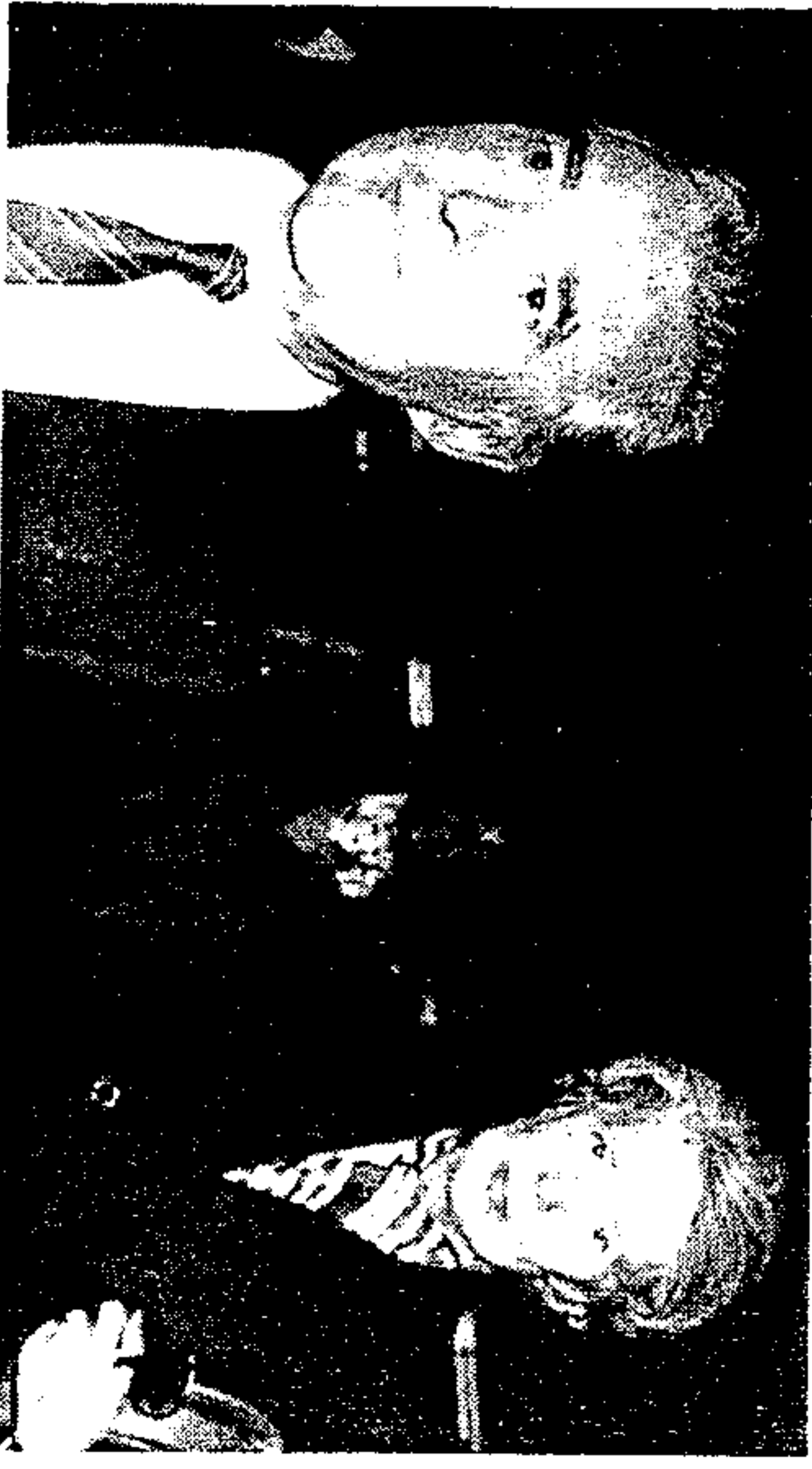
Meanwhile, Sapa-Reuters reported from Bonn yesterday that West Germany had joined Britain in deciding not to impose sanctions against South Africa, rejecting France's argument that an investment freeze and the withdrawal of its ambassador would force Pretoria to change its face policies.

No sanctions

"We will quite certainly not do what our French friends have done in this case," Chancellor Helmut Kohl said in a radio interview.

West Germans last year invested about R120-million in South Africa.

France's move was praised by Norway, Sweden and Denmark. Australia has said it will press for sanctions at the next meeting of Commonwealth heads of government. Canada tightened its trade curbs with South Africa earlier this month. — Own Correspondent, Sapa and Staff Reporter



The French Ambassador, Mr Pierre Boyer, and his wife Jacqueline at Jan Smuts Airport yesterday. France recalled their ambassador to protest against the state of emergency announced by South Africa on July 20.

- US, UK press focus on SA, page 2
- Investors turn to Australia, Canada, page 10

LONDON — European business leaders are showing few signs — in public or private — of adjusting their attitudes to South Africa in the light of recent unrest.

Whether British or German, French or Swedish, company executives with substantial operations in South Africa still believe they are a force for good, and that they are contributing to the improvement in living standards and civil rights for blacks.

Most find apartheid abhorrent and many believe it is hurting the development of the South African economy and their businesses.

Some are reducing their presence in the country, but few admit to thinking seriously of total withdrawal.

European industry leaders also believe that full economic sanctions would do more harm than good.

They would be difficult if not impossible to enforce, and ineffective as a means of pressuring the Government to abolish apartheid.

The disruptive effect on the economy would, the industrialists believe, hurt blacks more than whites.

These are the main points mentioned in an informal survey of business attitudes to South Africa carried out in the past few days by *Financial Times* reporters.

Even though these views are well known and relatively uncontroversial, few leading European industrialists were willing to express them publicly.

Some European companies with large South African operations, such as ICI, Nestle, Siemens and Unilever, refused to answer questions at all about their interests there.

Those who did respond were emphatic that their operations are, as Sir Timothy Bevan, chairman of Britain's Barclays Bank, said last week, "a force for good".

They said they provide blacks

European firms to stay in SA despite unrest

with good employment opportunities and are at the forefront of efforts to remove apartheid in the work force.

Sir Timothy said Barclays' South African subsidiary employs 40 percent of all blacks in the banking sector.

Dr Rolf Sammet, chief executive of Hoechst the West German chemical company, said the company's black employees in the Cape were earning more than double the rate recommended by the European Community Code of Conduct.

Almost all the companies contacted said their South African operations complied with the EEC code, and, in most cases, surpassed its minimum requirements.

Getting out

The exceptions are the mining finance companies, because by law black workers may not obtain a blasting certificate and this limits promotion potential.

Many European industrialists have thought of getting out of South Africa altogether, but have discarded the idea.

Lars-Ivar Hising, executive vice president of Sandvik the Swedish tools group, said: "We believe the best way to contribute to an improved situation, even in a small way, is to remain on the scene."

Anton Schrafl, deputy chairman of Holderbank, the Swiss cement concern, says the group has never thought of leaving South Africa, where it has been since 1938.

Rowntree Mackintosh said pulling out of its Wilson-Rowntree subsidiary would entail either closing down a company

employing 2 500 people or merely passing ownership to someone else.

"This subject has been debated, but withdrawal was not considered to be in the interests of the business, its employees or the blacks in general," a spokesman said.

This does not mean many companies are still investing heavily in South Africa. Many are just maintaining their existing interests, and others are reducing their presence.

Prudential Assurance sold 32 percent of the shares in its South African subsidiary in 1983 through a public share offer for £14.8 million. Associated British Foods sold its 52 percent stake in a South African company in the same year for £198 million cash.

Also in 1983 Metal Box sold its 51 percent stake in its South African subsidiary in return for £40 million cash and 25 percent stakes in two South African companies.

Metal Box said it did the deal mainly to reduce its borrowings, but acknowledges that the political and social climate was a factor.

Even Consolidated Goldfields, the British mining finance group founded 100 years ago to develop South African gold mines, is much less dependent on South Africa than it was 30 years ago.

Goldfields embarked on a diversification programme in the 1950s and today 75 percent of its £675 million in net assets are outside the country.

Rio Tinto-Zinc's last major investment in South Africa was the Palaborwa copper development in 1963, although the Ross-

ing uranium development in Namibia began in 1975. Only two percent of RTZ assets are now in South Africa, and less than four percent in Southern Africa, including Namibia and Zimbabwe.

Barclays Bank has reduced its stake in its South African subsidiary from 55 percent to 50.4 percent by the simple expedient of not taking up its shares in rights issues. But the £133 million investment is still a significant one and the subsidiary's £6 billion in assets represents 8.5 percent of the Barclays total.

Standard Chartered, the other British bank with a major stake in South Africa, has also been running down its interest by standing back from rights issues of Stanbic, and now holds only 42 percent of it.

Influence

A few European companies, notably Daimler Benz and Volkswagen and France's Compagnie d'Electricite, have been building up their South African investments.

Daimler Benz has invested more than R200 million in the country since 1981 and has boosted its stake in its South African holding company to the controlling 50.1 percent level. This not only secured its business interests, said the company, but also gave it more influence on the work and social conditions of its mainly black labour force.

GGCE's CGEE-Alstom subsidiary has injected R4-million into boosting the capital of its electrical equipment assembly subsidiary in the past four years. — *Financial Times*.

Plant to pay out pensions

Dispatch Reporter
EAST LONDON — Mercedes Benz South Africa has agreed to pay out pension contributions to workers at its assembly plant here if voluntarily requested.

The pensions issue led to a brief stoppage by a majority of workers at the plant last week.

Negotiations were held with the National

Automobile and Allied Workers' Union and demands for the repayment of employee pension contributions were discussed.

A spokesman for Mercedes Benz South Africa said: "The union told us that harsh economic circumstances, the high inflation rate and the pressure on members to pay accounts had promp-

ted this demand.

"The union stated that as far as the withdrawal of pensions was concerned it would be entirely voluntary and up to individual employees to decide whether they wanted to be paid out or not. No intimidation would be exerted on those who did not wish to withdraw their pensions."

Apartheid protesters hit VW

63
~~13/8/85~~

AMSTERDAM — A Volkswagen showroom in Amsterdam was vandalised yesterday in protest against the "continuing investments" of the West German company in South Africa, police said.

13/8/85
Eye witnesses saw five masked men throwing bricks through the display windows of the dealer's showroom, according to a police spokesman.

The attackers went inside the building and daubed two new cars there with a chemical agent that damaged their paint.

Last week, two offices of a Dutch travel agency, Holland International, were vandalised in the western Dutch city of Gouda Delft in protest against the agency's tours to South Africa.

Responsibility for those attacks was claimed by the "Action Group Victoria Mxenge," named after the black South African lawyer who was assassinated outside her Durban home on August 1.

THOMAS KRUCHEM

Germany — no divestment?

IN MY
OPINION

63

Thomas Kruchem is a freelance journalist based in Heidelberg, West Germany, who specialises in SA-German relations.

It is more than likely that, at least on a limited scale, the US and other Western countries will follow the French in cutting future investment in SA.

Even the UK is under pressure from many Commonwealth countries to follow suit. In this context, besides the Asian countries, the importance of West Germany as a supplier of and investor in advanced technology to SA is growing.

How important are the different sectors of co-operation?

German industry needs gold and especially other industrial minerals of which SA is at present the major supplier.

Without chrome and manganese for example, one cannot refine the high quality steel of which Germany is a major exporter.

If Germany lost only 30% of its imports of chrome from SA, industrial output would go down by about 25%. Millions of jobs would be in jeopardy.

What is even more worrying is that the other major supplier of nearly all the minerals referred to is the Soviet Union. Experience, however, shows that a supplier of raw materials cannot put the squeeze on other nations.

Oil is a classic example. Should SA stop its mineral supplies, other alternatives would almost certainly be found. In the end, the SA economy as it is presently structured, would be ruined.

Four hundred West German companies have affiliate companies in SA which employ about 47 500 people. They concentrate in four areas: electrical equipment (Siemens, AEG); cars (VW, BMW, Mercedes-Benz); chemicals (Hoechst, Beyer, BASF); and energy (Steinmüller).

This investment of about DM1,23 billion by the end of 1984 constitutes only a small part of the total German investment abroad. But it has, until now, been guaranteeing high profit and it has been seen as a launching pad for the rest of Africa.

On the other hand, German investment is mostly limited to traditional technology and so could be substituted by other countries — particularly Asian. In areas like micro-electrics and biotechnology, Germany cannot compete with the US and Japan.

German exports to SA in 1984 grew by 53% to R3,4 billion which amounts to only 1% of the country's total exports. Still, Germany is SA's most important supplier before the US and Japan.

German tourism to SA (60 000 visitors in 1984) is not of any real importance to SA.

SA needs an enormous amount of capital to realise social and political reform. It will

have to embark on a lot of deficit spending. The gradual retreat of US banks has caused German banks to become the most important supplier of loans to SA. They frequently provide more than one-third of the country's capital needs from abroad.

Further expansion of this financial co-operation is important for SA, but only of minor significance for Germany. German economic engagement most certainly influences economic and social structures in SA. Economically, it provides industry with a variety of technological knowledge. It could go on to assist SA in creating important export industries.

Socially German companies — partly by pressure from the EEC code of conduct — have become pioneers in abolishing racial discrimination and introducing social benefits, education and training. Still, there are strong pressure groups in Germany for economic sanctions against SA influenced mainly by the ANC and the South African Council of Churches (SACC). The radical anti-apartheid movement in Germany is closely connected with the Peace Movement and the Green Party, all of which have a very moralistic, anti-materialistic but seldom Marxist approach towards politics. They represent the political attitude of about 10% of the population.

Major influence is exerted by the Protestant church in Germany (the EKD) whose policy towards SA is defined by a very small group of leftwing decision makers.

The EKD provides 50% of the SACC budget and has been pushing for sanctions for a long time.

All the above-named groups influence the policy of the main opposition party in Germany, the Social Democratic Party (SPD). Its spokesman on SA, Gunter Verheugen, has in fact called for sanctions.

However, the leader of the SPD's parliamentary group, Hans-Jochen Vogel, has played a more cautionary role saying the issue must be weighed carefully. He did so partly because of the party's close links with German unions.

These unions, especially IG Metall, strongly oppose disinvestment. They have to defend their members' jobs depending on investment abroad and they realise that their SA counterparts need a stable and growing workforce to be effective.

In the ruling centre-right coalition government, only small groups are pro-disinvestment. They are mainly sections of the various parties' youth groups. It is most unlikely, for several reasons, that the government itself will leap onto the disinvestment bandwagon because:

□ It realises that Japanese, Taiwanese and South Korean competitors would very quickly take Germany's place.

□ A total boycott would mean that about 130 000 jobs in Germany would be lost, adding to the 2,5m others already unemployed. The unemployment situation is, by far, the most sensitive political issue in Germany today;

□ The government strongly depends on the support of the multinational companies engaged in SA;

□ SA, despite Germany's sensitivity now to issues of race, does not loom large in the national conscience; and

□ German politicians have not in the past followed the boycott policies of the US. Examples of this are Poland and Nicaragua.

Nevertheless, in the present social and economic climate, German economic engagement in SA has its difficulties for the following reasons:

□ Most companies have been hit by the recession in SA which has meant lower profits and the laying off of staff. German banks have become more careful. The representative of a leading bank told me: "We are waiting for a positive development in SA's trade balance and the reduction of short-term debt and inflation. It is also not a good time to place SA government bonds on the German capital market";

□ Some companies are actually afraid of a US technology embargo against SA because they partly work with US licenses;

□ Many companies, although providing best conditions for their labour force, consider themselves to be soft targets of the rapidly growing black unions.

These unions are well aware that the West German companies are also under pressure from home;

□ Nearly all companies are struggling with the poor state of black education and training, causing low productivity and compatibility; and

□ The economic role of the SA government which employs directly and indirectly about 60% of white workers is compared with what happens in Communist countries. Apartheid laws and the way they are put into force are perceived as being highly counter-productive and endangering economic prospects. The resulting high taxes and interest rates burden companies.

The German-SA Chamber of Commerce and Industry therefore demands political participation for blacks at central government level, freedom of economic mobility, a unitary SA citizenship, free and independent unions and a stop to forced removals.

South Africans have to meet these demands if they want German investors to stay in this country. A declaration of intent as requested by Chief Mangosuthu Buthelezi, a man highly respected within the German business community, would be an important step. ■

200 on strike

Sowetan
MORE than 200 workers went on strike at the German multinational company of Robert Bosch Ltd after management refused to negotiate wages.

The company then closed the factory until

9/85
September 10, according to a statement from Mr Moses Mayekiso, the Transvaal organising secretary of the Metal and Allied Workers' Union (Mawu) whose members are involved in the dispute.

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Bosch is laying off 300 strikers

63
STAR
5/9/85

The German multinational company, Robert Bosch Ltd, began dismissing about 300 workers from its factory at Brits this morning. They had failed to meet an ultimatum yesterday to return to work.

The workers, mostly members of the Metal and Allied Workers Union (Mawu), downed tools on Tuesday over a wage dispute with the company which began in June.

They originally demanded an across-the-board increase of between 50 cents and R1 an hour, but had dropped this to 47c/hour when talks broke down yesterday.

They rejected the company's final offer of 11c/hour from October 1 with a further 7c from January 1.

Union spokesman Mr Moses Mayekiso said the workers struck because they had become "fed up" with the company's refusal to negotiate at plant-level and the rejection of the dispute by the Industrial Council for the motor industry.

The union also accused the company of "side-stepping" the EEC's employment code.

A company spokesman said the union had adopted "an uncompromising attitude which does not display the characteristics of bargaining in good faith".

Bosch's present minimum rate is R2,82 an hour.

63
**French firms
with SA ties
bombed** STAR

PARIS — One of the world's most dangerous terrorist groups yesterday bombed four French firms linked with South Africa. There were three casualties and substantial damage.

Police said four explosive charges, each with 4 kg of dynamite with a fuse, blasted off simultaneously just before 2 am.

"There must have been at least two squads operating", police said.

The extreme Left Action Directe (AD) movement claimed to have blasted the four targets to halt French trade with South Africa.

The AD is linked with West Germany's Red Army faction and Belgium's Fight-

ing Communist Cells.

Its targets in the past year have been military and Nato. AD gunmen assassinated French general Rene Audran in the Paris luxury suburb of Neuilly on January 25 and made an unsuccessful assassination bid against General Henri Blandin in Paris on June 26.

AD's targets yesterday were:

5/9/85
● Spie-Battignoles engineering and construction firm whose offices are just outside Paris, where several

cars were destroyed and most of the windows of the building were shattered. Two men were hurt by flying glass.

● The Renault headquarters of its international division which deals with the assembly plant in South Africa.

● The Aluminium Pechiney firm was badly damaged and a huge crater was blasted at its entrance. Several parked cars were destroyed.

● The offices of Atic, which imports coal from South Africa, were badly damaged. A man in a flat opposite was injured by glass.

Police believe the dynamite was from 800 kg stolen by AD from a Belgian quarry at Ecaussines in June 1984.

This dynamite has been used in previous AD attacks.

BMW chief predicts new growth

(63) B. Day
6/9/85
Industrial Staff

MULTINATIONALS need have no fear for the safety of their investment in South Africa, according to BMW MD Walter Hasselkus (correct).

Speaking to the Association of German Industries (BDI) in Cologne yesterday, Hasselkus said: "Political developments will determine how soon the next economic upswing will occur. What is indisputable is that there will be meaningful economic growth within the next five years."

Hasselkus said SA's substantial increase in exports could result in a trade surplus of R8bn by the end of 1985 and would contribute to increasing economic growth rates over the next five years.

Distancing himself from the groundswell of SA business opinion in the past few weeks, Hasselkus said there could be "little doubt about government's commitment to substantial reform."

"As industrialists we have no political mandate in SA, but as investors we should judge SA's future not only in terms of the turmoil of recent weeks and months, but also in terms of the considerable progress which government has already made."

Hasselkus told over 100 German businessmen there was "growing acceptance of the tricameral parliament" in SA.

He said government's "commitment to peace, stability and orderly change and its clearly stated intention to remove all forms of discrimination and to find means of accommodating blacks politically" were "positive political factors".

He added that the unrest in recent months "was aggravated by the recession and the resultant unemployment. It should be expected there would be an element of turmoil associated with change."

Sacked workers stage sit-in

MORE than 200 sacked workers of German multinational company Robert Bosch are sitting in the canteen of the factory premises at Brits and are refusing to leave, day or night.

They were sacked on Wednesday following a strike on Tuesday.

The company received a telex from the Metal and Allied Workers' Union (Mawu) requesting further negotiations about a wage dispute.

Bosch director T. Wagner said the company had agreed and had asked the union to nominate a day and time.

Moses Mayekiso, Mawu's Transvaal organising secretary, said talks between management and Mawu reached deadlock on Wednesday. The company then dismissed the workers because they refused to return to their jobs and closed

the factory until September 10. 6/9/85

In a statement, the company said management rejected as untrue a statement made by the union that Bosch had refused to negotiate; Bosch had been negotiating since June 1.

The union then had demanded an increase of 50c an hour across the board.

It declared a dispute which was rejected by the Industrial Council on grounds the wages paid and the offers made by Bosch were fair and reasonable, the statement said.

"Mawu then submitted a revised demand for an increase of 47c an hour effective from July 1.

"We granted 12c an hour as from July 1 and offered another 11c yesterday."

The final offer was rejected again and workers downed tools. — Sapa.

