MANUFACTURING - Iron + Steel

1-1-81 - 31-7-81

MACHINE TOOLS (1981)

Buying German

FM 2/1/81

German machine tool manufacturers are expecting SA sales to bring in a handsome R75m this year which will give them at least a 32% share of the projected R250m market

The figures are based on statistical data from the Federal Bureau of Statistics in Wiesbaden and indicate a 72% increase in imports of tool making machinery which in rand terms indicates a gain of R27,2m to R46,8m for the first nine months of 1980 compared with the same period last year.

The SA German Chamber of Trade and Industry's [illegible] analysis of import figures provided by the Department of Statistics for the years 1973-1979 (1979 provisional figures) shows Germany to have been the market leader in local machine tool sales each year with market share ranging from 32,4% in 1973, 44,1% in 1977 and 36,4% in 1979.

Prices of German machine tools have remained relatively stable over the last three years says the Chamber's Nikolaus Von Verschuer citing the low rate of inflation in Germany as one of the major reasons. Von Verschuer says most German machine tool manufacturers kept their export prices at 1979 levels this year and some manufacturers dropped their prices by 10-15% due to changes in production philosophy.

German statistics placed SA 20th in importance on the list of importers during 1979. During the first half of 1980 SA had moved to the 11th position says Retecon MD Burkhard Herrmann. It can be expected he says that SA will move even higher as indications are that exports of machine tools from Germany to SA will increase even further during the second half of this year.

Herrmann says West Germany's success is attributable to reliability of product and delivery times as well as excellent after-sales service.

Herrmann says research done by his company indicates that price increases and currency fluctuations over the period 1975-1980 meant a 41% increase in prices of German and American machine tools over the period. There was a 70% increase in Japanese prices, 61% for Italian machine tools and 98% for British models.

West Germany has to and will battle against the onslaught of countries like Japan and Italy he says. Retecon however has no doubt whatsoever that in the coming decade the West German market share in machine tools will again be in the region of 25%-35%.

ALL ASSENG PLANTS ON DOUBLE SHIFT

THE soaring demand for cars and trucks [illegible] Associated [illegible] Engineering [illegible] the company [illegible]

[illegible] chairman, Mr [illegible] Dace, reports [illegible] [illegible] the control of the [illegible] to enable them [illegible] of any [illegible] continue to [illegible]

He adds, however, the [illegible] the shortage of skilled labour which has become a major problem in the South African economy.

TRAINING

Associated Engineering is increasing funds for inhouse training both now and in the future.

A development of note was the company's first orders from Atlantis Diesel Engines.

Mr Dace says the profit generation of the group is now more broadly based than in the past. This should help the company should there be any downturn in a particular sector of the economy.

GOOD YEAR

He believes the company has another good year ahead. The economic prospects for South Africa are good and he was confident shareholders could look forward to a further improvement in earnings.

In the 12 months ended September, 1980, group sales rose by 36,3 percent to R91,7-million while the group profit before tax and interest charges rose 40,7 percent from R5,9-million to R8,3-million. Profit after tax rose from R3 million to R4,6-million, an increase of 53,3 percent, while earnings a share rose from 92,1c to 141,7c.

Dividends totalling 42c have been declared compared with 30c last year.

Mr Dace says proposed sub-division of the ordinary shares and the increase in share capital is to improve the marketability of the ordinary shares and to place sufficient unissued shares

Inflation boosted by money supply

SAN FRANCISCO — Annual double-digit growth in the world money supply continued to fuel world inflation in 1980 at a rate of 15 percent, Mr Robert Heller, a Bank of America economist said.

He said in a report to the bank the world money supply had increased by 10,4 percent in 1980 and more than doubled since 1974.

The growth in money supplies "greatly exceeds the potential for world production increases and causes unabated inflationary pressures."

Global inflation had dipped to 9,7 percent in 1978 but excessive expansion of the world money supply in the late 1970s led to another burst of double-digit inflation. — Sapa-AP

Chrysler loan talks

CONSIDERATION for a 400 million dollar federal loan guarantee for Chrysler will be resumed next Tuesday at a meeting of the Chrysler Loan Guarantee Board, a spokesman said.

The panel will meet with company officials and will also sound out the United Auto Workers Union and Chrysler's lender on the company's plans to severely curb wages and supplier prices.

Strikers back, but not working

189

STM 6/1/81

The 500 striking workers at the Metal Box plant in Rosslyn, in Pretoria have returned to the plant but have not started work

A company spokesman said the workers were gathered outside the main gate and were discussing their position.

"We told them we will not negotiate until everyone is back at work," the spokesman said.

"The main gate has been left open, but so far nobody has reported for duty," he said

The strike began last week when the workers reportedly demanded a substantial rise in their minimum hourly wage At Christmas the workers collected their pay and left when the plant began its annual shut-down.

Strike ends for some

6/1/81
STM
184

Striking workers at the Metal Box plant at Rosslyn in Pretoria started to trickle back to work today.

Mr Pat Seddon, a company director, said about 200 of the 500 workers who went on strike just before Christmas returned to work this morning

"The remainder were standing at the gate Hopefully most of them will be back at work by this afternoon," said Mr Seddon

Strike talks deadlocked

(162) (184) DC

PRETORIA — The strike by about 500 workers at the Metal Box plant in Rosslyn near Pretoria remained deadlocked yesterday when workers and management failed to negotiate on workers' demands.

According to the director of the company, Mr P W Seddon, it was not known when the strike would come to an end as discussions could not get off the ground yesterday.

Mr Seddon said about 100 employees returned to work but [illegible] and 62 monthly paid [illegible] were told [illegible] by the management.

[illegible] three of whom were from the workers' council were sent to negotiate with the management but had been told no discussions would be held until the entire workforce had returned to work.

Mr Seddon disclosed that the employees made some demands yesterday and "money is always one of them", but he would not say what increase they wanted.

He said altogether there were between 500 and 600 workers at the [illegible] plant and about 300 were still working.

He [illegible] to a lower level but, "[illegible] we have been able to meet our customers' [illegible]."

The strike at Metal Box started on the morning of December 22, when workers suddenly discontinued work without specifying their demands. They were then paid and told to go home and to return yesterday.

Mr Seddon had then assumed that the strikers had been influenced by an increase which had allegedly been given to a nearby motor plant — DDC

Metal Box workers walk out

Cape Times

PRETORIA — More than 500 workers at the Metal Box plant in Rosslyn, Pretoria, walked out yesterday after talks with management had broken down.

A spokesman for the company, Mr P Seddon, said that the workers, who went on strike shortly before Christmas, had returned to the plant yesterday but had not entered the premises.

Management had told representatives of the workers that it was not prepared to negotiate until all employees had resumed work, Mr Seddon said.

The men were expected to report for work today and management was confident that the deadlock would be broken, he added. — Sapa

30000 new jobs expected from investment spending

6/1/81 (159) 5m

By Michael Chester, Financial Editor

More than 30 000 new jobs will be opened to work seekers this year in the wake of an investment spending spree to expand and modernise South African steel mills and factories.

The Steel and Engineering Industries Federation revealed today that new capital investment is projected to soar to R7 000-billion by 1985 — bringing the number of new jobs in the pipeline to 165 000.

Dr Errol Drummond, executive director said the labour force of the companies inside SEIFSA had already been increased by 62 percent to 510 000 in the economic boom last year.

But now the industries were poised to boost capital spending as much as one third to a new record of R859 million in 1981 and still higher peaks over the next four years.

Most engineering sectors were expected to increase production by five percent this year — rising as high as seven to eight percent in factories turning out components for the booming motor industry.

SEIFSA forecast that although the pace of growth in 1981 may not match the eight percent achieved last year at the peak of the boom consumer demand was expected to remain buoyant and high growth rates were likely to extend well into the 1980s.

Mines and energy related sectors would enjoy substantial growth providing more stimulus for the general and heavy engineering sectors.

Dr Drummond said that even if the upswing levelled off during the year, any downswing towards the end of 1981 would be relatively mild and brief.

A final review estimated that the metal and engineering industries increased their combined production by over 11 percent to around R10 000 last year — the best on record.

"The inbuilt momentum now achieved will continue throughout 1981, but with some easing in the tempo," said Mr Drummond.

Match workers strike

Own Correspondent

The Lion Match factory in Rosslyn, Pretoria, has been hit by a strike, the sixth in the area in less than a month.

The managing director of Lion Match, Mr R W Harker, said from Durban today about 220 workers were involved in a walk-out. The strike took the company by surprise because the workers' lot was improved substantially towards the end of last year

This strike began when workers returned from a three-week holiday this week. They demanded a substantial salary increase and, because there was no-one to answer their demands immediately at the Rosslyn plant, they walked out, Mr Harker said.

"We introduced a number of employee benefits at the end of last year, including a good bonus scheme for our workers We have also provided houses for a number of our employees," Mr Harker said.

Mr Harker said workers were told management would not enter into talks with them until they returned to work. Workers were also asked to appoint representatives with whom the company could negotiate.

A spokesman for the Metal Box plant, Mr P Seddon, said today that everything was back to normal at the plant Nearly all of the 500 workers who went on strike shortly before Christmas were back at work, he said.

A spokesman for the Dorbyl Group Projects plant denied a morning paper's report that workers there had gone on strike

To develop a detailed schedule it is necessary to find answers to even more questions:

(a) What is the production capacity of particular machines and departments involved in the order?

(b) How far ahead are these departments, machines, and other operators booked up for production?

(c) How long does it take to procure (obtain) the necessary raw materials and parts?

(d) How long does it take to make or buy the necessary tooling?

(e) How long does it take to move materials from one work station to another?

(f) How many raw materials and parts are already in stock?

(g) How much time must be allowed for inspection?

(h) What is the priority of the job under consideration?

Once answers to all these questions are obtained it is now possible to assign dates to the following:

(a) Dates or [illegible] be placed for purchasing parts ([illegible] ls)

(b) Dates o [illegible] nufactured should begin

(c) Dates w [illegible] facture should begin

(d) Date wh [illegible] uld begin

(e) Expect [illegible] the project

This is done by the u [illegible] s shown below.

CONVERTING DIVISION		JULY
WAX LAMINATOR		
FOIL LAMINATOR		
EXTRUSION LAMINATOR		
FLEX PRIN		
ROTO PRIN		

18 held 'for intimidating workers'

STAR 5/11/81

Pretoria Bureau

Police arrested 18 people in Brits for allegedly intimidating workers wanting to return to work at the African Telephone Cable Company after 700 workers went on strike.

Brigadier H A du Plessis, CID in the Northern Transvaal said police were called in at the factory during the strike on Tuesday. Those arrested are to appear in court today, the Brigadier said.

A spokesman at the African Telephone Cable Company said there was no strike at the factory and refused to comment further.

Strikers at the Lion Match Company in Rosslyn where workers went on strike for a R72 a week wage demand, have been given an ultimatum to return to work on Monday, failing which they would be paid off their pensions.

THE ARGUS, FRIDAY, JANUARY 9, 1981

Union denies intimidation

Argus Correspondent

JOHANNESBURG [illegible] by intimidation.

The entire Toyota workforce [illegible] all out [illegible] cleaners and advanced [illegible] staff — the result of intimidation, according to the company's managing director, Mr Colin Adcock.

About 130 members of the warehouse staff had previously downed tools.

However, the claims of intimidation were today branded as 'beside the point' and as a 'red herring' by a spokesman for the Metal and Allied Workers' Union (MAWU).

The strikers wished to express their solidarity with those who had been sacked, he said.

Rather than being led by a handful of agitators, the strike had been sparked by genuine grievances [illegible]

[illegible] between MAWU and the company [illegible]

However, there had been no time [illegible] final [illegible]

[illegible]

The spokesman called on the company to [illegible] the [illegible]

DORBYL FM 9/1/81

Growth potential (189)

Activities: *Diversified heavy engineering group, owned 52,1% by Ipsa*
Chairman: *C D Ellis*
Capital structure: *16,7m ordinaries of no par value, 350 000 5% prefs, 1,3m 5,5% prefs, and 1,2m 5,75% red prefs, all of R2 Market capitalisation R109m*
Financial *Year to September 30 1980 Borrowings long- and medium-term R14m net short-term R20,8m Debt equity ratio 46% Current ratio 1,6 Group cash flow R3[illegible]m Capital commitments R44m*
Share market *Price 650c (1980-81 high 680c low, 500c trading volume last quarter, 161 000 shares) Yields 22,3% on earnings, 6,1% on dividend Cover 3,7 PE ratio 4,5*

	'77	'78	'79	'80
Return on cap %	17,0	13,9	12,9	18,4
Turnover (Rm)	356	379	458	497
Pre tax profit (Rm)	20,7	17,1	18,6	32,4
Gross margin %	7,4	6,0	5,3	7,9
Earnings (c)	88,6	59,5	77,9	142,4
Dividends (c)	27,5	27,5	31	39
Net asset value (c)	638	667	730	808

Although profits have virtually doubled over the past two years — after the 1978 setback — profitability as measured by such ratios as gross margin on sales and return on capital employed has only just managed to nudge above the 1977 peak. This underlines chairman Doug Ellis' comments on the stiff competition still being experienced in some sectors of the heavy engineering industry and the need to continue efforts to improve group performance in what he calls a capital intensive, high technology and high risk market.

It also underlines the sharp increase in capital employed during this period as the group continued a programme of expansion and modernisation aimed at improving its competitive position.

The bottom line, however, presents a more cheerful picture with the net return on equity of 17,6% almost four percentage points above the 1977 level. This reflects mainly a lower tax rate as the group made use of previously incurred assessed losses and capex allowances, coupled with better gearing. The debt equity ratio for 1980 of 46% compares with 37% three years earlier. This again reflects the capex programme, plus the additional working capital needed to support a higher level of activity.

Last year's capex was R18,6m compared with R21,5m in 1979 (excluding acquisitions) but is expected to increase to R44m in the current year. Ellis believes this expenditure is necessary because "the dominant position held by the group in many sectors of the engineering industry is constantly under attack both from local competitors and from imported equipment." To maintain its position, the group therefore needs to constantly add to and update its facilities.

Following the pattern of previous years, capex will be spread over a number of relatively small projects. One of the largest single items is the purchase by Vecor of a 12 metre vertical borer which, Ellis says, will be the largest and most versatile machine tool of its type in the country.

With the higher level of expenditure it can be expected that the group tax rate will continue to benefit from capital allowances, although Ellis warns that the overall rate is likely to be higher this year as a result of the exhaustion of assessed losses.

Dorbyl has entered the current year with a combined order book of R507m up from R376m a year ago, and improved results are expected from virtually every division. Apart from the fact that the economic cycle has now reached the stage of a marked increase in fixed investment, the group should start to reap the full benefits of last year's reorganisation in which operations were regrouped managerially and administratively into seven major subsidiaries.

Although the group was already starting to feel the benefits in 1980, the programme is only now reaching completion and Ellis is hoping for enhanced profits from the improved customer service, more effective cost control and staff motivation which the new structure is expected to achieve.

A major change this year will be the planned switch-over to lifo accounting, although with payout policy already conservative there should be no effect on dividend growth. Certain subsidiaries have already adopted the lifo system, but for the sake of conformity the group accounts were still drawn up on the average price basis of stock valuation.

Some idea of the impact can be gained from the fact that while lifo was applied to only about half the group's raw materials last year, the adjustment to pre tax profits would have been some R2,6m, and after tax R1,5m.

It is probably over-simplistic merely to double this to estimate the full effect of lifo, but this nevertheless indicates that last year's dividend would probably have been covered around three times by lifo earnings instead of 3,7 on the historic cost figure.

Despite the economic slowdown forecast for the second half of 1981, Dorbyl should be able to maintain a satisfactory growth rate for the next couple of years at least. Because it is dependent more on the level of fixed investment than general economic conditions, its own business cycle tends to trail the economy to some extent. This was clearly evident at the last peak when Dorbyl topped out in 1977 — some two years after most other industrial companies.

Ellis makes the point that although the group still needs to obtain short-term work in some areas so as to maintain a satisfactory level of capacity utilisation, the order books contain a "healthy element" of long-term contracts which will provide base load work for some years ahead.

On balance, it seems that this year's dividend growth should at least equal 1980's 26%, which implies a minimum distribution of 49c. Although the share has recovered from 570c at the time of the prelim to the current 650c, the prospective yield is still attractive at 7,5%.

Brian Thompson

[illegible]

The [illegible] workers are charged [illegible] intimidation of workers [illegible] in the strike [illegible] said

Mr [illegible] Stewart, managing director of [illegible] yesterday denied there was a strike by workers from his company

Meanwhile the managing director of Toyota Marketing in [illegible] Adcock, yesterday accused strikers at the plant of intimidating workers in other sections

Mr Adcock said the remaining workers, about 130 of them, were threatened with violence by their striking colleagues

He said the workers reported for work yesterday despite the threats "However, they asked me to allow them to go home and I did They said they would return to work today if they are not threatened again"

But Mr Moses Mayekiso secretary of the Metal and Allied Workers Union said the striking workers denied threatening their colleagues

Arrangements were made for management and Mawu's representatives to meet in an attempt to end the strike, but the talks broke down

Mr Mayekiso and Mr T Adler (of the Federation of South African Trade Unions) met Mr Adcock yesterday He told the workers' representatives he would not take back the eight workers, but would consider re-instating the 130 strikers

Sixty other monthly paid workers joined the 130 strikers yesterday

And at the Lion Match factory in Pretoria, negotiations between management and 220 strikers broke down on Wednesday and the men were dismissed, the managing director, Mr R W Harker, said yesterday

Mr Harker said the strikers were laid off after failing to comply with management's ultimatum of returning to work by 2pm

Mr Harker said they had "dismissed themselves by their own actions" of not returning to work and were told to apply for reappointment next Monday, and would be accepted "without broken service", failing which they would be dismissed

Trouble started on Monday this week when the 220 workers demanded 70% increases and gave the management until 1pm to meet their demands

DORBYL, AEI SHOULD GAIN FROM CAPITAL SPENDING BOOM

Argus 10/1/81

(189)

Investment — By DEREK TOMMEY

THE Steel and Engineering Industries Federation reported this week that its members are planning to increase capital spending by a third next year to R859-million.

At the same time the Standard Bank reported that Escom is planning to double its generating capacity by 1990 at a cost of R11 000-million, and the Railways are planning to electrify all major routes by 1985 at a cost of R850-million.

In the light of these figures it is clear manufacturers and suppliers of capital goods should do extremely well during 1981 and many subsequent years.

One company which should certainly do well this year and pay a worthwhile increase in dividends is Dorbyl, the country's biggest engineering organisation, which had a turnover of around R500-million last year.

Dorbyl is active in a great many areas It is probably the country's only real heavy engineering organisation capable of making special plant and equipment for organisations such as Sasol

But it also makes car components, is engaged in fabricating and erecting structural steelwork, it makes railways engines and rolling stock, it provides mechanical and electrical services and also builds and repairs ships

Dorbyl has just had a highly successful year Income before tax jumped 73,6 percent to R32,4-million Share earnings after taxation and other payments rose 89,9 percent from 77,5c to 147,2c and the dividend payments was increased by 25,8 percent — from 31c to 39c a share.

This year should see a further substantial improvement in Dorbyl's results Because of the nature of its work it can take the company a year or more to complete a contract. Moreover, Dorbyl only takes into account the profits from completed contracts

Consequently, it takes some time for the company's profit figures to reflect an upturn in the economy But it should now be reaching this stage

Last year, for example, turnover measured by the value of completed contracts increased by only 9 percent, but the amount of goods invoiced actually increased by 30 percent to R556-million from R426-million This clearly points to the company experiencing a growing volume of business

RISK

Another reason why Dorbyl's profits are expected to improve this year is that it is increasing its profit margins In 1979 the percentage of pre-taxed profit to sales was a miserable 4,1 percent which was little better than that achieved by a supermarket chain

In 1980 the margin improved to 6,5 percent But this is still nowhere near where it should be, says the chairman, Mr C D Ellis

This margin is still much too narrow for an industry which is capital intensive, employs high techology and is in a high risk market, he says So a significant further improvement in Dorbyl's margins would also seem likely.

Dorbyl's shares are priced at around 650c and give a return of 6,0 percent on the 39c dividend recently declared

As it appears that Dorbyl could easily increase its dividend payments this year by at least 30 percent and probably achieve a similar rise in 1982, its shares would seem a good investment

Incidentally, it is worth noting that anyone buying Dorbyl shares before January 30 will get two annual dividends in the next 13 months — the one for 1980 and the one for 1981

Another engineering company with extremely promising prospects is Northern Engineering Investments Africa Formed from the merger of a number of companies, its activities these days are conducted through five main trading subsidiaries These are International Combustion and John Thompson Africa which are both in the boiler and tube business, Cummins Diesel, Thomas and Taylor which is in earthmoving and roadbuilding machinery, and Reyrolle Parsons, which makes, sells and installs electrical generating equipment

In 1979 NEI increased its turnover by 19,9 percent, and its operating profits before tax by 21,4 percent. Taxed profit amounted to R3 883 000, equal to 75,3c a share out of which dividends totalling 32c a share were declared

TIME

These results were good for the time, but not too exciting However, being an engineering company with interests in the heavier end, it also takes NEI's figures some time to show the effects of the businss upturn.

However, there were signs this was happening in the 1980 mid-year profit statement The company reported that turnover had jumped 77 percent and that profits were 26 percent on the 1979 figure It added that operating profits were expected to show a further increase in the six months ended December.

NEI's full profit figures last year have not yet been published, but they are expected to show a further substantial increase in earnings

NEI's shares are about 700c at present Should the final dividend be increased by the same proportion as the interim they will give a return of 6 percent at this price With this year expected to see a further strong improvement in NEI's performance, this too seems to be a most promising investment.

Meanwhile, buying NEI shares now will also confer a bonus as any investor too could expect to receive two final dividends and one interim dividend within the next 13 months

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize
For the best student in :-

Sixth Year

P F Dunckley

Helen Gardner Travel Prize
For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.

P A Rappoport

Molly Gohl Memorial Prize
For the best woman student in third year.

Miss C Tredgold

David Haddon Prize
For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.

D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.

S A Read

Osbourn Prize
For the best work in fourth year.

D H Pryce Lewis

13/7/84

Security Police 'help to sort out pay row'

Stimi

By Langa Skosana

Security Police in Springs were called in yesterday to "help' in a pay dispute between workers at Raleigh Cycles and management

A factory official refused to talk to The Star today He said he had 'no comment"

According to police, the dispute started last year when the company closed for the December holidays.

A police spokesman said today several workers were unhappy and had refused to work They had been paid off

When the factory reopened yesterday, the paid off workers were told they could be re hired

They arrived with officials of the Engineering and Allied Workers Union and it was then the police were called in to protect other workers

5/1/84 STAR ~~152~~ ~~160~~ 159

'Lock-out': union plans court action

Labour Reporter

A union representing several hundred workers from the Raleigh Bicycle factory in Springs claimed today they were being 'locked out' by management.

Mr Calvin Nkabinde, general secretary of the Engineering and Allied Workers Union, said his union planned legal action against Raleigh as a result of the "lock out."

But Mr Pieter Nel, personnel director of the firm, denied any workers had been fired.

He said work had returned to normal at the Springs plant.