Pressure spreads 63 for cash boycott 64

By Trevor Walker

German and Swiss banks are coming under increasing pressure to join the capital boycott of South Africa. STAR

Reserve Bank Governor Dr Gerhard de Kock was to brief Swiss banks today on ways that they could help the South African Government solve its financial problems.

But according to news agency reports, bankers have said that while the Swiss would listen to him sympathetically, pressure was increasing for them to take a more cautious approach to South Africa.

The trading course of the rand has become entirely political, and economic factors are being ignored. 9/9/85

SNOWBALLED

The decision by America's second-largest bank, Chase Manhattan, to pull out of South Africa might have been due to its poor international lending position, but the decision has nevertheless snowballed in the political and banking arena.

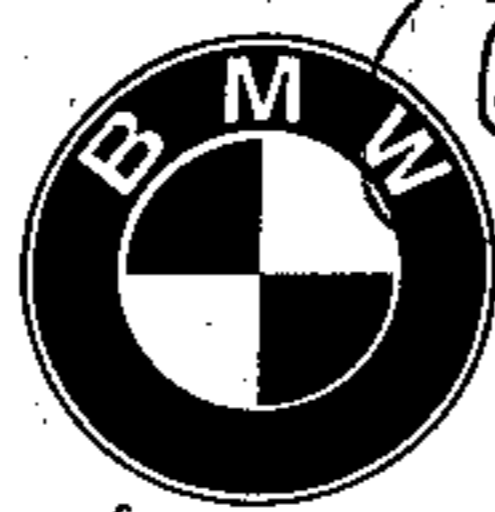
There were reports at the weekend that German banks were being pressed by shareholders to slow their rate of lending to South Africa.

It would seem that Dr de Kock's overseas "explanatory visit" has failed and the ball is firmly back in the politicians' court.

The rand opened a ½c lower at 38 US cents today — and then almost immediately began to weaken further to 37c. It reached an all-time low of 35.50 on the day the markets were closed, ending at 36.65c.

Today, the dollar continued to surge on foreign exchange markets amid signs of a recovery in the pace of US economic growth.

● See Page 12.



Forex is problem

BMW boss

DAVID FURLONGER
Industrial Editor

BMW could suffer substantial losses in South Africa in the next 12 months because of the exchange rate, MD Walter Hasselkus admitted yesterday.

Confirming that the West German-owned car-maker would report a loss in the financial year ending this month, he said that without a recovery in the value of the rand, losses next year would be far greater.

"Everyone in the motor industry admits the manufacturers are all making losses. Although I wouldn't say our losses this year are too bad, it is depressing simply that we're making losses.

"Should the rand not improve, our losses next year will be substantial. So it is an unsatisfactory situation."

Hasselkus said BMW expected to sell 13 000 cars this year compared to 15 967 in 1984.

"However, it's not sales volumes that determine profits or losses, it's the exchange rate. We could normally break even on 13 000 sales."

BMW is due to resume production at its Rosslyn, Pretoria, plant on October 14 after a five-week closure to bring stocks down to normal levels. This is the first time BMW has suspended production.

"We can't exclude the possibility of more close downs."

He said the uncertain economic and political situation made long-term planning akin to guesswork.

"We have to make long-term assumptions, more now than ever before. But because no-one knows

what's happening, we base our assumptions on three likely scenarios — pessimistic, normal and optimistic — and adapt as we go along."

Hasselkus said BMW remained optimistic about SA's future, but only if government pressed ahead with the reform process.

"Some people feel government's reforms are too late. We don't think so. However, government must arrange meaningful negotiations with black leaders and prepare a good constitutional dispensation."

He welcomed the growing commitment of South African business in seeking to accelerate reform.

"I don't believe companies, particularly multinationals, have a political mandate. If you're in business, you can't get involved in politics as a matter of priority.

"On the other hand, businessmen should not be apolitical animals. We are members of this society. We're not just buying, selling and making profits — although obviously we're here to make a profit. There's a social responsibility as well.

"To that extent, I believe businessmen should be part of the political processes and should put their point of view. Where multinationals like ourselves are concerned, we can make the government aware of judgments abroad. We're not reluctant to express our views as a multinational committed to SA and wanting to contribute to the benefit of SA.

He denied industry suggestions that BMW has been negotiating with other manufacturers on possible rationalisation, and particularly that the company had held talks with Daihatsu since Alfa announced it was leaving SA.

While admitting there was pressure on manufacturers to rationalise, he believed a better answer lay in seeking export markets.

BMW expected to export R10m in components made by itself and local component manufacturers — to its West German parent this year.

"We are telling our parent company we can offer components at good prices, particularly with the rand the way it is. However, it wants assurances on long-term commitment. It doesn't want local industry to back out when things pick up again."



● HASSELKUS

Mercedes affirms SA commitment

(63) B.D. 27/9/85

GOVERNMENT has been urged not to try to bring about the rationalisation of the motor industry by interfering with free-market forces and the basic concepts of free enterprise.

Announcing that Mercedes-Benz had no intention of pulling out of South Africa, Jurgen Schrempp, CE of Mercedes in South Africa, said yesterday that "extreme caution" should be exercised in trying to bring about the rationalisation of the industry through direct intervention.

Speaking at the opening of the McCarthy commercial vehicle centre in Zandfontein, near Pretoria, he said that it had been suggested government intervention was needed to reduce the number of manufacturers to a more realistic level.

"We do not share this view," he said. "We feel strongly about letting market forces and basic free-enterprise concepts determine the future of the motor industry in this country — and the survival of the fittest."

He was not in favour of the arbitrary prescription of the number of local manufacturers, the introduction of punitive taxation or other fiscal measures or even the introduction of unrealistic levels of local content.

The motor industry had made representations to the authorities for relief to

By WINNIE GRAHAM

stem further deterioration, he added. Quite apart from huge financial losses, unemployment was reaching alarming proportions and more lay offs and cutting of production was becoming a possibility.

Schrempp added that the Daimler-Benz involvement in South Africa ran into "literally hundreds of millions." More than 50 000 people worked for the firm here. South Africa consistently remained in fourth or fifth place on Daimler-Benz's export market. It also provided the second largest manufacturing facility outside Germany.

"A substantial number of jobs in Daimler-Benz factories in Germany depend on this market," Schrempp added. "These factors bear heavily in an assessment of an involvement in South Africa against the background of talks on disengagement, disinvestment and similar current trends."

"We do not believe boycotts and disinvestment help people. Instead they cause suffering among those on whose behalf they are ostensibly instituted."

"We are continuing with our investment programme which will amount to R100m. We have just launched an addition to our Honda model range."

B. Day 11/17/85

63 Germans are SA's closest partners

2.

WEST GERMANY, with the exception of its embargo on military goods, is now the only major Western country with no form of official sanctions or disinvestment policy against South Africa.

Britain, under the restrictions of the Commonwealth Accord, has now joined the growing number of countries with some form of government-backed restriction on SA trade.

The official policy of the present German Federal coalition government under Chancellor Helmut Kohl is enforced by legislation. Government has no legal power to persuade or dissuade German companies in their trading or investment activities.

Said a German government spokesman: "The government is strictly against mandatory sanctions and would not discourage investment. The stance is that sanctions would have a tremendous effect on the black population, who are disadvantaged already."

While Kohl has stressed his government's desire for an end to racial discrimination in SA, he has negated achieving this by any form of force. His centre-right coalition won a parliamentary motion in September calling for greater cultural and sporting links "with all SA's racial groups". This effectively papered over a feud between its three member parties on policy towards Pretoria.

Companies have been officially required by their government to stand by the European Economic Community's code of conduct, but the German government has very recently approved the way subsidiaries of

ALAN PEAT

German companies have applied this code.

The German/SA economic link is important to both countries. SA is Germany's third largest overseas trading partner — behind the US and Japan — with annual bilateral trade of goods and services valued at about R5bn.

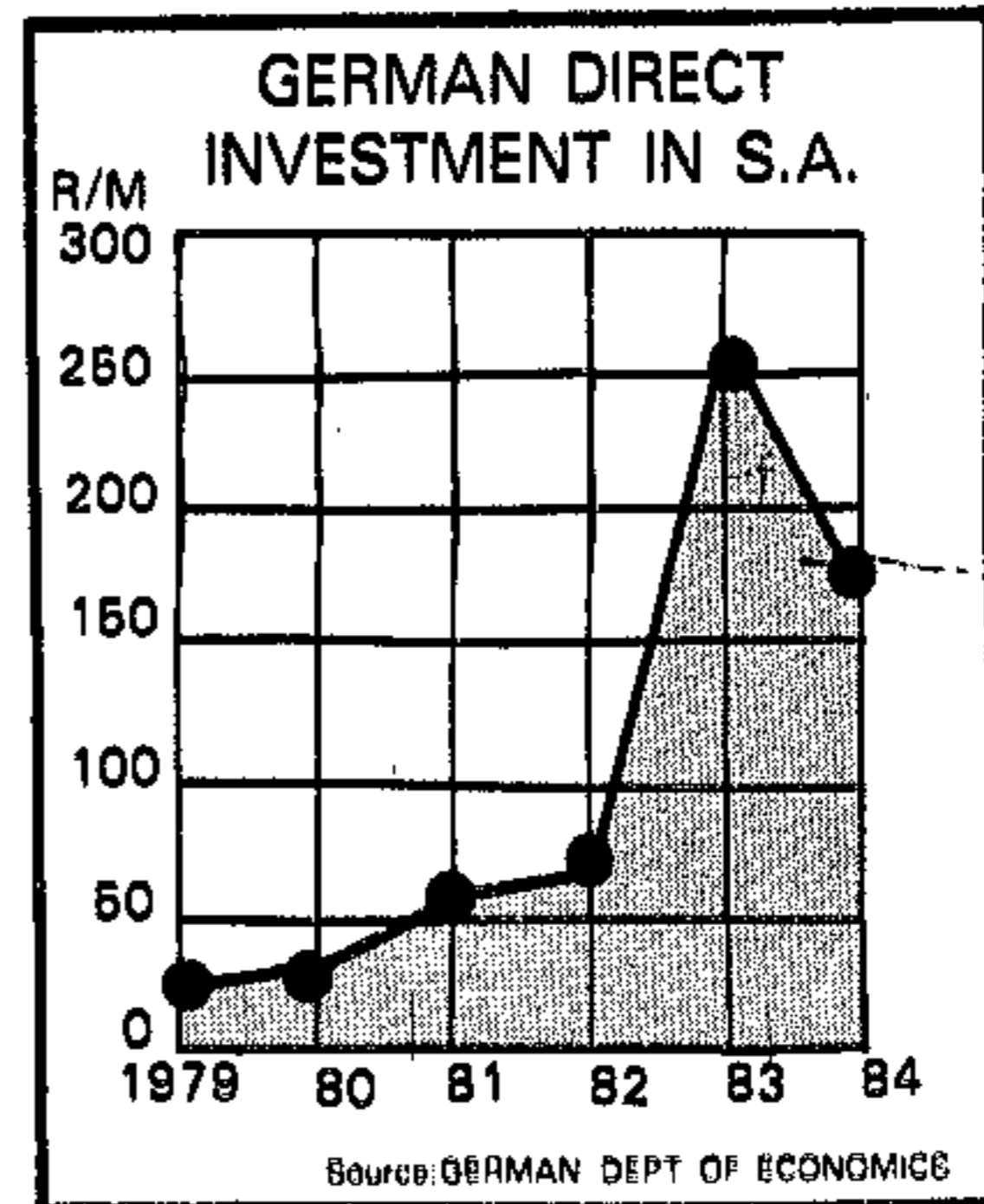
Investment by German company subsidiaries in SA is about R2,5bn, according to German Chamber of Commerce and Industry figures, with about 65 000 workers employed directly. They support more than 500 000 people indirectly.

Another social link of some importance is the estimated 400 000 people of German descent permanently resident in SA and SWA, with an uncounted, but large, number of temporary German contract workers.

The amount of German industrial involvement is also noticeable to the local man in the street. Everyone is familiar with locally-made Mercedes-Benz, BMW and Volkswagen cars; MAN and MB trucks; Telefunken TVs; Siemens electronics; AEG appliances; Hoechst pharmaceuticals; Bosch and Gedore hardware etc.

"But this visible area of consumer durables is only about 30% of the German industrial involvement here," said Achim Stracke, chief executive of the German Chamber.

"The hidden 70% is a heavy involvement in construction operations with a German shareholding. Construction projects such as Richards Bay harbour and industrial area, Sa-



sol, Escom and the like could not have been done without German-company involvement in capital equipment and skills. There are also the major road-builders like Concor.

"Our industry has firmly decided to stay here, to do more to enhance what they have done so far, and to keep or increase their market shares.

"There is some shrinkage in the direct-investment totals — the 1984 total of R168m was 34% below the 1983 high of R254,76m, but this is due only to the economic state of the country, not anything to do with government pressure."

SA is dependent on certain sectors of German industry. The heavy road-transport industry, for example, would grind to a halt if there were any disinvestment programme.

Faber-Castell optimistic about SA

63

B. Day

German firm may set up plant in SA

12/11/85

THE German Faber-Castell group, a leading manufacturer worldwide of writing and drawing materials, may decide soon to set up a manufacturing plant in SA.

This was confirmed by Faber-Castell's president Count Anton Faber-Castell, in an interview with *Business Day* while in SA to review his group's operations.

He said there were several opportunities to broaden and improve the company's distribution base within the country.

CHRIS CAIRNCROSS

The company has only a sales organisation in SA and this level of representation was not entirely satisfactory.

The weak rand was beginning to create serious problems for the company, said Faber-Castell.

"It is probable we will now have to consider manufacturing in SA."

Despite the problems facing the country, Faber-Castell sees SA as probably the most important market in southern Africa in which to maintain a strong presence.

It has a well-developed education system and good infrastructure, which combine to provide the sort of elements needed to offer a vigorous market for Faber-Castell's products.

He said the country had to overcome daunting problems but was optimistic it would eventually find solutions.

He believed a strong economy was going to be a decisive factor.

With roots set firmly at Stein, near Nuremberg, West Germany, Faber-Castell has something of a unique history: for more than 225 years the founding family has been in possession of this company.

As long ago as 1761 the German carpenter Kaspar Faber was producing his first simple pencils.



showbiz onto his floors, increasing internal costs with promotion and advertising spending which ate into diminished profits. While expenses jumped 10,2%, sales rose by only 6,4% for the year ending August (albeit to an all-time high), and profits fell 14,5%.

Finkelstein

Now Finkelstein hopes to free his time from nagging management problems to get back to marketing and merchandising, his forte since he took over the New York division in 1974. He has been CE of the US's tenth largest retailer since 1979.

But with mounting pressures and business not as cosy as it was, 10 top executives, among them some of Finkelstein's proteges, left the business in the past 18 months.

A Harvard MBA, Finkelstein has spent his entire working life at Macy's. If the buyout offer is accepted, he and president Mark Nadler will lead a management group consisting of an "unusually large number" of Macy's executives. The offer, which has mystified some Wall Street stockbrokers, works out at about \$70 a share, three times more than book value. The private buyout proposal is the biggest ever bid in the retail sector. R H Macy & Co has huge real estate assets to draw on for leverage — including prime properties in New York, Atlanta and California. It is the leading retail chain in three states and its New York flagship is billed as the world's largest store.

The offer will free Finkelstein to carry on his expansion programme, build up private-label sales and grow into new geographical regions, without having to worry about expectations on Wall Street.

ANTON VON FABER-CASTELL

Drawing a fine line

The collapse of the rand has placed many imports at a prohibitive disadvantage against locally made items. But can a multinational company risk international opprobrium by setting up a production plant in SA?

This is the problem facing Count Anton von Faber-Castell, president of the German-based pencil manufacturer A W Faber-Castell, which also makes an extensive range of drawing, measuring and calculating equipment and private label cosmetics (eyebrow pencils, lipstick, liner pencils).

The 44-year-old Count is in SA to evaluate the performance of the company's sales subsidiary, which he admits is suffering badly as a result of the devalued rand. Margins have been tightly pruned in an attempt to keep product lines competitively priced, but market share will inevitably suffer.

Von Faber-Castell won't disclose turnover figures for the South African operation, but

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confesses that he's extremely worried about economic prospects for the coming year. "The problems here are more complex than are generally reported to the outside world," he says, "but the fact remains that what happens in the economy depends almost entirely on political factors."

However, he is impressed with SA and believes its business infrastructure can be favourably compared with Germany and Switzerland. "In SA," he says, "political factors are the major influence on the economy while in South America, for example (where the group has extensive interests, including a pencil manufacturing plant in Brazil that is the largest in the world), it is the other way around: the economy impacts directly on political developments."

Nonetheless, Faber-Castell is loath to retreat from SA despite economic conditions. Management believes there is dramatic growth potential in black education which should fuel demand for many of the technical and education-related items in its range of 2 000 products. The extreme volatility of the exchange rate, however, is holding back a decision to go ahead with local manufacture since profitability would be jeopardised if the rand improved even modestly.

"There is a pretty sound middle class in the country," Von Faber-Castell says, "and I think the economy will surge ahead if apartheid can be phased out successfully." He believes this to be possible because of the calibre of the business community, which he



Von Faber-Castell . . . suffering from a devalued rand

describes as "realistic and progressive."

"I wish government would pay more attention to the business people. SA needs a strong economy. As far as I'm concerned the need for political pressure to help remove apartheid is a different question; a strong economy is essential."

A Masters degree from Zurich University coupled with five years working as an investment banker in New York with Credit Suisse White Weld and a year as vice-president of the group in London, give a perspective with which to back up his opinion.

The Count has been to SA once before and is emphatic that he doesn't regard himself as

an expert on the country. He describes himself as an optimist who believes it would be a tragedy if opportunities for relatively peaceful evolutionary change supported by the majority were lost to radicals on either side. However, he considers that Faber-Castell could justify a greater presence here because of a belief that most South Africans are probably prepared to work constructively towards a common future.

Von Faber-Castell's bearing and appearance epitomise the stereotypical playboy aristocrat, as do his interests. He's a keen promoter and collector of contemporary art and enjoys hunting, tennis and skiing. Until recently he competed in the tough Cresta bobsled races at St Moritz. He has also been a Swiss rowing champion.

HENNIE KLERCK

Ad aches

The incoming president of the Association of Advertising Agencies (AAA), Hennie Klerck, has in recent weeks been embroiled in heated debate. When questions were raised about the state of the industry, the depredations of gst on its revenues, and the ability of contributors to its Media Indemnity Company (MIC) to cover their obligations should a major agency default, Klerck, who has for two years been vice-president of AAA, sailed into battle.

"Five years ago AAA created MIC to make it easier and cheaper for members to put up the guarantees required by media — principally the Newspaper Press Union and SABC. It guaranteed R1m to both the NPU and SABC for any claim they might have on a defaulting agency. It was a wonderful idea for its time. Admittedly that wasn't 1985, which is seeing our economic blood on the sidewalks."

The main problem facing the industry is not the ability of AAA members to meet MIC obligations, Klerck believes, nor the suggestion that the R1m guaranteed has been overtaken by inflation.

Rather, the three main roots of the malaise, Klerck says, are gst, the recession, and the relocation to Sandton by many agencies in the early Eighties. Their effects all hit at once.

He heatedly denounces gst on advertising: "It's a totally iniquitous, unfair and inexplicable tax. Agencies are accused of undermining themselves with high living. Rubbish. I dare any other business sector to say they could survive the recession loaded with what amounts to a 12% tax on turnover on top of everything else — that's effectively what gst is. Net profits now are down to 1% of turnover."

On the recession: "Theoretically, business should spend more on advertising during a downturn, to consolidate market share. In fact, it's the first item cut, because the effects aren't felt immediately. It's only afterwards that you have to spend double to make

11/18/18

CAPE

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General Motors. BMW talk of 'rationalisation'

Argus Bureau

PORT ELIZABETE — In a new blow to this recession-hit city General Motors and BMW are discussing 'rationalisation' of excess manufacturing capacity of their plants.

But BMW public relations manager Mr. Pierre de la Rey emphasised that the talks were not concerned "at the present" with mergers or takeovers.

"We are talking only of some form of co-operation," he said.

"With the car market in the state it is, with total capacity more than three times greater than the present market, plant utilisation is crucial."

Mr de la Rey said BMW had also had talks with other manufacturers about excess manufacturing capacity.

"In fact all the companies are talk-

ing to each other and looking for an answer to the problem."

It was announced yesterday that 1300 workers at the Ford division of Samcor in the city are to lose their jobs on December 13 as part of the rationalisation between Ford and Mazda.

Mr de la Rey said General Motors and BMW executives had agreed that no details of their talks were to be released to the Press and so he could not say how long the talks had been going on or what stage they had reached.

But he emphasised that "no one is going to take us over."

Mr Peter Sullivan, public relations officer of General Motors in Port Elizabeth, said the company had no comment on the talks.

276 accept resignation deal

BMW cuts back its workforce

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STAR
3/2/80

BMW has announced that 276 workers at its plant in Rosslyn, Pretoria, have left the company voluntarily after accepting a resignation incentive package.

The number of production staff employed at Rosslyn now numbers about 1 400, and the incentive package for voluntary resignations will remain open until the new year.

BMW has been working a four-day week for some time, and recently shut down for five weeks because of dropped demand as a result of the recession.

BMW spokesman Mr Mike Brandt said none of the 26 salaried and 250 hourly-paid workers had been retrenched or

forced to leave. The hourly-paid workers are from all sections of the production line.

Certain key personnel have not been allowed to accept the package.

The salaried staff left the plant on Friday. The others had been phased out over the past two months.