Mr Nkabinde said his union, which represented 400 to 500 of the 700 men who left work on Monday, opposed the company's policy of 'selective re-hiring' of staff.

Police were called in by Raleigh officials when the company reopened, but there were no incidents.

ASSENG (189) FM 16/1/81

Acquisition plans?

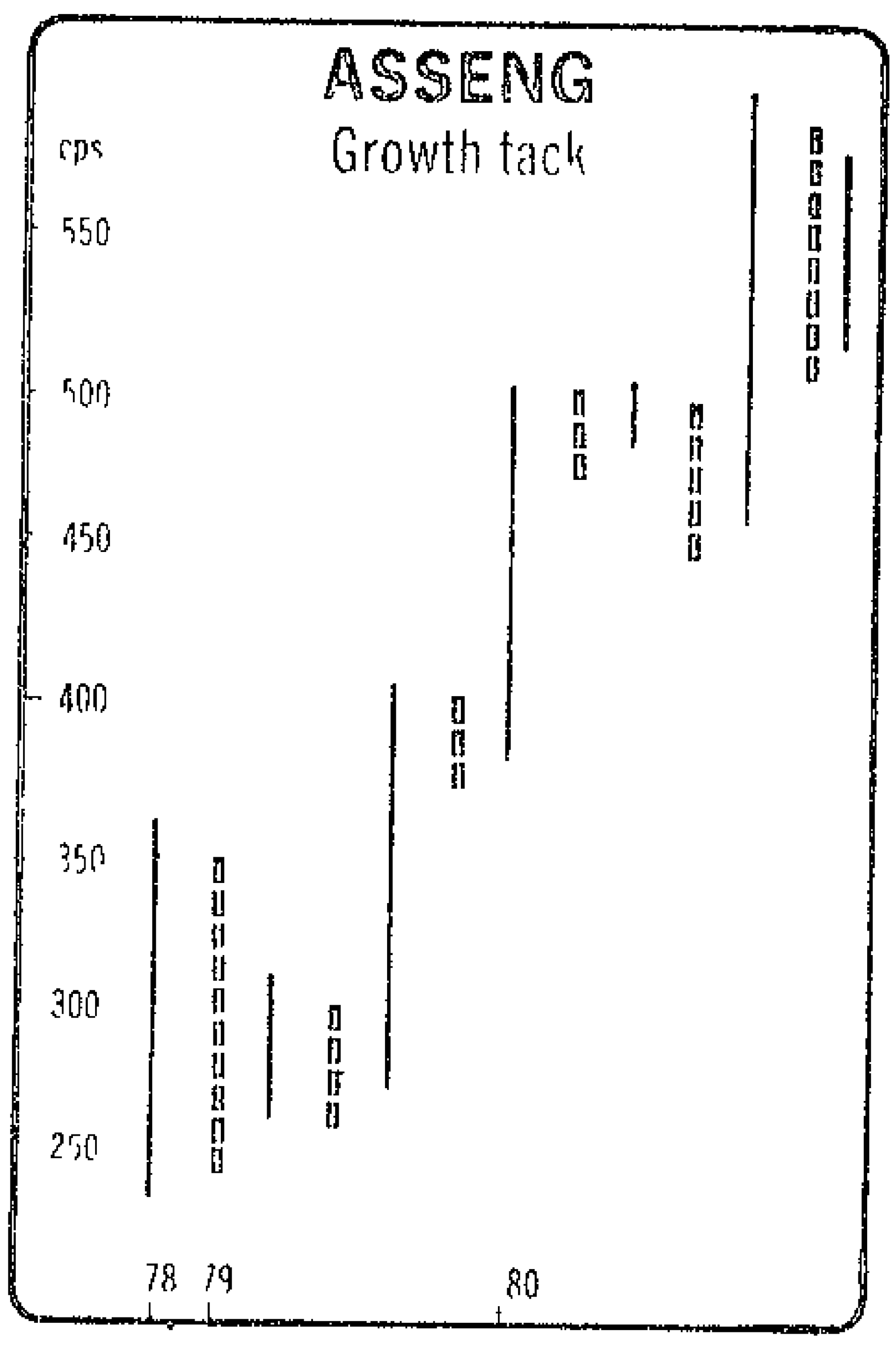
Activities. *Manufacturer and distributor of general engineering and motor components for the original and replacement markets Associated Engineering (UK) owns 66% of the equity*
Chairman *C W Dace, managing director D M Edwards*
Capital structure. *3,2m ordinaries of 50c Market capitalisation R17,8m*
Financial· *Year to September 30 1980 Borrowings long- and medium-term, R9 1m, net short-term, R2,6m Debt equity ratio 45,4% Current ratio 1,6 Net cash flow R4,6m Capital commitments R2,1m*
Share market· *Price 555c (1980-81 high, 585c, low, 440c, trading volume last quarter 62 000 shares) Yields 23 9% on earnings 7 6% on dividend Cover 3,2 PE ratio 4,2*

	'77	78	79	'80
Return on cap %	17 3	15 2	15 9	21 1
Turnover (Rm)	48 0	56 0	67 3	91 7
Pre tax profit (Rm)	3 3	3 4	4 2	6 0
Gross margin %	9 6	9 1	9 5	9 1
Earnings (c)	79 9	81 1	9[illegible] 1	13[illegible] 9
Dividends (c)	26 0	26 0	30 0	4[illegible] 0
Net asset value (c)	521	571	606	810

Having shrugged off the somewhat stagnant years of the late Seventies, Asseng is now in what could well prove to be a watershed year On the higher earnings base profit growth should nonetheless be above the 8% compound earnings growth in the four years to 1979, though it may be difficult to match 1980 s growth

Chairman Cecil Dace is optimistic "The order book is at a record level the economics for SA are good, and I am confident that shareholders can look forward to a further improvement in earnings "

To this must be added a number of other bullish signs which Dace does not spell out This year the full benefits of the expansions and acquisitions (Cymot and NF Die-Casting) are likely to flow through and more than off-set the higher interest costs (R2,3m compared to the R1,7m paid in 1979) the company is now having to



bear Gearing is low enough to encourage additional borrowings for expansion

Funding these expansions would restrain profit growth were it not for the healthy increase in return on capital achieved in financial 1980

Also, there appears to be a resurgence of the innovativeness in marketing and technical strategies which gave the group strong market share and bursts of sales growth in the early Seventies One example is the decision to franchise the Silverton division s rural service operations (basically radiators and related equipment) And the award of piston and gudgeon pin contracts for the Atlantis Diesel Engine plant should provide useful repetitive work for the order book

The one dampening aspect to the group s current state of affairs is the strong possibility that costs will rise sharply this year Already all factories are on a double work shift and the shortage of skilled labour is forcing the allocation of funds to training — the return for which will take at least two to three years to filter down to the bottom line

The group is apparently keen on acquisitions using its paper The directors have recommended a two-for-one share split and an increase in the authorised share capital The effect of the sub division and the increase in the share capital will be to raise authorised share capital from 4m ords of 50c each to 10m ords of 25c by the creation of 2m new ords Rough arithmetic thus suggests the group could be looking for a takeover worth R8m — odd

OTIS FM 16|1|81

Going down

189

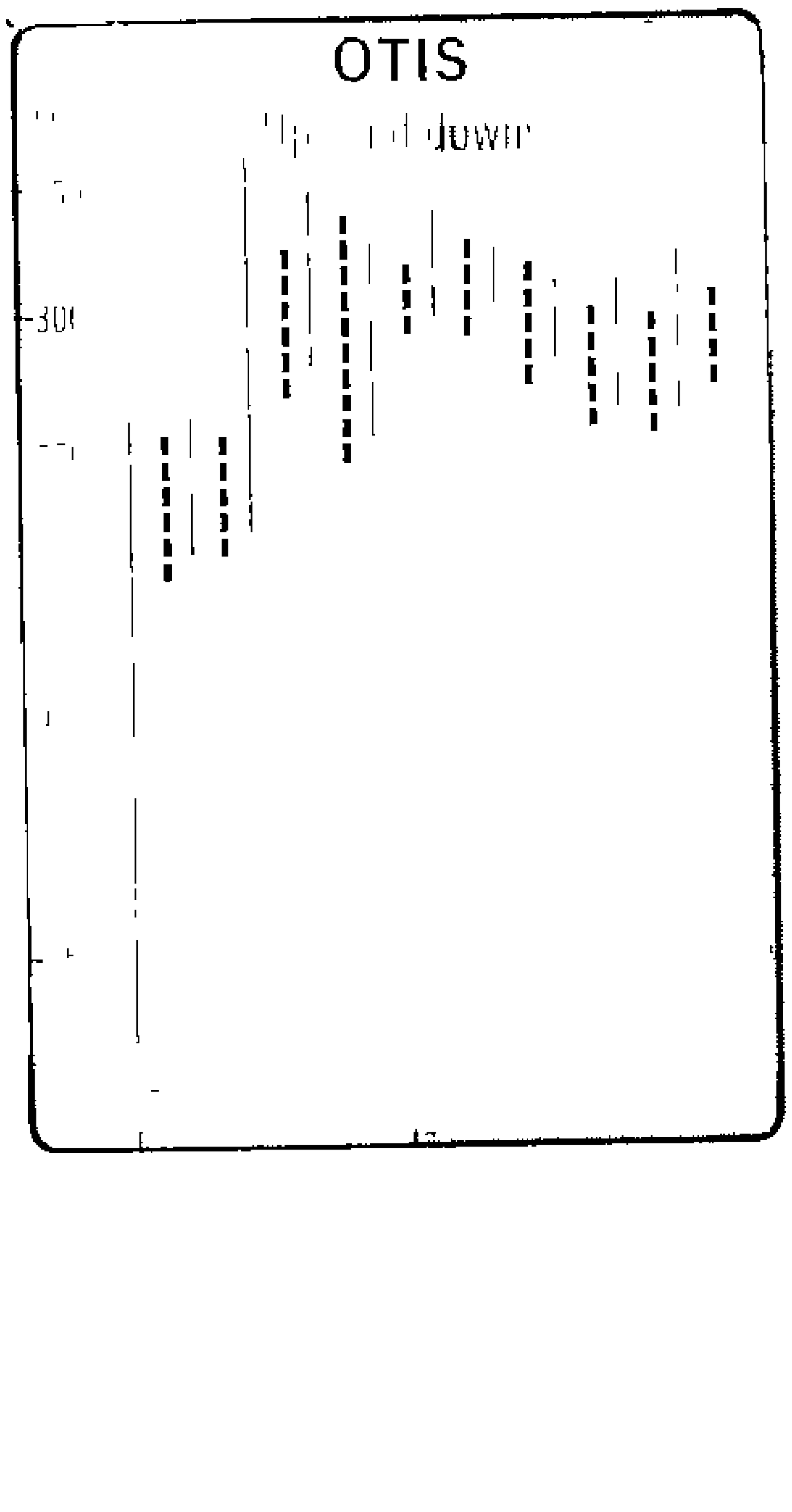
Activities *Makes and installs lifts and elevators Otis US holds 70% of the equity and is itself a subsidiary of United Technologies*
Chairman. *P W Sceales, managing director B H King*
Capital structure· *17 0m ordinaries of 10c Market capitalisation R34m*
Financial· *Year to November 30 1980 Net cash R1,2m Current ratio 0,8 Group cash flow R5 1m Capital commitments R700 000*
Share market. *Price 200c (1980-81 high, 310c, low, 200c, trading volume last quarter, 182 000 shares) Yields 13,9% on earnings, 20,0% on dividend Cover 0,7 PE ratio 7,2*

	†'77	'78	'79	'80
Return on cap %	96	140‡	170	276
Turnover (Rm)	22 7	25,8	21,7	23,9
Gross profit (Rm)	7 9	11,0	8,1	8,1
Gross margin %	34,7	43,1	37,9	34,6
Earnings (c)	27 0	37,5	27 6	27 7
Dividends (c)	22	44	40	40
Net asset value (c)	47	39	28	17

† Adjusted for 1978 four-for-one cap issue, ‡ Annualised from 14 months

Otis' dividend payout party is over In future, distributions will be in line with current earnings as, says chairman Phillip Sceales, the US-controlled firm has paid out its excess cash generated in previous years Thus, he says, this year's earnings, expected to be between 20c and 30c, will be distributed in two more or less equal payments

In fact, with only 6,7c a share left in distributable reserves, there is little scope to pay more than annual taxed profit The 1977-80 dividend bonanza meant running the company's capital base down, with a resultant decline in net worth from 47c to 17c



Investors have been well aware that the high payments would cease sooner or later But now the question arises as to what Otis has left Expansion funds are almost non-existent, unless the company decides to resort to borrowings In all likelihood, however, Otis will simply not expand, particularly as Sceales intimates that this year's earnings will be distributed in full

Thus shareholders are left with a relatively small company, capitalised at R34m, with no expansion plans in hand and a fairly lacklustre near-term future It is hardly surprising, therefore, that the share is one of the few on the JSE which declined during the 1980 boom year. From a high of 310c, the price dipped to 250c before rising briefly to 260c ahead of the last day to register for the 20c final dividend

The market outlook for the lift and elevator business is probably better than a year ago, but there is still little to sustain manufacturers other than the lucrative service business With 8 000 of its lifts and escalators in SA, Otis has a large slice of the total service market, but competitors are appearing and offering lower-priced service contracts So far this has failed to dent Otis' customer count

In the new lift business, Otis has a disadvantage in being a manufacturer Importers of complete assemblies pay no duty, says Sceales, but Otis must pay duty on imported components Thus margins are under some pressure With competition in the service sector and duty on components, it is no wonder earnings growth is not expected in 1981

Sceales says that 1980 earnings were higher than expected because of increased modernisation work and higher than planned factory activity He says Otis has received an encouraging increase in requests for quotations and orders on hand are up But quotations take some time to be translated into orders, so no material increase in new business seems likely in 1981

His forecast of 20c-30c earnings this year leaves a wide margin, but unless Otis shares in the mining boom to a greater extent and construction/building activity produces significantly more business, it seems fair to assume 1981's profits will do no more than equal 1980's

Over the past four years most longer-term investors, other than United Technologies, have probably sold their shares, leaving only short-term income-conscious shareholders showing any interest in the company Now distributions are to be more realistic and Otis has been stripped of its major asset — cash — there seems little reason to chase the share

At 200c the market must be discounting a dividend this year of 25c or more On a one-year view the income potential is offset by further possible price downside However, now the company has been milked of its cash, United Technologies could put up the "for sale" sign

Des Kilalea

Appliance firm and union holding talks

Labour Reporter

Hoover, the American-owned appliance giant, has held talks with the South African Allied Workers' Union (SAAWU) in East London.

The union, which represents most of the workers at the Hoover plant, has been involved in labour unrest in the Western Cape and has refused to register.

The managing director of Hoover in East London, Mr Edward Ashdown, said that because SAAWU represented most of the company's employees, management had met union officials at the plant and in East London.

"A lot of us (managements) realise the black man is going to find an affinity to a trade union movement," Mr Ashdown said.

"We have not accorded them formal recognition but we have to talk to our employees and so we do so through elected shop stewards of SAAWU."

He also said the company had talked to SAAWU about its reluctance to register and said he personally could not agree with this attitude because it was better to negotiate with a registered body.

FM 23/1/81 (189)

FARM EQUIPMENT

Sales surge

Investment in heavy farm equipment rose by 48,2% last year, from 1979's R327,3m to R488,5m Tractor sales alone — generally a reliable barometer of farming equipment sales — increased 70% in 1980, from 1979's 10 500 units to 18 500 units

This improved capital investment in farm machinery, implements and vehicles was a corollary, to some extent, of the 66% (R494m) rise in net farm income for the year ending in September 1980

The Division of Agricultural Marketing Research of the Department of Agriculture and Fisheries reports the record maize crop, up 23% on preliminary estimates to 10,2m t in 1980 from 1979's 8,3m t, and the increased maize price introduced last year, were the biggest factors in pushing up farmers' net income.

Three years pent-up demand — as a result of the downswing in the economy — also helped push up sales in 1980, says Dr Leon Knoll, deputy chairman and group MD of Fedmech, manufacturers and distributors of Massey Ferguson tractors and farming equipment

It appears, however, that the tax rebate adjusted about 18 months ago to allow farmers to claim a rebate on the full purchase price of machinery in the first year after purchase even if payment is on an extended plan, has not substantially affected sales

Professor of Economics at Natal University Dr Jill Nattrass, says "The rebate did not have a significant impact I suspect inflationary escalations in capital equipment prices as well as better credit facilities and prices of farmers products were factors that improved sale

Climatic conditions also played a part As one co-op spokesman has said "The pattern of sales relates to the weather If there are good rains, farmers buy If there s a drought, sales dry up as well"

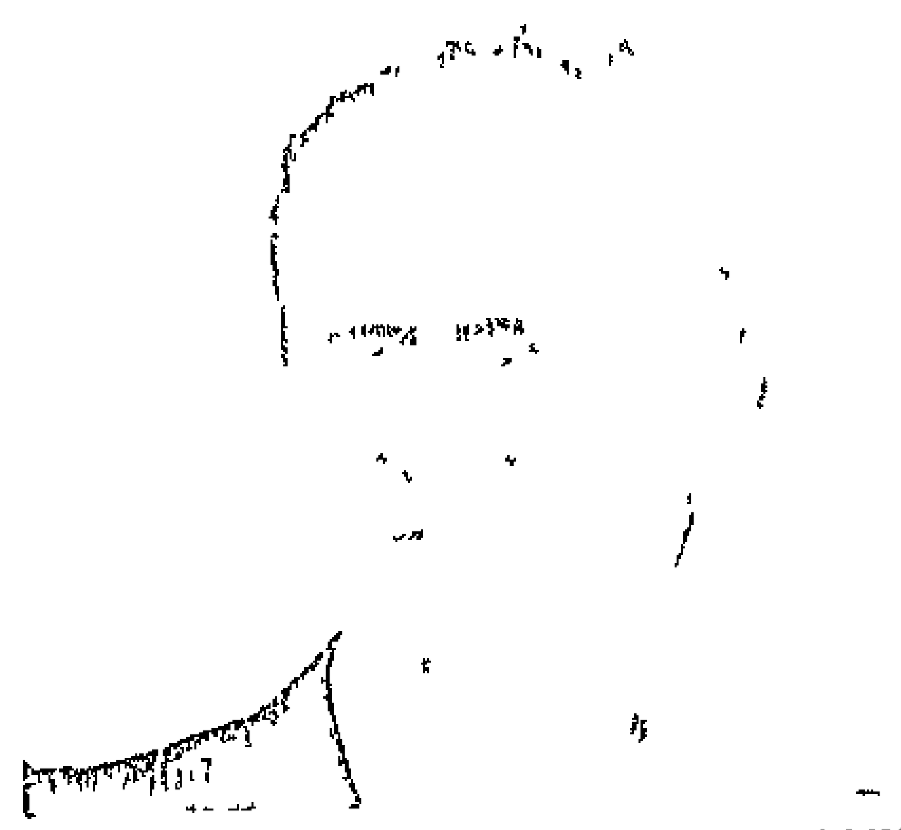
Knoll says that 1980 was a very good year for sales He points out Fedmech's local production facilities are [illegible] up on 1979 and that "we're working at pretty well full capacity with substantial overtime"

International Harvester MD Jim Walker says IH agricultural equipment and truck sales revenue in 1980 increased 70% to R53 4m from 1979's R31,5m Jack Hanson IH director of finance, says revenue on agricultural equipment increased 80% last year

Malcomess MD Robin Manning says revenues from sales of heavy equipment such as balers forage harvesters, combines, and tractors increased 80% during 1980 Price increases averaged 12% says Manning Real increases were at least 65%

John Deere sales director, Bill Pascoe reports John Deere tractor unit sales increased 100% in 1980 from 1 [illegible]00 to 2 800

Concern that an overall reduction in employment of labour [illegible] a steep increase in farm mechanisation is in direct contrast to avowed government policy to encourage employment opportunities for [illegible] unwarranted at this stage it seems



Manning [illegible] equipment sales on the up

Professor and head of the department of Agricultural Engineering at Natal University Potgieter Meiring says that although mechanised agriculture "is in ill repute" it is generally agreed that mechanisation does not lead "to long term or large scale unemployment"

Meiring says mechanisation stimulates increased production This in turn creates more job opportunities A return to previous patterns of farming is impractical in terms of present food need

Meiring points out that only in well mechanised developed farming communities is food produced [illegible] reduction in the level of [illegible] in agriculture or curbing its expansion is likely to be disastrous

Meiring argues that in countries where mechanised farming is non-existent one man barely produces enough to feed himself The mechanised [illegible] farmer feeds himself and 60 others

597381

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KENNISGEWING 91 VAN 1981

ONDERSOEK NA DIE AANSPORINGSKEMA VIR DIE SUID-AFRIKAANSE SKEEPSBOUBEDRYF EN DIE WENSLIKHEID DAARVAN OM DIE SKEMA NA DIE SKEEPSHERSTELBEDRYF UIT TE BREI

Hierby word vir algemene inligting bekendgemaak dat die Minister van Nywerheidswese, Handel en Toerisme kragtens artikel 9 (1) van die Wet op die Raad van Handel en Nywerheid, 1944 (Wet 19 van 1944), die Raad van Handel en Nywerheid opdrag gegee het om die Suid-Afrikaanse skeepsboubedryf en die skeepsherstelbedryf te ondersoek en sodanige aanbevelings te doen as wat die Raad nodig ag, met spesiale verwysing na—

(a) die aard en die omvang van die bestaande hulp- en subsidieskema vir die skeepsboubedryf en of dit in die huidige omstandighede nog doelmatig en geregverdig is,

(b) enige regverdiging al dan nie vir die uitbreiding van die aansporingsmaatreels na die skeepsherstelbedryf,

(c) die norme en minimum vereistes waaraan 'n skeepswerf of 'n skeepsherstelwerf behoort te voldoen ten einde vir hulp te kwalifiseer indien die skema voortgesit word en na die skeepsherstelbedryf uitgebrei sou word, en

(d) die invloed wat die aansporings- en beskermingsmaatreels ten opsigte van skeepsbou en -herstel het of sal hê op die skeepsvaartbedryf en die visvangbedryf

Belanghebbendes word versoek om binne ses weke na die publikasie van hierdie kennisgewing hulle vertoe in hierdie verband aan die Raad van Handel en Nywerheid, Privaatsak X342, Pretoria, 0001, te rig (RHN-verw. T7/2/17/4)

Opmerking—Hierdie kennisgewing vervang Kennisgewing 469 van 1980, gepubliseer in *Staatskoerant* 7111 van 4 Julie 1980

(23 Januarie 1981)

NOTICE 91 OF 1981

INVESTIGATION INTO THE INCENTIV SCHEME FOR THE SOUTH AFRICAN SHI BUILDING INDUSTRY AND THE DESIRAB ILITY OF EXTENDING THE SCHEME TO TH SHIP REPAIR INDUSTRY

It is hereby notified for general information that t Minister of Industries, Commerce and Tourism, terms of section 9 (1) of the Board of Trade an Industries Act 1944 (Act 19 of 1944), has directe the Board of Trade and Industries to investigate th South African shipbuilding and ship repair industri and to make such recommendations as the Board dee necessary, with special reference to—