Since the slump in vehicle sales began in mid-1984, 9 000 workers in the motor industry have lost their jobs.

This is the first time BMW has reduced its staff. So far 250 workers have accepted the resignation incentive package.

These are the only jobs cuts foreseen, but the situation is being reassessed constantly.

GM and BMW may be merging in SA

CAT Topics 5/12/85 (238) (123) (63)

Own Correspondent

DURBAN. — Motor industry sources claimed last night that General Motors and BMW had concluded a deal which could lead to the two organisations joining forces.

The sources said the deal, if it led to a merger, would mean the end of much of the American-based company's local range.

The popular Opel Kadett range would be manufactured by BMW at their plant in Rosslyn, while the rest of the

range, including Ascona, Rekord, Commodore and Senator would be dropped, the sources, based in the Eastern Cape and Johannesburg, said.

But neither of the two companies was prepared to confirm the deal last night.

GM managing director Mr Bob White said: "The current trends in the economy lead vehicle manufacturers to consider ways and means to remain viable and competitive through rationalizing to the greatest ex-

tent possible and effecting economies in the process.

"A number of potential avenues are being explored and General Motors has talked to other manufacturers in similar positions.

"It is no secret that the international vehicle manufacturing industry is doing the same thing in order to offset the rapidly escalating cost of research, development and production."

Meanwhile, Renault, which recently announced its withdrawal

from South Africa, is thinking again.

A spokesman confirmed: "Yes, we are still busy talking."

It is possible that Renault cars could be built by another manufacturer and distributed through the existing dealer network as was the case before 1982.

Renault will have 2700 built-up vehicles when its contract with Leyland at Elsie's River ends next week, so stocks will continue to be available until May or June, the spokesman said.

GM, BMW link-up imminent

6/12/85 BUS DAY 63

GENERAL Motors and BMW are expected to announce joint rationalisation plans within the next two weeks.

Industry sources say a draft contract was tabled last weekend and both companies have reached agreement. An announcement, they say, is "imminent".

GM and BMW have not confirmed or denied the speculation surrounding the two companies. A GM spokesman said he "finds it counter-productive to even

ALAN RUDDOCK

comment". He denied that GM plans to assemble vehicles outside of its present production facilities. BMW's Mike Brandt said "no comment".

The apparent reluctance of BMW and GM to kill the growing speculation about their talks lends credibility to the speculation.

Sources say the likely outcome of the agreement is that BMW will as-

semble some GM models at its Rosslyn assembly plant near Pretoria.

A link-up between the two companies would have political and economic benefits for both, say business analysts.

The better economies of scale resulting from rationalisation would help shore up both companies' financial position while, politically, neither company would be seen to desert an established market because of temporary political inconvenience.

PRICE MOVES AT A GLANCE

REUTERS

KEY MARKET MOVEMENTS — DECEMBER 4 to DECEMBER 5

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Cape Times 20/12/85
GM says merger rumours 'unfounded'

Staff Reporter

THE public relations manager for General Motors SA, Mr Peter Sullivan, yesterday said that the report in the Cape Times supplement, Carfinder, about rumours of a merger between General Motors of Port Elizabeth and BMW South Africa, was "completely unfounded".

He said the rumour was doing General

Motors "a tremendous amount of harm" through lost sales and having repeatedly to deny the rumour.

He referred to a statement made by the managing director of GM, Mr Bob White, on December 6, which said:

"As we have stated on numerous occasions, it is General Motors' intention to remain in South Africa. We have no intention of leaving.

"Further, we have no plans to assemble vehicles outside of our present facilities in Port Elizabeth.

"As to the speculation regarding any possible discussions with any other company, I can only say that I find it counter-productive to even comment on such rumours.

"I stress that continued speculation by the media will only have a negative effect on Port Elizabeth and its employment situation," Mr White said.

FOREIGN FIRMS IN SA — GERMAN

1986

FEB — DEC.

26/286-63
Liebherr
 to handle
 STAR
 own sales

By Frank Jeans
 The German-based construction equipment giant, Liebherr International is strengthening its presence in South Africa with the decision to handle its own sales and servicing through its subsidiary, Liebherr Africa.

The Grinaker group at present holds the Liebherr agency for earthmoving equipment but both companies have now agreed to phase out this arrangement.

The change-over is expected to take several months, during which there will be continuity of service to clients. Some of Grinaker Equipment's staff will join Liebherr to ensure a smooth transition.

"The move should be seen as part of an overall plan by Liebherr not only to maintain but to increase its involvement in South Africa," says Mr Han Liebherr Jun, vice chairman of Liebherr International.

"The rationalisation will integrate Liebherr's earthmoving equipment operations with its other activities in this country and in the long-term this will benefit our clients."

Mr Jack Saulez, the Grinaker group's managing director, says: "The move will release funds which can be redirected to other interests with good potential."

"Grinaker will continue to use a wide range of Liebherr equipment."

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'German investors will stay in South Africa'

6/3/86

STAR

63



Own Correspondent

DURBAN — West German investment in South Africa is here to stay although recently it has absorbed an undue proportion of management's time and caused investors great concern, says Mr Achim Stracke, chief executive of the S A German Chamber of Commerce and Industry.

He told members of the chamber's local branch in Durban that in his six years in South Africa (he soon returns to West Germany) he had seen huge changes.

The earlier years of the 1980s had seen South Africa build up an excellent reputation as a "Number one customer-cum business partner-cum debtor".

In the first five years of the 1980s, West German investment in South Africa had doubled — meaning that in this short period investment had risen by more than it had in the preceding 100 years. In addition, two-way trade had improved by leaps and bounds, with West Germany and the United States fluctuating as South Africa's major trading partner.

With the Rubicon speech, the debt problem, slumping rand and other problems, the local scene had changed dramatically last year. "there never was a year like 1985".

But the balloon had burst. In one year trade levels had dropped 25 percent. Even South African exports to West Germany had improved by only seven percent in rand terms. In view of

the slump in the rand this implied that in real terms exports were well down.

In a sense West German industry had been saved from having to make disinvestment decisions. The low rand had wiped out half the value of their local investments and, in the circumstances, it did not make sense to lose the other half as well.

It was widely understood in West German trade unions and management that disinvestment would deprive black South Africans of thousands of jobs and increase unemployment in West Germany.

West German trade unions were well informed about these management and labour issues, and unlike their counterparts in the United States had not pressed companies to disinvest.

POSITIVE TREND

However South Africa represented only about one percent of total West German investment, while problems with this investment counted for about 10 percent of management's time. On top of this returns were minimal.

One positive trend to emerge, particularly from the low rand, was that more companies were considering local manufacture. Another was that local companies were starting to seriously consider exporting.

Mr Stracke said it had to be remembered that while the rand had strengthened against a weakening dollar, it had remained very low compared with other leading currencies.

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 360 to R51 825.

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.

German shareholders in Fedgas plan to stay in SA

11/3/86 - STAR 63

By Stan Kennedy

Despite the current trend throughout the world to disinvest from South Africa, Fedgas' West German shareholders, Messer Griesheim and Linde AG, will make a concerted effort to ensure they remain committed to their current and future investments in this country.

This was said last night by Dr Hans Messer, chairman of Messer Griesheim, at a news conference in Johannesburg.

Dr Messer is senator of the Technical University of Brunswick, honorary consul to Norway and president of the Frankfurt Chamber of Commerce and Industry.

In South Africa for talks with the Minister of Trade and Industry, Dr Dawie de Villiers, the West German



Dr Messer

ambassador and leading businessmen. Dr Messer said Fedgas' shareholders had great confidence in South Africa despite the economic recession and political problems.

"We will have an exchange of ideas on international trade, the investment climate and the potential of skilled labour. We will also discuss the political measures being taken to help stabilise the country's economy after the Leu-twiler agreement on credits."

Dr Messer said the open approach by the government to the abolition of apartheid would help to stabilise South Africa's economy.

The country was suffering from a recession in times when other countries were experiencing a recovery. German exports to South Africa had diminished from R5,9 billion in 1984 to R4,4 billion last year and there was still no change in the downward trend.

West German imports from South Africa had been stagnating over the past few years and last year they were worth about R2,2 billion. Even the devaluation of the rand failed to have a stimulating effect, he said.

German industrialist says ...

South Africa needs time



● MESSER

FRED STIGLINGH

DISINVESTMENT was based on the idea of a revolutionary climate which could backfire should it lead to a real revolution in South Africa.

German industrialist Hans Messer, chairman of Messer Griesheim, major shareholder of Fedgas, said the aftermath of such a revolution would mean a lower standard of living and less personal freedom.

"Evolution, not revolution, will solve SA's problems and this needs time," he said.

Messer, president of the Frankfurt Chamber of Commerce and Industry and chairman of the employer association of the Frankfurt metal industry, is in SA to visit the Fedgas operation as well as to acquaint himself with "the real state of the economy".

A meeting with Trade and Industries Minister Dawie de Villiers on Tuesday left him with the impression that government was "ready to take steps of reform", Messer said.

He would not be drawn on whether progress was taking place at a satisfactory pace, but indicated he had expected to see more developments since his last

visit four years ago.

"Government has lost time, but it is never too late to make a good move," he said.

Messer said he urged De Villiers to speed up deregulation and privatisation and to "give the black population more chance in the economy and industry".

Discussions with the Minister included the shortage of skilled labour and Messer commented that more emphasis should be put on trade skills, as the country would need a high number of specialists in the future.

Messer Griesheim has over the past three years invested R30m in Fedgas, producers of industrial and speciality gases and welding equipment.

The operation should reach full production by the end of the year, Messer said.

Future expansion would strictly involve new developments in the company's existing products and would not incorporate other fields of industry.

"Fedgas wants a bigger share of the market, and we'll get it by improving service," Messer said.

ARGUS 15/4/86

Durr warns Germans on disinvestment

Political Staff

DISINVESTMENT would halt progress not only in South Africa but in the whole sub-continent, Mr Kent Durr, Deputy Minister of Trade and Industries, warned at a trade fair in Hanover, Germany.

In a copy of his speech released here, Mr Durr spelt out the interdependence of South Africa and other countries of the region.

And he pointed out that trade had been growing with more than 40 African countries.

Powerhouse

It was a simple fact, he said yesterday, that South Africa's industrial economy was the powerhouse for growth in the whole region and the sub-continent's chief pillar of stability.

Interdependence was an imperative and the region "will progress as a whole or not at all."

He listed a number of areas where neighbouring countries were dependent on South Africa. These included:

- The provision of employment to hundreds of thousands of their nationals;
- Electricity supply to five neighbours;
- Imports and exports of six countries were handled;
- South African private investors and multi-national corporations operating from the Republic provided investment and technology to the whole region, and;
- Telecommunication services were provided to three neighbouring countries.

Mr Durr also disclosed that South Africa had on four occasions, with other Western countries, re-scheduled loans after providing development aid and export credit facilities to a number of African states.

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BMW confident of its future in SA

By AUDREY D'ANGELO

BMW is confident about its future in this country its MD in South Africa, Walter Hasselkus.

But he appealed to the government to speed up its programme of reform, not only because this was the only way to build up consumer confidence but to help foreign investors stand up against pressure to withdraw.

Warning against delay in implementing further reform, Hasselkus said that so far South Africa had not been an important public issue in Germany.

But unless the situation improved there was a danger that it might become one "and once that happens, one would have to be very naive to believe that either the federal government or any major faction would defend SA.

"As foreign investors, we must appeal to the government not to waver from its chosen course of reform, but to speed it up significantly."

"Let us create a political climate in South Africa that takes the heat and the pressure off foreign companies that

have investments in this country."

Speaking at the introduction of two new BMW models, Hasselkus said that although the SA market for cars had shrunk by 25% in the first quarter of this year, compared with the same period last year, BMW sales had fallen by only 4,7%.

Performance

He said the present poor performance of the car market, particularly after recent developments aimed at stimulating the economy, including cuts in interest rates and personal taxation, indicated an exceptional lack of business and consumer confidence.

Only a significant improvement in the political climate would get the economy moving again.

"One cannot help but conclude that the political climate is responsible for this amazing lack of confidence," Hasselkus said.



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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."

Anti-apartheid moves may affect BMW

Politics threaten more motor firms

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 naive 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 seen 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 test-

STP

28/4/86

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BUS DAY

7/5/86

SIEMENS 63 BUSINESS DAY, V

Siemens SA posts record turnover

DAVID FURLONGER

SIEMENS SA, the German-controlled electronics group, increased turnover by 21% last year to a record R649m.

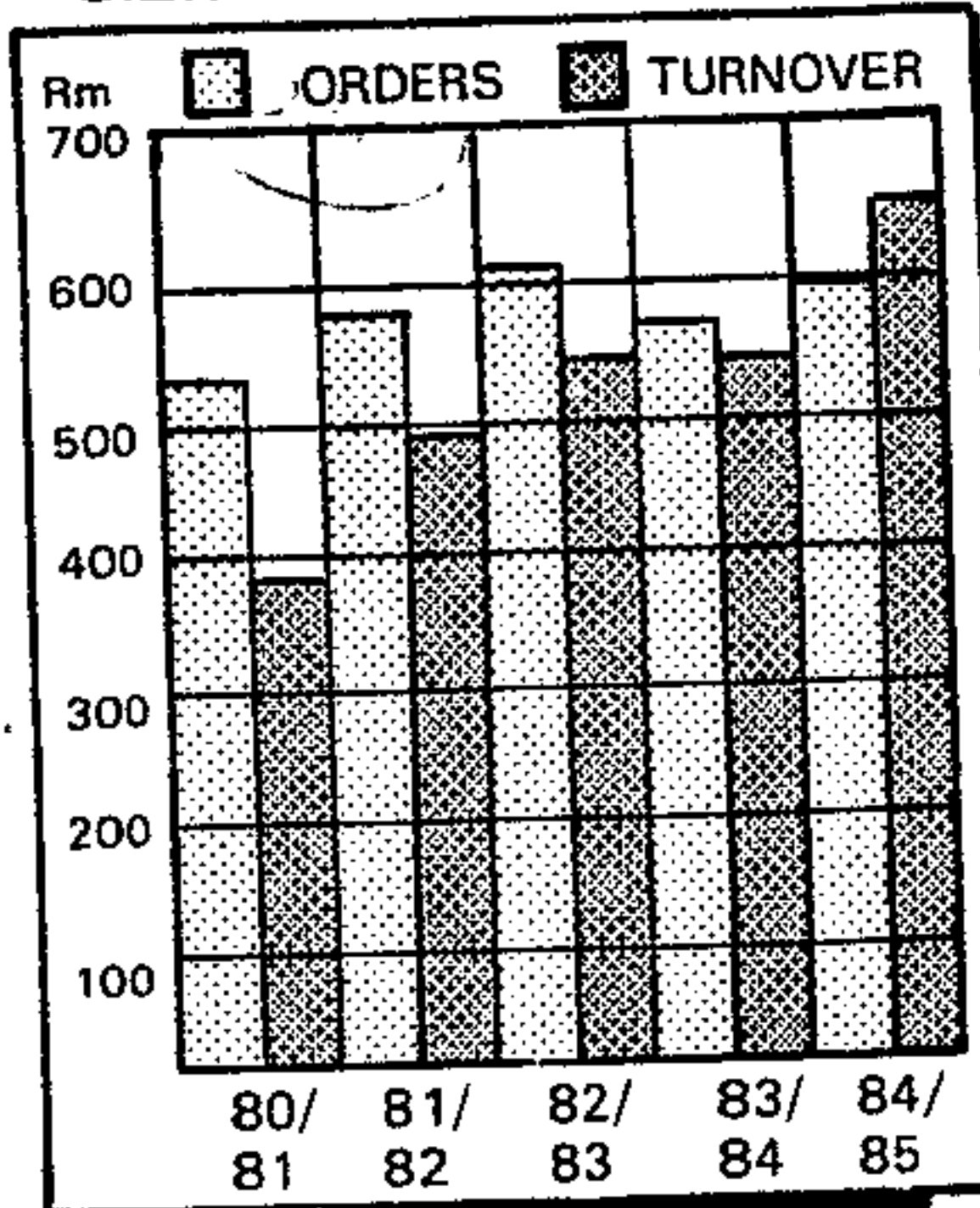
New orders, however, rose only 5% from R563m to R590 — the first time new orders have lagged behind turnover.

While describing this as "slightly disturbing", Siemens' annual report for the year to September 1985 says the company's order book still stands at two years' turnover.

It adds that the relatively slow increase in orders "reflects the impact of the recession, budget cuts of major public corporations and reduced private investments".

The report blames changes in companies' tax legislation for Siemens' failure to translate higher turnover into increased after-tax profits.

Chief executive Reinhard Sanne said yesterday the company had avoided forex losses through a policy of conservative forward cover.



He added that while computer and other high-tech operations continued to show good growth, Siemens' cable business suffered a "miserable" year.

According to the annual report: "While most of our divisions reported consolidated positive results, we have experienced losses in our cable activities due to under-utilisation of our production facilities and depressed market price levels."

Losses blamed on economic sabotage

BUS operators have suffered estimated losses of R70m during the past 18 months of unrest, Labour Party leader Allan Hendrickse said in Sandton on Monday.

Hendrickse, addressing the South-

PETER WALLINGTON

ern African Bus Operators Association annual general meeting, said these losses could be "ascribed to those who seek to disrupt and destroy the economy of the country".

Four are sentenced for breaking SA arms ban

The Star's Foreign News Service

BONN — Four officials of Rheinmetall, West Germany's largest arms-making firm, have been given suspended jail sentences for exporting arms to South Africa, Argentina and Saudi Arabia between 1977 and 1980.

The Duesseldorf State Court sentenced Dieter Koehler (55), a managing clerk for Rheinmetall, and director Dietrich Falcke each to two years' jail, and section chiefs Hans Voss and Friedrich Wilhelm Stripke to 18 and 15 months.

The court said the four deliberately set out to circumvent the law, but Falcke was not involved in the deal with South Africa.

In 1977 they sold a plant to make and fill artillery shells and rocket warheads up to a calibre of 203 mm, and agreed to arrange for its delivery to South Africa.

To circumvent the ban, they established a front company in Paraguay.

SA dare not delay reform, warns motor firm chief ^{17/5/85} ^{20/8/85} (63)

Own Correspondent

CAPE TOWN — South Africa can no longer afford to compromise on reform, says the managing director of Mercedes Benz South Africa, Mr Jurgen Schrempp, said last night.

He told an audience which included Minister of Trade and Industries Dr Dawie de Villiers that it was his duty to make his company's views known on political issues, in as far as they affected the presence of Mercedes Benz in South Africa.

He was speaking at a function to celebrate the 25th anniversary of a dealer in Parow.

Mr Schrempp said efforts to bring about reform were appreciated and would bear fruit.

NO COMPROMISE

But "in one instance there can no longer be any compromise or half measures", he said.

"This is the total dismantling of apartheid, and the full participation of all population groups in the activities of this society and in determin-

ing the future of the country."

Mr Schrempp said it was imperative that these steps were taken without delay as time was running out.

Tangible evidence of change was also the minimum requirement which South Africa's friends in the Western world needed to bring about a reversal of the tide of disinvestment, disengagement and boycotts.

He emphasised that Mercedes Benz was in South Africa to stay.

PETER SEARLE

The case for carmakers

63 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.

Triumph for deaf operators

3000
28/5/86
13
28/5/86

The first group of deaf computer operators in South Africa has been successfully trained in Johannesburg by a German-based firm.

Ten deaf men and women, some of whom have never worked, can now go out into a market where demand for labour is endless and salaries begin at R800 a month.

"Deaf people are quite suitable as computer operators," said Mr. Brett Botha, personnel manager for the firm. "They process from written material and are much less distracted than operators with normal hearing."

With the success of the first deaf operators the firm plans to train more with the help of a retired teacher of a deaf school "translating" the course by sign language.

The managing director of the firm, Mr. Tinus Bosch, said that at first his training staff had some reservations about taking on deaf trainees.

"But with sign language, and a little bit more time, they soon reached effective levels."

The firm recently trained 400 unemployed workers to enter computers on request, and with aid, from the Department of Manpower.

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.