(a) the nature and extent of the existing assistanc and subsidy scheme for the shipbuilding industr and whether it is still appropriate and justifiab under present circumstances,

(b) whether there is any justification for extendin the incentive measures to the ship repair industr

(c) the norms and minimum requirements wit which a shipyard or ship repair yard should compl in order to qualify for assistance if the scheme to be continued and extended to the ship repai industry, and

(d) the effect which the incentive and protectio measures in respect of the shipbuilding and ship repair industries have or will have on the shipping and fishing industries

Interested parties are invited to submit their repre sentations in this connection to the Board of Trade and Industries, Private Bag X342, Pretoria 0001, within six weeks of the date of publication of this notice (BTI Ref T7/2/17/4)

Note—This notice supersedes Notice 469 of 1980, published in *Government Gazette* 7111 of 4 July 1980

(23 January 1981)

Amptelike Publikasies Uitgegee Gedurende Desember 1980

BLOU BOEKE

Verslag van die Ouditeur-generaal oor die Rekenings van die Administrasie van Kleurlingsake vir die boekjaar 1978–79 (R P 76/1980) Prys R2, buitelands R2,60

Verslag van die Ouditeur generaal oor die Rekenings van die Oliesade-Beheerraad vir die boekjaar 1 Julie 1978 tot 30 Junie 1979 (R P 89/1980) Prys R2,30, buitelands R3

Verslag vir die jaar geeindig 31 Desember 1979 (Departement van Mannekragbenutting) (R P 90/1980) Prys R6,32, buitelands R8,22

STATISTIEKE

Bouplanne goedgekeur en geboue voltooi 1978 Verslag 05-44-09 Prys R2, buitelands R2,50

'n Oorsig van die rekenings van mynmaatskappye vir die jare 1978–79 en 1977–78 Verslag 09-02-15 Prys R2, buitelands R2,50

Sensus van fabriekswese, 1967–68 vervaardigde artikels verkoop Verslag 10-21-25 Prys R2, buitelands R2,50

Sensus van fabriekswese, 1976 vernaamste statistieke op 'n streeksbasis Verslag 10-21-33 Prys R2, buitelands R2,50

Statistieke van plaaslike owerhede 1978–1979 Deel I—Oranje-Vrystaat Deel II- Transvaal Verslag 13-03-14 (1) en (2) Prys R2, buitelands R2,50

Official Publications Issued During December 1980

BLUE BOOKS

Report of the Auditor-General on the Accounts of the Administration of Coloured Affairs for the financial year 1978–79 (R P 76/1980) Price R2, abroad R2,60

Report of the Auditor-General on the Accounts of the Oil seeds Control Board for the financial year 1 July 1978 to 30 June 1979 (R P 89/1980) Price R2,30, abroad R3

Report for the year ended 31 December 1979 (Department of Manpower Utilisation) (R P 90/1980) Price R6,32, abroad R8,22

STATISTICS

Building plans passed and buildings completed 1978 Report 05-44-09 Price R2, abroad R2,50

A survey of the accounts of mining companies for the years 1978–79 and 1977–78 Report 09-02-15 Price R2, abroad R2,50

Census of manufacturing, 1967–68 manufacturers sold Report 10-21 25 Price R2 abroad R2 50

Census of manufacturing, 1976 principal statistics on a regional basis Report 10-21-33 Price R2, abroad R2,50

Local Government Statistics 1978 1979 Part I—Orange Free State Part II—Transvaal Report 13-03 14 (1) and (2) Price R2, abroad R2,50

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize

For the best student in :-

Sixth Year

P F Dunckley

Helen Gardner Travel Prize

For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.

P A Rappoport

Molly Gohl Memorial Prize

For the best woman student in third year.

Miss C Tredgold

David Haddon Prize

For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.

D H Pryce Lewis

General J B M Hertzog Prize

For the best final year student.

S A Read

Osbourn Prize

For the best work in fourth year

Entire workforce paid off after strike

Own Correspondent

After a breakdown in strike negotiations the entire workforce at a Rosslyn company near Pretoria has been paid off and told to reapply for the jobs on Monday

About 400 workers at Angus Hawken Fluid Sealing Engineering Company were paid off and told to go home after they had refused to work until their wages had been adjusted

The workers went on strike last Friday, demanding a R1 25 an hour wage increase for all workers

Management agreed to give them an overall R1 increase a week, which they refused

A source close to the strikers said management had threatened to dismiss them on Tuesday rather than give them the increase

They were told to collect their pay packets yesterday and to return on Monday to reapply for jobs

The company's management in Rosslyn refused to talk to the Press

A receptionist at the company said "No comment" and put the phone down

23/1/8.54AM 157

Workers take up tools again after brief stoppage

By Abel Mabelane
Pretoria Bureau

About 150 employees of Pretoria Precision Castings (Pty) Ltd in Waltloo, who yesterday walked out in support of a pay demand, returned to work today.

The employees said they walked out after management refused to meet their demands for an extra 35c to 65c an hour, an increase of between 30 and 60 percent.

A spokesman for the company said the workers were fired for striking but then had "begged to come back." Today everything was back to normal.

He refused to say how much the workers were earning before they went on strike but said nobody would get anything by striking.

And at Feltex Foam and Automotive Products (Pty) Ltd, a subsidiary of the Romatex group, about 175 textile workers returned to work yesterday after a brief stoppage.

Workers had demanded that their annual wage increase be brought forward, said Feltex general manager Mr B Petzer.

Management had since agreed to this and had negotiated an increase acceptable to workers with the company's works committee.

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John Perry Prize
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S A Read

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Instrument firm expands

Argus 23/1/81 (189)

A R900 000 building at Paarden Eiland, part of the expansion programme of Ferris Instrumentation SA, is nearing completion, with the roof-wetting scheduled for today.

Growth of the once small light engineering company has been rapid over the past years It has invested R500 000 in new plant and machinery and expects to spend a further R200 000 in the next 12 months.

The company makes measuring instruments such as pressure gauges and thermometers for mining, chemical and food processing, equipment manufacturing, shipping and railing

DIVERSIFICATION

The managing director, Mr K H Muller, described the market as small but requiring a high level of diversification

He said South Africa was a traditional import market and clients often asked for the same type of product they received from overseas.

'With countries like America and Germany manufacturing goods with small differences, we have to accommodate all types and this is not kind to our costing. The advantage is that our products suit both the home and export markets'

He claimed on average 90 percent of total output value was of local content.

In addition to neighbouring African countries, Ferris products were exported to three other continents Exports were expected to make up 50 percent of turnover within two years.

Steinmuller wins R750-m contract

S. Times 25/1/81

189

One of the world's biggest of its kind

By John Spira

THE largest contract of its kind to have been awarded in South Africa — it is worth about R750-million at current prices — has gone to L & C Steinmuller Africa for the construction of the boiler plant at Escom's new Tutuka power station.

The contract is believed to be one of the world's biggest to have been awarded for the supply of a boiler plant for a coal-fired power station.

It is the largest single component of the R1 900-million (at current prices) which is expected to be sunk into the Tutuka station over the next eight years.

Tutuka is part of Escom's planned R12 600-million expenditure (at basic 1980 prices) for this decade — expenditure which will double its installed capacity.

The Steinmuller boiler-plant contract, which has a local content of about 70%, comprises the manufacture and supply of various items of machinery. The boilers themselves are enormous structures exceeding 100 m in height.

Every boiler at Tutuka will consume about 250 tons of low-grade coal per hour when fully in commission.

The high local-content component means that this contract will give the South African economy — and in particular secondary industry — a considerable boost.

Steinmuller, which has been constructing boilers for Escom for the past 10 years, is to provide Escom with part of the finance required for the boiler plant.

Escom recently negotiated its biggest ever local financing facility when agreement was reached with Nedbank/UAL on R720-million as local financing for the boiler plant and associated works at Tutuka.

Half the Steinmuller equity is held by its family-controlled German parent, with the balance being owned by the IDC.

A relatively little-known company, Steinmuller is believed to have completed work for Escom worth thousands of millions of rands and to have like amounts of orders on its books.

189

S. Trib 25/1/81

We want protection!

Special Finance Correspondent

Cleaning up in the washing machine market . . . . local industry wants protection

SOUTH AFRICA'S domestic appliance industry has asked the Government for additional tariff protection against a surge in imports over the past 18 months.

Barlows Manufacturing Co, the country's leading washing machine manufacturer, applied earlier this month for an increase in the customs duty on washing machines from 25 percent to 40 percent. Applications from the industry for increased duties on several other appliances may follow.

The rapid rise in consumer demand, a relaxation of import controls and the strong rand have encouraged a sharp growth in imports of a wide variety of consumer goods, including clothing, textiles and domestic appliances.

Imports of semi-automatic washing machines totalled 43 000 units in the first nine months of 1980, compared to 20 000 during 1979. Refrigerator imports have shot up from 15 000 units in 1978 to 34 000 in 1979 and an estimated 45 000 to 50 000 last year Imports of tumble driers and floorcare products have also risen sharply.

According to one industry estimate, the share of imports in the washing machine market has risen from 17 percent to almost 50 percent in the past two years Annual sales of domestic appliances in South Africa total about R500 million.

Robbie Williams, managing director of Barlows Manufacturing, says that the rise in imports "is a worrying trend".

Despite the buoyancy of the local market (sales rose by 30-40 percent last year) most manufacturers could raise production further. They are also looking ahead to the next downturn.

Ted Ashdown of Hoover, says "It's all very well to be complacent, but none of us are up to 100 percent of capacity" Hoover, for example, is still working only one shift

Adds Williams· "The last few months have been records for everyone But it can't continue at this level."

Italy and Japan have been singled out as the main sources of cheap imported appliances. Local manufacturers say that the price of goods from these countries, notably those produced by Hitachi in Japan and the troubled Italian manufacturer Indesit, are frequently below local production costs. West Germany and Brazil are among other countries whose appliance exports to Sotuh Africa have risen rapidly.

The difficulty of determining overseas production costs has so far prevented local manufacturers from applying for anti-dumping duties. They hope, however, that higher customs duties will restore competition from imports to more manageable proportions.

FINE ART & ARCHITECTURE

ARCHITECTURE

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Sixth Year

Big SAR order to Siemens

South African Railways has awarded Siemens a R3,4 million signalling order to modify the Natal south coast network to their latest multi aspect signalling system.

This system, like the one being installed at Durban and Berea Road stations, has been specially designed for intensive suburban traffic.

The project, to be completed by the end of 1982, will consist of six satellite interlocking stations — Umbogintwini, Isipingo, Umlazi, Reunion, Westcliff and Clairwood.

The equipment will be nationally developed and manufactured and all services such as installation and commissioning will be rendered locally, resulting in overall local content of more than 90 percent — Sapa

RDM 5/2/81. (189) (135/136)

Steel unions ask for immediate 20c rise

By STEVEN FRIEDMAN
Labour Reporter

REGISTERED trade unions in the steel and engineering industries have asked employers for an immediate 20c an hour increase for all workers — a move which could alter wage bargaining in the industry

The demand has been spurred by sharp rises in the cost of living and fears that lower-paid black workers may "take matters into their own hands" if the increase is not granted, according to union sources

This call for an immediate increase also forms part of a proposal by the unions to restructure wage bargaining in the industry in an attempt to "give credibility to" the official negotiating system

Steel and engineering industries employ about 500 000 workers The unions' demand for an immediate 20c rise, which would raise the industries' minimum wage by about 25%, will be discussed next week

Minimum wages in the metal industries are usually negotiated in the first half of each year The new minimum comes into effect in mid-year

But unionists say employers usually complain they have already granted increases at the beginning of the year and that the negotiated increase should be reduced to take this into account

They argue that this diminishes the credibility of industrial councils, key elements in the official bargaining system, because increases are seen to stem from a unilateral decision by employers

It is also claimed a "rigid" system of bargaining at a set time each year does not take account of swift changes in the cost of living

"Our mid-year demand is for rises ranging from 50c to 30c an hour But employers could reduce this by the amount granted now," a union spokesman said

"The difference would be that they would be reducing the mid-year amount by a negotiated rate, not one they had unilaterally decided on "

Some critics argue that the industrial council system is too cumbersome to deal with the problems of lower-paid workers

"We support the existing system," a unionist said "But if it is to maintain credibility, it must be modified to suit changing circumstances We see this more flexible system as a way of achieving this "

The unions are also suggesting that this year's wage agreement last for 18 months — until next December — rather than the usual year, and that automatic increases for next January and June be built into it

Both sides would have the right to call for a renegotiation of the wage rates while they were in operation This would enable unions to call for new increases if members found themselves hard-pressed, and employers to call for an adjustment if there was a downturn in the industry

A union spokesman said union demands were also aimed at "narrowing the gap between the minimum wages agreed at industrial councils and the rates actually paid

"We hope by next year to be bargaining on actual wage rates, rather than on minimum rates which often have little to do with reality," a union source said

This is also seen as an attempt to strengthen the credibility of bargaining within the official system

capillaries. Their walls are permeable to fluids and permit
the free passage of mobile phagocytes, such as alveolar macro-
vessels and nodes. Inside the
a clear colourless fluid called
hways for the collection of
ssue spaces, and ultimately
lymph nodes. Within the lymph
cles such as dust, noxious sub-
ganisms are digested or deposited.
is then conveyed to certain

toxic parameter of a dust cloud,
lish the reasons why silica dust
and why the 'magnificent' defence
aspects of which are still poorly
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s him more or less susceptible to
g lung diseases) the defence
ry tract are similar in many respects.(90)
will be placed on inhaled particles,
ses such as nitrous dioxide and the
ibit the lungs' efficacy (to some
ulate matter.(90a)

ormidable resistance and turbulence
in the nasal passages, pharynx and
ing in the impaction and deposition
us the respiratory membrane is
of particles larger than two or
hese larger particles are usually
elium. Particles smaller than 0,2
lo not appear to be deposited and
wever there is an intermediate size
ble to bypass the aerodynamic
h the alveolar region. This is
trial processes which produce high
varied range of particle sizes.(91)

particles may be isolated within
crophages and scar tissue.(92)

Iscor plan: more protests to CARE

(189) (277/50) 5/1/12 5/12/k

The petition to prevent Iscor mining coal in the Kruger National Park closed months ago, but The Star's CARE Campaign continues to receive signatures

The petition reads 'The Pafuri — the northern part of the Kruger Park — belongs to all future generations of South Africans, just as it has done since the time it

'We, the undersigned, will never condone its exploitation under any circumstances"

But last September, the Northern Transvaal Regional Planning Advisory Committee, a statutory body which advises the Government on regional development, came out in favour of the project

Employment opportunities in the homelands and repopulation of the border areas were cited as reasons for the exploitation

The committee's chairman, Mr Jack Botes said that Iscor is assured of the 'wholehearted support of the Northern Transvaal"

But hundreds of signatures from the Northern Transvaal have been received protesting against the proposed mining development

The particle-laden cells may then be physically transported out of the lungs by the ciliary movement, or incorporated into the alveolar or small airway walls and eventually reach the lymph nodes. They may also be totally digested in the lungs by local detoxification and killer agents or processes, such as phagocytosis. In these ways inhaled foreign bodies may be killed, digested, detoxified or neutralised thereby maintaining the sterility of the lungs.(93)

It is important to realise that the influence of toxic gases and heavy particle loads may diminish the competence of the phagocytes to ingest and digest the particles.(94) Similarly physiological damage to airways caused by epidemiological factors such as tobacco smoke and nitrous oxide may inhibit the efficacy of the alveolar macrophages, or suppress other forms of pulmonary defences.(95) The incidence of a wide variety of detrimental environmental agencies may alter each individual's personal immunity and may predispose him to the development of other lung ailments, which in turn may affect his immunity to silicosis.(96)

While not discounting individual immunity to silicosis it should be observed that the reaction to silica in the lungs is out of all proportion to the amount of foreign material present, small quantities of silica producing large amounts of fibrous tissue.(97) A number of theories have been propounded concerning the mechanism by which the damage is done and the reasons why silica should stimulate this severe biological activity in the lungs in contrast to its low chemical activity.(98) Although many of the theories have been discredited, it should also be borne in mind that the macrophage theory (described below) and which is currently accepted by many medical authorities, may not be the full explanation of the fibrogenic activity of the silica dust.

For many years the fibrogenic mechanism of silica was attributed to its physical or mechanical properties. It was believed that the lung lining was injured by the hardness and sharpness of the mineral particles; and through mechanical abrasion and laceration of the tissues the way was opened for infection.(99) This theory was held at the beginning of the 20th century when the mortality caused by silicosis first caused concern on the Witwatersrand gold mines.(100) An American doctor, Leroy U. Gardner, was one of the experimental scientists responsible for disproving this theory.(101) It was shown that carborundum and diamond dust, Argus 6/2/81

Factory workers on strike

(132) (139)

Argus Correspondent

JOHANNESBURG — Between 800 and 900 black factory workers at the Klipri-Everite factory at Klipriviersdorp near Vereeniging have been on strike since yesterday.

A spokesman for the factory said the workers are demanding that their wages be increased to R3 an hour.

He declined to disclose their current wages.

Police are on standby but no incidents have been reported.

Only some departments have been affected by the strike and production in other sections is normal.

The factory employs about 1 300 workers.

Workers down tools over pension Bill

EAST LONDON — About 1 400 workers at Federale Electronics' SATV factory in Wilsonia walked off the production lines yesterday.

The workers stopped work in protest against the proposed Pensions Bill although SATV assured them on Thursday afternoon the company would be exempt from the planned law

One of the workers, Ms Priscilla Ndlazilwana, said that about 1 400 workers stopped work before being told by the SATV management to take the remainder of the weekend off

She said the workers were told to collect their wages, which are paid every Friday, and return to work on Monday. Anyone who did not return to work would be dismissed

Ms Ndlazilwana said a works committee meeting at the factory on Thursday informed workers they had nothing to fear from the proposed Bill

She said at about 3pm on Thursday the management informed the workers that they had telephoned Pretoria and had been assured SATV would be exempt from the new pension system

The workers did not believe this assurance, Ms Ndlazilwana said

Yesterday morning workers arrived at the factory and clocked in, but instead of going onto the factory floor they went straight to the canteen

Management officials again told the workers SATV would be exempt from the new proposed pension scheme and that the workers should collect their wages and return to work on Monday

Ms Ndlazilwana said they were warned that anyone who did not return to work on Monday would be dismissed

The workers object to the proposed new scheme as they fear they will not get the benefit of their pensions

The new scheme proposes that pension fund contributions paid by workers during their employment with a company will be automatically transferred to another company if an employee leaves and joins the other company

At present if an employee leaves a company the pension fund contributions made during employment are paid back and the worker has to start a new pension scheme on joining another company

However, a number of black workers object to the new system as they want the choice of being paid their pension contributions on leaving a company.— DDR

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CHEMICAL

New plant on schedule at Highveld Steel

STAR 9/2/81 189

Highveld Steel and Vanadium Corporation's attributable profit for the six months to December 31 was increased by 14 percent to R22 924 000 (previously R20 114 000), after deducting tax of R11 357 000 and minority interests of R585 000.

An interim dividend of 10c (9c) has been declared at a cost of R6 801 000. Unaudited pre-tax consolidated profit, after providing for interest charges of R452 000 and depreciation of R10 685,000, was R34 866 000

The directors point out that the rate of taxation was lower during the period under review owing to the higher level of capital expenditure

Group turnover for the period at R153 070 000 was slightly below the turnover for the half-year ended December 31 1979 owing to a reduction of 27 percent in export sales revenue Of this reduction 48 percent was directly due to the stronger rand, they say

TENTH KILN

The erection of the tenth pre-reduction kiln in the iron plant and the fourth shaking-ladle emplacement in the steel plant is on schedule and both units should be in commission by July The sixth furnace at Transalloys is also on schedule and will be working before the end of this year

The world's apparent steel consumption dropped by 4 percent during 1980 from the previous year's record level 747 million tons Free World consumption dropped by 7 percent and in the US, the biggest market steel consumption fell by 18 percent By the year end the US was showing signs of improvement and Free World consumption for 1981 is forecast to increase by about 2 percent over 1980 levels

As a result of the lower worldwide demand, steel export dollar prices have been under pressure throughout the year. The reintroduction of the trigger-price mechanism in the US in October 1980, the "quota" agreement in November 1980 among EEC steel producers, and the stronger Japanese yen led to an improvement in steel export dollar prices by the year end, say the directors.

South African apparent steel consumption during 1980 showed a 16 percent incease over 1979 to reach a record 6 900 000 tons. Continued growth is forecast for this year but at a much lower level. This improvement in the domestic situation helps balance the less-buoyant export position

VANADIUM

Vanadium weakened considerably during the period and only one of the eight roasting units at the Vantra Division is in operation This reduction in output, coupled with other producers' cutbacks, will correct the supply/demand imbalance.

The world ferro-alloy industry is in a similar situation to that of steel industry with regard to lower demand but the fall-off is accentuated owing to the decision by most steelmakers to reduce inventories

The Rand Carbide Division, being less dependent on exports, continued to operate at capacity.— Sapa

11 fired as strike ends

EAST LONDON — Eleven workers — one of them a man — were yesterday fired at Federale Electronics' SATV factory after all but one of the 1 400 workers who downed tools on Friday returned to work

The managing director of the company, Mr Mike Bosworth, confirmed the workers had been dismissed and said they had either chosen to be paid off or had been found to have been behind the disturbance and confusion which had led to the downing of tools last Friday

But nine of the workers interviewed yesterday said they had been told on Friday that if they wanted to keep their jobs they should return to work on Monday and obey the company's rules

"We did just that but we were handpicked from the various groups and given no reasons for our dismissal"

One woman, Miss Nomqondiso Sikweyiya, said she had been off sick on Thursday and last Friday

"I knew nothing about the strike but I was concerned about the pension question which led to it," she said

When they were told by Mr Bosworth either to go in and work or stay out and be paid off in order to get their pensions, Miss Sikweyiya stayed out

"I thought I would get a chance to put my case to management but no one seemed interested in that All that was done was to send me to the canteen with all the others and no one bothered to find out why I had not gone in"

Others told similar stories but some said they were taken from their places of work after the morning teabreak and told to go to the canteen where they were told their services had been terminated

"We asked the works' committee to go and plead our cases but they came back to tell us management would not budge"

They claimed it appeared there was no clear system applied in firing them

Mr Bosworth said production had been suspended in one of the two factories on Friday following a misunderstanding and confusion over proposed pension fund legislation

"We have applied for and have been given an exemption on this intended legislation," he said

"We have always said our policy is not to act or discuss any workers' grievances under duress

"We issued a statement on Friday, spoke to the workers explaining our position and the confusion and we told them that if they wanted to work they should return to work on Monday or leave if they did not want to continue working for us"

Mr Bosworth said his company would have benefited by up to R500 000 if it paid off the pension money due to its employees but it did not want to do this because it believed it had a duty to its employees

"I believe that any employee being paid off pension money must resign to get it

"We have now identified people who were holding meetings We have a total understanding with the works' committee and at no stage have we had any misunderstanding with the committee"

The eleven workers fired are Miss Sikweyiya, Mrs Phumlos Lutuli, Miss Ndaka, Miss Zanele Kwakweni, Mrs Ntutu Sohaba, Miss Thembisa Nomela, Miss Patricia Mhaga, Miss Cynthia Nginase, Miss Maureen Jubati, Mrs Patience Nodasa and Mr Thami Mzinyati — DDR

February 10, 1981

Electronics industry set for big change

S.A. Indus W/C

189

By Lynn Carlisle

SOUTH Africa's electronics industry looks set to become revolutionised, following similar developments in overseas countries

These are the local indications which have led to Europe's biggest independent electronic components manufacturer, Dubilier Components, and their local partners beginning a sharpening up exercise which will achieve greater penetration in a growing market

Dubilier managing director Peter Cowell's week of visits before briefing High Quality Electronic Components (HiQ) and new partners Maric (Murray and Roberts Industrial Corporation) on his company's overseas programmes will improve opportunities and signals a new assault locally

"This is a competitive market here which relies heavily on imports So we'd encourage a joint venture to tool up for any product we make," says Cowell

When it comes to new products he prefers to licence foreign technology for Dubilier's main ranges which include radio frequency connectors, circular connectors, fuses, capacitors, filters and resistors

His company owns a dozen factories scattered around the globe — its latest acquisition being the Flight Connector Corporation in Los Angeles — while it has spread its marketing tentacles into 57 countries

Cowell tells managers of overseas operating companies to come up with their own potential sales projections for each market, but he is well aware that such projections can only be realistic if the products available are up to date and competitive in price

"I came to brief HiQ on our new products and the acquisition of Flight We believe South Africa is a potential market for Flight products in the field of civil aviation," Cowell says

Since HiQ commenced marketing and producing a small percentage of the Greenpar range from the Dubilier stable three years ago annual growth has been about 50%

HiQ are happy with developments — they have the marketing expertise and can pick Dubilier's brains and get its technology while the newly acquired back-up of Maric is significant

"Everything looks positive although we have one or two feasibility studies still underway," he says

C L E Swartz

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Awarded to the student with the best classwork in Engineering Drawing.