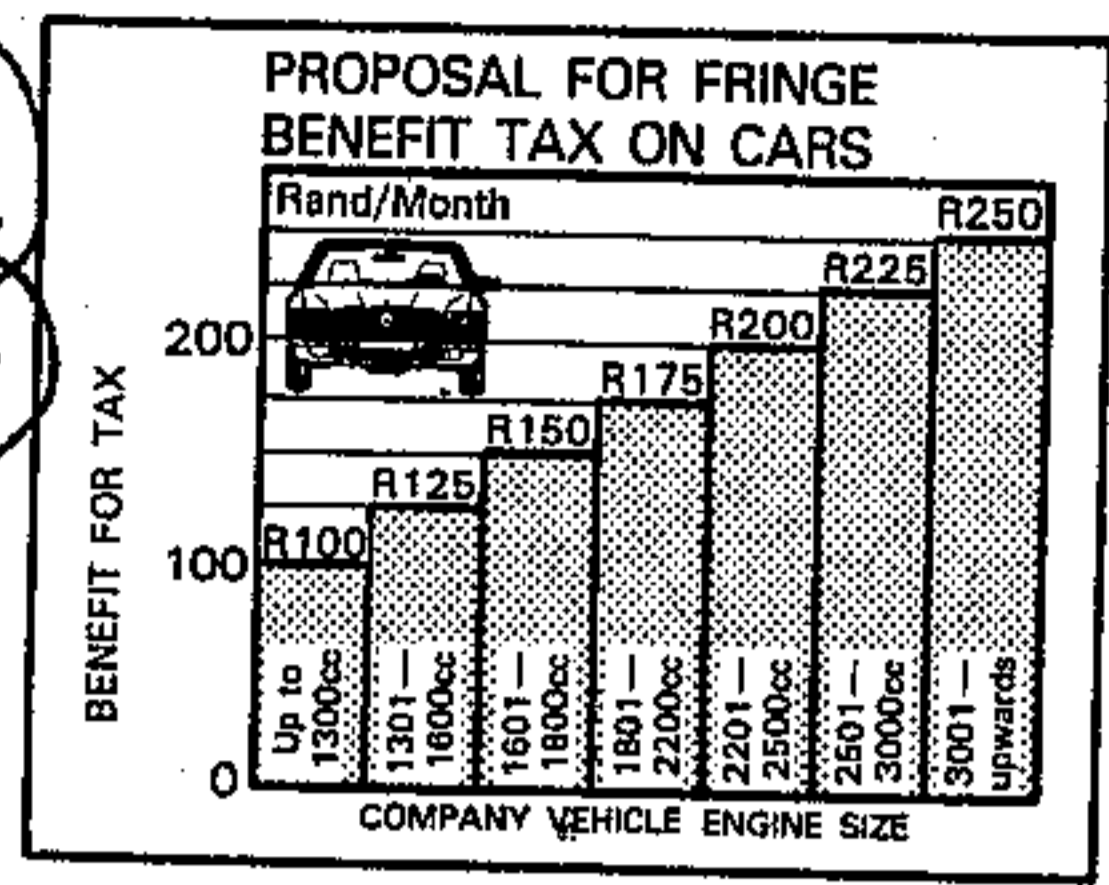
Searle was speaking at a symposium, "Quo Vadis — the SA motor industry", at Johannesburg's Carlton Hotel yesterday.

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).

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.

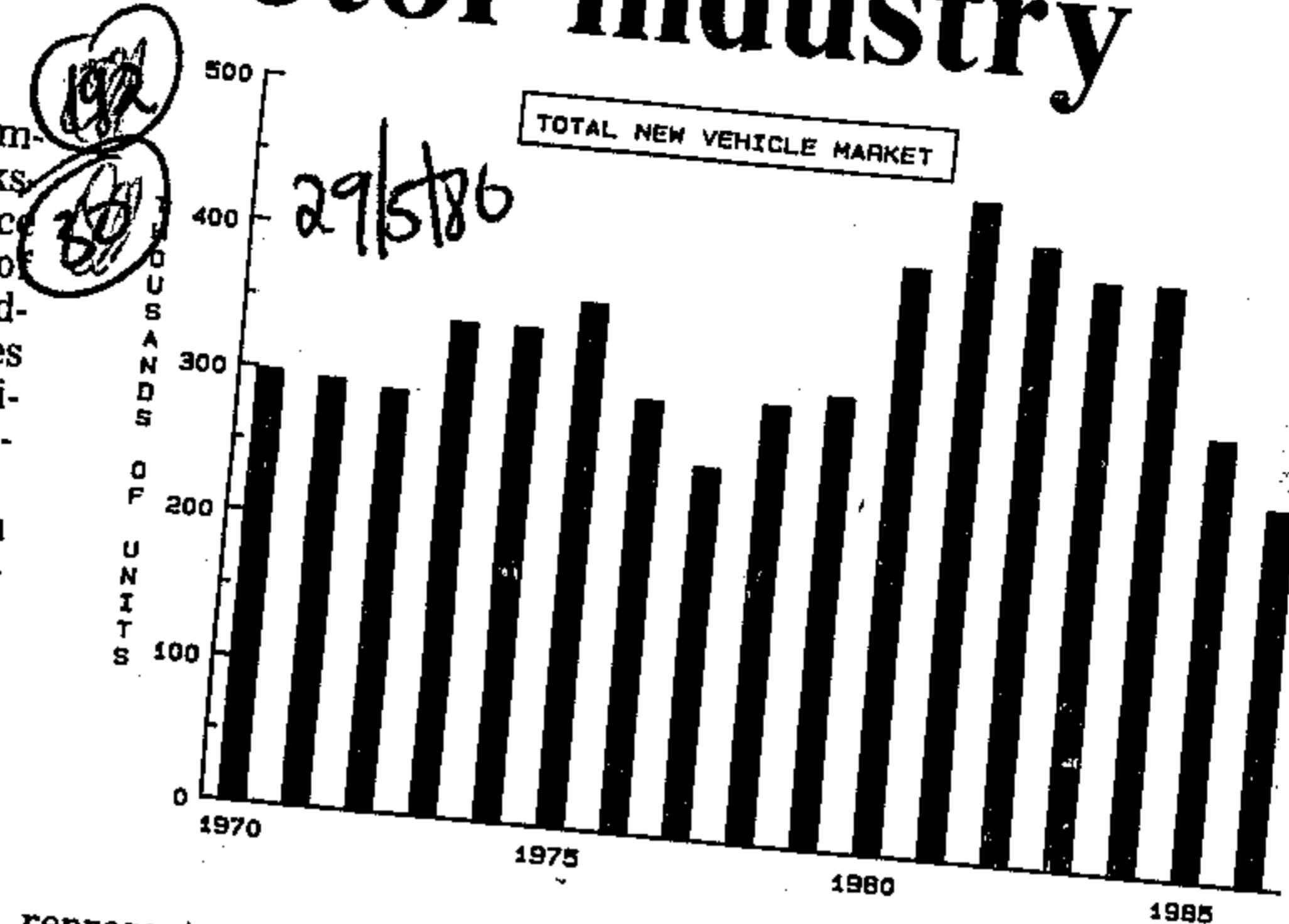
"The motor industry, despite the enormous losses of motor manufacturers, is estimated to be contributing about R3,6 billion to the fiscus. There is surely some room for relief and a need to assist car manufacturers to keep down future price increases and to help the hard pressed motorists," Mr Searle 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."

Germany's investment in SA rises

bu DAT (63)

12/6/86

PETER WALLINGTON

WEST GERMANY'S net investment in South Africa increased by DM137,9m last year despite the economic recession in SA and increased disinvestment pressure from abroad.

However, German exports to SA fell by 29,2% during the first quarter of 1986 compared with the same period last year, while imports from SA declined by 1,6% in DM terms.

According to figures released by the SA-German Chamber of Commerce and Industry, SA's net investment in Germany increased by DM2,6m.

However, executive manager of the chamber, Herbert Weiche, says that while German investments in SA increased last year, the figures were down on the previous two years.

Net investments increased by DM171,2m in 1984 and by DM259,6m in 1983.

It is not possible to pinpoint in what areas the increased investments were made, as these figures are regarded as confidential.

The tapering-off of investments reflect the state of the SA economy and the declining value of the rand. In certain industries it is still necessary to import raw materials from abroad, and the declining value of the rand has made certain products increasingly expensive, he adds.

Nevertheless, continued German investment could reflect a belief that long-term prospects in SA are good. In addition, the German government has opposed disinvestment and boycott campaigns because they are viewed as counter-productive.

Turning to the latest trade figures between SA and Germany, Weiche believes SA exporters are not taking sufficient advantage of the low rand to increase exports, particularly of manufactured goods.

Conversely, the low rand is a contributing factor towards falling exports from Germany to SA, he says.

BMW and Volkswagen grab bigger share of the market

16/6/85
SERIAL
63

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.

178600

Daimler: We won't pull out of South Africa

STUTTGART —
Daimler-Benz AG, West
Germany's biggest in-
dustrial group, yester-
day rejected demands
from small shareholders
to disinvest from South
Africa, saying boycotts
would harm rather than
help South African
blacks.

The chief executive,
Mr Werner Breitsch-
werdt, told the annual
shareholders' meeting
that Daimler decisively
rejected South Africa's
apartheid system but be-
lieved investment cuts
would bring hardship to
the people they aimed to
help.

"Above all we have a
responsibility to our
5 000 South African em-
ployees, of whom 80 per
cent are black," Mr
Breitschwerdt told the
8 000 shareholders.

Several small share-
holders sharply criti-
cised Daimler's involv-
ment in South Africa
and said the production
there under licence of
diesel engines for police
and army vehicles put
the company on the side
of the apartheid system.

Miss Herta Daeubler-
Gmelin, a Social Demo-
cratic Party member of
parliament and one of
the small shareholders,
was whistled and jeered
at the meeting when she
said blacks were being
hunted on South African
streets with Daimler ve-
hicles.

West Germany is the
European Community's
largest investor in South
Africa after Britain,
with total estimated in-
vestments of three bil-
lion dollars. — Sapa-
RNS

MGW 9/7/86 (1063)

German trade, banks urge reform in SA

BONN. — Leading West German industrial and banking groups said today they had urged reforms from Pretoria in a letter to President P W Botha.

The letter, passed to Mr Botha yesterday by Bonn's ambassador to South Africa, said the abolition of controls on the movement of blacks and of the pass laws were the first signs of a readiness to do away with apartheid.

"But the decisive steps are still missing," the letter said, according to a statement from the Federal Association of German Industry, the Federal Association of Wholesale and Foreign Trade, the Federal Association of German Banks and the German Industrial and Trade Association.

The groups wanted to see a firm timetable for binding pledges from the South African Government for the concrete realisation of the principles of freedom, equality and human dignity made by Mr Botha in a speech to Parliament in January. — Sapa-Reuter.

11/7/86 (63) DD 11/7/86

Greens MP slams German car firm

JOHANNESBURG — The general manager of BMW in South Africa, Dr W. Hasselkus, donated a "fleet of BMWs" to the Chief of Venda but refused Bishop Desmond Tutu R1 000 in scholarships for black students, the German Greens Party MP, Mrs Annemarie Burgmann, said yesterday.

"He said he was not prepared to spend the money and I am very ashamed," she said.

"Dr Hasselkus indicated he sees his role as making profits for BMW and not interfering in South African politics."

The corporate manager for BMW, Mr Pierre de la Rey, yesterday "flatly denied" Mrs Burgmann's allegations and said he could not recall Bishop Tutu requesting a scholarship.

He said BMW had sold 13 cars to the Venda cabinet in 1982 "but every car was paid for and our records can prove that."

"BMW South Africa implements a substantial social responsibility programme, of which black education is a major beneficiary."

"There are numerous school, college and other educational insti-

tutions which bear witness to BMW's financial and other support, year after year, despite the inevitable budget restrictions brought about by the economic recession," he said.

Neither Dr Hasselkus nor Bishop Tutu were available for comment.

Mrs Burgmann, a Greens Party secretary, Dr Michael Vesper, and a party adviser, Mr Henning Hintze, left for Germany yesterday evening after a six day fact-finding tour of South Africa and South West Africa (Namibia).

Dr Vesper and Mrs Burgmann were detained in South West Africa shortly after their arrival there on Saturday and were released "after the intervention of the German embassy."

The trio will write a report on their findings and will meet with the German Social Democratic Party and the Congress of Trade Unions on their return to Germany.

They intend inviting Bishop Tutu and the president of the African National Congress, Mr Oliver Tambo, to Germany to "find out more about what is happening

in South Africa," Mr Hintze said.

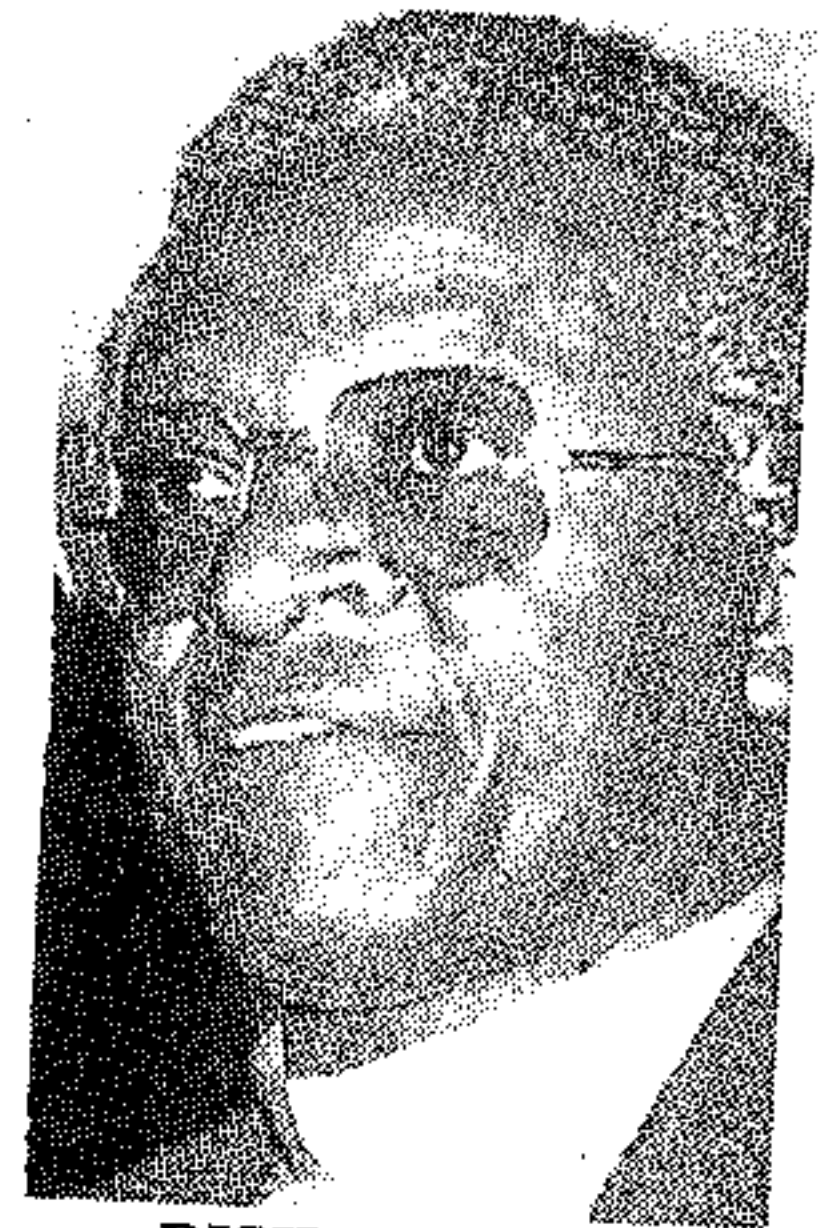
"The situation might become worse but we found that black people are prepared to accept the conditions with the hope that freedom will be attained," Mrs Burgmann said.

When asked how the British Foreign Secretary, Sir Geoffrey Howe, would be received here, Mrs Burgmann said: "Bishop Tutu does not intend talking to him."

The three said they had not met the Kwa-Zulu Chief, Mr Mangosutho Buthelezi, "because he is a collaborator. The majority of the black people are not willing to co-operate with him," nor had they requested talks with government ministers.

"We're interested in getting the opinion of South African leaders who aren't officially recognised."

The group spoke to Bishop Desmond Tutu, Mrs Winnie Mandela, Mrs Albertina Sisulu, Dr Beyers Naude, trade unionists and members of the Detainees Parents Support Committee. — Sapa



BISHOP TUTU



DR HASSELKUS



MRS MANDELA

Workers' stayaway forces closure of U'hage motor firm

31/7/86 ENG post

13

Post Reporters

A BLACK stayaway in Uitenhage today shut down Volkswagen and hit production at three other leading companies — Dorbyl, Veldspun and Borg-Warner.

None of the companies was able to say why the stayaway was taking place, nor could they say when the workers would return.

A spokesman for the Labour Monitoring Unit (LMU) at the University of Port Elizabeth said they were monitoring the situation, but that it was too early to determine

the extent of the stayaway.

Mr Ronnie Kruger, public relations officer for Volkswagen, said production did not start today.

He said shop stewards had told him yesterday there would be a stayaway today.

There was a total black worker stayaway at Veldspun. Management was discussing the situation early today and was unable to comment.

Borg-Warner's personnel manager, Mr Etienne Schutte, said about 95% of the black labour force

was away.

Shop stewards had also warned him yesterday about the stayaway.

The extent of the stayaway at Dorbyl was not known.

Workers were reported to have arrived for work at other places, including the engineers' department of the municipality.

All supermarkets contacted reported a full complement of staff.

Dairies had no problems and Goodyear and Cotton Mills also reported full complements.

Work stayaway in Uitenhage in second day

EYE POST
11/2/86
63

Post Reporter

VOLKSWAGEN was closed for the second day in succession today by a workers' stayaway in Uitenhage.

Other major industrial companies were also hit and an estimated 80% of the town's black workforce was out.

The labour relations manager at the VW plant, Mr Johan Rautenbach, said yesterday the plant would resume production if sufficient workers returned today. The plant will be closed until Monday.

Commercial firms were again unaffected and most reported no absenteeism.

It was earlier reported that the stayaway was linked to forced removals of squatters from Langa to Kwa-nobuhle, the ruling by the Department of Education and Training that black pupils re-register and the detention of community leaders.

● A phone survey of 23 firms by the labour monitoring group from the Industrial Relations Unit at UPE revealed a 95% stayaway by black workers and 41% stayaway by coloureds.

These preliminary results are based on figures released by 19 of the 23 firms surveyed.

The stayaway at work places where a Cosatu affiliate was the only union represented, was 97% for blacks and 59% for coloureds.

At work places where Cosatu was not the sole union represented or work places where other unions were represented, and a third category where there was no union representation at all, showed a stayaway of 80% by blacks and 7% by coloureds.

18/8/86 BUW DAY. (63)

DAVID FURLONGER

FEW foreign companies have been as much a part of SA's technological growth as Siemens, the West German telecommunications multinational.

Since installing the first telegraph line between Cape Town and Simon's Town in 1862, the company has played an increasingly important — and profitable — role in SA.

To the man in the street, the extent of the company's activities is not always evident. In addition to being a leading supplier of railways signalling equipment and computerised road traffic-control systems, it has supplied the complete electrical installations in major establishments all over SA.

In Pretoria, these include the State Theatre; electrical installations and safety and security systems for the Reserve Bank; installations at Post Office headquarters; and electrical and medical equipment at Voortrekkerhoogte Hospital and Jakaranda and Medforum clinics.

When flying from Jan Smuts Airport, Siemens installations keep the lights and power operating.

Floodlighting

If you watch the Blue Bulls at Loftus Versfeld, Siemens floodlighting allows you to do so as dusk descends, and its equipment lights up both Ellis Park and the Wanderers, in Johannesburg.

Siemens SA last year enjoyed a 21% increase in turnover to R649m. While new orders, at R590m, lagged for the first time, the order book still stands at two years' turnover. Present major contracts include R8,5m automation work at the Richards Bay coal terminal and a R2,5m order for an overhead trolley line at Rossing uranium mine.

Siemens' resources — it is the

Siemens has made a major contribution

second largest company in Germany — enable it to make the most up-to-date technology available to its SA subsidiary, in which it retains a 52% controlling interest.

The remaining 48% is held in equal 16% shares by the Industrial Development Corporation, Gencor and Federale Volksbeleggings.

Siemens spends R5bn a year on research and development in Germany. Like other subsidiaries worldwide, Siemens SA is a direct beneficiary of that spending.

Since early this year, Siemens has been demonstrating a modular computer-integrated manufacturing system (CIM) which combines engineering and manufacturing information in a common database and allows the entire production process — from order, through design and manufacture to billing — to be computerised.

The idea behind CIM is that by linking all the functions of factory and company headquarters, manufacturers can turn out one-of-a-kind products at minimal cost. When demand for the product dies or specifications change, the factory or assembly line can be reprogrammed.

Also this year, the company began production at its Waltloo, Pretoria, factory of a locally designed and manufactured MTS2100 computer terminal. The MTS2000 is already built at Waltloo. Later, say officials, the company plans to manufacture personal computers at Waltloo.

Already a market leader in the

PABX market, other sectors where Siemens is making a concerted effort include mini-PABXs, and it has already sold its first cold-fusion laser printer which is capable of printing 21 000 lines a minute.

Like other companies linked with overseas groups, the biggest problem facing Siemens is the rand's continued weakness against the deutsche-mark. With so many of the company's components imported, the exchange rate is pushing some costs out of control.

Nowhere is this better illustrated than in the pricing of Siemens' recently-introduced car telephone system. The system was expected to cost about R5 000 during its planning stages but has reached the market at a daunting R12 500. Little wonder that one shocked customer asked if the phone came complete with a car!

Waltloo expansion

Siemens employs 2 000 people at its three factories in the Pretoria area — at Koedoespoort, Waltloo and Rosslyn. A multi-million-rand administrative office complex is being added at the Waltloo site.

Siemens Cables, based at Rosslyn, manufactures plastic-insulated power, communications, railway-signalling and other specialised cables.

Siemens was a co-founder of Sames, the microchip-manufacturing company set up at the Koedoespoort plant in 1978. The plant also made electronic teleprinters until this operation was switched to Waltloo.

BMW is keeping up the reys

BMW SA, founded in 1975 in Rosslyn, outside Pretoria, as a wholly-owned subsidiary of the Munich-based Bayerische Motoren Werke, appears to be beating the recession.

Being an unlisted company, it won't reveal any financial results, so nobody outside the company knows how the bottom line reads. But certainly its performance, measured in terms of sales and market share, is contra-cyclical.

While some other overseas motor manufacturers are closing their bruised local subsidiaries and several are cutting production and retrenching staff, BMW SA now employs more people than it did five years ago, and is selling more cars than it did a year ago.

Only minor hiccoughs

The 85 543 cars sold in total in the first six months of this year was 13 116, or 13%, fewer than the 98 659 sold in the same period last year. But BMW's sales for this period have increased by 248 units to 6 534, or nearly 4% up on the 6 287 sold from January to June 1985.

From 1981 to 1985, both years inclusive, new car sales in South Africa fell by 32,8%, but BMW's sales over the same period dropped by only 3,83%.

In 1981, BMW employed 1 681 people, and the entire car manufacturing industry employed 41 463 people. At the end of March, when the industry's employee numbers had fallen to 32 771, BMW had 2 130 on its payroll.

With only minor hiccoughs, BMW SA has steadily increased its market share through the years.

In 1975 it had 2,9% of the market. This dropped a shade to 2,6% in 1976, then rose to 3,7% in 1977, and fell back again in 1978 to 3,4%.

Since then, with one exception, it has been rising. In 1979 3,9% of all cars sold into the market were BMWs, in 1980 BMWs accounted for 4,1% of all cars sold, and for 4,5% in 1981. In 1982, BMW SA recorded another gain when its share shot up to 5,3%, but dropped back to 4,8% in 1983.

Since then, the curve has been going up. In 1984 the 15 967 cars it sold earned it 5,9% of a market that absorbed 268 751 cars. And in 1985 when the recession played havoc with the car industry, BMW SA's sales dropped to 12 928, which was enough to account for 6,3% of the 204 322 cars sold.

In the first half of 1985, BMW SA sold 6 287, or 6,3%, of the 98 659 cars sold. In the first half of this year the 6 534 cars it sold was 7,6% of the total market of 85 543 cars.


Focus on resale value

BMW SA would not have got anywhere near these figures had its management not had the good business sense in 1979 to anticipate that the executive car market was entering a "buy down phase" and decided to introduce the smaller "three" series in 1983.

In the first six months of this year it sold 5 137 "threes", 956 of its "five" series, 424 of its "seven" series and 17 "other".

The thrust now, says BMW SA's management, is not centred as much on growth as it was in the 1970s. It has swung to consolidation, better resale value of BMW products and improved profits.

Exporting has been a strong point of BMW, exporting cars and components. Indeed, it is hoping that this business will be worth about R50m this year, and is aiming for an export value of R100m a year eventually.



**MERCEDES
DATAKOR GROUP**

A Business Day Corporate Survey

Edited by MELANIE SERGEANT

Decentralising management works well



BRUNETTE

A DECENTRALISED management philosophy has given the Mercedes Datakor Group several advantages in the market place.

Financial director Neil Brunette says the decentralised philosophy is unusual in smaller companies, but it has benefits in terms of the flexibility it allows.

He says: "This is particularly important in a company which is as customer orientated as ours."

The structure allows lots of flexibility in marketing; managers are able to make changes quickly in response to market needs.

Mercedes Datakor tends to see the role of finance and administration a little differently from other organisations. Brunette says: "Our main aim is to make it as easy as possible for our sales and technical teams to operate with maximum efficiency."

"We do this by providing them with the necessary tools. We try to ensure our buying, warehousing, delivery systems and billing systems are not cumbersome and still provide the levels of control and the data which we need."

Without control

The organisation has learnt from experience that decentralisation without control does not work. Brunette says: "While the customer is our main concern, we still need control, and to keep a finger on the pulse of the business while giving lots of autonomy to managers."

The company has established an integrated and totally divisionalised reporting system so all operations and cost centres are tracked accurately.

The system extends to divisionalised asset reporting as well.

Brunette says: "Our managers are well-versed in the principles of good management. Their performance is closely monitored and reviewed regularly."

"Each operational manager has the latest financial data relating to his division's performance and his asset situation. Results are measured against budget and re-forecasts and produced quarterly. Actual results are measured against this, variances investigated, and remedial action taken where necessary."

Indeed, Brunette says all divisional managers, whether from sales or technical backgrounds, have knowledge of the effects of poor margin control, poor expense control and poor control of assets. In fact, their

A decentralised management system has proved to be a bonus in the marketplace — giving the added benefit of flexibility.

Earning packages are structured to reward good performances in these aspects and to penalise poor performances.

Stock or inventory control includes spares, machine stock, software and other items. During the last four years, the company has installed systems to track items on a real-time basis through a national network linking branches to head office.

Brunette says: "Apart from monitoring stock levels, stock must be watched closely in terms of technology changes — the quality of the inventory as well as physical numbers must be kept in check."

The incidence of slow moving stock and obsolescence is reviewed throughout the year and financially recognised in reflected results. Brunette says: "This avoids unpleasant surprises at financial year end and ensures that divisions are reporting accurate profits."

"The company moved to the open item debtors system in late 1984 which coincided with the fully divisionalised debtor reporting. At the same time, we decided to pay sales forces commission on collection."

"The results were dramatic. Collection periods were cut across the board from more than 80 days to between 45 and 50 days."

Working capital

"The benefits of these two control systems and other rationalisations resulted in the reduction in working capital so that working capital is now turned five times compared to only two times in 1983."

"The administration and accounting processes have been simplified with the aid of modern data communications and data processing techniques. The information systems have been streamlined and rationalised so that the company has an efficient real time database from which useful management information is readily available."

Apart from its decentralisation programme, Mercedes Datakor also rationalised its activities. Areas of duplication and triplication have been eliminated, thus saving money.

THERE are various essential stages in the product development cycle.

As far as Mercedes Datakor is concerned, these can broadly be broken down into the following:

□ **SYSTEM DEFINITION:** This involves understanding the client's needs and defining the system.

Negotiations take place between the customer's systems experts and Mercedes Datakor design experts.

A functional definition, rather than a detailed definition, is developed between them. And according to operations director Mike McEvoy, it is essential to understand the client's needs and to be honest when a product request is not possible or cost effective.

"It is sometimes necessary to help customers adapt their business infrastructure to adopt new products," he says.

He points out that many new technologies take a long time to be adapt-

Identifying vital stage

ed by end-users: the system side often cannot adapt fast enough for these.

Datakor's philosophy, therefore, is to design products that are open-ended and upgradeable as technology advances and is more broadly accepted. "We try to keep obsolescence out."

"We take a long-term view of client relationships right from the system definition phase," he says.

Datakor works on hardware and software in parallel, deciding how these will work together right from the start;

□ **HARDWARE DEVELOPMENT:** Some hardware, such as floppy disk drives and cathode ray tubes, are not made in SA. Datakor sources these from overseas.

As far as new products are con-

cerned, the company identifies trends in the technology industry and is careful about its sourcing.

The detailed hardware development phase incorporates electronic design, and mechanical design. Packaging of the product is also considered vitally important.

Datakor uses computer-aided design systems for its systems design, integrating all aspects in the prototype stage, where the product is then evaluated by both client and Datakor.

Testing is carried out, and then the product must be industrialised to be ready for production.

Detailed production documentation is produced for third-party manufacturers. These also incorporate detailed quality control procedures;

An enviable hi-tech reput

WINNER of this year's Non-Listed Company award, Mercedes Datakor, has built up an admirable reputation in SA's high-technology world for both its products and its service.

The company, formed in 1977, has an installed base of locally developed products worth about R50m. All its product launches have been successful, probably due to the philosophy of developing these in close co-operation with end-user companies.

And, on the service front, about 93% of calls are claimed to be responded to on the same day; equipment based in remote locations takes a little longer to reach.

Considering it is a smallish company, the firm has benefited from its decentralised-management philosophy, a structure more common in larger organisations.

Indeed, decentralisation allows the company several advantages in the market place, as it is a flexible approach. In the marketing arena, for instance, managers are able to make

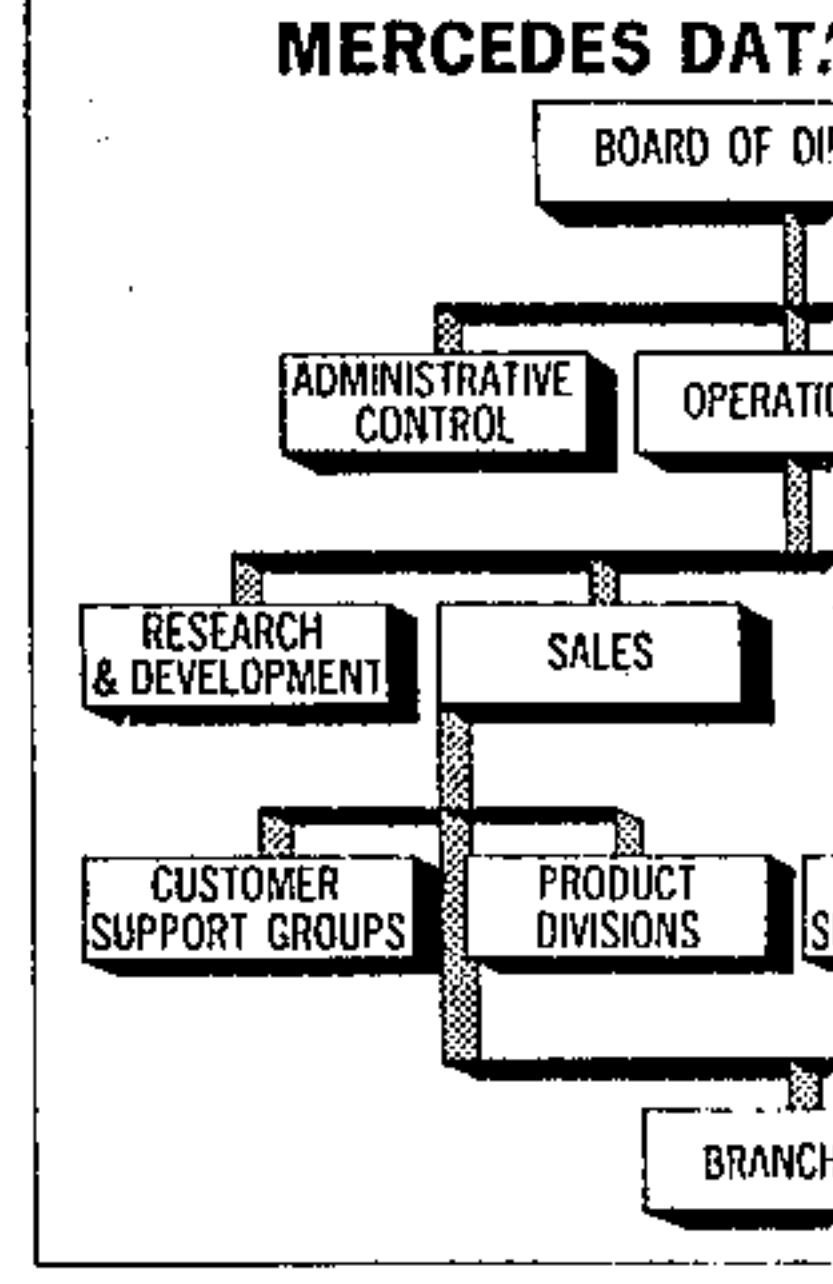
changes quickly in response to the ever-changing demands of clients and the market in general.

Another of Datakor's winning points has been its non-deviating policy of using third-party manufacturers for its products. It sticks to design and development and marketing, although keeping a tight watch on manufacturers throughout the production process.

The company's corporate philosophy revolves around its clients, which are all-important to it, while its human-resources policy is one of equal-opportunity employment.

It was one of SA's pioneers in the equal-opportunity-employment line, and it employs and promotes only on merit.

MD Nic Frangos, who bought his way into Mercedes Office Machines with a vision of transforming it into a high-tech company, has succeeded in this, and his plans for the next decade include penetration into related fields. This will be achieved chiefly through acquisition.



An unbroken run of successful launches

MERCEDES Datakor, launched in 1977, has an installed base of locally designed products worth about R50m. It produces more than 16 products in SA and boasts an unbroken record of successful launches.

Its first product was a receipting terminal for Durban Corporation. Although there were some early technical hitches, the system is still being used.

In 1978, after developing a close association with the SA Permanent Building Society, the company produced a financial terminal — the FT 3000.

MD Nic Frangos says the company opted to form a joint development team with the Perm to ensure close co-operation on the project.

"That product has proved to be our most successful and is still in operation today with several models that have been upgraded."

"We are now involved in producing a modular terminal related to that technology."

Frangos reckons his group has many advantages over overseas-based hi-tech companies. "We put the Perm into a position where it deals with a local organisation developing systems with as much as 75% local content."

"The operating system is written in SA, as is the software, the hardware specifications and the communications software."

"This means hassles are easier to rectify than they would be if the system was overseas-sourced."

"Indeed, this started our philosophy of customising specific products to suit the needs of clients. We have found that custom-made products usually have a longer life than off-the-shelf products."

Mercedes Datakor produced the first locally made automatic teller machine three years ago. Its data communications system handles the financial transactions at the Automatic Clearing Bureau.

Strong ties fostered w

AN established system of relying on third parties for all its manufacturing has ensured that Mercedes Datakor has fostered strong ties with a number of supplier and manufacturer organisations.

According to operations director Mike McEvoy, the company has learned from experience that buying services from the cheapest vendor is not always the best way of doing business — it does not

always ensure good finished products.

"Also, we prefer to be major customer with a few main suppliers so we can get better support from them and create long-term relationships."

On the manufacturing level Datakor provides its suppliers with detailed information.

Says McEvoy: "This allows the supplier to do his job professionally."

DO THEY

Many audience
Many messages,
We can help you
people who in
We have the exper



Identifying vital stages aids development

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□ **SOFTWARE DEVELOPMENT:** Software is produced from the start of each product's life.

According to software director Peter Styber, Datakor has total control over all aspects of its software development for local products. "We are totally independent of overseas companies."

"All our products use Datakor's own software, giving customers major benefits because support is local."

"We use the high-level C language because it is highly portable on hardware," he says.

□ **DOCUMENTATION AND TECHNICAL SUPPORT:** This is one area in which Datakor prides itself greatly. Emanating from the development

stage of manufacture, a full documentation centre is an integral part of the local design and development division. This centre is used for the creation of operating and field maintenance manuals, and full training courses are given to field engineers.

"Support must be available forever," says R & D director John Alberti.

The company also boasts an on-line fault reporting system so that problem areas can be easily pinpointed and the system will highlight areas that need attention before they become real problems.

Datakor has about 12 000 units in the field which it maintains. About 45% of these are self-developed, and this percentage is growing.

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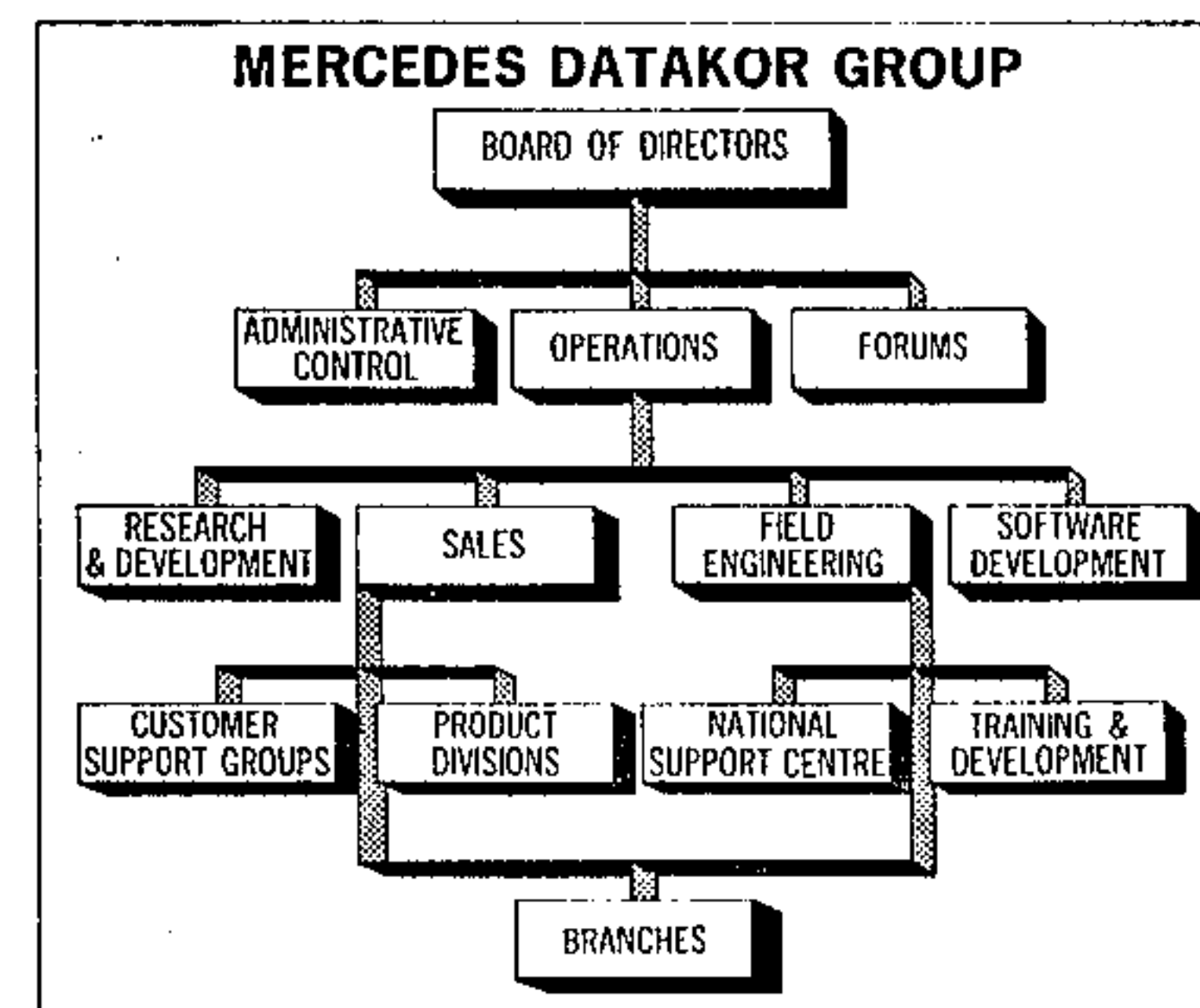
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On the manufacturing level, Datakor provides its suppliers with detailed information.

Says McEvoy: "This allows the supplier to do his job professionally."

"We generally give every necessary detail of the production process to the supplier, and keep close to them — right through to the stage of quality control."

And as is to be expected, suppliers that have given a decent level of service to Datakor have consistently received more business from the company over the years.

"This ensures the suppliers are motivated to take Datakor seriously," McEvoy points out.

A statement of company philosophy: 'First belief is in our clients'

"THE Mercedes Datakor Group's first belief is in our clients to whom we owe our existence."

"The standard the group strives for is the high standard required by our clients."

"It is our duty to meet their requirements without excuse. This attitude encourages long-term client relationships based on trust, performance and mutual respect which requires of us commitment, attention to detail and courteous, quick responses to their needs."

"Our second belief is in our staff."

"They are mature individuals with a desire to succeed. It is the primary role of management to safeguard, develop and motivate the human resources of our business."

"Our third belief is to entrust management with sufficient authority and control to enable them to feel genuine responsibility for their tasks and their interface with the organisation as a whole."

"Fourthly, the profitable growth of the business does not depend on any one section but on all of us, and the way in which we establish positive communications at all levels."

"The team process is used whenever it is appropriate to do so without undermining the motivation of the individual."

DO THEY HEAR YOU?

Many audiences, Different attitudes...
Many messages, Different programmes.

We can help you communicate with the people who influence your business.
We have the experience and the judgement.



Some organisations which

Car firm's R4-m gift to aid workers

EAST LONDON — Mercedes-Benz has committed R4 million to aid its employees in the fields of housing and education.

Mr Jurgen Chrempp, chairman of the firm's management board, said his company was committed to a social pro-

gramme for a better quality of life for all groups.

He said they were looking at ways to improve the lot of East London staff and were consulting the Urban Foundation. At present the company was working to improve housing subsidy schemes. — Sapa.

BMW insists. No tie-up with GM

BMW South Africa has strongly refuted rumours linking it with troubled car manufacturers General Motors.

"BMW South Africa is not involved in negotiations with any other car manufacturer and has no intention of merging with, or taking over, another car plant or franchise," it said yesterday.

"We specialise in the top segment of the market, and that is where we intend to stay," said a BMW spokesman. "We're not interested in getting involved in areas where we don't have expertise."

This week General Motors chief executive in the US, Mr Roger Smith, said it was reassessing its involvement in South Africa.

This led to speculation of a possible tie-up between BMW's and GM's South African operations. Talks are known to have taken place at the end of last year about possible collaboration.

A major GM dealer chain has published advertisements saying GM is contractually obliged to supply it with motor vehicles for five years.

Another group of dealers was reportedly dissuaded from taking out similar ads when GM said on Thursday it would issue a statement within 24 hours.

No such statement has been forthcoming, though managing director Mr Bob White has told staff: "This company will be here next week, next month, and next year."

APR 21/1966
R4 m (63)
to help
employees

EAST LONDON. — Mercedes-Benz has committed R4-million to the social upliftment of its employees in the fields of housing and education.

The chairman of the management board of the company, Mr Jurgen Chrempp, announced at Umlanga Rocks his company was committed to a social programme for a better quality of life of all population groups, specifically in housing and education.

Mr Chrempp said his company was looking at ways to improve the lot of its staff in East London and was consulting the Urban Foundation.

HOUSING

At present the company was working to improve housing subsidy schemes.

Assistance would be given on a non-racial basis but was aimed primarily at blacks and coloureds.

The main emphasis at present would be on improving education with housing improvements coming later.

The mayor of East London, Mrs Elsabe Kemp, congratulated the company on what she called a fine gesture. — Sapa.