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CHEMICAL

A E & C I Prize

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Pay talks key test for labour councils

By Drew Forrest

The official labour bargaining system — and its ability to meet the needs of black workers — goes on trial today in a crucial meeting of the engineering industrial council.

Twelve registered trade union leaders, including representatives of newly registered black unions, will ask for an immediate increase of 20c in the minimum wages of half a million engineering workers.

At stake, says the general secretary of the SA Electrical Workers' Association, Mr Ben Nicholson, is the credibility of the industrial council system to black workers and their representative bodies — which are entering the system for the first time.

Galloping inflation has eroded real wages, he said, and unless industrial councils can respond swiftly to changed conditions black workers will continue to use the strike weapon as a first resort in pressing demands.

If granted, the 20c increase will be offset against the unions' total wage demand for this year, to be negotiated shortly.

Other novel features of this year's wage agreement which the unions hope to negotiate are:

- Automatic increases in January and June next year to counter inflation.
- An 18 month rather than 12 month agreement, to give stability to the industry.
- A commitment on the part of employers to renegotiate the agreement if conditions change unexpectedly.

As South Africa's largest employer in secondary industry, the engineering industry was a trend setter, Mr Nicholson said. A more flexible agreement along the lines proposed by the unions was likely to set a pattern for others.

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CHEMICAL

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Strike ends — but 11 get the boot

Eleven of the estimated 900 workers who returned to work yesterday after a strike at the SA Television Manufacturing Company in East London have been sacked.

Most of those dismissed are shop stewards of the unregistered South African Allied Workers Union, a union spokesman said yesterday.

He said management at Federale Electronics, of which the SATV Manufacturing Company is a subsidiary, seemed intent on rooting out all vestiges of the union at the plant.

About 900 workers were paid off and told to return to work yesterday, after a one-day stoppage last Friday. They stopped work in protest against the Government's proposed Pensions Bill which will freeze workers' pensions until their retirement.

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(124) (184) STAR 12/2/81

By Melody McDougall
Vereeniging Bureau

Four men received serious burns on their faces and bodies yesterday when a 200 litre drum of steel primer paint exploded at an engineering company in Meyerton.

Mr W J Diedericksen (71) of Kiepersol Street Chrissiesfontein who was visiting friends at N and O Engineering, was admitted to Vereeniging Hospital while the other three men were admitted to the Sebokeng black hospital.

According to Mr Hendriks Fouche, owner of N and O Engineering, the accident occurred when men were welding near the large drum of paint which was nearly empty, when it exploded.

Mr Fouche and two other men Mr Piet Pretorius and Mr Japie Smuts from the neighbouring building heard the blast and ran to their aid.

Mr Fouche burned his hands while trying to tear clothes off Mr Diedericksen.

A hospital spokesman described Mr Diedericksen's condition this morning as satisfactory.

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CHEMICAL

A E & C I Prize

For the first year student obtaining the highest average

Haggie up 65,8%

Haggie, an engineering concern, reports audited profit before tax of R46 635 000 for the company and its subsidiaries for the year to December 31 up 65,8 percent on 1979's R28 135 000.

This was achieved on a turnover of R262 174 000 (R155 588 000). Taxation took R16 633 000 (R8 589 000) leaving an after-tax profit of R30 002 000 (R19 546 000). From this interest of R2 780 000 (R656 000) is deducted, leaving earnings for ordinary shareholders at R27 222 000 (R18 890 000).

Earnings a share increased from 103c to 144c and the board has declared a final dividend of 35c (26c) a share, making 50c (36c) for the year.

The directors say the results for 1980 are not comparable with those for 1979 as Consolidated Wire Industries had been consolidated for the first time. "Had this been done in 1979 the earnings a share would have been 107c" — Sapa.

Chips with everything

(189) FM 13/2/81

It's hard to get a handle on the electronics industry Total sales of electronic equipment traded in SA (items imported complete as well as locally manufactured) are likely to exceed an estimated R2 billion this year This makes the industry about the same size as the motor industry — except that local content in electronics is still very low

But where exactly is the electronics industry? Like Chickenman, it's everywhere It's in computers, where hardware sales at customer level should be worth R400m this year It's in telecommunications the Post Office recently signed its supply agreements under which it will spend an estimated R5 billion over 15 years with five companies — Siemens, Telephone Manufacturers of SA, Plessey, Teltech (a R25m joint venture between Altech and CGE of France), and STC (part of the Altech group) The Post Office spent R293m on telecommunications equipment last year of which R120m went on telephone switching equipment

The *FM* estimates that R250m a year is spent by the defence force on electronic equipment in weaponry The electronic components industry is valued at R150m a year SAR&H has big plans for automatic ticket systems and a communications network Other major customers are Escom and SABC

Growth in professional electronics is being matched by equally dramatic increases on the consumer side SA Television Manufacturing, the Federale Volks subsidiary which assembles and distributes Telefunken TV and audio products, is spending R13m to expand its facilities around the country

"Last year we increased our market share significantly and we are gearing up to the new level of business," says MD Mike Bosworth "The overall market for television moved up from 170 000 sets in 1979 to 290 000 last year Of this, 144 000 — nearly half — were monochrome sets

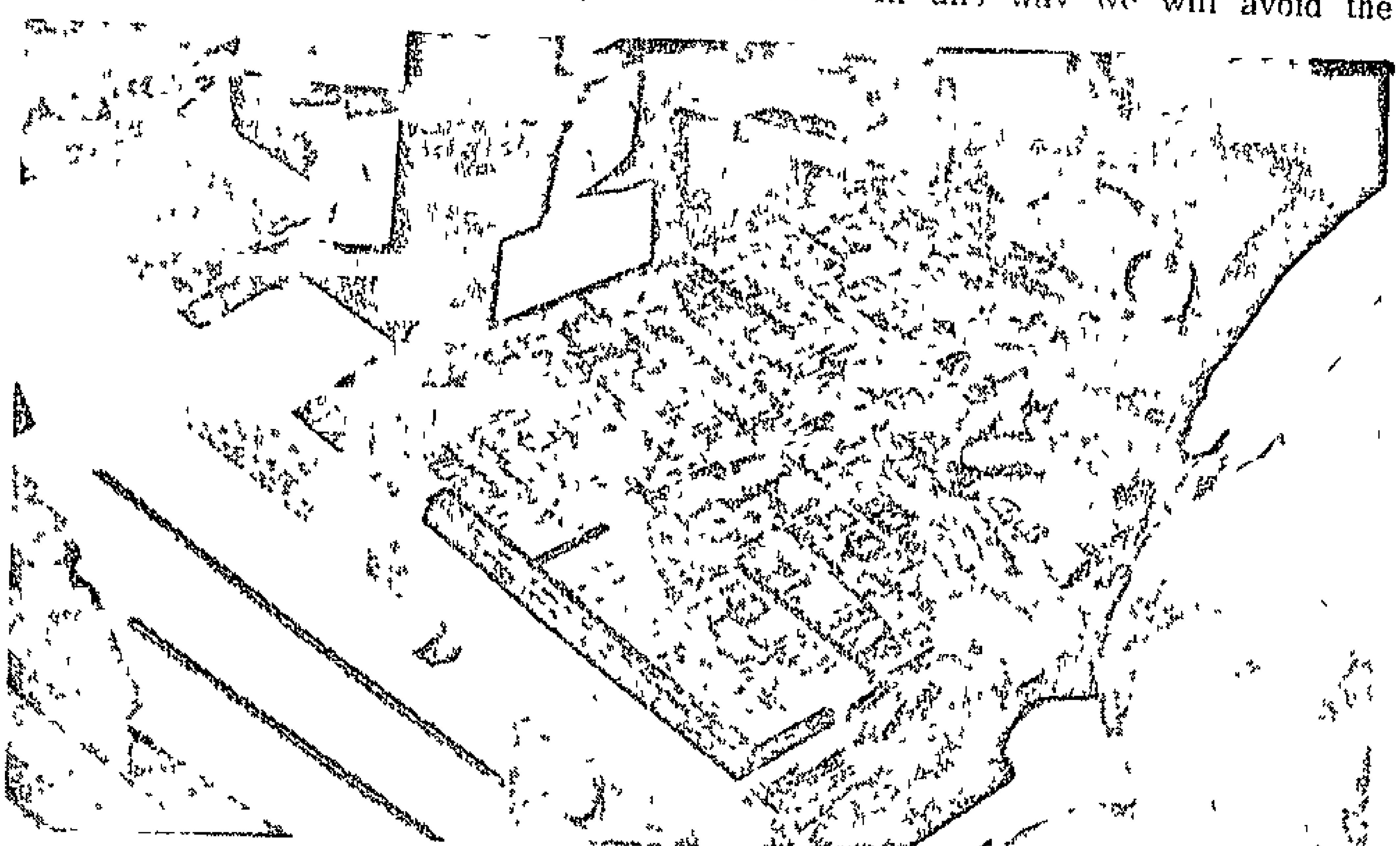
"My feeling is that we will move up to a market of around 300 000 primarily colour sets, which will mean a substantial increase in the value of the market "

Boswoth sees the market stabilising at around 300 000 sets a year, with the replacement rate in the saturated white market rising from the persent 2% a year to 10%, which will create demand for 130 000 sets a year, new white demand for 60 000 sets, and black demand for 120 000 sets At present the percentage of households with a TV set is 85% among whites 67% among Asians, 37% among coloureds and 8% among blacks With the electrification of Soweto, 1,25m black homes will enter the market for electrical appliances by 1985

"We believe TV will be quite a high priority " says Bosworth

So ubiquitous has electronics become in today s world that it has already become impossible to visualise a modern society working properly without it So, quite apart from the military implications, electronics is now a strategic industry But here, as in Europe and Japan, there is concern at the heavy dependence on foreign (particularly American) technology

"The transfer of technology will have to take place in all fields of electronics " says Barlow Rand director Derek Cooper 'It is not enough for us merely to make Chinese copies of imported items Our technicians must understand the fundamentals behind the technology so that it can be developed, modified and adapted to local requirements "



Electronic component assembly ... building a technology base

Allied Technologies chief executive Bill Venter concurs "Perhaps we can't keep abreast of all the latest technology, and we don't want to re-invent the wheel, but it is vital that we build up a pool of trained engineering talent capable of keeping our high technology industries going if and when we are cut off from foreign technology

"To make us viable in the meanwhile, we need market-related research "

Local manufacture may still be in its infancy (the country's first microchip factory is not yet in full production), but selective development of the local industry has already given the country a working level of strategic self-sufficiency

Says Venter "There are thousands of types of each component, and we have to choose the ones for manufacture which have the broadest overlap across the range

"This often means selecting a compromise product which is not necessarily the best for each possible application We may not give this country the latest state-of-the-art product throughout the range, but we sure as hell will make things work '

Adds Altech executive director Ken Maud "If we were cut off from foreign technology, we could get by, but the technology gap would grow every year '

Local content at Altech s biggest manufacturing unit, STC, has risen from 58% to 87% in the last three years, says Venter

Local companies have an advantage over the multinationals in that they are not bound to the technology of an international parent company 'We can choose what is best for us and for SA, ' says Maud "In this way we will avoid the problem which overcame many Latin American countries, for example, which became locked into outdated telecommunications systems because this suited the multinationals "

Many of the multinationals spend no money on research and development in SA, says Venter ' The work is done in the home country, leaving only adaptive engineering to the subsidiaries If they have a good business going with outdated products they are quite happy to keep it that way

'That is what happened in South America, where the governments did not give any tax incentives for local R&D Nor did they insist that multinationals keep abreast of the latest technology We need to persuade the multinationals to do some R&D here, which will also help to keep many of our research scientists here You need to give them a career path "

Altech, says Venter, spends 5% of its sales on R&D — a high level by any

Corporation Medals

FACULTY OF ENGINEERING

standards Not many companies match this "If there were tax incentives for genuine R&D a lot more would be done in the industry as a whole," he says

Evidence of the way in which local companies are coming to grips with the technology challenge lies in the growing export of electronic products Altech, for example, together with Sapo, has developed several unique products, including its SOR 18 system which makes possible 18 simultaneous private conversations on telephone party lines The system also allows interface with the automatic trunk dialling network and ensures that only the called number rings

The system is now being exported to South American countries which, like SA, have large rural areas served by party lines. The first order has been sold to Chile and further orders are expected from Argentina and Columbia "The market could be worth R5m a year to us," says Maud

Another success has been the export of telephone transmitter and receiver capsules. Altech makes 1,2m a year of these and is selling them into Latin America

The big problem, of course, is manpower "There is an urgent need to ease the controls on technicians and engineers coming into this country from abroad," says Venter "Right now the industry could employ a couple of thousand technicians if we could get them Training programmes are under way, but we will only see the benefits after about five years"

Like Altech, Barlows has tackled the two-sided problem of manpower and technology by establishing a research laboratory The Barlow Lab, at Pretoria University, was set up in 1978 at a cost of R1,5m with the object of producing electronic engineers and assisting in the design of specific electronics components for SA applications

Even with the manpower constraint, the industry is growing fast Barlows employs 4 000 people in electronics, though it is in the nature of that diversified group that they are spread across a number of separate companies and divisions Total turnover in electronics is estimated by Cooper at more than R120m Much of the electronics business is relatively new to the group following its acquisitions in recent years of the Fuchs group, a 50% stake in GEC South Africa, and a 51% stake in Perseus Computing & Automation

Siemens, one of the unlisted giants of the SA economy, saw turnover rise 11% in the year to last September to R234m, while the intake of orders soared by 49% to R335m Orders, including commission business, are worth R426m, of which telecommunications account for R110m

In addition to being a Post Office supplier, which will give Siemens a third of all electronic telephone switching business over the next 15 years, the company has licensed one of the other suppliers, Temsa, to manufacture the Siemens electronic EWSD exchange in SA Temsa will thus be spending R10m by 1982 on facilities to produce the telephone exchanges

Turnover of Altech, one of the go-go members of the industry, rose 52% to R88m last year, and the *FM* estimates sales will reach R130m this year To keep up with the demands requires repeated injections of capital Because the industry is so dependent on human skills, and because of the ever-falling cost of hardware, growth tends to come in relatively small packages For example, the R12m SA Micro Electronic Systems microchip plant established jointly by the IDC and Siemens in Pretoria will have arguably as big a strategic impact as the R300m Atlantis Diesel Engines plant in the Cape

Altech spent R14m last year on new production facilities It has spent R750 000 on facilities for producing diodes, R8m on facilities to manufacture digital telephone exchanges (jointly with its French partner), R3,5m on upgrading its printed circuit board and hybrid circuit capacity, and R4m on digital telecommunications products R250 000 is spent virtually every year on additional capacitor production, and R0,5m went into the production of the only cultured quartz crystal plant in the southern hemisphere, so making SA totally independent in this strategic area

No doubt about it, electronics is a high growth industry But the significant growth constraint from the shortage of skilled manpower is in danger of stunting its development

CHEMICAL

(Continued)

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Malan Prize for the most improved First Year Chemical Engineering Student

K W Strickland

S A Institution of Chemical Engineer's Silver Medal

For the best performance in project, design and practical courses over the 4-year curriculum.

P M Salmon

BRITAIN (189)

Countdown for ICL

FM 13/2/81

Lights are burning late at the London headquarters of ICL (International Computers Limited) overlooking the Thames, near the starting line of the annual Oxford-Cambridge boat race

For in the wake of the appalling, and possibly damaging, publicity which greeted news of ICL's disastrous £20m losses in the last quarter of 1980, the computer group's chairman, merchant banker Philip Chappell, is acutely aware of the urgent need for a restoration of confidence in his company

A credible re-structuring of ICL's capital plus a public display of faith by the four major creditor banks — Barclays, Midland, National Westminster and Citibank — is what a disillusioned stock market is hoping for

"They have to come up with something otherwise one can imagine the combined effect of customers' worries about continuity and what the sales forces of IBM, Honeywell, and other competitors will make of ICL's problems," commented Graham Meek, electronics analyst at stockbrokers Wood MacKenzie

Facing total losses for the year of up to £40m (against a previous £25,1m profit), a 30% erosion to £100m in shareholders' equity and a sharp rise in gearing, ICL is reported to be working hard on a plan to present to its bankers in the next two weeks For, while ICL's balance sheet shows net debt of £151m, it also has hidden problems in the shape of its two big UK leasing companies, which it jointly owns but does not consolidate Bank loans to these companies are estimated at between £100m and £140m — which are guaranteed by ICL

The last time ICL got into serious trouble — in 1972 — the Heath government bailed it out with a £40m research and development loan After the end of seven years of uninterrupted growth, there is little doubt ICL will need to be bailed out again

Debate about the causes of ICL's troubles tends to be fogged by argument over whether, with around 3% of world sales, it should be competing in the same league as IBM, with 60% IBM's sales at $23 billion are 14 times ICL's £716m, IBM's R&D, at about $1,7 billion, exceeds ICL's £65m by a factor of 11 Yet ICL, offering around 1 000 products, attempts to match IBM right up to the big number cruncher units with their enormous development costs And with a little preferential help from Whitehall ICL recently "beat " IBM to a £40m contract for the computerisation of Britain's PAYE income tax system

ICL itself is looking at the question of products whether in the present depressed economic climate it should be trying to sell the big 2977 series at between £1,2m and £1,5m a unit, or concentrating on the small to medium end of the market so successfully exploited by NCR of the US or Nixdorf of Germany

Yet analysts say ICL's short-term problems are essentially financial "It is overgeared, both operationally and at balance sheet level, and, if he does his job properly, a banker like Philip Chappell is best equipped to deal with the situation," says Meek

This gearing hit it hard enough in the year to September 1980 Outside of its best overseas market, SA (accounting for an estimated 80% of African turnover of £75,2m, up 49%), foreign sales fell by 3,4% America, down 33%, was the worst as the combination of a strong pound and higher UK costs put ICL at a 20% disadvantage to its US-based competitors in a soft market

This left it heavily dependent on the UK, where a 23% rise to £404m meant it took 56,4% of ICL sales

Operationally, ICL kept its "cost base" high, looking for an upturn in demand (its wage bill rose 16,5% while R&D spending was 20% higher) This left it overstocked when, in the three months to December, the UK market slumped leaving it with an order book lower than a year ago In addition, the trend towards leasing rather than buying by apprehensive users increased the strain on ICL's balance sheet

Further losses

Hence estimates of further losses of £15m in the current three months plus closure costs of the big custom-built plant at Winsford, Cheshire, which could add another £15m to ICL's cash drain

Analysts reckon it will need an input of £150m of long-term money to tide ICL through the present trough Currently, the market values ICL at under £50m — 80% off its level of five months ago — and embittered institutions (which hold 66%) would fight an equity issue

So it's over to government — already committed to £1 billion to help British Leyland and another £2 billion to British Steel It has failed to tempt BP and Shell into taking a stake in ICL and is shopping for partners elsewhere — in Japan and America But ICL is short on customer confidence and time, especially with competition wheeling overhead looking for the first signs of a falter in the limping gait of Europe's biggest computer maker

BLUE CIRCLE FM 13/2/81 189

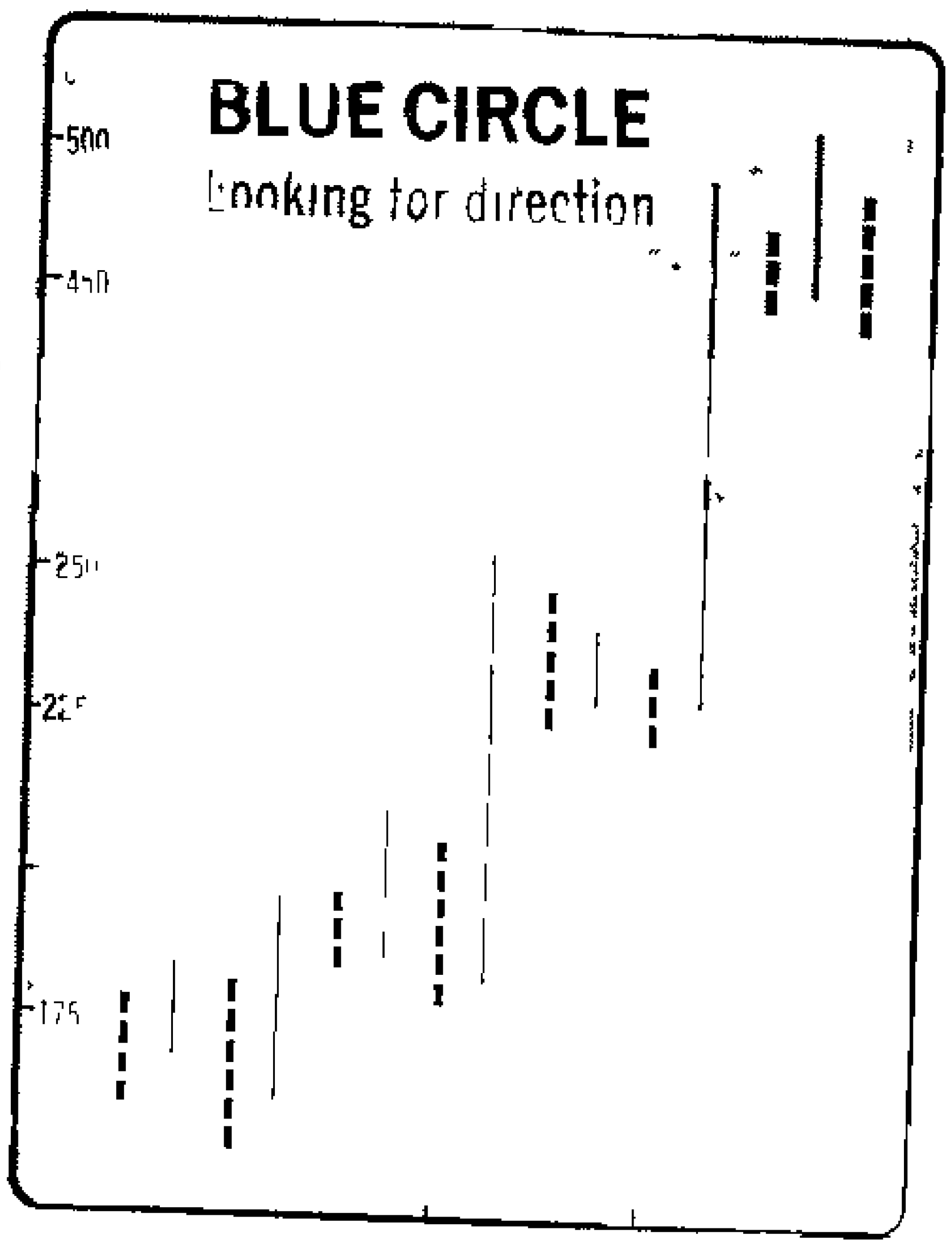
High-quality growth

Activities. *An industrial holding company with its major activities in cement, engineering supplies, heavy equipment and contracting Blue Circle Industries (UK) owns 55,1%*
Chairman· *J E Henderson, managing director T G Coulson*
Capital structure· *21m ordinaries of 50c Market capitalisation R92,5m*
Financial: *Year to November 30 1980 Borrowings long- and medium-term, R26,8m, net short-term, R5,9m Debt equity ratio 44,1% Current ratio 1,5 Net cash flow R17,2m Capital commitments R38,2m*
Share market. *Price 440c (1980/81 high, 580c, low, 320c, trading volume last quarter, 127 000 shares) Yields 18,5% on earnings, 7,3% on dividend Cover 2,5 PE ratio 5,4*