Siemens: we will still invest in SA

23/10/86 SPAR

63

By Stan Kennedy

Siemens, which has often voiced its opinion against sanctions, today reiterated its intention of continuing to invest in South Africa.

At the launch of its EDX-P packet switching system for the South African Post Office, the chief executive of Siemens, Mr Reinhard Sanne, said that although SA a market with risks, his company had the necessary faith that the economic and political challenges would be met.

He said Siemens would continue with its investments programmes in development engineering, manufacture, marketing and training.

"As much as we have faith in the future of our company, we also believe in the future of this country.

"In this context, we should be aware of the interdependence of the Western world. Disturbances



Reinhard Sanne

which could result from any interference in free trade could have a detrimental effect on the entire system of the free world."

Siemens operated in 128 countries and was well aware of the dangers of political interference in the world economy.

Action against one country might well be the basis of interference in other countries.

"In our 126 years in South Africa, we have faced many difficult time spans. We believe that our presence can assist in solving the economic and socio-political problems in South Africa, and in this way contribute to a political solution."

The company took its responsibilities towards its customers, shareholders and its 5 600 employees "very seriously", and Mr Sanne said his company would remain in the forefront of electrical and electronic engineering in Southern Africa.

He said the installation of the EDX-P network for the data communication service SAPONET was an important step forward in improved and closer business communications. It was a technology that would ultimately lead to the full integration of voice, text, image and data communication through one concept.

News 24/10/86
63

W German car makers to stay



The Argus Foreign Service

MUNICH. — All three major West German motor manufacturers in South Africa are to stay.

They will not follow the example of General Motors in pulling out, the West German news agency DPA has reported here.

DPA held a nationwide survey and found that no major German company planned to withdraw operations from South Africa.

BMW and Daimler-Benz said they had a "social responsibility" to stay.

A Daimler-Benz spokesman in Stuttgart said 5 000 South Africans — 4 000 of them blacks — depended directly on the company for their livelihood. Another

50 000 people were employed in Mercedes agencies and spare-parts factories.

Volkswagen told DPA simply: "We are not withdrawing from South Africa."

Automotive South Africa will adjust production of its heavy vehicles "to suit market conditions", according to its parent company.

DPA also interviewed manufacturers outside the motor industry. Siemens said it was planning to expand its share of the South African market. The washpowder company Henkel said it was also planning expansion.

Degussa, Thyssen, Hoechst and Bayer all told DPA they had no plans to withdraw from South Africa.

But DPA reported that there was no such unity of approach among German banks.

out US on any speculative buying on that account.

w/Arbus 25/10/86

Siemens to go on investing in SA

63

By STAN KENNEDY

JOHANNESBURG. — Siemens, which has often voiced its opposition to sanctions, this week reiterated its intention to continue investing in South Africa.

Mr Reinhard Sanne, chief executive of Siemens, said at the launch of its EDX-P packet switching system for the South African Post Office, that although SA was a market with risks, his company had the necessary faith that the economic and political challenges would be met.

Siemens would continue with its investment programmes in development engineering, manufacture, marketing and training.

"As much as we have faith in the future of our company, we also believe in the future of this country.

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I'll always be with you by your side

John

Scott

LS-FCB (CAPE)

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DAVID RATTLE

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Lufthansa not planning to quit SA

LUFTHANSA officials in SA yesterday dispelled any fears that the German airline may pull out of the country.

Announcing that the airline intends to offer South Africans one-stopover flights to the US via Frankfurt, following the ban on SA Airways to the US, Lufthansa's Southern Africa GM Gerhard Kemper said: "We are optimistic about staying in SA. We're investing a lot of money right now."

DOMINIQUE GILBERT

He emphasised that new schedules for 1987, which include more seats and cargo tonnage, and fewer but more direct flights, are not a result of recent sanctions packages against SA.

"I want to dispel any idea that we are trying to be heirs or vultures capitalising on sanctions.

"Our policy is to fly where there

27/10/86
BUNDAY
is a market and demand by people and cargo, regardless of ideology. If we were to discontinue flying to countries where we do not approve of ideology we would probably have to cut about two thirds of our routes."

Instead of the present five weekly flights to Frankfurt, three of which stop over at Nairobi, there will be only four flights next year but they will all fly directly to Frankfurt, Kemper added.

(13)

Airline to stay in SA

JOHANNESBURG — Lufthansa officials in South Africa have dispelled any fears that the German airline may pull out of the country.

In an announcement here yesterday the Southern Africa general manager, Mr Gerhard Kemper, said: "We are optimistic about staying in South Africa. We're investing a lot of money right now."

He emphasised that new schedules for 1987, which include more seats and cargo tonnage and fewer but more direct flights, were not a result of recent sanctions packages against SA.

● Despite the US ban on SAA flights, the airline will operate two further flights to New York this week — on Friday and Sunday evening — bringing to six the number of "ad hoc" services arranged since the ban. — DDC

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DD
(63) 29/10/86

MESSAII

German airline dispels fears of pull-out from S A

29/10/87
L3

Mercury Correspondent

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'I want to dispel any idea that we are trying to be vultures capitalising on sanctions,' he said.

'Our policy is to fly where there is a market and demand by people regardless

of ideology. If we were to discontinue flying to countries where we did not approve of ideology we would probably have to cut about two-thirds of our routes.'

The dropping rand value over the past two-and-a-half years has meant that the airline has had to increase its fares by 60%. However, a 300% increase was needed, Mr Kemper said, and has resulted in the airline 'barely breaking even'.

'We haven't been able to compensate for the loss in revenue. Germans have

stayed away by the tens of thousands but SA is still the travel bargain of the century and because of this we are selling well and expect to exceed our target by 25%.'

Instead of the present five weekly flights to Frankfurt, three of which stop over at Nairobi, next year there will be only four flights but they will all be direct to Frankfurt.

Mr Kemper said Frankfurt, the stop-over, should be considered as S A's gateway to 16 U S destinations.

Lufthansa to reduce South Africa flights

63
S.M.K.
2/10/72
Transport Reporter

Lufthansa will operate fewer flights to and from South Africa from next April but will, at the same time, increase passenger and cargo capacity, Lufthansa's manager for Southern Africa, Mr Gerhard Kemper, announced yesterday.

The airline currently operates five flights a week from Johannesburg to Frankfurt, two non-stop and three which stop at Nairobi.

From April, the weekly schedule will be cut to four flights — all non-stop. There will be a 15 percent increase in seat capacity.

Mr Kemper said the move was "not the result of sanctions".
"This was planned a year ago and has nothing to do with politics. It is an extension of Lufthansa's long-range, non-stop policy.

MADNESS IN RECESSION

"If we made all five flights non-stop, there would be a 40 percent increase in capacity which, in a recession, is madness."

The introduction of two extra non-stop flights to Frankfurt were also not connected to US moves against South African Airways.

Lufthansa regarded SAA as its partner and sincerely regretted the loss of its flights to New York.

"We do not view it with glee even though we inadvertently benefit. We are not vultures," he said.

He said Lufthansa's current advertising campaign, "Every cloud has a silver liner", stressed that SAA and Lufthansa offered 10 flights a week to Frankfurt, from where travellers could board 100 flights a week to 16 destinations in North America.

Only two foreign airlines, Lufthansa and British Airways, had "meaningful potential" to capture a large share of the North Atlantic market.

Mr Kemper said that, although South Africans perceived fares to be high, each ticket sold here had a built-in discount of between 30 and 40 percent.

● See Page 11.

factory for producing... a direct...
63) CAPL-TIMTS 5/11/86
BMW 'vote of confidence' in SA

JOHANNESBURG. — While BMW held a 1,5% share of the world car market, it held nearly 8% of the South African market, the deputy Minister of Finance and of Trade and Industry, Kent Durr, said yesterday.

Durr said at the opening of Auto Bavaria's new R1m head office and showroom complex at Rosebank, Johannesburg, that the long-term sales trend for executive cars was clearly upwards.

"This optimism is also shared by the parent company, for BMW (SA) has recently seen long term-

plans confirmed for local production that will stretch well into the '90s," Durr said.

He thanked the directors of BMW Germany for their vote of confidence in the country's future, and their recognition of the hardship which disinvestment would cause.

The large concession in the form of the excise rebate and the substantial tax relief granted in the case of fringe benefits tax on company cars had in recent times contributed to an improved demand level for cars.

"In the case of BMW, which sells about 65% of its vehicles to companies, the fringe benefits tax adjustment in particular will benefit sales," Durr said. BMW was one of the few manufacturers which had managed to improve their August 1986 sales.

Motor manufacturers had more than R3,7 billion invested in South Africa, while the component supply industry's investment in plant and equipment was put at some R2,5 billion. The industry and its retail trade employed 208 000 people. — Sapa

copy time 5/11/86

Merck to help in education

JOHANNESBURG. — Merck's SA subsidiary is to introduce an educational assistance scheme to help employees educate their children.

Merck, one of Germany's biggest pharmaceutical and chemical companies, "has a commitment to its customers and employees" in SA, chairman Bob O'Connell said yesterday.

He was speaking at the opening of the company's new premises at Midrand, between Johannesburg and Pretoria.

O'Connell said: "Social commitment should take a tangible form — not merely the signing of obligations such as the EEC code of employment practice."

The Minister of National Health and Population Development, W A van Niekerk, said at the opening the government was firmly committed to creating equality in standards of living.

"Companies which stay in SA and help the broader population by providing health products, equal opportunities, stability and employment, are helping the people of SA."

He said SA out-performed most developing countries in nearly all the tests to measure the health of a nation. — Sapa

SUNTIMES 9/11/86 - 63

German giant in deal with SA's Gentyre

By Don Robertson

THE R5,5-billion-a-year German-based Continental Tyres has invested in South Africa.

It will produce premium tyres for luxury cars from the General Tyre plant in Port Elizabeth. Premium tyres for these models are imported at considerable cost.

Wilhelm Schafer, a member of the main Continental board, says his expanding company is in the global business of selling tyres. He believes the African market will be developed from South Africa.

"We hope that political problems will be tackled in a way to satisfy the critics. We will then be able to develop the African market from here."

High quality

General Tyre signed a technical agreement with Continental in 1978, but because of the high quality required by the Germans it was not intended to manufacture in SA.

However, 18 months ago the agreement was altered to allow for SA manufacture. After the import of equipment and an exchange of technologists and technicians, Continental will become the first premium tyre to be made in SA.

The use of synthetic rubber in most SA tyres is not expected to have any effect on the required quality.

The deal marks the first time that Continental has allowed its tyres to be made and marketed by a plant not owned by it.

Continental is Europe's second largest tyre manufacturer. It has 16 foreign trading companies, including those in New York, Osaka, Hong Kong and Bangkok. It has plants in Germany, France, Belgium, Spain, Austria, Yugoslavia and the UK.

A part of the General Tyre plant has been



Tony Versveld (left) and Wilhelm Schafer ...

set aside for production of the Continental tyre which will be aimed initially at the original equipment market for BMW, Mercedes-Benz and Audi. Later, the tyres will be produced for the top range of other car-makers.

Tony Versveld, managing director of General Tyre, says the company hopes to gain a 20% share of the R800-million-a-year tyre market in five to seven years.

Speeds

The Super Contacts will be available in a selection of sizes in the 60 and 70 series in both the HR and VR ratings. These tyres are suitable for speeds of up to 210km/h and more than 210km/h respectively.

General Tyre will pay a royalty to Continental, but SA will save millions in foreign currency. It is expected that Continental prices will be about 15% higher than for the other SA tyres.

BUS DAY
10/11/86
VW on line for
20% market share



SEARLE

Industrial Staff

ALTHOUGH car sales are expected to remain at a low ebb for some time to come, Volkswagen SA's latest figures are encouraging, says MD Peter Searle.

In October this year, VWSA reported its highest wholesale car sales since March 1982.

"Our monthly retail sales of 2 940 passenger cars for October reflect a 20% improvement over September, while light commercial vehicle sales of 715 for October were a 46% rise," says Searle.

And, based on present perform-

ance, he expects the target for a 20% share of the passenger car market for the rest of 1986 and for 1987 to be within reach.

He attributed the pickup in commercial vehicle sales to increased demand for the Microbus, adding that this growth "augured well for VW fourth quarter sales".

Volkswagen's share of the passenger car sales market has been rising. It has grown from a 10,4% in 1984 to 17,3% so far this year.

21/11/86 FIN MAIL

LIESEL QUAMBUSCH

63

Business contact

Most South African businessmen assume that the new spokesman for German business interests in SA is a Mr Quambusch and are slightly fazed to see a woman stand up

when Dr Quambusch is introduced.

But Liesel Quambusch, newly appointed chief executive of the SA-German Chamber of Commerce, has been keeping a close eye on this country for 10 years: she was involved with the German side of the EEC Code of Conduct and bilateral trade relations with SA while secretary of the multinational

committee of the Federation of German Industries. Before that she obtained a degree in business administration and a doctorate in economics from the University of Cologne, then did an 18-month traineeship at the Deutsche Bank, the largest private bank in West Germany.

So why did she give up a safe, comfortable

are slightly fazed to see a woman stand up
business interests in SA is a Mr Quambusch and
that the new spokesman for German busi-
Most South African businessmen assume

Business contact

LIESEL QUAMBUSCH

63

21/11/86 FIN MAIL

Only 24% of white immigrants favoured abolition; De Coning speculates that the reason is that the Act is regarded as a safeguard against "swamping."
This, he says, explains a fundamental contradiction in the survey's results: that respondents espoused more liberal attitudes about sharing the same block of flats than towards scrapping of the Act. Fick and De Coning intend investigating this and other issues highlighted by the survey in greater detail — if they can find a sponsor for a nationwide study.



Raymond Preston

Quambusch... the German business community can set an example

First World."

But she is adamant that opposing sanctions doesn't mean that West Germany is "soft" on apartheid: "In July, the heads of our four major business organisations sent a letter to President Botha in which they stated that German business considered the reimposition of the State of Emergency and the introduction of drastic security laws as retrogressive, and asked for a timetable to show when the black section of the population would finally participate in the country's decision-making process. "They expressed their opposition to sanctions, but combined this with full support for FCI and Assocom in their proposals for far-reaching reforms."

Quambusch is already something of a linguist, speaking English, French and a little Spanish. Now she plans to learn Afrikaans and an indigenous language "so as to really understand all aspects of South African culture."

In addition, she feels there are other areas where SA needs to change: "South Africans still think it's unusual for a woman to hold a position like mine, and so South Africans will have to learn — as Europeans are beginning to — to be more flexible and move away from traditional sexual stereotypes."

Mercedes in SA to stay, says outgoing top executive

26/11/86

(63)

Call for government to get on with its reform policies

By **ROBIN ROSS-THOMPSON**
 Motoring Editor
JOHANNESBURG — Mercedes-Benz is in South Africa to stay.

This was reiterated by the senior member of the management board of the international Daimler-Benz organisation, Dr Gerhard Liener, and the retiring chief executive of Mercedes-Benz South Africa, Mr Jürgen Schrempp, at a farewell dinner here.

Mr Schrempp is to take over Daimler-Benz's world-wide commercial vehicle marketing division in January. He will be succeeded in South Africa by Mr Sepp van Hüllen.

"Mercedes-Benz under Jürgen Schrempp has achieved high market shares in all spheres of our activity," said Dr Liener. "Can you see us leaving South Africa under these circumstances? No. We see no reason to leave. We have been successful so we will not give up. Losers can come to their own conclusions, but ours is to stay.

"However, business needs stability and predictability. We urge the South African authorities to continue with their reform policies to benefit all the people of this country.

"Keep trying to acquire a new political model to satisfy all ethnic groups," Dr Liener said.

Mr Schrempp, who has spent 12 years in South Africa, first as manager of the technical service division of MBSA then technical management board member and finally chief executive, said he was optimistic about the future of this country. "South Africa has too much going for it... it is too dynamic to just disappear.

"I believe it will soon take the lead in development and reach far into Africa, but this will only happen once current emotions and prejudices are overcome and all South Africans can participate in political and economic processes."

He believed in some form of united states of Southern Africa but said there was only one way to achieve this and that was through communication and dialogue.

"There are so many outstanding

people here with vision and goodwill. It just needs to be channelled in the right direction.

"And people need a positive sign of real change. My opinion is that this country is close to dialogue and a constructive move to deal with its problems. But time is running out.

"Equal opportunities must be accepted by all. The removal of the Group Areas Act will be only a milestone on the road to a multiracial society. Disinvestment and sanctions are not the right tools — they will only bring about a hardening of attitudes.

"The role of Daimler-Benz in South Africa must be a meaningful one. We are here to create jobs and play our part in the upliftment of all people."

Mr Schrempp said political events had brought about challenging times. "Our sales figures have dwindled to those of the early 1970s but we are here to make money and we are again trading profitably. The outlook for 1987 is brighter still."

Mr Van Hüllen, who becomes the new chief executive of MBSA, has been a financial management board member since April.

In introducing him, a retired management board member, Mr Leo Borman of East London, described Mr Van Hüllen as a man with astute perception and considerable business acumen. "He has, together with the backing and teamwork of the whole group, ensured that MBSA again closes this fiscal year in the black and not many companies can make that statement — certainly not in the automobile industry.

"Sepp van Hüllen was born and grew up in Germany where he studied law at the universities of Freiburg, Kiel and Tübingen. He has had experience in smaller business concerns which has geared him with knowledge and respect for the role of good people relations.

"Industrial relations is an area of great personal importance for him and will stand him in good stead in South Africa. He joined Daimler-Benz in 1981 and has held various financial and administrative positions."

Hitachi, BASF come under attack in US

NEW YORK — A group of United States trade unions and anti-apartheid groups led by the Rev Jesse Jackson has called on the Hitachi and BASF companies to halt sales of computers to South Africa, a spokesman for the group said.

In a letter just released, the group charged that the sales by the Japanese computer maker and West Germany's BASF, its principle distributor of computer mainframes to South Africa, might violate new American economic sanctions against Pretoria.

Officials from Hitachi and BASF were not immediately available for comment.

FULL INVESTIGATION

The letter also called for an investigation into charges that Hitachi was selling computer products to South African police.

Randall Robinson, executive director of the Washington-based anti-apartheid group TransAfrica, one of 16 groups that signed the letter, said in a statement: "We want a full investigation of the reports of Hitachi computer products being sold to the South African police. This could violate US, Japanese and West German sanctions." — Sapa-Reuter.

FOREIGN FIRMS IN S. A. - GERMAN

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Top industrialist tightens SA links

26/1/87 By Frank Jeans (63)

West German industrialist Mr Wilfred Dauphin, coming out strongly against anti-South African pressures, is strengthening his ties in the local office furniture market.

Head of one of Europe's leading office seating groups, Dauphin, he says: "No one has a right to pre-judge South Africa and its problems."

"I have no doubt the majority of business leaders in my country also think as I do, particularly those who know South Africa."

Mr Dauphin is in South Africa to sign up a further R750 000 injection into the seating market through his franchise holder, Johannesburg group Grant Andrews Office Furniture.

This figure is expected to rise by a further R1,5 million over the next few years.

In addition, Nuremberg-based Dauphin, which has an estimated R100 million business spread covering Britain, Australia and Spain, apart from its franchise agreements, is also committed to the reinvestment of its royalties in the South Africa operation.

"Under the new agreement with Dauphin, we are aiming at a much bigger share of the local office chair market," says GA chairman Mr Grant Andrews.

Benrose exporter is a star performer

By Frank Jeans

The importance of South Africa as a source of growth and profit for foreign groups is reflected in the fact that in the mining tools area the local operation of multinational Reed Mining Tools of Texas is the star performer in its 41-country network.

Emphasising that Reed will stay in South Africa, "regardless of disinvestment moves by other major companies", Mr Bill Price, president of the American parent in Fort Worth, says: "I think this performance puts our position in perspective."

"Last year, this country was the top international earning centre for our company."

PROBLEMS

Mr Price has no doubt that South Africa, once its political problems are overcome, will become one of the "economic power houses of the world", providing a high standard of living for all its population groups.

Reed's international operation has resulted in the development of many of its products specifically for the South African market.

The group is currently spending 30 percent of research funds for South African-oriented products.

The buoyant gold price has also stimulated activities related to the mining tool business.

There are further benefits on the way, arising from the proposed merger of two of the world's giants in tooling — Baker International and Hughes Tool Company, both of Houston, Texas. Reed is 100 percent owned by Baker.

At Reed's plant in Benrose, Johannesburg, manufactured products valued at a total of R4 million have been exported to mines around the world.



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Cape Times 4/2/81 63

No chance of Siemens disinvesting, says CE

JOHANNESBURG. — The near R1 000m, German-SA electronics and electrical equipment group, Siemens, says that, far from disinvesting, it will continue to invest more in South Africa.

Owned by Germany's Siemens AG, Federale Volksbeleggings, Gencor and the IDC, the company said at the launch of its EDX-P packet switching system for the Post Office, that although SA was a market with risks, the company had the necessary faith that the economic and political challenges would be met.

... Dead for

Germany said no to SA subs deal

BONN — A West German firm which wanted to supply submarines or their blueprints to South Africa was told four years ago by the Finance Minister, Mr Gerhard Stoltenberg, that there could be no deal, a parliamentary committee heard yesterday.

The minister's deputy, Mr Hans Tietmeyer, said he passed on Mr Stoltenberg's message in 1983 to the managing board chairman, Mr Ernst Pieper, of the state-owned Salzgitter company.

Salzgitter owns 75 per cent of the shipyard which supplied submarine construction plans to South Africa in violation of a West German

law against exporting war material to areas of tension.

Mr Tietmeyer said Mr Pieper had written in confidence asking the minister what chances he saw of the deal being approved and Mr Stoltenberg told him to reply that "no approval can be expected".

The committee is probing the affair at the insistence of Parliament's opposition to discover whether it had the approval of the West German Government.

The committee chairman, Mr Willfried Penner, said yesterday that documents concerning the deal had been received from a shipyard.

— Sapa-RNS

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BUSINESS

Disinvestment pressure is mounting Degesch chemicals are 'here to stay'

By AUDREY D'ANGELO
Financial Editor

THE GERMAN-BASED international pesticide firm Degesch is committed to SA and "is here to stay", its world-wide MD, Hans-Ulrich Kleist, said in Stellenbosch.

He was in this country for the 10th anniversary of Degesch (SA) and assured customers at a buffet supper that Degesch would continue to resist pressure to pull out.

His speech was made a few hours before US-based multinational Dow Chemicals announced yesterday that it was "reluctantly" selling its R140m a year SA pharmaceutical operation to the Premier group.

Dow chairman Paul Orrefice issued a statement from its Michigan headquarters that it was doing so "because of poor SA business conditions and US pressure from anti-apartheid lobbyists".

Oreffice said that Dow regretted the need to sell its SA plant, which registered \$60m in sales last year, and wished it could have remained part of the process for change in "the white-led nation".

Kleist said in Stellenbosch that Degesch believed "by staying here we can do our share in assisting SA to bring about peaceful change, which will hopefully lead to a better SA for all its people and a quicker and wider international recognition of this wonderful country."

Degesch sells its products in 100 countries. But its factory in Isando, which came into operation in 1977, was the first manufacturing plant it opened outside Germany.

Its Phostoxin range of products, which is the market leader, has been available in SA since 1955.

Kleist said that Degesch had an important part to play in the

worldwide battle against starvation, by producing products to protect food supplies from insects.

It was extending its international contacts and production facilities. "It is our business to protect food. Food is the language of peace. It is the only international language understood by all.

Food production

"When a man is hungry and starving it is no use talking to him about democracy, about human dignity or about human freedom."

Kleist said that Degesch was in SA "not only to provide the country with locally manufactured products but to ensure that SA's valuable food production would be adequately protected.

"I wish to emphasize that Degesch is committed and will continue with... SA."



Geoff London has been appointed marketing manager at Colonial Mutual.

Gold off d

LONDON. — Gold prices were high but still down from their peak having failed to rise on Thursday night's auction. The finish of \$380 a day night's \$401, \$403,00/50.

Liquor retail

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Hoechst sells Cassella-Med

31 Day 12/3/87

GERMAN-CONTROLLED chemicals group Hoechst SA has sold its Cassella-Med pharmaceuticals operation to a South African company for an undisclosed sum.

East London-based Pharmador has bought rights to all Cassella-Med's products and brand names. These include such well-known brands as Fibre Trim, Yogurtrim, Histalix, Cold Stop, Tensolve, Cough Med, Vita Fiber and Fat Off.

Hoechst SA stressed yesterday the sale should not be seen as a disinvest-

ment. Director Volker Schmidt said the group simply wanted to concentrate on developing its traditional business, such as plastics, synthetic fibres, chemicals, plant protection and ethical pharmaceuticals.

DAVID FURLONGER

Pharmador MD Pierre Greyvenstejn said: "We are delighted with the acquisition. Cassella-Med's products will complement our own range. The acquisition makes very good business sense to us."

Volkswagen ignored my advice — lawyer

BONN — A West German lawyer said today Volkswagen had ignored advance information which he offered it about a currency swindle that may have cost it millions of dollars, but VW said he had failed to produce the evidence.

Lawyer Egon Geis told today's Frankfurter Allgemeine newspaper that the carmaker's supervisory board chairman, Karl Gustaf Ratjen, on February 10 brushed aside an offer which he made to provide a written confession by someone involved in the fraud who had wanted to come clean.

In a statement reacting to Geis' allegations, VW said Ratjen had taken the lawyer's tip to top management. It added that Geis had failed to produce the promised document when he met VW chief executive Carl Horst Hahn on February 24.

"Contrary to what we had expected and to what he had told us the day before by telephone, Geis did not bring his client's letter," VW said.

VW said it had informed the prosecutor inquiring into the alleged fraud of its dealings with Geis.

VW announced last week it had made provision for possible losses up to 480 million marks (260 million dollars) as a result of a suspected swindle.

It said computer programs were erased and documents faked in the fraud, which apparently meant that transactions to protect it against fluctuations in currency values were not completed.

The affair, which caused a drop in share prices, has led to the resignation of a top company official.

NATIONAL/INTERNATIONAL

Nats asked German firms for funds — MP

Fund probe an order by Govt, says Malan

By FRANS ESTERHUYSE
Political Staff

THE police investigation into election funds of the independent ex-Nationalist candidates is the result of a direct political instruction from the Government, says Mr Wynand Malan, independent candidate for Randburg.

He said the Government was using public servants to "side-step burning political issues".

This is the latest development in a row over the funding of the election campaigns of three independent candidates — Mr Malan, Dr Denis Worrall (Helderberg) and Dr Esther Lategan (Stellenbosch).

Meanwhile the director of fund-raising, Mr Japie Visser, confirmed today that police investigations were continuing in spite of temporary permission granted to the three candidates yesterday to collect funds in terms of the Fund-Raising Act.

He confirmed also that the affairs of the Reform Trust, which supported the independents, was included in the matters referred to the police.

In a statement on behalf of the three candidates, Mr Malan said the storm about their campaign funds would have subsided if President P W Botha had not stated at Ermelo last week that he intended to say more about the financial affairs of the independents.

"The sudden referral of the matter to the police is a result of that threat," Mr Malan said.

He put these questions:

- Why were the election funds of only three of the eight independent candidates in the election suddenly regarded as "illegal"?

- Did the other independents have authority to raise funds?

- If not, why were they not being investigated?

Mr Visser said a statement might be issued by his office today.

Mr David de Villiers, QC, former managing director of Nasionale Pers who resigned as a director of the Nationalist newspaper group to support Dr Lategan in her campaign, has said he had not gone into the matter thoroughly, but certain aspects appeared to be "contentious".

One aspect was the suggestion that even money spontaneously given by individuals to the independents could be affected by provisions of the Act.

(Report by F S Esterhuyse, 122 St George's Street, Cape Town)



Picture: DOUG PITHEY, The Argus

SKI-HIGH: Tanya Curtain of Claremont, Caeleen Moir of Plumstead and Belinda-Jane Sutherland of Table View form a human pyramid as they get into trim for Monday's waterski carnival at Zeekoevlei which will include ramp somersaults and Roman chariot races. Springbok waterskier Howard Ramsden and show skier Nicette Levy will take part. Starting time is 2pm at the power boat club.

The Argus Correspondent

JOHANNESBURG. — A German MP has alleged that several German multinationals operating in South Africa were approached by the National Party last year for donations and had given it funds.

Mr Gunther Verheugen, of the Social Democratic Party in West Germany, said he stood by his claims, initially made last year.

Mr Verheugen published a book after his trip to South Africa last year on the link between German interests and the South African Government. His allegations were repeated in an article which appeared in the German magazine, *Der Spiegel*, last October.

Still hold true

"The comments I made after my trip to South Africa still hold true — German companies have been funding the National Party and the German-South African Chamber of Commerce was directly involved in the negotiations."

He said that Nationalist MP Dr Org Marais had been involved in these approaches.

He said several companies, including BMW, Siemens, Steinmuller, Bayer and three banks, had attended the meeting.

BMW spokesman Mr Pierre de la Rey confirmed that representatives had attended the lunch, which he described as a normal consultation.

However, the company denied that the NP had asked for funds. BMW in Germany had protested about the claims published by *Der Spiegel*, he said.

The chairman of Bayer SA,

Mr E Tauber, said: "Our company is not involved in party politics and is not funding any party."

The banks have also denied giving funds to the NP. Steinmuller and Siemens have not yet responded.

"Ask them"

Mr Marais was asked whether one of these companies had made donations to the National Party. He said: "You can't expect me to give you a list of all the companies that make donations to the National Party. You should ask the companies themselves."

He said the NP had not broken any laws in its fund-raising activities and had not accepted donations from overseas.

Mr Verheugen said that after he had made the allegations, "this practice has stopped, partly as a result of the publicity surrounding my comments and partly because companies have been subject to increased criticism".

A spokesman for the SA-German Chamber of Commerce said: "When the allegations first appeared in *Der Spiegel*, neither we nor the Government commented, as the allegations were just too ridiculous."

The article in *Der Spiegel* said that once a year top German industrialists in South Africa met Cabinet Ministers and leading members of the NP. These meetings, organised by the SA-German Chamber of Commerce until 1985, were followed by approaches for donations.

The State President's office was approached for comment, but there was no reply at the time of going to Press.

(Report by Colleen Ryan and Sven Lunsche, both of 47 Sauer Street, Johannesburg.)

Stallholders on square unhappy over night trade

Staff Reporter

FESTIVAL stallholders on Greenmarket Square say trade is disappointing at night.

They do well at lunch time but claim the entertainment at night does not justify the R2,50 entrance fee and this is keeping people away.

But the organisers say the fee is justified and point out that are bands and shows throughout the evening.

Mr Jacob Jacobs of the

Homestead who is selling hot dogs said he was busy from 11.30am to 2pm, but at night people complained about the fee.

Mrs Ursula Rubidge who is selling calamari and wine said she thought R1 would have been an acceptable entry fee.

Mrs Ephemian Masuku is happy with the turnover at her African food stall.

"I'm enjoying it here," she

said. "People from the hotel come to try my food and beer."

Mr Pinky Leighton who sells hot-dogs on sticks said he thought the R800 rent for a stall for the festival period was reasonable and he was making a profit. Other stallholders thought it was high.

Mr Hans van Heukelum said he and a staff of three organised the festival on a budget of R25 000.

Bands cost R1 000 a performance, stalls in Greenmarket Square had to be provided with ceilings and backing walls on instructions of the city health department.

Lighting, power, sewerage, rubbish removal, water and decor took up the full R800 charged for each stall.

"European festivals are often open to the public free in public places, but then costs are met by businesses and cities."

I think you Cape Town

DD 2/7/87 (63)

Daimler-Benz says it will stay in SA

STUTTGART — The West German vehicle manufacturer, Daimler-Benz AG, bucking a trend of pull-outs by foreign multinationals from South Africa, said yesterday it would maintain its operations in South Africa.

"We reject the apartheid system with all vigour and demand genuine equal opportunities for all racial groups," Mr Werner Breitschwerdt, management board chairman, told a shareholders' annual meeting.

"But we do not see any suitable contribution whatsoever being made

to this political goal by pulling out of South Africa," he added.

A group of shareholders had urged Daimler-Benz to wind down operations in South Africa.

The company said Daimler-Benz employed about 4 600 workers, most of them black or coloured, at its Mercedes-Benz of South Africa subsidiary.

A number of mostly US-owned multinationals have announced pull-outs from South Africa this year, but so far West German firms have resisted pressure to follow suit.

German firms pay R100m in social benefits

MICK COLLINS

WEST GERMAN companies in SA paid employees more than R100m in social benefits in 1986, says the SA German Chamber of Commerce.

In its annual report for 1987, it says 57 companies with 30 000 employees replied positively to inquiries on voluntary social benefits.

"Even if taken into account that this figure includes benefits like a Christmas bonus, formerly voluntary and nowadays considered the norm in SA, we feel it is nevertheless a figure German investors in SA can be proud of."

While 1986 was overshadowed by difficult economic conditions — aggravated by political problems — a slight optimism has slowly permeated various fields of industry and commerce during the first months of 1987.

The higher gold price and the increase in the value of the rand have improved confidence in the future development of the SA economy, it adds, but is "convinced that, given the economic potential of this country, the results could have been much better".

German bid to halt all investment in SA

Financial Editor

17645
6/8/87
63

THE deputy-chief executive of the German-South African Chamber of Commerce and Industry, Mr D Payenberg, said today he had not yet been told of a move to stop German investment in South Africa.

The Argus Correspondent in Munich reports that the West German Foreign Office in Bonn said last night that the govern-

ment was to recommend that German firms halt all investment in South Africa because the pace of reform had fallen short of Western expectations.

The Foreign Office said the recommendation would be issued soon to organisations representing German business and industry.

Mr Payenberg said that according to this report the Ger-

man government was merely recommending a halt to investment in South Africa and was not making this mandatory.

About 200 German firms were operating in South Africa.

● Sapa-AP reports from Lake Success, New York, that Tambrands Incorporated has announced that it has completed its withdrawal from South Africa by selling its subsidiary to a new company formed by local management.

Cape Trip 8/8/87 (S) (P) 63
Mercedes ultimatum

EAST LONDON. — Striking workers of Mercedes-Benz of South Africa could be dismissed if they did not return to work on Monday morning, a company official, Mr W I Gardiner, said yesterday.

Mercedes-Benz says it's staying in EL

AP
12/18/87
63

Dispatch Reporter

EAST LONDON — Mercedes-Benz of South Africa had no intention of disinvesting from South Africa, a company spokesman, Mrs Delene MacFarlane, said yesterday.

Mrs MacFarlane said that the strike-hit assembly plant here would also not be relocated from East London.

The plant has been closed for eight days as a result of a dispute with the National Union of Metalworkers of South Africa (Numsa).

Mrs MacFarlane said there was "no chance" that the company would disinvest and denied that the plant might relocate to another city.

It was more likely that the head office would be moved from Pretoria to East London than the plant being relocated to another city.

The plant was "open for production" yesterday but workers who arrived at the plant did not resume production, Mrs MacFarlane said.

Production at the plant stopped on Tuesday last week after workers in the chassis and body work division went on strike demanding an increase in hourly wages and that there should be no loss of earnings as a result of the introduction of shorter shifts.

The Numsa regional organiser in the Eastern Cape, Mr Les Kettle-das, said the strike had started when the company refused to negotiate with shop stewards at the plant.

A total of 188 workers were dismissed on Monday for ignoring an ultimatum to return to work. Among those dismissed were the Numsa branch chairman, Mr Nonyukela, the vice-chairman, Mr Tom, and an executive member, Mr Nkanjeni. All three were shop stewards at the plant.

Mr Kettle-das said that when the company was granted an interdict restraining the union from participating in the

strike, and when the company refused to negotiate with any delegation which included the dismissed shop stewards, the workers had told the union not to negotiate with management until further notice.

The workers had also resolved that any meeting should be at the request of management. They would then decide "who, if any, will represent them", Mr Kettle-das said.

Numsa had also informed the German Metalworkers' Union, which was active at the Stuttgart factory of Daimler Benz, of the "anti-union attitude of the South African company which refuses to participate in the most basic practice of collective bargaining with its employees".

A further development in the strike was a meeting yesterday of the joint shop stewards of Mercedes Benz, Volkswagen and BMW, the German motor companies in South Africa, where discussions took place on how to bring the strike to a speedy resolution and on the development of future solidarity action with workers in German companies operating in South Africa in which there were disputes.

"This company will have to adopt enlightened South African industrial relations practices if it intends to avoid continuous conflict with its employees," Mr Kettle-das said.

The dispute has been referred to the Minister of Manpower, Mr Pietie du Plessis, for a decision.

(62) P/M
25/8/87

IBM lauds its pullout procedure

NEW YORK — International Business Machines (IBM) made the best of a bad situation when it pulled out of SA, the company said yesterday.

After years of defending its presence as a force for change in the country, IBM reversed itself last year and made plans to get out. But rather than sell its local subsidiary to a white-owned company, as in most corporate withdrawals, IBM sold to a new trust created, it said, "for the benefit of employees". They would share some profits and an equity stake.

"Since nearly a quarter of the employees are non-white, this is a particularly important economic opportunity for them," IBM.

By selling the subsidiary to an off-shore trust of its own making and financing the sale, IBM sidestepped political pressure, stayed in the market and indirectly can take money out of SA.

Workers will share only a tiny slice of future profits, and white employees, with generally better jobs, will get more money and equity than blacks.

As the corporate pullouts from SA continue, more companies are following IBM's lead. — AP-DJ.

Strike action postpones launch of luxury car

Daily Dispatch Reporter

EAST LONDON — The three-week strike at the Mercedes-Benz of South Africa (MBSA) plant here has resulted in the introduction of the new Mercedes-Benz 230 TE station wagon being postponed indefinitely.

The luxury station wagon was to have been launched in Cape Town on Monday next week.

A company spokesman, Mrs Delene MacFarlane, said production had still not been resumed, and the introduction of the car had been delayed indefinitely.

"A large interest in the T-model has been shown and many Mercedes-Benz customers might be disappointed at the unavoidable delay in delivery schedules.

"The plant stoppage will further aggravate the supply of Mercedes-Benz and Honda models, and Mercedes-Benz of

South Africa regrets any inconvenience caused to its customers," Mrs MacFarlane said.

The situation at the plant, where workers went on strike demanding an hourly wage of R5 per hour and no loss of earnings owing to weekly working hours being reduced from 44 to 43 hours, was unchanged, Mrs MacFarlane said.

No talks were scheduled between the company and the National Union of Metalworkers of South Africa (Numsa) in the immediate future, she said.

A Numsa spokesman confirmed that no talks were planned.

The MBSA chairman, Mr Sepp van Hullen, said the company was making every effort to resume production.

"We wish to assure our customers that every effort is being made to resolve the dispute and to resume production as soon as possible," he said.

2/18/82
DD

Germans to set up SA subsidiary

WEST GERMAN industrial group Heckforth is to set up an SA subsidiary to manufacture a range of hydraulics products for the local building industry.

The subsidiary, Spartan-based Douglas Hydraulics, whose main interest is paving breakers, plans 80% local content once it is established in the market.

Business Day Reporter

The main components are currently made by Heckforth's Herne-based subsidiary Samson Hydraulic and assembled in SA. The SA subsidiary swells Heckforth's portfolio of companies to 35.

A Douglas Hydraulic spokesman would not disclose the level of Heckforth's investment in SA.

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Car firm makes pay plea following 23 days of strike

ARGUS 1/9/87

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12/1/87

The Argus Correspondent
JOHANNESBURG. — Mercedes Benz has made personal appeal to its 2 600 workers to end a strike which has crippled its East London plant for 23 days.

Among offers made to workers in letters sent to their homes is a wage increase on a sliding scale over and above the 20c an hour increase offer ratified by the industrial council and the reinstatement of 188 workers dismissed on August 10.

The letter gave workers until 10am today to respond to the offer which would take minimum wages to R4 an hour.

The National Automobile and Allied Workers Union has demanded a minimum wage of R5 an hour.

The strike has meant lost production on 2 000 Mercedes Benz and Honda cars and 250 lorries, but a spokesman for the company declined to say what the strike had cost in financial terms.

The plant loses production of 110 to 120 cars and 11 to 15 lorries every day.

Mrs Delene MacFarlane, public relations manager, said today there had been no response yet to the offer to workers.

The strike has aggravated Mercedes Benz's already long waiting period for buyers.

Mrs MacFarlane said a price increase had been planned before the strike began. It would have to be introduced when the dispute was resolved.

NR665 3/9/87 (63) ~~102~~

Car workers say no to pay offer

PRETORIA. — Mercedes Benz employees have rejected a company offer on wages and hours of work.

Company spokesman Mrs Delene MacFarlane said the company was, however, prepared to continue to seek settlement of the dispute.

A further meeting with National Automobile and Allied Workers Union officials and employee representatives had been proposed and was scheduled for Friday morning.

The rejected offer included a wage increase over and above the one agreed at an industrial council sitting earlier this year, immediate implementation of an across-the-board increase, reduction in weekly working hours from 44 to 43, and the reinstatement of 188 employees dismissed for allegedly instigating the strike.

Mercedes Benz has lost production of 2 735 cars and heavy vehicles as a result of the strike by 2 800 employees. — Sapa.

at a lower rate, rather than using a high tax rate of 35% on a narrower base of say R500 000.

The ball is now clearly in government's court. With Steyn's clear support for mineral beneficiation already on record, it would be unwise to delay the scrapping of the *ad valorem* tax much longer. ■

MERCEDES STRIKE

R150m down drain

Calculations show that the four-week strike at Mercedes-Benz's (MB) East London manufacturing plant has already cost the company close on R150m in lost vehicle production.

An MB spokesman says to date produc-

tion of 2 000-odd passenger cars and some 250 heavy commercial vehicles has been lost. With MB monthly passenger car production split fairly evenly between Mercedes-Benz and Honda cars, an average price of R65 000 a vehicle is assumed for purposes of calculation — though, of course, commercial vehicles come in closer to R200 000.

According to *FM* sources, MB's final offer to the National Automobile and Allied Workers' Union (Naawu) in the middle of last month was rejected. Naawu demands full financial compensation for the fact that MB has cut working hours from 44 to 43 per week in line with market demand. Naawu is also calling for a minimum wage for all employees of not less than R5 an hour.

MB says it agreed to reinstate 188 employees who were dismissed for failing to return to work following an earlier ultima-

tum, to partly compensate workers for the hour lopped off the weekly roster, and also to a minimum wage of R4 an hour. This offer was rejected by Naawu.

The company has now sent out letters to all workers restating its final offer to each employee. The new deadline for workers to indicate acceptance of the offer and return to work was due to expire as the *FM* went to press.

Naawu is an affiliate of the National Union of Metalworkers of SA (Numsa) and is the representative union at Samcor, Delta and Volkswagen as well.