	'77	'78	'79	'80
Return on cap %	12 6	12 9	16 0	22 0
Turnover (Rm)	136	159	203	261
Gross profit (Rm)	14 5	15 5	19 7	32 6
Gross margin %	10 7	10 0	9 6	12 5
Earnings (c)	28 2	33 5	45 0	81 3
Dividends (c)	16	17 5	21	32
Net asset value (c)	363	374	398	455

Blue Circle can now be bought at a 24% discount to the share's high for the past year And that, given the high quality of the group's earnings growth over the past decade, makes this one of the best defensive stocks on the JSE

The latest report contains numerous bull points the components contributing to the excellent results for 1980, the directors' optimistic projection that earnings growth this year will exceed the inflation rate, activity in the group's industries, and the strength of the balance sheet All this for a share which yields, historically, 2,5 percentage points more than the industrial average and 1,6 points more than the industrial holding average



Over the past four years, the period encompassing one of the worst slumps in SA's building and construction industries, earnings have increased by an annual compound rate of 32,8% Over the past eight years, the compounded growth rate is 29% The increase in the 1980 earnings figure, 80,7%, smoothes out the four-year compound figure, but does not have that drastic an effect on the longer period as this included the previous boom in the construction industry

What makes these results more than just a case of benefit derived from an industry upturn is the spread of the improvement and the return to profitability of a problem division The fall-off in profits in the contracting division was unfortunate but could be expected, in the long run anyway, as one of the risks involved in such a business What the decline in contracting's contribution (from R1,4m to an attributable loss of R387 000) does illustrate, however, is the long-term potential in Blue Circle's bulwark divisions, cement and engineering

Though cement accounts for over 40% of group assets and contributes only 22% to sales, the profit contribution is a hefty 57% and increased by 101% in 1980 Admittedly, the cement plants have a higher average age than is the case elsewhere in the group, which understates the true value of assets, and thus returns, in the cement division But on the sales proportion it is evident that much of the group's improved gross margin was from the high marginal benefits derived from the absorption of excess cement plant capacity

On a replacement basis the directors say that the Price Controller's current allowance of a 15% pre-tax, pre-interest return is insufficient

However, apart from the fact that the group is locked into cement production, gross returns are apparently still attractive enough to warrant substantial new investment Three old wet kilns, due to have been closed on completion this year of the new 400 000 t/year Lichtenburg dry kiln, will now be kept operating at full capacity until Lichtenburg's capacity is doubled at a cost of R40m

The high-margin engineering supplies division doubled its profit contribution to about 23% of the group figure This division, essentially Hubert Davies, enjoyed the highest asset increase in the group after the acquisition of Boyd Brown in March last year to provide vertical integration downwards

Manufacturing problems had been the cause of the heavy equipment division's pre-tax R3,4m loss in 1979 but solving these at the same time as sales took off led to a loss of only R584 000 The directors say the division has now reached a break-even position and a small improvement in 1981 is likely

What makes the ingredients of the 1980 results bullish, despite realisation of the fact that this year's growth in certain areas cannot equate with that in 1980, is the write-down in the contracting division The loss was due to low margins, rectification costs on old contracts and losses in manufacturing works These works are being closed down and the current order book indicates only a modest profit this year but a significant recovery in financial 1983

Group finances are sound and though cash flow is 33% of this year's capex, gearing is sufficiently low to allow for extra borrowings That will not be the criterion, though, as much as servicing requirements Revised group financial strategy dictates that interest and lease payments be covered at least four times by gross profits — at the 1980 level of profits, interest and lease costs could double before there is any need for concern

The 2,5 times dividend cover is complemented by an average plant depreciation rate which takes account, as much as possible, of replacement values So the new return on gross assets target of 20% (16,5%) seems attainable Inherent sustainable growth potential should see to this, despite the forthcoming revaluation of assets

Assuming that the worst in the contracting division has already been identified, earnings in the vicinity of 100c a share would be attainable Of this, 40c could be distributed putting the share on a prospective 9 1%

This is attractive What lends some excitement is the certainty that Blue Circle will follow up on the abortive talks with Hunt, Leuchars and acquire an extra leg to an already solid spread HL H is probably no longer available but my guess is that in striving to maintain its high return on equity Blue Circle is finding it difficult to find something that fits in

Tim Muil

MACHINE TOOLS FM 13/2/81 (139)

Row over Six Hundred

The country's biggest machine tool manufacturer, the Six Hundred group is expected to withdraw its application for protection against certain imports, according to sources in Pretoria

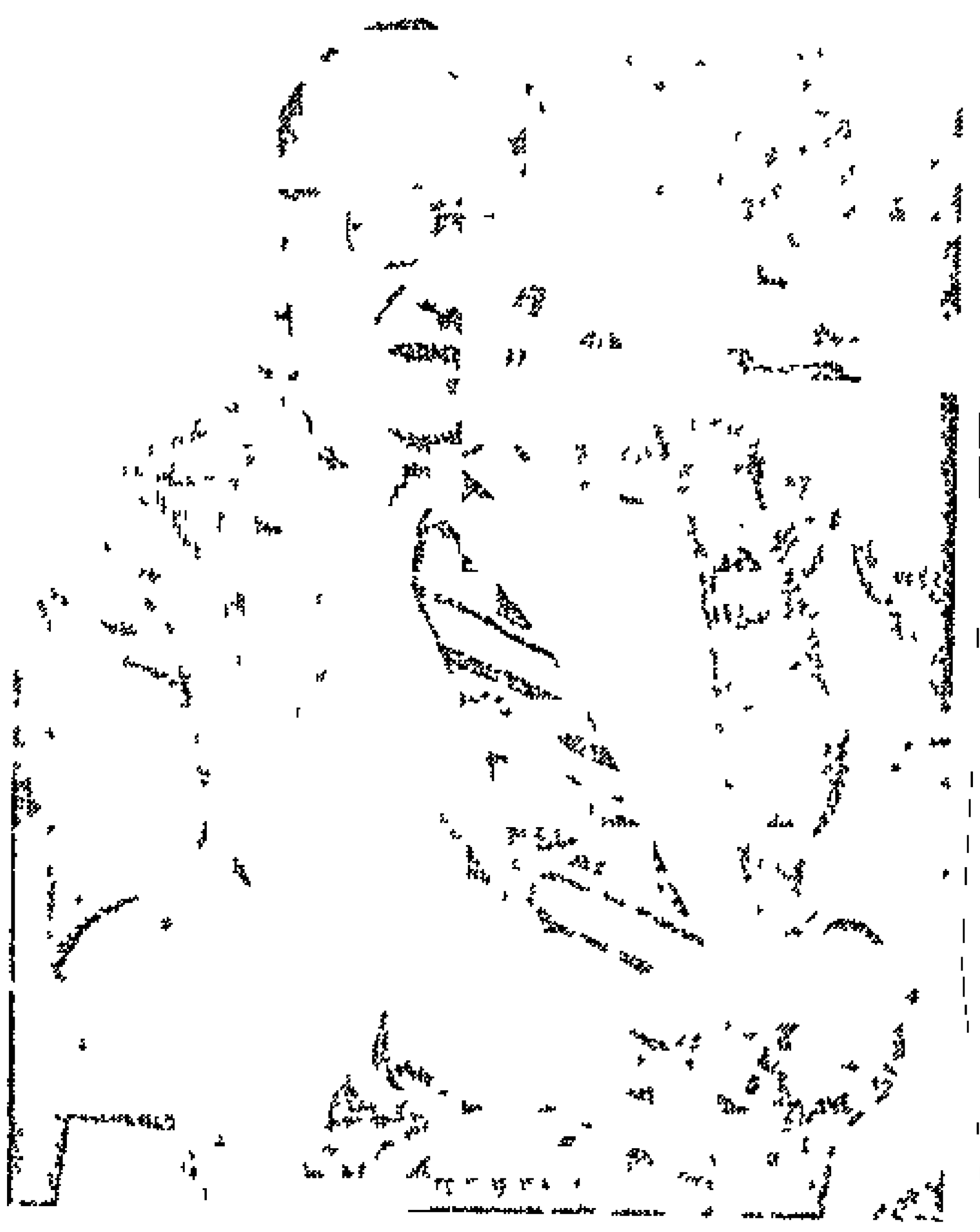
A factor which supports this contention is that the Board of Trade and Industries (BTI) was expected to announce its decision on Economides tariff protection application last month, but has not yet done so

MD of the group, Jim Economides, denies it, and a BTI official says a formal withdrawal has not been received

Six Hundred raised a furore last year when it applied to government for a 20% tariff and an import permit requirement on turret milling machines which it proposed to make locally (*FM* September 26) Machine tool importers went on record that all Six Hundred s previous applications for protection had been automatically approved even though it had not carried out all its undertakings on local content

They also rejected Economides claim that he would achieve a 75% local content within a few years and stated that the true figure would be closer to 9% by value

Importers maintain that the factory of the Spanish-made Holke milling machine which Economides intended manufacturing is too small to supply the volume of components required by the SA market They also say that other Spanish manufacturers are concerned over their future exports to SA being blocked by protection for the relatively obscure Holke product



Economides denies going to Bridgeport

Another row has broken out over suggestions that Six Hundred looked elsewhere for a manufacturing deal, despite its connections with Holke At a meeting of the Machine Merchants Association in December MD of Robert Skok Bobby Skok announced that Six Hundred approached the British company Bridgeport for a licence to build its machines in SA Bridgeport supplies about 70% of the SA turret milling machine market

According to Skok Bridgeport was not prepared to play ball with Six Hundred largely because it had already closed its own SA factory as it did not pay

Economides hotly denies that his company ever approached Bridgeport

Meanwhile Skok has been stocking up on milling machines in case import tariffs are applied "We have 200 Bridgeports, worth about R8 000 a piece in stock and more are expected to arrive shortly This should give us a year s supply" he says, "and even if Holke machines get their protection many buyers will still be prepared to pay the duty to get a Bridgeport"

Machine tool sales have rocketed since last year due to the booming economy and the burgeoning armaments industry Order books are full and local manufacturers are struggling to fill demand There is a delivery delay of up to ten months on locally made presses used for making vehicle body parts

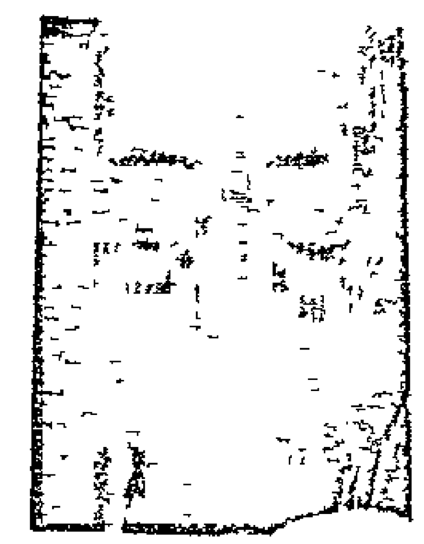
Estimates of the market value, which were placed at R160m for last year have been upped to R250m for this year

Former State President had share in controversial firm

Dr D LINK IN STEEL SCANDAL

~~260~~ (189) S. Times 15/2/81 ~~255~~

Dr NICO DIEDERICHS



DR J G VAN DER

By MARTIN WELZ and GEOFFREY ALLEN

A LONG-HIDDEN scandal — which led to the resignation of a top Afrikaans businessman from the boards of Iscor and Union Steel — has surfaced following an investigation into the financial affairs of the former State President, Dr Nico Diederichs.

Dr J G "Kaalkop" van der Merwe, who was elected vice-chairman of Iscor as a result of direct intervention by Dr Diederichs, resigned from the chairmanship of the giant Union Steel Corporation, an Iscor affiliate, after officials discovered that he had failed to disclose his personal financial interest in a business which supplied furnace sand to the foundaries

'Sand scandal'

Yesterday, Dr van der Merwe claimed in an interview that Dr Diederichs had been a partner in the sand business at the time of the scandal — while he was Minister of Economic Affairs and responsible for Iscor

Dr Diederichs' shareholding in the company is part of a portfolio that will be auctioned on Thursday by the executor of his estate

Details of the "sand scandal" — a closely kept secret in high government circles — emerged following inquiries by the Sunday Times into how Dr Diederichs came to acquire his shareholding in Oewer Sandplase (Pty).

Close friend

Dr van der Merwe, a wealthy farmer and a close friend and adviser to former Prime Minister Dr Hendrik Verwoerd, resigned from both giant State-controlled corporations in 1967

The official minutes of the critical Iscor board meeting simply records that he was quitting the chairmanship of Union Steel because of "gossip about the sand contract"

However, this week the Sunday Times learnt that his resignation followed the discovery by an official that he had recommended that the corporation buy sand from a company in which he held a third share

Because he had failed to disclose his interest in the company — Oewer Sandplase — the Iscor board met to demand an explanation, and accepted his immediate resignation from Union Steel

Later, at a secret board meeting, it was decided that Dr van der Merwe would also relinquish his position as deputy chairman and director of Iscor

The minutes of the first meeting held on June 26 1967, also reflect that another Iscor director, Mr J Vermooten, "again disclosed" that he too had an interest in the same sand-supply company and that he had "mentioned that he wished to dispose of his interests as soon as possible"

Dr van der Merwe told the Sunday Times that, when the company was

To Page 2

Dr D's link in scandal

(220) (260) (189) S. Times 15/2/81

From Page 1

founded in 1965, there were three equal shareholders Dr Diederichs, Mr J Vermooten (then and now, an Iscor director and chairman of Rentmeester Beleggings) and himself

ACCOUNTING

After the scandal he had sold his share to Mr Vermooten

However, companies' office records indicate only two shareholders when the company was established Dr van der Merwe (one share) and Mr Vermooten (two shares)

There is no record of when or from whom Dr Diederichs subsequently acquired his one-third shareholding, to be auctioned this week

A spokesman for Rentmeester Beleggings - who presently own the other two shares — this week refused to disclose how or when Dr Diederichs came by his share

Dr van der Merwe s appointment to the vice chairmanship of Iscor in 1966 was considered unusual since the holder of that powerful office was customarily nominated by private sector shareholders

However in a letter written on May 23 1966 to Dr H J van Eck the chairman of Iscor Dr Diederichs said the Cabinet wanted Dr van der Merwe as Iscor vice-chairman

The letter – marked 'personal — said

As it is deemed desirable that this position (as vice-chairman) should be filled as soon as is possible the Cabinet recently made use of the opportunity to discuss the matter

as a consequence I was asked for the information of those directors who represent private shareholders on the Iscor board, to bring to your attention that the Government would very much like to see that they nominate Dr J G van der Merwe for appointment to the post and vote in favour of his appointment

Appreciate

I would appreciate it if you could take the necessary steps to have this matter finalised at the first possible opportunity at a meeting of the four representatives of the B (private) shareholders

In Afrikaner business circles Dr Johannes Gideon Kaalkop van der Merwe is something of a renaissance man with interests as diverse as farming aircraft broking and steel production

Born in 1903, he was educated at Grey College Bloemfontein and holds a BA in history and an honourary Doctorate of Commerce from the University of the Orange Free State

He holds many directorships and has sat on the Prime Minister s economic advisory council and several Government commissions of inquiry

He has also been a member of the Orange Free State head committee of the National Party

In 1965 some months after the Minister of Transport Mr Ben Schoeman had told Parliament that no South African interests were receiving commissions on the purchase of Boeing aircraft by South African Airways Dr van der Merwe publicly confirmed that his company African Aircraft Corporation had received such commissions

He has been president of the Afrikaanse Handelsinstituut mayor of Heilbron and trustee of the South Africa Foundation

Auctioned

Dr Diederichs share in Oewer Sandplase (Pty) will be auctioned on Thursday together with other assests from his estate

The auction has been ordered by his executor, Mr Cornelius Zondagh

On offer are the Oewer Sandplase share 55 shares in Voortrekkerpers (Pty) and 1 000 in the Rondalia group of companies

A 1971 Toyota truck is also to be auctioned

The sale comes after a dispute in the Cape Supreme Court between Dr Diederichs son Mr Nic Diederichs and Mr Zondagh over the liquidity of the late State President s estate

In court Mr Diederichs junior claimed that the estate was far from bankrupt and that he anticipated a considerable inheritance

Mr Zondagh maintained that the estate was irrevocably bankrupt, and sought a summary judgment against Mr Diederichs for payment of R850 000, which he is claimed to owe the estate

Mr Diederichs has counter claimed that in terms of his parents' will he is not liable to repay the money which his father had either lent him or underwritten on his behalf

In an affidavit before the court Mr Diederichs said that while certain amounts were paid by his father on his behalf the total amount now claimed included amounts which were never lent and advanced to me but which were utilised by my late father to purchase interests in several private companies for his own benefit

Mr Diederichs also stated unequivocably in his affidavit that Even if I am in fact endebted to the estate as alleged I state that I am able to pay any amounts owing by me to the estate

The case is continuing

BUSINESS SCIENCE

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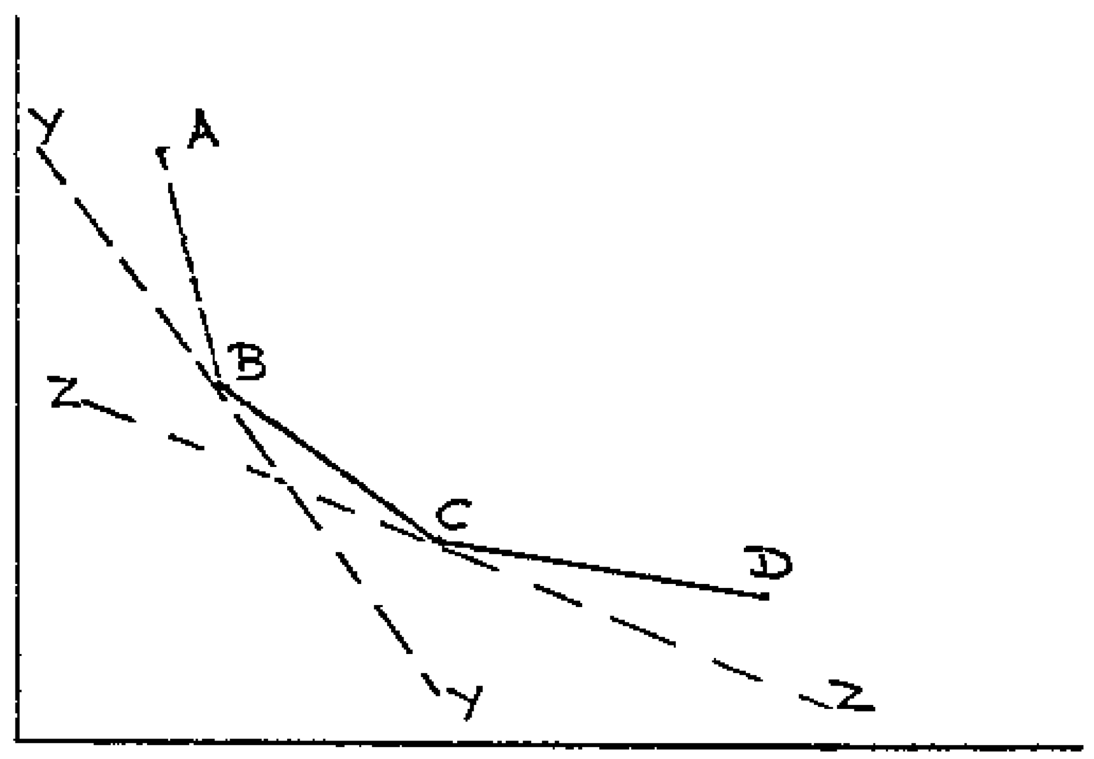
is the same along each price line (isocost line), lines to the right (e.g. X'X') representing a higher cost. A choice is therefore indicated where the lowest cost line intersects the 'possibility frontier', AB, - in this case at point A. With non-linear 'possibility frontiers' the choice may involve a combination of techniques.

Choices between 3 or 4 techniques can also be shown:



At price ratio YY technique B will be chosen; but when the ratio alters to ZZ, technique C has the lowest cost.

Techniques involving the use of more than two types of resources can be expressed as linear equations and the same process of choice using the ratio of prices carried out by computer. The process is known as linear programming, since the relations between inputs and services rendered is assumed to be linear: i.e. a doubling of inputs leads to a doubling of outputs.

The applicability of this technique may be very limited. It is doubted whether health care processes can normally be represented simply as a production process involving inputs and outputs. (Perhaps it is a reflection on the conventional types of health care that it can be so represented.) A second problem is the extremely precise information needed on each process of care. Outcomes are often unknown even in medical terms. Lastly, it is normal rather than the exception for quality as well as quantity of care to enter into the final choice of technique for health care, and this is hard to incorporate into a linear programming model. However linear programming has been used with advantage to analyse hospital costs in terms of individual departments.

Standard's slight rise

Standard Brass, Iron and Steel Foundries report net income before tax of R5 903 000 for the year to December 31, up marginally from 1979's R5 856 000.

Tax took R2 022 000 (R2 067 000), preference dividend R8 000 (unchanged), leaving net attributable income of R3 873 000 (R3 781 000).

Earnings a share amounted to 138,1c (137,0c) and the board declared a final dividend of 40c to total 55c (unchanged) — Sapa.

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

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189

VOL. 188] KAAPSTAD 25 FEBRUARIE 1981 CAPE TOWN 25 FEBRUARY 1981 [No. 7426

KANTOOR VAN DIE EERSTE MINISTER

No. 341 25 Februarie 1981

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 5 van 1981: Wysigingswet op Ontplofbare Stowwe, 1981.

OFFICE OF THE PRIME MINISTER

No. 341 25 February 1981

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 5 of 1981: Explosives Amendment Act, 1981.

It was not possible to distinguish between qualified in-training and assistant nurses in the statistics. Without these distinctions, no valuable assessment of the real expansion of nursing care can be made. (8)

V. FINANCES 1919-1976

The money set aside for mental health in state budgets has increased from £310 379.00 in 1919 to R38 092 793.00 in 1976.

GRAPH 8

MENTAL HEALTH BUDGET 1919 - 1976
—— ABSOLUTE AMOUNT (IN £ TILL 1964)
--- CORRECTED FOR 1976 PRICES (1919)

(x10⁶)

Recovery made by Group Five

STAR 25/6/81

189

~~78~~

By Geoff Shuttleworth

Group Five Engineering, which incurred substantial losses on a Botswana contract in 1979, has turned the corner and 1980's results are roughly comparable with those of 1978.

In the year ended December 31 earnings a share were 58,4c compared with 9,4c in 1979 but only slightly up on 1978's 52,5c.

In the same periods the 1980 dividend total has been increased to 18c compared with a 1979 5c total but below 1978's 20c total.

Taxed profit for the year

FEATURE

The feature of the results is perhaps the low tax paid, R1,6-million, or 22 percent, was paid in tax and this was chiefly owing to the utilisation of tax losses from past years, coupled with incentive allowances received for the "huge amounts we spent on training."

The chairman, Mr Fred Law, said training played a big part in the increased profit and contributed significantly to recover the situation.

The new dividend yield is now 9,5 percent, higher than the average in the building and construction sector and clearly reflecting hesitation after the 1979 Botswana loss.

The 1981 order book is apparently "strong" and with dividend cover now back at more reasonable levels of 3,2 times compared with the perhaps overcompensating 1,9 times in the disastrous 1979 year, the company looks "back to normal" and could see some interest on the market.

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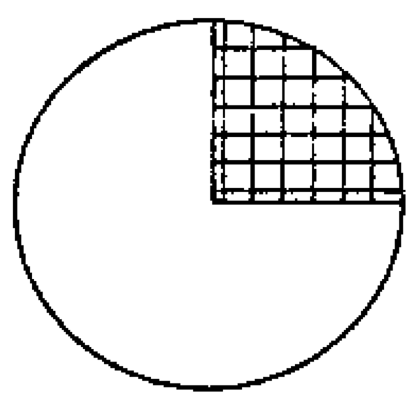
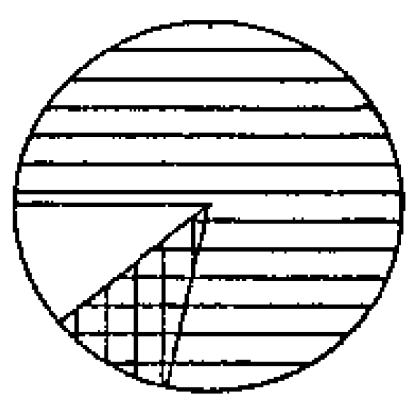
nu ... situation would pertain if only 60 of the 800 nurses were fully qualified, only 20 were in-training nurses and the remaining 720 were unqualified assistant nurses.



fully qualified sisters
in-training nurses
assistant nurses



Not only would this difference affect the nurse patient ratios, it would alter the quality of care delivered by the nursing staff as a whole. (xx See page 14a)

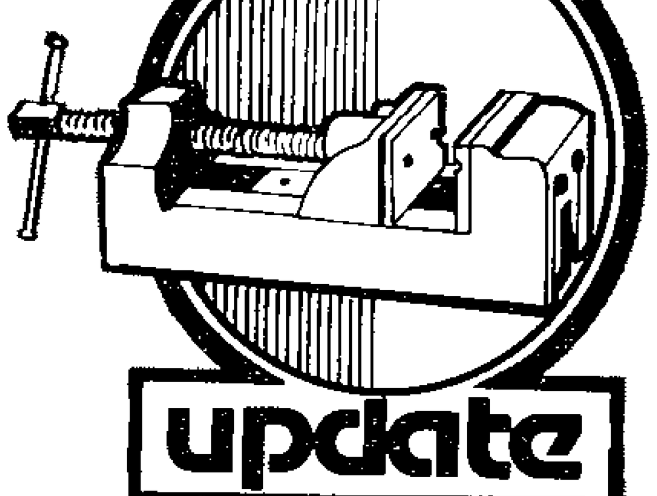
The actual staff position could not be ascertained. Only the limited observation can be made that the total number of nursing staff kept pace with the total inpatient population, in fact, it rose at a slightly higher rate.

There is no evidence available to show that the psychiatric nursing staff is rising. It is probable that the ratio is rising.

I4a/ ...

xx

There is no necessary connection, of course, between quality of care and level of educational training of the nursing staff, especially in custodial institutions. The evidence from Smith Mitchell, where nurse-aides in training take major responsibility for the overall welfare of patients under their charge, suggest that people with a low formal standard of education are able to deliver a high quality service to mental paitnets.



MACHINE TOOLS

Critical shortage of machines

189 SA Industrial Week 24/2/81 ~~180~~

By John van der Meer

A LACK of foresight and inadequate planning by South Africa's industries has resulted in a severe shortage of essential machinery to meet the country's fast growing needs.

This has led to some suppliers of second-hand machinery making disproportionally high profits from equipment which has not really been adequate for the task and often not of a proper standard

In South Africa very little machinery is standing idle and there is a great demand for more machine tools to cope with the present booming industry and this would appear to be a situation that will continue for a few years ahead at least.

Many people do not know where to look for second-hand machinery and industrial equipment This applies particularly to the smaller manufacturer who is starting out or who wishes to expand.

A new company called Intag have now entered the market to assist with this problem They purchase machine tools from abroad and import them to South Africa to be held in stock in various strategic centres.

Purchases are only made after careful market research or on specific demand.

The company's emphasis is on good quality machine tools at competitive prices. A long term outlook with a view to establishing and maintaining a good reliable name.

Mr Des Blewitt, executive director of Intag told me that he preferred to use the term "second user" rather than "second hand"

"For example, a machine in Germany could become obsolete after only two or three years and may then be replaced by a more modern unit

"The enormity of the European market can make this possible

"Thus the first machine is not in the true sense a second-hand machine — in fact, because of our far smaller market size the unit would probably never have been sold out here in a new form

"This is where I believe the term 'second user' is a far 'cleaner' sales tag," Mr Blewitt said.

The company was formed together with German friends in Hamburg called "Rohag" who have an extensive network of contacts throughout the world and hold readily available stores of machine tools in Europe

The formation of Intag will now cover the South African market, Mr W Shenk of Rohag is an executive director representing the German interest

Rohag has several warehouses in Europe and Intag has one in Johannesburg where they are presently holding an introductory in-house exhibition due to end on February 27

Further warehouses for stock-holding will be opened in other main centres as business develops

Although it is customary in the trade for no guarantee to be given with machine tools, Mr Blewitt said "Our emphasis will be to supply only good quality machine tools at competitive prices

"Hopefully this will compensate for the lack of guarantees Certainly we will do our honest best in this direction," he said

With a network of sub-agents and correspondents throughout the world and in South Africa, Intag hope to be able to obtain "just about any second-hand machinery from somewhere when required — depending only on physical availability".

It is proposed that Intag's marketing activities will in due course embrace other neighbouring African countries.

The company Intag is owned totally on a 50/50 partnership basis between Rohag of West Germany and Trans-ocean Traders of South Africa — who are part of the fast-growing Cape Continent group of companies whose headquarters are in Johannesburg and whose chief executive, Mr E E Coote is also chairman of Intag.

A variety of imported machine tools from Germany at Wynberg More details about the exhibition can be obtained from Mr Ludwig 292566

Machined components now manufactured in S.A.

MACHINED components manufactured in South Africa can now be provided with a superior finish, equal to the best standards of major overseas manufacturers, with the introduction in this country of a new range of roller finishing tool assemblies by Hegenscheidt.

Roller finishing, or burnishing, is the process through which the surface roughness of pre-machined cylindrical components is cold-worked and cold-formed by precision rolling tools. The improved surface finish results in increased hardness of the materials, better wear characteristics and greater fatigue resistance, as well as [illegible] of the risk of oxidisation

Special roller finishing and deep rolling machines are used extensively by railroads throughout the world for finishing off such components as the sleeve bearing seats on railroad axles Hegenscheidt machines are also used exclusively by major motor vehicle manufacturers, such as Volkswagen in Germany, for roller finishing components such as crankshafts and wheel hubs

These are all very specialised and costly machines, but the new Hegenscheidt range of tool assemblies now place roller finishing within the reach of virtually any engineering shop, no matter how small

These tool assemblies, which are available for finishing external and internal diameters, may be used on

standard lathes, drilling machines and similar equipment

With the tool assemblies for finishing internal diameter, there are five different tool holders. Each of these can be fitted with different roller heads

For further information phone Mr Loeffelman at (011) 970-1930.

the mortality, and make suggestions for improvements in living and working conditions of African miners.(149) This Committee of Doctors led to the informal inauguration of the Mine Medical Doctors in 1904 under the auspices of the Chamber of Mines, and in 1921 it was formally instituted as the Mine Medical Officers Association whose members provided part-time and full-time medical care for black mineworkers.(150)

Although the Department of Mines and the Chamber of Mines adopted the recommendations of the Committee of Doctors and the Coloured Labourers Compound Commission, individual mining houses were not receptive to many of them on the grounds of 'great expense'.(151) One mining house director was alleged to have complained that these suggestions would lead to 'pampering Africans' who had 'too much already'.(152) This led the Lieutenant Governor to introduce the Coloured Labourers Health Draft Ordinance in September 1905 which, when passed, enabled the Lieutenant Governor to enact regulations for the improvement of the health of African mineworkers. One of the first regulations was a provision enabling the Government Medical Officer or any other government official to inspect compounds and medical facilities and to enforce their installation or effect improvements if they were found wanting.(153) All these steps had been initiated originally by Milner. He had anticipated the advent of Chinese labourers in 1904, because of the shortage of Africans. Strict living and service standards had been conditional for the introduction of Chinese indentured labour. Renewable three year contracts were also one of the stipulated conditions. Because of the strictures placed on the importation of the Chinese, the Government did not wish to be found negligent in the case of African mine labour.(154) Some of the mine-owners objected to the Coloured Labourers Ordinance on the grounds that it was a 'dodge' to introduce 'contentious legislation' which would bypass the Legislative Assembly, especially regarding the housing and feeding of Africans; and they also believed that inspection would undermine the authority of the mine managers.(155)

The Witwatersrand Native Labour Association (the WNLA), established in 1900, had obtained monopsonistic recruiting rights for Africans in South African territories, Portuguese East Africa and British Central Africa, and took steps to introduce founder medical examinations at its border depots and its central depot in Johannesburg. It also provided Africans with waiting stations at intervals of a day's march, and provided the recruits with food, clothing and blankets.(156) Despite these innovations, and improvements to the compounds and hospitals - the latter, which were really 'appendages' to the compounds, and which in 1905 were described by a medical doctor, F.C. Sutherland, as 'models of what such places should be'(157) the disease mortality figures, especially of 'tropical'

Africans, namely those who came from Africa North of latitude 22° South, were still a cause for considerable concern.(158)

A breakdown of the disease mortality rates shows that throughout the entire period under discussion, pneumonia, even after recruiting was prohibited in 1914 from Africa, north of latitude 22° South, leading to

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Job bars scrapped so some apply to join all-white union

About 18 000 Escom and Iscor employees are expected to join the all-white Mineworkers' Union because their jobs are open to all races.

Mr Arrie Paulus general secretary of the Mineworkers' Union, said yesterday the Industrial Registrar of Trade Unions had given permission for the MWU to receive members who were not miners.

White workers from the Grootvlei, Arnot, Hendrina, Komati, Highveld, Taaibos and Vaal power stations and from Iscor Vanderbijlpark, had approached the MWU for membership after their own unions had agreed with employers in the engineering industry to scrap race differentiation in apprentice training

Permission for Iscor workers to join the union had not yet been granted, but Mr Paulus expected soon to be able to announce the authorities had given consent

Mr Paulus said "no comment" when asked whether his union would try to have job reservation restored in the engineering industry

"We now have official permission to extend the scope of our union which means all white workers in Balfour, Sasolburg and Middelburg, Transvaal can now join the MWU."

Requests had also been received from other power stations

some were built with temperatures at 10°F higher than outside temperatures. This was to prevent black miners catching chills when emerging from the hot and humid deep-level underground conditions.(165)

From 1916 to 1928 the incidence and prevalence of simple pulmonary tuberculosis dropped.(166) This may have been because of the introduction

19/2/81 STAR 189

Engineer shortage is called desperate

The engineering profession in South Africa was desperately short of staff, the Minister of Community Development, Mr Kotze, said in Johannesburg this week

Speaking at the annual conference of the South African Council for Professional Engineers, Mr Kotze stressed the importance of more young South Africans taking up engineering as a career.

"A recent manpower survey indicates new graduate engineers emerging from our universities account for only about 35 percent of our demand, which amounts to about 2 000 a year

CONTROL

"The marked reduction in immigrant professional engineers has aggravated the shortage

"Even more engineers in other categories are needed to ensure a balanced engineering team Boards of control would ensure each group in the team of maximum opportunity to work at its highest level of capability

"Professional engineers must draw in other members of the engineering team such as technologists, to be able to handle efficiently big projects of the future

IMBALANCE

"I sincerely hope also that boards of control will make careers as technologists and technicians more attractive This should rectify the imbalance, which often results in engineers doing work that could be done by other members of the team.

"The time is clearly ripe for co-ordinated action

"The country will be looking to the leaders of the engineering profession to come forward with ideas and practical proposals on technical manpower use to ensure the best possible engineering service," he said

NM 26/2/81 (189) (355)

Steel workers may get 20pc pay rise

Financial Editor

INDUSTRY sources expect that the 500 000 workers in the Steel and Engineering Industries Federation wage agreement will get a 20 percent increase this year

They expect the increase will become effective earlier — possibly in May or June — than the traditional July 1 date

A Seifsa spokesman said in Durban yesterday that wage talks had not started

As a consequence of the estimated wage rises in the metal industry, and other factors price rises this year in many areas are forecast

Ironmongery is expected to rise by 15 percent chains and steel rope should rise between 10 and 15 percent, steel from Iscor should see a 15 percent rise in July,

Non-ferrous metals are expected to go up by 10 percent Pipes and pipe fittings should move in line with the steel price, probably 10 to 12.5 percent

Engineering work based on the anticipated Seifsa wage award of 20 percent and an Iscor price rise of 15 percent means an expected 15 percent rise in these costs

Mr Ben Nicholson, general secretary of the 30 000-strong Amalgamated Engineering Union, has indicated that they will be pressing for rises to match the consumer price index (up to December it was an annual 15.8 percent)

189 FM 20/2/81

EUROPE

Save our steel

Europe's battered steelmakers have been left in no doubt that a new plan is being drawn up by the European Commission to stop the industry sliding back into the destructive chaos of a price war

Halfway through the nine-month regime of compulsory production cuts imposed on 350 European steelmakers by the EEC, Viscount Etienne Davignon, the commissioner responsible for industry, has presented a progress report to industry chiefs and trade unions at a meeting in Luxembourg

So far the quotas are working, even if the industry is far from prospering — running at best at an average of 55% of capacity against 70% 12 months ago, and a long way from the dreamlike goal of 85% conceived in the original 1977 Davignon plan British Steel, blighted by last year's 13-week strike, is even worse off with 1980 output of raw steel slumping by 47% to a mere 11,3 Mt

Prices, however, have steadied Davignon described them as "relatively satisfactory," having lifted by between 5% and 10% after the plunges of 20%-35% in the dogfight for shrinking markets which provoked the first ever imposition in October of mandatory quotas under the EEC's "manifest crisis" rule

The quotas, accepted reluctantly by Germany's profitable steelmakers who accounted for 34% of EEC output of 127,8 Mt last year, are secret But the EEC, which imposes them on a quarterly basis from a three-year reference period, was aiming to make overall cuts of 10% of raw steel output in the final three months of 1980 and of between 12% and 18% in specific products

Monitored by a team of 120 specially recruited people, output figures are fed into a computer and any producer who oversteps his limit is liable to a fine of R75/t

In fact, production during the final quarter was some 14% below the 1979 levels, reflected in small annual declines in some big EEC producers (excluding the UK) ranging from 4,8% in Germany (43,8 Mt) to 8,3% in Belgium (12,3 Mt) and 0,9% for France (23,2 Mt) but still leaving Italy 1,3% better on the year (26,5 Mt)

British

But British Steel delegates reporting back from Luxembourg said it was emphasised that the firmer prices had not yet been fully tested in the market while some products, notably bars and rods, remained very weak as falling demand overrode production cuts

Meanwhile Davignon reported that agreements with four "third country" suppliers — Japan, Norway, Czechoslovakia and Rumania — had been reached but no details were made known

Reacting to some steelmakers' views that a system of quotas will have to run on beyond the June 30 limit of the present scheme, Davignon confirmed that the EEC believed a new plan will have to be drawn up and agreed upon soon

But wary of the virulent German opposition to compulsory production levels, he limited himself to referring to "a new system to safeguard firms and employment" The German steelmakers were blamed for the collapse of the voluntary restraints last year and one of the chief problem firms, Klocknerwek of Driesburg, was conspicuous by its absence from the Luxembourg meeting

Davignon sees the question as urgent If no broad agreement in principle can be reached by the end of April, anticipation by steel producers of the ending of quotas will mean "the difficulties will begin again," he said Hints dropped by EEC officials in Brussels suggest Davignon will plump for a revitalised voluntary scheme An EEC spokesman told the *FM* "The fact that the mandatory quotas are being seen to work, in spite of expected problems, could provide a much sounder basis for a viable voluntary agreement"

SHIPBUILDING FM 20/2/81

Extending help (189)

The Board of Trade and Industries (BTI) has been directed by the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, to extend its investigation into the incentive scheme for SA shipbuilding to the ship repair industry and to examine the possibility of offering subsidies to both

Both the shipbuilding and repairing industries in SA are depressed and, in the face of heavy competition from overseas shipyards, are relying on increased government subsidies to make them viable competitors on the international market

Last July, the BTI gazetted a notice that it was undertaking a re-investigation into the incentive scheme for shipbuilding At the time, chairman of the board, Dr Basie Kleu, noted that it was normal procedure to reassess subsidies in view of the fact that government's existing support scheme expired in 1980

On the strength of representations received last year, the BTI recommended to the Minister that the investigation be widened

Says the board's director, Jerry Breyl "As a result of representations the board received last year, it is looking at the possibility of extending the subsidy scheme to the ship repair industry

"Also, the board knows that the fishing industry makes use of local vessels and it wants to establish the effect of incentive and protective measures (in respect of the shipbuilding and ship repair industries) on the fishing, as well as the shipping, industry "

Says Johan Grobler, GM (finance and administration) of Sandock, the Durban shipbuilding company "Previously there have not been subsidies to ship repairs unless there was a total conversion job "

Grobler has already made known his views that the SA shipbuilding industry is not subsidised enough (*FM* July 25 1980)

Says the spokesman of Cape Town-based, Dorman Long Swan Hunter, the shipbuilding company that forms part of the Dorbyl group "All overseas yards are given terrific incentives to keep their shipbuilding industries going. It's very important that we do it here as well "

Present government subsidies are 10% for ships between 200 t and 500 t and 25% for ships between 500 t and 6 000 t

Several shipbuilders agree that there is strong international competition in the repair industry

Their representations led to the BTI's consideration of extending its investigation

While the shipbuilding and repair people applaud the possibility of receiving subsidies from the state, the Fisheries Development Corporation has made representations to the BTI qualifying the proposals

A source connected with the fishing industry suggests that extending incentives to the ship repair industry could result in more foreign trawlers calling at SA ports for repair "But they would only do so if it was worthwhile for them to fish in adjacent waters " His implication more competition for local trawling companies

He adds that the SA fishing industry has enormous potential for the local shipbuilding industry "The replacement value of our fishing fleet is approximately R20m a year "

Sweeping changes for electricians

184 5710/78 23/3/80

Own Correspondent

DURBAN — Sweeping legislative changes to update the electrical contracting industry are expected to be promulgated by the end of the year

This was announced in Durban by Mr A A Weich, chief inspector of factories at the Department of Manpower Utilisation.

He was addressing 400 delegates at a half-day seminar on new wiring systems.

Mr Weich said that the Government had accepted certain recommendations which originated with the Wiehahn Commission and affected electrical contractors

The recommendations were.

- Scrapping the Electrical Contractors and Wiremen's Act.
- Bringing electricians' regulations into the Factories Act.
- A new national code for electrical wiring.
- Scrapping the general registration of wiremen.

"Supply authorities will reserve the right to inspect installations on a random basis Contractors will have to be meticulous because inspections this way will be much stiffer than under the old system," said Mr Weich

Contractors would no longer be able to use suppliers' inspectors as consultants.

MACHINE TOOL UPDATE

189 SA Industrial Wk 24/2/81

Germany tops market

SOUTH Africa is nowhere near being self-sufficient in the manufacture of machine tools The Federal Republic of Germany is the main supplier.

This year Germany will further increase her lead as top machine tool suppplier to the South African market, according to the South-African-German Chamber of Trade and Industry Ltd

Considering the large number of projects to be constructed by both the chemical and mining industries as well as in transport and defence, there should be an even greater demand for German machine tools in the future

STATISTICS

Sales this year are estimated to be as high as R250-million The local market is valued at R30-million, which means that imported machine tools worth R220-million will be sold this year

According to German statistics for the first nine months of 1980, it can be assumed that German machine tool suppliers will sell machine tools worth about R75-million.

Estimating the overall market sales for imported machine tools at R220-million, this would give German suppliers at least a 32 percent share of the market.

The considerable increase in the demand for German machine tools can be attributed to the fact that in large industrial projects such as the ADE diesel engine plant at Atlantis, German machine tools have been given preference over all other potential suppliers

FIERCE

The recent sale of what is probably the biggest vertical boring mill in South Africa is an indication that the mining industry also is keen to place their orders with German suppliers.

This particular order was won against fierce competition from Japan and USA.

As the buyer put it: "The machine had to be an investment in technology that would outlast the next 25 years "

Prices of German machine tools have remained relatively stable over the last three years.

The main stabilising influence on prices has been the relatively low rate of inflation in Germany over the last year

PHILOSOPHY

According to available market information, in past years the price increase for German machine tools has been in the region of only four to six percent

During 1980 most machine tool manufacturers kept their export prices at the 1979 level Some manufacturers even dropped their prices by 10 to 15 percent due to a change in philosophy

A Japanese-type mass production of machine tools is not yet a feasible option for German manufacturers, most of whom fear such production processes might have a negative effect on the quality of machines produced.