As with the recent mine strike, there could well be political undertones to the union action aimed at hitting at the producer of the country's most prestigious motor cars. The company, understandably, offers no opinions.

MB has recently experienced quality control problems with its new W124 car series, but this is apparently unrelated to the strike which completely halted production at the plant. The quality control problems apparently relate to the company having to adapt to new manufacturing techniques demanded by the W124 range. ■

Strike at car firm: Talks resume today

ARGUS 8/9/87 63

The Argus Correspondent

JOHANNESBURG. — Talks between Mercedes Benz management and the National Union of Metalworkers are due to resume today in a bid to end the four-week strike at the firm's East London plant.

According to a union spokesman, the union made proposals for resolving the dispute yesterday. Management was expected to respond to the undisclosed proposals today.

At yesterday's negotiations, management again tabled its offer, withdrawn last week, to reinstate 188 workers dismissed last month and to increase the hourly minimum wage to R4.

The union has demanded a minimum of R5 and a reduction of working hours without loss of pay.

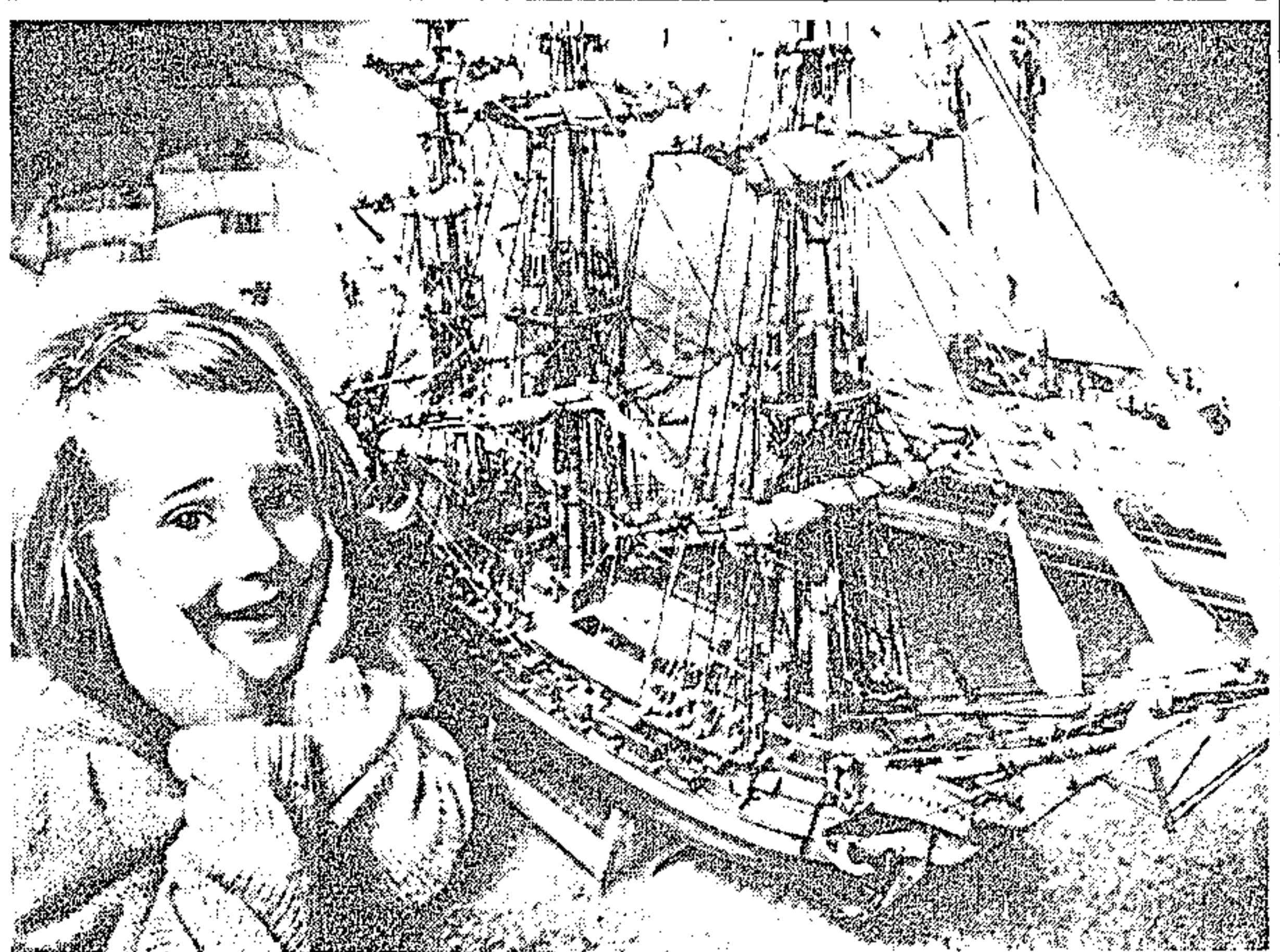
Post offices

The strike by about 2 800 workers is believed to be costing Mercedes between 110 and 120 cars and 11 lorries a day in lost production.

● More than 4 000 postal workers have returned to work after settlement was reached in the dispute with the Post and Telecommunications Workers Association last week, a Post Office spokesman said.

The spokesman said post offices in the townships of Davyton and Tembisa were expected to reopen today. He said Soweto post offices will also open today.

● About 600 members of the National Union of Mineworkers stopped work at the Optimum colliery yesterday, the union said. A mine spokesman confirmed the stoppage but said workers had returned to work after talks with management. He could not say what the cause of the stoppage was.



Picture: HANNES THIART, The Argus

MARITIME MINIATURE: Ahoy there . . . little Sarah Gilbert, 5, of Rondebosch, encounters a model masterpiece at the maritime exhibition being held at a Claremont shopping centre until September 19.

Matie SRC president

Education Reporter
STELLENBOSCH University's new students' representative council president is Mr Francois Beukman, 21, a political science honours student.

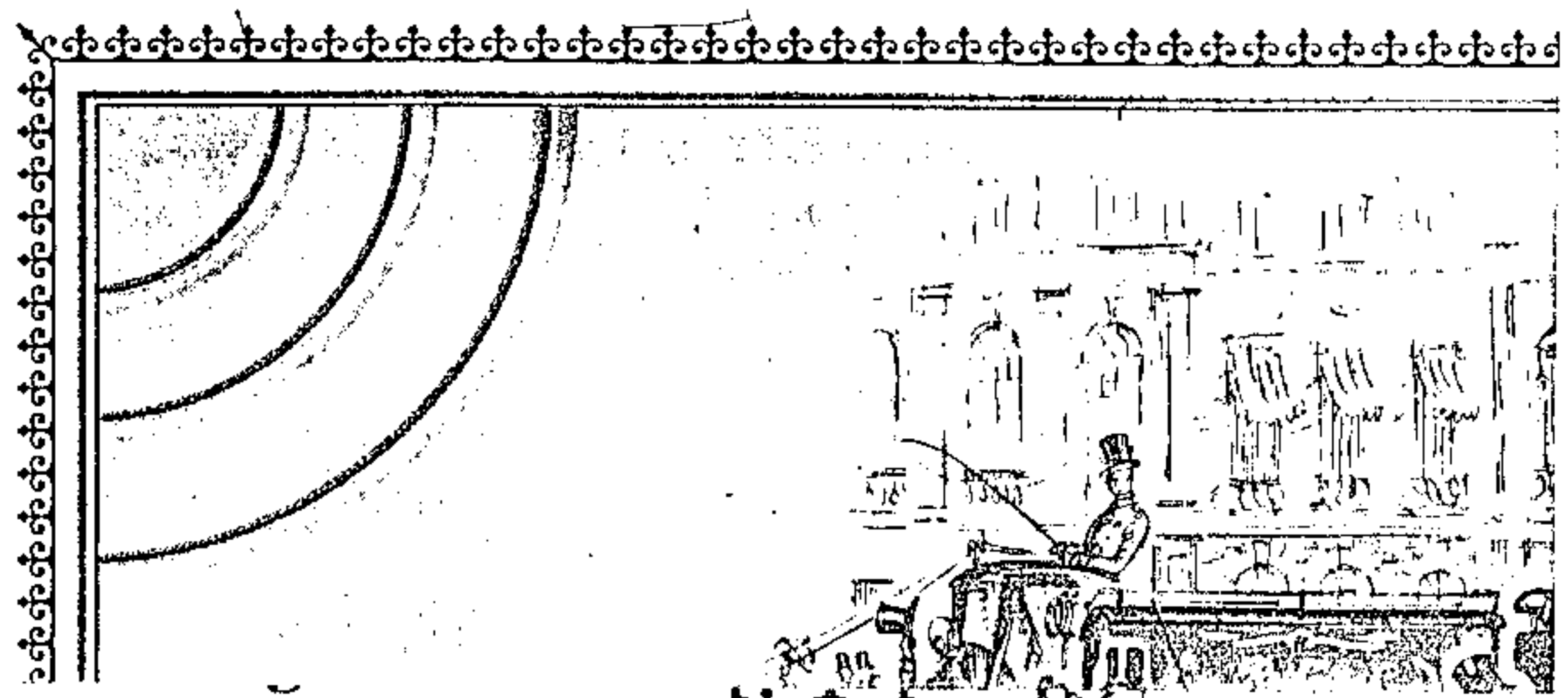
Mr Beukman was one of three candidates nominated for the presidency of the 12-strong SRC following last week's student elections.

His vice-president is Mr Hein Brand, 22.

MacDonald killings: Dissident is shot dead

Argus Africa News Service
HARARE. — Zimbabwean security forces have killed a member of the dissident gang which murdered former Springbok rugby player Andy MacDonald and his wife Netta. The dissident, shot dead in a contact, had in his possession Mrs MacDonald's handbag and her husband's knife.

The MacDonalds were ambushed at the entrance to their Figtree smallholding west of Bulawayo in Matabeleland on August 18.



Mercedes workers stay away

MERCEDES BENZ workers this week ignored a second management ultimatum to return to work.

4-10/187
By CHRIS MABUYA,
East London

63
The company set 10am on Wednesday as a deadline for strikers to return to work or it would withdraw the final offer it had made in earlier negotiations. The deadline was postponed to 3pm the same day after a union request but that too passed with workers still on strike.

Mercedes Benz is believed to be unwilling to act strongly against its 2 800 workforce, partly because the majority are skilled workers and expensive to replace.

Wanted
In addition, the German parent company Daimler Benz, which has been criticised for its involvement in South Africa, wants to avoid harsh action against strikers.

Local management dismissed the 188 workers who initiated the strike and Daimler Benz came under fire as a result.

Meanwhile, a deadline set by the

National Union of Metalworkers of South Africa is approaching. At a national meeting of Numsa shop stewards it was decided to put pressure on other motor managements to intervene in the Mercedes Benz dispute.

The situation will be reassessed this weekend regarding industry-wide solidarity action.

The strike began on August 4 over a demand for an increase in the minimum wages from R3,50 to R5. Workers also demanded that a planned cut in the working week should not lead to a loss in earnings.

Talks deadlocked two weeks ago after Mercedes Benz presented its final offer — to reinstate the 188 dismissed workers and to raise the minimum wage to R4 an hour, including an adjustment for the cut in hours. However, Numsa rejected this. —
Elnews.

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Mercedes set to sack 2 800 today

Labour Reporter

MERCEDES-Benz is set to dismiss about 2 800 employees today after talks failed to resolve the month-long strike at the company's East London plant.

A company offer on wages and hours of work was yesterday rejected by the National Union of Metalworkers of South Africa (Numsa).

The strikers were given an ultimatum on Friday to return to work today or face dismissal.

Mercedes-Benz said last night

in a statement that the ultimatum would be implemented.

The threat came after two days of talks between company and union representatives at which Mercedes-Benz reinstated a previously withdrawn offer on wages and compensation for reduced working hours.

The offer was for a R4 hourly minimum wage and the reinstatement of 188 workers dismissed earlier in the strike.

According to its statement, the company offered to compensate

fully for the reduction of working hours from 44 to 43 a week and proposed to reduce working hours to 40 over the next two years.

Full compensation would be paid for the reduced hours.

Mercedes-Benz said the wage package offered represented a minimum monthly income for the lowest grade of employee of R752 a month.

The union delegation said it would report back to its members but found the package to be inadequate.

All Mercedes strikers fired

CP Correspondent
MERCEDES Benz has dismissed its entire workforce of 2 800 workers for

failing to heed an ultimatum to return to work.

The company announced the move in a

statement this week.

The statement, issued by Mercedes Benz public relations manager Delene MacFarlane, said no wage settlement had been achieved despite "protracted negotiations during which Mercedes Benz of South Africa made substantial concessions".



The firm's final offer of R4,04 an hour as a minimum wage had been rejected at an earlier employees meeting, the statement said.

The meeting closed at

10.30am on Wednesday with the employees dispersing without returning to their workplaces.

"Employees have not commenced their normal work in accordance with an ultimatum issued by the company, and as a result have been dismissed," the statement said.

A spokesman for the National Union of Metalworkers of South Africa, Viwe Gxarisa, said the dismissal was just an attempt to divide the workers.

 (63) 
C/Res 13/9/87

Benz fires strikers, but talks go on



Dismissed Mercedes Benz workers

THE dismissal of 2 800 workers at the East London plant of Mercedes Benz last week has not ended the five-week-old dispute for a minimum wage of R5 an hour.

The company announced last week it was firing its entire black workforce for failing to heed an ultimatum to return to work.

The National Union of Metalworkers of South Africa (Numsa) has refused to recognise the dismissals and still hopes for a negotiated settlement. The company, on the other hand, has announced it wants to rehire the workers, but so far nobody has taken up the offer.

The dispute began on August 3, when workers of the body and chassis section walked out because management cut working hours without compensation.

Management had refused to discuss the matter with Numsa, who had asked that the cuts not be implemented until talks were held with the workers. The demand for R5 an hour was also discussed.

The company had argued that it was party to an Industrial Council agreement, and was not obliged to

carry out plant-level bargaining. As a result of the walkout, the plant was closed, and Mercedes obtained an interdict against the union from the Industrial Court. It also dismissed the 188 workers held to be responsible for the strike.

However, the interdict was not made final because the union was able to prove the Industrial Council agreement was not valid, and the company began negotiating.

Talks continued for some days, and Mercedes then made what it called its final offer: It would reinstate the 188 dismissed workers, and raise the minimum wage by 50 cents to R4 an hour.

This R4 included partial compensation for the cut in hours. The union rejected the offer, and talks ground to a halt. For almost two weeks, there was no contact between union and management, until the company issued an ultimatum that workers should accept the final offer.

Numsa refused to back down, and Mercedes withdrew the offer of increased wages, although it did not drop the offer to reinstate the 188 dismissed workers.

Later the company issued the ultimatum which led to last week's dismissals. Urgent attempts were made to resolve the matter, and management made an offer which brought the minimum wage to R4,04.

Numsa rejected this, and made its own proposals to "bring the two parties closer", but these were rejected by the union. The talks deadlocked, and dismissals followed.

Both sides have accused the other of failing to negotiate properly. The company has criticised Numsa's refusal to budge from its R5 demand, and the union has said Mercedes has continually thrown stumbling blocks in the way of the negotiating process.

The strike has cost the company millions. Mercedes has been unwilling to give exact figures, but industry sources say they've lost more than R150 million.

The figure is calculated from the daily production loss of about 130 units: Mercedes Benz luxury cars, trucks and Honda cars. In addition, the firm has had to delay the launch in South Africa of a new model, a Mercedes Benz station wagon.

Despite firings, Benz strike talks restart

By CHRIS MABUYA,
East London

DESPITE the dismissal last Wednesday of the entire 2 800-strong workforce of Mercedes Benz, negotiations resumed this week in a bid to end the nearly two-month-old strike.

At issue in the dispute between Mercedes and the National Union of Metalworkers of SA is a demand that a reduction in the working week not lead to a loss of pay; a wage demand of R5 per hour; and payment for the weeks the workforce has been on strike.

Workers downed tools on August 3 to support their wage demand.

Although the company obtained an industrial court interim interdict restraining the union from striking, the strike continued, and Mercedes dismissed 188 workers.

Three weeks ago the company offered to reinstate the dismissed workers and to pay R4,04 per hour and compensation for the reduced working week.

The offer was rejected and negotiations deadlocked.

Last week the company dismissed the entire workforce, then invited re-applications.

According to Numsa organiser Les Kettleidas, none of the workers reapplied because "they don't recognise the dismissal".

Meanwhile company representative Delene MacFarlane said Mercedes has put forth a "revised and improved proposal" as a basis for the resumed negotiations. — Elnews

Mercedes-Benz of South Africa



Striking workers from the East London Mercedes Benz plant raise five fingers for their demand of R5,00 an hour

Picture: STEVE HILTON BARBER, Afrapix

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Metal union rejects 37% Mercedes pay offer

Labour Reporter

THE latest wage offer by Mercedes-Benz in the eight-week labour dispute at its East London factory has been rejected by the National Union of Metalworkers.

According to a company statement, the offer would have improved pay in the lowest grade by 37 percent.

The union's demand ranges between 50 percent and 67 percent.

The company's offer

included improved wages, compensation for reduced working hours and a higher attendance bonus.

Proposals for further wage rises in January and July next year were also tabled.

At negotiations yesterday the union said it was not changing its demands.

● From Johannesburg
The Argus Correspondent reports that more than 2 000 members of the National Union of Metalworkers (Numsa) were locked out at four plants of the Highveld Steel and Vanadium company yesterday after striking workers rejected a management wage offer.

The dispute between Numsa and the Anglo-linked Highveld Steel stems from in-house wage negotiations which started in June.

Meanwhile the Post Office is still battling to deliver mail that piled up during the 10-week nationwide strike by postal workers demanding pay parity with whites.

The public relations officer for the Post and Telecommunications Services, Mr Ben Rootman, said:

"It will take a while to overcome the backlog, but in some areas things seem to be shaping up and all is going well."

He said black townships were the hardest hit. All township post offices had been closed during the strike because all staff had been on strike.

The strike ended on September 7 with an agreement signed by postal authorities and the Post and Telecommunications Workers' Association (Potwa). Both parties agreed that dismissed employees would re-apply for their jobs and wages would be increased by 20 percent for unskilled workers from October 1.

Strikers would not be paid for the duration of the strike.

During the strike postal services came to a standstill and there were no mail deliveries in most parts of the country.

MERCEDES STRIKE

A R300m loss

The strike at the Mercedes-Benz (MB) plant in East London is now in its eighth week — and accumulated losses suffered by the German multinational already exceed those endured by the mining houses during the miners' strike.

MB CE Sepp van Hullen puts the production loss at 130 units a day, which means that over the 40-odd working days the strike has lasted, the plant has lost production valued at a massive R300m.

This calculation is based on an average retail value per vehicle of R65 000 as the company's production is split roughly 50-50 between MB and Honda on the passenger car side.

At the time of going to press, Mercedes

indicated that it had offered the work force an increase that would amount to 37% at the lowest level of employment but that the National Association of Automobile Workers Union (NAAWU) is now demanding increases of between 50% and 67%.

MB has stated that it is treating the strike purely as an industrial relations dispute, but it seems increasingly that the strike is largely politically motivated, given the recent statements by union leaders that MB, "though a multinational, is no better than South African white supremacists."

Though MB has reaffirmed its commitment to remaining in SA, and East London in particular, the possibility does arise that the company could be pressured into pulling out of the eastern Cape in the same manner that Ford left Port Elizabeth following a politically motivated strike.

Moreover, while MB is laid lame by the strike, the opposition is using the opportunity to gain ground.

John Jessup, member of the board of management responsible for marketing at BMW, says sales of the BMW 5-series have recently risen from 5-7 a day to an average of 12 a day, while sales of the 7-series have risen from 7-8 a day to around 10 a day. Nevertheless, he refuses to establish a link between BMW's rising sales and the MB strike.

"Whether this has anything to do with the strike at MB or whether it's more a response to a natural upturn in the market is anyone's guess," he tells the *FM*.

Further, Jessup makes the point that, as far as the new 7-series is concerned, production is only running at the rate of 5-6 cars a day, so BMW cannot meet demand anyway.

August unit sales of MB actually held up well, which would indicate that the company must have had quite a lot of stock on hand.

But obviously this situation cannot continue for the duration of the strike. Eventually MB supply bottlenecks are bound to have a strongly negative effect on the group's future sales. ■

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Daimler-Benz 'hands off' on SA strike

Weekend Argus
Foreign Service

MUNICH. — Daimler-Benz headquarters in Stuttgart has refused to intervene in the strike at its South African subsidiary's factory in East London in spite of sharp criticism by West Germany's giant metalworkers' union.

Daimler-Benz's personnel

chief said the dispute could be settled only "on site".

Mercedes-Benz SA had shown its readiness "to negotiate at any time and at any place" and the company's offer to the striking workers was far above other wage settlements in the South African motor industry, he said.

But the chairman of the powerful West German Metalwork-

ers' Union Ig-Metall, Mr Franz Steinkuehler, accused the South African company of tackling the strike "with methods which would be impossible in a civilised country".

Mercedes-Benz SA was "using human suffering to break a strike", he told a Press conference in Stuttgart.

Mr Steinkuehler and other

union officials had earlier had extensive talks with the South African Metalworkers' Union negotiator in the East London strike, Mr Les Kettleidas.

He and a South African representative of the International Metalworkers' Federation are touring Daimler-Benz factories in West Germany in search of shop-floor support for the East London strikers.