CHEAPER

Although Japanese prices are considerably cheaper than their German counterparts, reasons for this are well known in the trade Price per weight of machine is sometimes considerably lower in Japan

One reason which however might change in the future is the lower salaries It is expected that Japan will also suffer in the future from presure of their labour force for better pay and higher social contributions.

Japanese mass production means that Japanese competition is severe for standard type lathes

Mr Mario Balbi explains the details of a Tachela machine

'Few breakdowns' claim by Mario

"Tachella machines so seldom breakdown that we actually welcome the chance to do refresher courses on servicing them," says Alan Millington, Service Manager at Green & Sons, commenting on the recent visit to South Africa of Mario Balbi, from Tachella Machine in Italy

Balbi, a technical service consultant based at the Tacchella's head office in Aqui Terme, spent two weeks in South Africa upgrading existing Tacchella machines for customers, and running refresher training courses for servicemen in the field

"I have concentrated especially on our new electronically-controlled machines — which are really setting the trend in Europe at the moment," he said

Balbi also introduced Tacchella's new rationalisation of accessories manual, which promises an even more efficient and reliable back-up service for Tacchella machines.

For further information contact Jenny Frank (011) 643-8249.

GENERAL NEWS

Mysterious chain of events in arms expert's last days

28/2/81

Own Correspondent

Mystery still surrounds many of the actions and happenings just before the death of British electronics expert Mr Maurice Dick in a toilet at the CSIR in Pretoria.

His wife, Mrs Pamela Dick (47), remains adamant that her husband did not commit suicide, despite an inquest court finding this week, which rescinded an earlier judgment stating that no one could be found responsible for Mr Dick's death.

The Briton who once helped with the development of the RAF's Nimrod coastal reconnaissance aircraft was working on a top secret project for an Armscor affiliate.

There was a number of uncertainties about events leading up to his death, according to his wife. They include

● A letter threatening Mr Dick a week before the family was due to come to South Africa in 1977

● A telephone call two days before the family was due to leave warning them that they would be harmed if they emigrated to South Africa.

● Mr Dick's continual comments that his wife must take their daughter, Catherine (Katie) back to Britain should anything happen to him

● Mr Dick's disappearance the night before his death He went "to post a letter" in pouring rain, leaving the chore he was doing uncompleted

● He wanted to tell his wife something "very important" two days before his death, then unaccountably changed his mind

● An alleged attempt to force his car off the road on the morning of his death

According to Mrs Dick, her husband had "everything going for him," with promotion and good increases shortly before his death

He was nearing completion of a major secret project and there was the prospect of moving into a new home

He was awaiting the visit of his son from England on the day of his death

The magistrate who heard the case said the evidence before the court indicated suicide, but when considered in its entirety no such finding could be made He found no one could be held responsible for Mr Dick's death

The Dick saga started before the family's return to South Africa in August 1977

A week before they were due to return to South Africa a common brown envelope with a London postal stamp was delivered with their mail

It read "Dear Mr Dick, I believe you are returning to South Africa If you do and take your skill to help them, you will be harmed".

(The family had lived in this country between 1974 and 1976, when Mr Dick worked for another section of the CSIR)

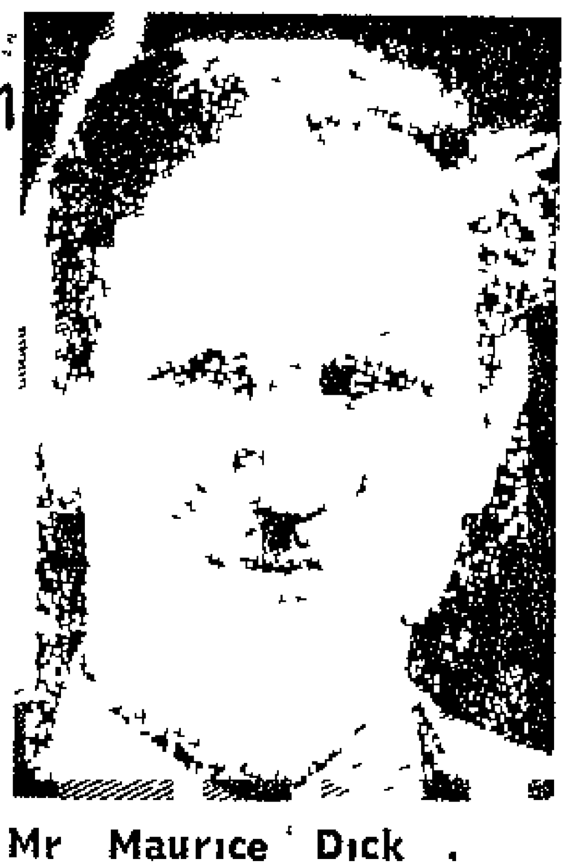
The simple note caused Mr Dick much concern, but not as much as a phone call two days before their departure.

A man with an unidentifiable accent warned Mrs Dick that the whole family would be harmed if they continued with their plans to emigrate

Mr Dick said he would "sort it out" the next day and on his return was abrupt with his wife, saying the situation was under control

The problem was then forgotten as the couple and their daughter settled down to life in Pretoria

Mrs Dick said she was experiencing a "certain amount of nervousness" since the court's findings had been disclosed



Mr Maurice Dick working on top secret project

Private Sales: R92m	Public Sales: R43m
(68% of Ethical Sales;	(32% of Ethical Sales
18% of Private	6% of Public
Health Care	Health Care
Expenditure)	Expenditure)

Diagram 2.2: Medicine Sales in South Africa (I976).

(2.2) Growth of the Drug Market:

Despite its small size, the industry has experienced rapid growth recently. This is due to factors which increase the local market size (population growth, changes in age structure, rises in ~~increases in~~ standards ~~of living~~ living, increased use of medical aid and rising government health expenditures.) and to factors that allow the local industry to supply more of the market requirements (economies of scale, rise of local basic and fine chemical industry, etc.)

The total Pharmaceutical industry has grown rapidly and is expected to be one of the fastest growing in the future. According to the I974 - 9 EDP, it will grow at

. / ...

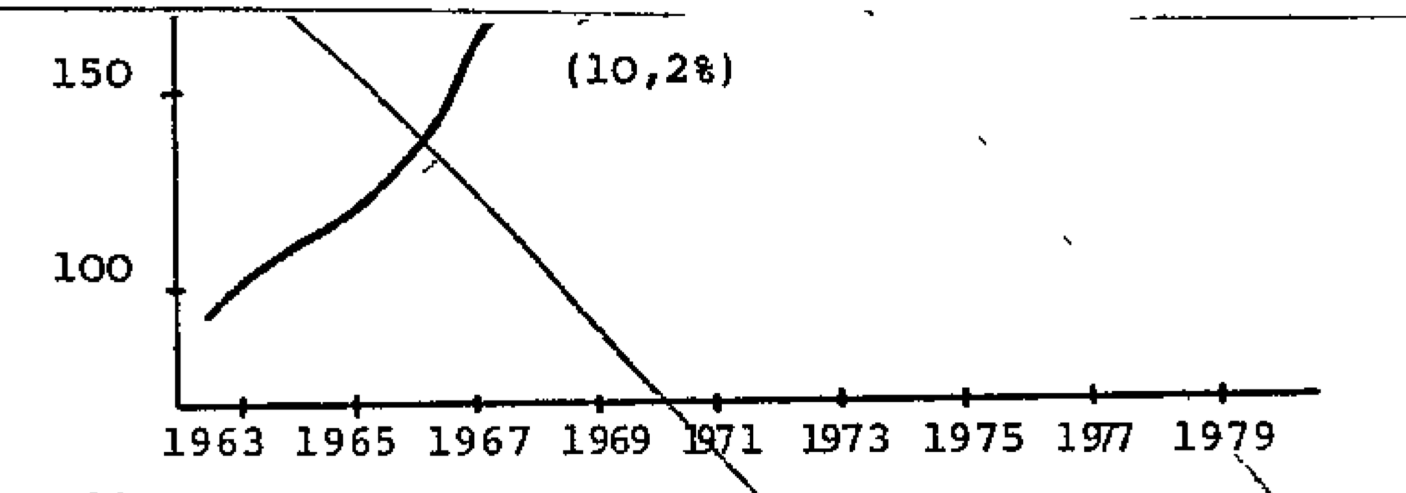


Diagram 23:

Index of physical volume of production of pharmaceutical preparations and cosmetics.

Turning ~~now~~ to the actual ethical market, the statistics become less reliable. A recent newspaper report put the growth rate in this sub-market at I5% p.a. (7) Such a figure, however, probably refers to growth at current prices. The recent commission estimated the growth rate for ethicals at I7% p.a. for the period I97I - I975 at current prices and at 8% p.a. for the period I970 - I976 at constant prices (i.e. in real terms) (8)

It seems clear that the market has experienced rapid growth even while the rest of the economy has not grown as rapidly. In contrast to the growth in the ethical drug market, the growth in GDP at current prices over the period I968 - I977 was II,I% p.a. while

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Pentagon orders SA solder

S Times 1/3/81

(189)

~~337~~

By Tony Hudson

A RECENTLY invented South African product has attracted the attention of the US navy and the manufacturing company has received substantial orders from the US Defence Department.

Late last year the Durban-based Non-Ferrous Metals group launched its Universal Solder, capable of soldering any metals together.

Director Bernhard Lazarus told Business Times this week that two US technicians present "took samples and as a result several substantial orders were received."

The quantity bought by the US navy formed a substantial proportion of the R50 000 export orders received in the last few months.

These export earnings were not the result of a planned programme, but from totally unsolicited orders.

"Up to now we have concentrated our efforts almost exclusively on the local market," he said. Now the company is appointing agents abroad and an export drive is about to be mounted.

for a difference of this size.

The survey average is drawn upwards by the inclusion of four workers on a horse-breeding farm in the Nieuwveldt mountains near Beaufort West who earn more than R25 a week in cash.

(b) Bonus:

The table below shows the distribution of workers according to annual bonuses received.

TABLE 9

Distribution of workers according to bonus received, R per year.

Bonus, R per year	Number of workers	Cumulative %
0 - 5,00	22	16,92
5,01 - 10,00	11	25,38
10,01 - 1[illegible]	[illegible]	43,08
15,01	[illegible]	53,85
20,01	[illegible]	63,08
25,01	[illegible]	80,00
30,01	[illegible]	85,38
35,01	[illegible]	95,38
		100,00

T [illegible] category received

no bo

Inclu[illegible] n four farms, whose

DAILY

DD 3/3/81 (189)

Black union joins council

JOHANNESBURG — Another black trade union has been admitted to an industrial council and hence into the official bargaining system

It is the SA Chemical Workers Union (Sacwu), which is affiliated to the Council of Unions of South Africa (Cusa).

This makes Sacwu the second Cusa affiliate to gain admission to an industrial council. Recently, the Steel, Engineering and Allied Workers Union became the first independent black union to win admission to a council.

Four industrial councils are know to have admitted black unions.

Admission to a council entitles a union to conclude legally binding wage and working condition agreements with employers.

Sacwu has gained admission to the industrial council for the Transvaal Chemical Manufacturing Industry and will therefore be entitled to bargain officially for its members in the Transvaal

The only other trade union on the council is the Chemical Workers Union, which represents white, coloured and Asian workers.

This union has close links with the Sacwu and this almost certainly made it easier for the union to join the council.

Registered non-black unions already represented on an industrial council have the power to veto an application by a new union to join and unions which already have close links with their registered counterparts are less likely to be vetoed — DDC.

Travelling.

Total amount paid to sisters other than for Uitenhage area mobile clinic	330,88

Medicine*

For minor ailments, TB and VD	438,22
Milk for child TB patients for 3 months	500,00
	6 011,84

* A small amount is also spent on non-subsidized medicine. That listed consists of items reimbursed by the State

Dunswart I and S increase turnover

Dunswart Iron and Steel Works has announced an increase in turnover of 26 percent for the year ended December 31, writes Ann Crotty

Turnover was R86,4-million (R68-million) Income before tax was R6,1-million, an increase of 82 percent over the previous year's R3,4-million.

The ordinary issued share capital was increased by R6-million to R8,99-million.

Earnings a share, calculated on a weighted-average basis, were up from 68,7c in 1979 to 69,4c.

A final dividend of 10c brings the total dividend to 15c (10c).

The board has approved capital expenditure of R21-million which will be financed from the proceeds on the increase in share capital and the sale of certain subsidiary companies as well as from own resources and loans.

The increase in capacity is to meet the growing demand for the company's products.

Marketing policy will continue to give priority to the domestic trade which is expected to remain generally satisfactory

Fees Received   monthly average for 1.7.77 to 31.12.77

Deliveries and Maternity:	R 60,00
Minor ailments	209,47
	269,47

Thus the net expense to the authorities was R6 542, approximately.

Services rendered   1.7.77 to 31.12.77

Deliveries at home or born before arrival	33
Deliveries in clinic	60
Ante natal and postnatal visits	201
Home visits (general nursing)	7

./...

Follow-up visits or under 5 deaths, birth notifications, child health clinic and TB and VD defaulters	68
Contact tracing	59
Home visits other than delivery	335

Attendances

Minor ailments	6284
Antenatal	1060
Child health	4067
VD WR's given	186
Monthly treatment given	688
...ces	2223
	864
...ining	3597
...examinations	34
...ons	2719
which are performed at child clinic attendances	
...nning slide talks	4
...ient contacts	19 431

excluding contacts at F.P. talks and immunizations in schools.
Including 93 deliveries, or visits to deliver and 335 other home visits.

Average cost per patient contact   total   R2,10 - R1,65
(lower figure counts immunization as separate contacts)
to State/local authority:
R1,77 - R2,02

This figure means very little since it includes such diverse types of contacts. The cost for each category can only be found if the amount of time spent by sisters on each activity is known, and if possible a breakdown of

./...

DUNSWART (189) FM 6/3/81

Future potential

Activities. *Manufactures sponge iron, steel billets and rolled steel sections General Mining Union Corp holds 71,4% of the equity*

Chairman *G Clark, managing director, K T Brightman*

Capital structure *10,9m ordinaries of 50c 100 000 6% cum prefs of 2 2m 10,5% red cum prefs of R1, 300 000 6 c second red cum prefs of R2 Market capitalisation R21,3m*

Financial· *Year to December 31 1980 Borrowings long and medium term, R13,7m Net cash R8,4m Debt equity ratio 44,6% Current ratio 2 8 Group cash flow R11,0m Capital commitments R21,7m*

Share market *Price 180c (1980-81 high, 275c, low, 170c, trading volume last quarter, 203 000 shares) Yields 38,3% on earnings, 8 3% on dividend Cover 4 6 PE ratio 2 6*

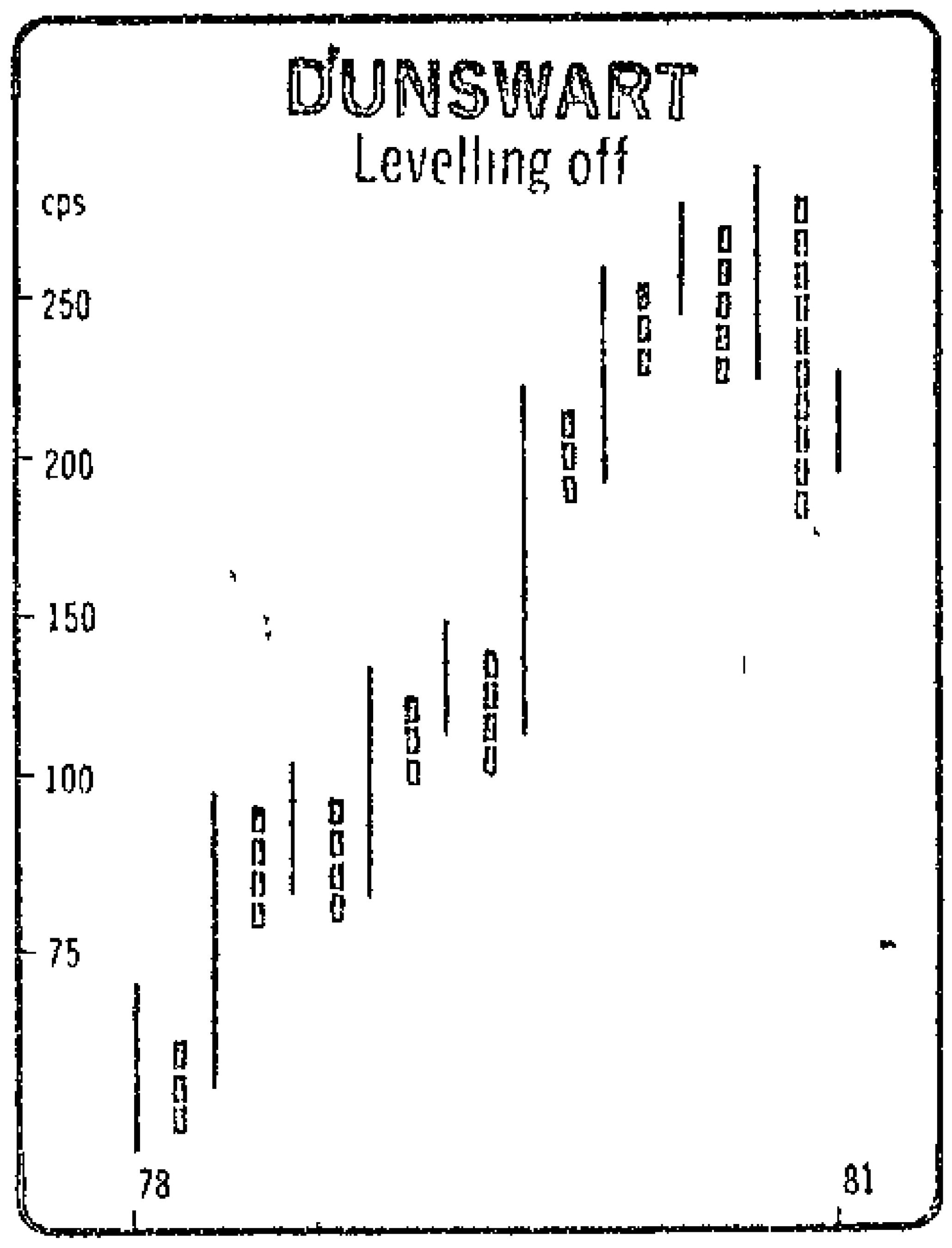
The turnaround in Dunswart's earnings performance over the past three years has made it a much more attractive investment But the large capex programme currently under way is likely to distort profitability, because of temporary shutdowns and the normal inertia on start-up until financial 1983 at the least

	77	'78	'79	'80
Return on cap %	—	8 0	15 1	16 8
Turnover (Rm)	38 9	54 8	68 6	86 4
Pre tax profit (loss) Rm)	(2 0)	0 5	3 4	6 1
Gross margin %	—	5 4	8 4	9 6
Earnings (c)		8 3	77 2	68 9
Dividends (c)	—	—	10	15
Net asset value (c)	338	357	439	292

Since 1977, when the group bottomed out with a pre-tax loss of R2m, return on capital has grown to just under 17%, earnings a share have picked up from nil to almost 70c on the more-than-doubled equity (but including an extraordinary gain on the sale of subsidiaries) and dividends, while still conservatively covered, have risen to 15c

The balance sheet of the steel and sponge iron manufacturer has improved drastically and the group is in a sound position to cope with the R21m capex planned for the next few years Cash resources which include a large interest-earning deposit with 71% holding company Gencor, as well as the proceeds from the sale of subsidiary Alpha Free State last year, now stand at R9,4m

Group cash flow could approach R10m this year compared with just over R11m (including the R3,2m surplus on disposal of subsidiaries) last year, so the loans programme for 1981 could be fairly small



Though a company spokesman would not disclose details of any possible credit lines to be taken up as most of these decisions obviously now come from Gencor, the group clearly has a fair amount of spare capacity The debt equity ratio has dropped to 45% — well under half of what it was two years ago The group target is in the region of 55% to 60%, but gearing can be expected to pick up towards the end of the year as funding for the capex programme is taken in

Return on capital is not yet up to the 25% target, but although the recovery in three years has been rapid, it will continue to be distorted by plant installation this year, and in 1982 by the normal starting-up costs However, the following year should look much better in terms of both earnings and profitability

The group is conservatively targeting sponge iron production at 120 000 t this year, compared with the record 126 000 t last year, but it is probable that it will manage at least 130 000 t The market has been fairly stable since the year-end a spokesman said and any excess over the group's own consumption could well be sold to other local producers

Liquid steel production should be around the production limit of 380 000 t, compared with 359 000 t last year, though there are no plans as yet to expand production capacity The bulk of sales will be local, as world prices for billets are still depressed and the strong rand also inhibits foreign sales

With the funding requirements for the expansion at the rolled mill and continuous casting plant, dividend cover is likely to be maintained around last year's 4,6 times So while improved efficiencies may push up earnings to some extent a dividend hike to above 20c must be seen as unlikely at this point

With the share well off its year's high at 180c it offers a prospective dividend yield of 11 1% This is fairly high for the current market and coupled with future earnings possibilities, the share looks to be an attractive longer-term hold *Scott Hawker*

2. Laundry, Cleaning Dyeing industry Industrial Council.

This fund was established about 37 years ago. Workers in are mostly female (about 80% or more.) The wages are low earn between R18-R20 a week.) The workers are being hard the recession, as a result of a decrease in laundry work constitutes a luxury item, which many people eli a recession. Contributions are therefore low and thus be be very extensive. Workers however, favour the payment contributions despite the low wages and high unemployme have been against this as they pay an equal contribution. cleaning and Dyeing workers Union is struggling for an in contribution rates which will lead to an increase in b

3. Cotton Textile Sick benefit fund.

The cotton textile industry has a predominantly female lal 70% of the workers are female and this is on the incre The cotton textile sick benefit fund was established about as a sick pay and medical benefit fund. The fund started surgeries at some of the factories. This involved very b benefits and although there were provision for dental and even at this stage, they were not really operative. When started, the sick pay was only 50% of the worker's salary. (See table 9, for present rate).

The fund applies mainly to the country areas such as Wellin Paarl, Tiervlei and Bellville. It excludes Cape Town, as Council in this industry was started about 20 years ago, th areas were the country areas and hence this became the regi jurisdiction of the Industrial Council.

When the Cape Town area is better organised, permission to of jurisdiction will be applied for.

A panel of doctors is the system used by the fund as it fee is too wide a range of doctors there can be little control of benefits. At the large factories, covered by the agree doctors' surgeries on the factory premises. Initially the agreement with the doctors serving the fund, that they woul on a per capita basis. However, it was found that this of on the part of the doctor, who was hereby assured of a cer The scheme has therefore now changed to payment of doctors basis.

Engineering wage talks

Labour Reporter

The engineering industrial council meets next week to decide on increased wages for workers in the steel and engineering industry.

Twelve registered trade unions in the industry are calling on employers for an immediate increase of 20c in the minimum hourly wage for more than 500 000 workers.

The council meeting is being held on Tuesday following a decision last month to move negotiations forward from June.

RDM 9/3/81

Steel industry faces new union tensions

140A 189

By RIAAN DE VILLIERS
Labour Correspondent

RENEWED tensions have arisen between Fosatu (Federation of South African Trade Unions), employers and the established unions in the giant steel and engineering industry

They follow a Fosatu announcement yesterday that its affiliates would not take part in industrial councils until the question of their final registered status had been clarified

This means the Metal and Allied Workers' Union, a leading Fosatu affiliate, will this week not attend industrial council negotiations to which it had been invited, and will not apply for council membership at this stage

The row could have serious repercussions Last year the MAWU undertook to apply for membership of the council as soon as it was registered, and on that basis the council decided to allow member companies to deduct union membership dues on their behalf

Mr Alec Erwin Fosatu's general secretary, said yesterday that its stand should be respected, because unions did not have a mandate from members to enter any councils without the registration issue being finalised

However, employer spokesmen — as well as spokesmen for established steel unions — argued yesterday that the MAWU may have breached its undertaking, and that the council could decide to withdraw the stop-order facilities

Dr Errol Drummond, director of the giant Steel and Engineering Industries Federation of South Africa (Seifsa), yesterday expressed "extreme personal disappointment" at MAWU's withdrawal

"I had hoped that all unions active in the industry would take part in this year's talks. Now the MAWU is a non starter, while other black unions have come into the fold"

He said he had done "everything possible" to persuade the union to change its stance and enter the council pending an outcome to its registration problems

Mr Ben Nicholson, director of the Confédération of Metal and Building Unions, last night also expressed disappointment at MAWU's withdrawal

He said Fosatu unions were confusing the question of whom they may enrol, and whom they may represent "Despite their registration certificates they may enrol whomever they please, and if they eventualy apply for an extension of scope to represent these members, no-one will object"

However, though MAWU would no longer be permitted to attend the council meeting if it did not apply for membership, he "sincerely hoped" it would still attend today's union caucus meeting

The Star Tuesday March

Wage talks focus on less skilled

STAR 10/3/81

Twelve trade unions — including three newly registered unions representing black workers — will press for a novel wage agreement in today's meeting of the engineering industrial council

The council meeting has been brought forward at the request of the unions to counteract the effects of inflation

The unions' proposals have been framed with an eye to black workers in the lower skill categories, said the director of the Confederation of Metal and Building Unions, Mr Ben Nicholson.

For workers on the bottom of the wage scale, the unions have asked for an increase of 30 percent, Mr Nicholson said, whereas if the demands were met, workers at the top of the scale would receive closer to 15 percent

The meeting is also likely to consider the refusal of the recently registered Metal and Allied Workers' Union (Mawu) to apply for membership of the council

RDM 11/3/81

Steel workers get minimum 15% wage hike

~~347~~ 189 ~~139~~

By RIAAN DE VILLIERS
Labour Correspondent

ABOUT 500 000 workers of all races were awarded wage increases ranging from 15% for skilled workers to 22% for unskilled workers in special negotiations between unions and employers in the giant steel and engineering industry yesterday

The higher increases for mainly black workers at the lower end of the wage scale are in line with earlier trade union demands which were aimed at offsetting sharp cost of living increases and growing militancy among black workers

For the first time, black unions and multi-racial unions representing blacks formally took part in the wage talks

The wage award, which covers all workers in the industry, raises minimum wages from 15% for artisans to 22% for workers in the lowest unskilled category, with appropriate intermediate adjustments

The agreement also provides for similar "across the board" increases in wages Holiday bonuses and living out allowances are to be improved as well

The agreement will come into effect on May 1 and not July 1, as has been customary, and will be sp[illegible]ween the two dates

Earlier this year, unions suggested that this year's agreement should last for 18 months — until next December — rather than the usual year

However, the agreement will run for 14 months before expiring as usual next June

For the first time, black unions and multi-racial unions representing blacks took part in yesterday's negotiations as full members of the industry's industrial council

Two established member unions have opened their ranks to blacks since last year's talks which means that six unions of the 14 involved in yesterday's talks represented black workers

According to the statement announcing the agreement, some 300 representatives were present at the meeting.

189 266/1312

Unions fail on interim wage rises

Star 11/3/81

Labour Reporter

Unions were unsuccessful in persuading employers that interim wage increases in the engineering and steel industry were necessary, the director of the Confederation of Metal and Building Unions, Mr Ben Nicholson, said today.

As a result of yesterday's wage negotiations try, artisans will receive try artisans will receive minimum increases of 15 percent and the lowest skilled workers will receive increases of about 22 percent from May 1.

However, cost of living increases this year will probably mean more wage demands, Mr Nicholson warned

He said that management were unwilling to consider "modest" interim wage increases which would help workers during inflationary times.

He stated that while the wage increases granted were helpful it was still necessary to restructure the wage agreement.

He was also critical of minimum wage standards

Steel price to rise by 14%

184
11/3/81

Own Correspondent

PRETORIA — Pay increases announced for the country's 450 000 steel workers will lead to a steel price rise of more than 14 percent — and a sharp inflation ripple throughout the economy

Althuogh Iscor's 60 000 workers are not immediately affected by the latest wage agreement for the iron, steel, engineering and metallurgical industries, pay rises of a similar size are likely to be announced for them in April

Together with a 16 percent rise in rail tariffs, the higher wages will drastically push up production cost of steel which in turn must lead to a substantially increased price for steel.

The new steel price is only likely in about June, but it could send prices spiralling in the second half of the year

Consumer goods ranging from cars to electrical appliances, radios, television sets, and canned products are all likely to be affected by a higher steel price

The last steel price increase was 14.1 percent in June last year and the one before, announced in June 1979, was 12,2 percent.

Iscor wages account for about 22 percent of the cost of steel Another big expense is rail transport as most raw materials must be moved from Iscor's mines at Thabazimbi, Ellisras and elsewhere to plants at Pretoria, Vanderbijlpark and Newcastle

Barlows' big step to union recognition

RDM 12/3/81

(151) (189) (139) 133

By STEVEN FRIEDMAN
Labour Reporter

IN A major policy statement, the country's largest industrial group, Barlow Rand, has committed itself fully to recognising representative trade unions, even if they are unregistered

This is a significant change from the policy spelled out last year in a speech by Barlows executive chairman, Mr Mike Rosholt — that the group would negotiate with unregistered unions "in special circumstances"

Barlows has also laid out labour guidelines which urge companies to "talk to unions, whether registered or unregistered, at all times" The only criteria for recognition are that the union must be representative and must have an "acceptable" constitution

The latest modification in Barlow Rand's policy is likely to attract intense employer and trade union interest

Although Mr Rosholt's original statement was itself regarded as signifying a major policy change, it was much more cautious about recognition of unregistered unions This statement was, however, criticised by some employers

Mr Reinald Hofmeyr, the group's executive director in charge of labour relations, says Barlow Rand has "no option" but to adopt this policy until Government registration is made "voluntary, simple and attractive"

His statement of the group's policy is contained in an article in Barlows corporate magazine "Barlows' 81" The article also contains a detailed account of labour guidelines issued by Mr Rosholt to Barlow Rand companies

Mr Hofmeyr also disclosed that Barlows were attacked by some other employers over Mr Rosholt's original statement that the group would be prepared to deal with unregistered unions in some circumstances

"We were accused of 'letting the side down' and 'weakening the position of other employers'," he writes

"We were unrepentant, however, since we could see no other sensible way of accommodating the realities of the South African industrial relations situation"

Key aspects of Barlows' guidelines include

- Do not hesitate to recognise a union that represents the majority of workers it seeks to enrol and has an acceptable constitution,
- Although Barlows still supports factory-level bargaining through works councils — which many unions reject — workers should have be free to choose either union or committee representation,
- Companies should not encourage or obstruct recruitment by unions, and should be careful not to take action which could be seen as victimisation of union members,
- Companies should never take sides when rival unions are competing for membership,

Mr Hofmeyr says Barlows have found "a powerful ally" in the SA Federated Chamber of Industries, "arguably the most representative and influential employer organisation",

The FCI recently released labour guidelines which "represented a dramatic shift from traditional employer attitudes to industrial relations" It recommended that employers should negotiate with representative unions whether or not they were registered

According to Mr Hofmeyr, there is "no difference whatsoever" between Barlows' stance and that of the FCI

He said the group had first moved from a policy of favouring negotiations between employer organisations and registered unions only to one in which it was prepared to deal with unregistered unions "in special circumstances'

It was now, however, committed to "our present view that representativeness, not registration, is the key issue and that until registration is made voluntary, simple and attractive, we have no option but to recognise unregistered unions"

Public transport and postal services barely continued to operate, while Municipal employees from all departments were used to maintain the sanitary and refuse-collection services[28]. On 4 October it was decided that all but the most urgent cases before the Cape Supreme Court would be postponed for a week.[29] By now, of course, the 'Engagements Postponed' column in the Cape Times was a regular feature.

In short, Cape Town was fighting for its li[...] bay the threat of a total collapse of [...] an epidemic of unprecedented virulence [...] everything had to take a second place.

Slowly, from about the middle of the th[...] the situation began to ease, the 'flu t[...] Peninsula. Whether this was because o[...] launched against it or the extensive use of disinfectants to cleanse the streets and slums or just the natural course of the epidemic is unknown, but as the number of deaths and new cases reported fell and the demand for relief lessened, so did confidence return. "I consider that the epidemic is under control", announced Dr. Jasper Anderson on 15 October.[30].

The City Council was less sure. Fearful lest the 'flu revive as people congregated in the relieved atmosphere, on 18 October the Mayor closed down all places of public entertainment and followed this up with a request for churches to suspend their services.[31] Few churches actually acceded to his request, feeling that the comfort of religion was a must at such a time, but most did curtail their services.[32]

These closures aside, the Peninsula quickly began to return to life, picking up the threads which had been so sharply cut. Schools and firms re-opened, employees returned to work, the streets became busier and trade picked up A Stuttafords advert on 16 October proclaimed :

> "There are signs that things are getting better. The mist is beginning to roll away and the sun is commencing to shine again. Fresh cases of the epidemic are getting less and less. Many of our staff have resumed work and we hope that it will not [...]

[...] of any large town since the days of the Great Plague", concluded the Cape Times [35]

'Black October' (as the episode was called) might have passed, but it had left its mark all too deeply on Cape Town.

Statistics are far from exact The table below (based on the figures gathered by the Influenza Epidemic Commission) sets out the incidence

Outlook bright for metal and engineering

23/3/81 STAR

184

The outlook for the metal and engineering industries is healthy with industrial output expected to keep pace with the national growth rate of five percent this year, says the Steel and Engineering Industries Federation of SA.

Seifsa says in its latest report that conditions in most sectors continued strongly in January after last year's buoyant fourth quarter, writes Mervyn Harris

But there are indications of some easing in orders and production levels in the base metals sector where a further drop in exports of steel and forego alloy products is being experienced.

Exports are also being hit by the strength of the commercial rand which is inhibiting production levels to some extent

The telecommunications and electronics sector, industrial refrigeration and airconditioning industries and consumer-related sectors report a strengthening of orders

The sales surge in the farm machinery and equipment sector was also sustained in January

Increasing activity is reported in the large and heteerogeneous general engineering sector which continues to benefit from the expansionary phase in the economy

The upturn in private and public sector fixed investment, particularly in the mining industry and the electricity-generating sector, lifted activity in the heavy engineering sector

The shipbuilding industry also reports some increased activity in contrast to the depressed conditions prevailing a year ago

But the industry continues to express concern about future orders, especially as the ship repair workload is erratic in spite of a mild improvement in demand

All workers will benefit says Sifsa

348 132 404 184 SOWETAN 12/3/81

MEMBERS of the predominantly Black Metal and Allied Workers Union (Mawu) need not fear that they will not benefit from the new wage agreement entered into at an industrial council meeting on Tuesday.

The recently-registered Mawu refused to attend the meeting, which included three newly registered unions representing black workers, because its registration certificate included a "race clause."

Dr Errol Drummond, director of the Steel and Engineering Industries Federation of South Africa (Sifsa) told the SOWETAN yesterday that all workers in the industry would benefit from the 14-month agreement.

He was happy that unskilled workers, especially blacks, "got the bigger slice of the cake." The two-phase agreement, with phase one coming into effect on May 1 will see this category of worker earning 99 cents an hour instead of 92 cents an hour

Phase two comes into effect on July 1 and will see this rate shoot to 113 cents an hour. The agreement is binding until June next year

Asked if Mawu members would benefit from the agreement, though their union was not represented at the meeting, said Dr Drummond: "no one will withhold these increases from them. They did not attend the meeting for reasons best known to themselves."

Mr Ben Nicholson, director of the Confederation of Metal and Building Unions, said "some things were achieved and others were not achieved" And one of the things "not achieved" was increases were not written by employers into the agreement.

ALUMINIUM (189)

Steps forward

FM 13/3/81

The first shipload of smelter equipment from Japan has arrived for the R230m expansion of the Richards Bay aluminium producer, Alusaf

The 35 000 t (mass) smelter from Niigata is expected to be commissioned at the end of 1982 and will double Alusaf's 86 000 t/year production capacity

Alusaf MD, Danie van Vuuren, says that of the R230m, R150m worth of contracts will be put out to SA tender The piling contract is already under way Contracts for civil work worth an estimated R9m to R10m have been awarded to a Murray & Roberts/Grinaker consortium and a similar contract, for steel work, has been awarded to Dorbyl The others are yet to be awarded

Although the programme for the construction of the plant is extremely tight, Van Vuuren says it is on schedule and expected to remain that way The first pot is scheduled for commissioning at the end of this year or early in 1982

No financial ties exist with the Japanese sellers of the Niigata smelter but sales agreements have been entered into says Van Vuuren Although the smelter is relatively new it was mothballed because it was run on oil-based energy and was not cost efficient

At Richards Bay the smelter will run on coal based electricity The SA export markets are largely centred in the Far East where aluminium production has become uneconomical because of the cost implications of either oil-based or atomic-based power SA is a small producer of aluminium but has the advantage of relatively stable power costs The biggest producers of aluminium base their production on hydro-power

Although current world aluminium demand and price are depressed Van Vuuren believes the situation will have normalised by the time the plant is operational Domestic prices are at present about R1 450 t, with spot sales currently about R1 450 t, with spot sales fetching R1 122/t on the London Metal Exchange

Predictions are, Van Vuuren says, that there will be a shortage of aluminium by 1982, particularly if the American economy experiences a recovery Aluminium is particularly sensitive to economic trends — illustrated by the 40% rise in local demand during 1980 One factor locally says Van Vuuren is the construction of a high voltage power line between SA and SWA Namibia

FM 13/3/81

HAGGIE (189)

Acquisitions ahead?

Activities *South Africa's largest steel and wire rope producer, with interests in the manufacture of screening and milling plants and cutting tools through subsidiary Samuel Osborn. Produces various wire products and nails through 50% subsidiary Consolidated Wire Industries. Gencor and Anglo American each hold 35% of the equity after Bridon UK sold its 38% stake in 1980.*

Chairman *I S Haggie, deputy chairman B Landau, chief executive, R B Savage, managing director J A Sullu.*

Capital structure *19m ordinaries. Market capitalisation R169,1m.*

Financial *Year to December 31 1980. Borrowings long- and medium-term, R12,9m. Net cash R4,6m. Debt equity ratio 11,8%. Current ratio 2,4. Group cash flow R29,9m. Capital commitments R9,3m.*

Share market. *Price 890c (1980-81 high, 1 010c, low, 570c, trading volume last quarter, 22 800 shares). Yields 16,0% on earnings, 5,6% on dividend. Cover 2,8. PE ratio 6,3.*

	78	'79	'80
Return on cap %	19,9	30,6	37,8
Turnover (Rm)	97,0	155,6	262,2
Pre tax profit (Rm)	15,1	28,1	46,8
Gross margin %	18,3	20,2	19,0
Earnings (c)	58,2	101,5	142,0
Dividends (c)	20	36	50
Net asset value (c)	312	391	500

Shareholders seeking evidence that Haggie is operating well below its financial capacity need only look at the 1980 annual report. Under-utilisation of financial muscle has been a feature of the group since the ordinaries were listed in 1978 and was even more apparent in 1980 when total borrowings fell 26% to R15,9m (R21,4m) and profit reached record levels.

Management has often emphasised the need for diversification based on growth prospects in the wire rope industries which Haggie dominates. Chairman Ian Haggie says "it has long been realised that the growth potential in the group's traditional products is limited and constant attention is being given to opportunities for diversification." Hence the acquisition of the Samuel Osborn minorities last year.

Chief executive Richard Savage tells the *FM* that the group's traditional business in the wire rope market can be expected to grow around the same rate as the economy. Thus, with only 4%-5% real growth and cost pressure, which last year reduced the gross margin to 19% (20,2%), diversification is essential.

Savage says Haggie is actively looking for expansion outside its traditional area. Market whispers are that the group is in fact close to at least one deal for a strategic holding which will use some of its idle financial capacity.

The size of any possible deal can be assessed from the 50% target debt equity ratio which Savage says Haggie has set as a ceiling. At end December 1980 the debt equity ratio was a mere 15% (28%) and total borrowings were covered nearly twice by annual group cash flow. A further indication of this build-up in acquisition potential is that gross profit covers the yearly interest leasing bill nearly 16 times, compared with the four to five-times level most groups consider ample.

At end December 1980 total equity was R107,5m. On the basis that this grows to around R120m this year and a 50% debt equity ratio is in force, Haggie could take up additional borrowings of around R45m-R50m, while cash on hand stands at R7,6m. If an acquisition opportunity required further funds there is no reason why borrowings could not rise above the conservative 50% ceiling given recent returns on funds employed.

Last year the wire rope operation, Haggie Rand, produced the bulk of earnings with "adequate employment" of production facilities. There is sufficient capacity to supply market needs in the foreseeable future without any expansion. Though in 1980 there was a R3m fall off to R22m in exports, foreign sales look set to absorb some 30% of turnover. Near term prospects are obviously influenced by increasing competition world-wide as certain markets slip deeper into recession and the rand's strength.

In 1980 the 27% minorities in Samuel Osborn were bought, and with the exception of still unsatisfactory returns in the mining equipment division, results were pleasing, says Haggie.

During the year subsidiary Wire Industries and Iscor's mild steel wire facilities were merged, giving Haggie just over 50% of the new Consolidated Wire. With only five months contribution from the enlarged company, and with full rationalisation benefits still to be realised, the directors are pleased with the merger. The consolidation of Cons Wire meant a large R2,8m minorities charge in the income statement.

TURNOVER CONTRIBUTORS

	1979	1980
	%	%
Haggie Rand	57	82
Samos	16	18
Cons Wire	27	—
	100	100

Though Haggie remains liquid and has considerable financial capacity — evidenced by a current ratio of 2,4 compared with a possible level of around 1,5 — dividend cover remains high at 2,8. Savage says this level could be reduced over time, implying that even should earnings move forward only marginally, a satisfactory payout increase looks secure.

On the basis that Haggie produces a 25% earnings advance this year, which is what the market seems to expect, the dividend could advance to around 70c, putting the share on a fairly valued 7,9% prospective yield. But this does not take into account likely capital gains should an early acquisition be made. And this seems a strong possibility.

Des Kruger

FINANCE

Strong activity on local market, Seifsa reports

Argus 13/3/81 (189)

Financial Editor

SECTORS of the metal smelting and engineering industries serving the local market are continuing to experience strong activity, the Steel and Engineering Industries Federation reports in its latest monthly business survey.

However, the base metals sector has experienced a further drop in export sales of steel and ferro-alloys and there has been some easing in the order intake and production levels.

Sectors reporting increased orders include telecommunications and electronics, industrial refrigeration and air conditioning and consumer goods.

The farm machinery and equipment sector reports that the sales surge experienced in the December quarter has been sustained.

EXPANSION

General engineering continues to benefit from the expansion of the economy and heavy engineering reports increased activity as a result of the upturn in private and public sector fixed investment, particularly in mining and electricity generation.

Increased orders for rolling stock and particularly locomotives are expected from the Railways.

Shipbuilding also reports increased activity though the outlook remains uncertain.

However, firms in structual steel and reinforcing steel work report that competition remains severe, though there has been some improvement in capacity utilisation

The federation says the outlook for its members remains healthy in spite of an easing in export performance, labour shortages, and the substantial increase in imports, particularly of machinery and electrical machinery.

WDM 14/3/81

Electrical workers pay hike

189 ~~185~~ 3/77 ~~154~~ ~~13~~

Own Correspondent

CAPE TOWN — Electrical workers in the Cape have been awarded a 30% pay rise following mediation of a dispute with employers

The regional chairman of the Electrical Contractors Association, Mr Ralf Pinto, said the agreement reached with the employees' SA Electrical Workers' Association would come into effect as soon as it could be gazetted It would take about six weeks

A new category of labour has also been introduced in terms of the agreement intended to cut the cost of electrical work on housing schemes by allowing "systems installers" to do work previously done by more qualified electricians

981

(184) (154) Sowetan 19/3/81

Called 'kaffirs' at Barlow company

A NUMBER of black employees at Barlow-Noordelikke Machinery Company at Watloo, Pretoria, claimed this week that they are called "kaffirs" by their white colleagues.

By MONK NKOMO

The company is part of the Barlow Rand group, which was recently honoured for its industrial relations.

At least four black employees said yesterday that it was common practice at the firm to be called kaffirs.

Mr G Rabie, general manager of the company, conceded that there had been incidents of this nature at the premises and said they were trying by all means to stamp them out.

An employee who did not wish his name published told SOWETAN he planned to take the matter to court.

"I have been called a kaffir since I was employed in this firm. Our white senior colleagues are racists and the management, after several incidents of this nature, have not applied disciplinary measures against them," he said.

"Our aim," said Mr Rabie, "was to implement a fair code of employment practices to eliminate racial discrimination."

Another source said a black colleague was disconnecting a hosepipe when a senior white man told him: "Do not misuse water, you bloody kaffir".

MANHANDLED

The man reacted to this type of language but was instead manhandled.

Mr Rabie refused to comment on this issue.

"The company does not practice what it preaches," another employee said.

"Very often while it projects an image of good relations between itself and its employees, this is not so," he said.

Mr Rabie said the blame should fall on the individuals concerned and not on the company.

"The company has a set of rules and regulations concerning the employer and employees. Racial discrimination is not allowed within the company," he said.

Barlow-Noordelikke is one of the largest companies dealing in earth moving equipment and tractors.

practitioners are generally far preoccupied with the pressing needs of the ill to spare time to study a parallel and often presumed inferior rival system. There is also a general lack of epidemiologic knowledge for this type of research. there is also a lack of interest in community medicine in South Africa. Most therefore contribute impressionistic information based on samples of patients who come to them after a failure in the hands of a traditional practioner. Their impressions then confirm the incompetence of the traditional practitioners. The fact that many of their own patients perceive treatment failure in their hands and seek out help in the traditional sector goes unreported. The case of the Thalidomide baby should be a constant reminder for all

The purpose of this paper is therefore to present the traditional medical care system of the rural and urban areas of the Xhosa, which also have implications for other traditional societies. Of fundamental importance here is to examine the manner in which the traditional medical system continues to serve the needs of the society and to be able to determine how far a changed situation as a result of western contact can lead to a modification of the traditional system.

We need to ask ourselves the following questions:

1. How does the traditional medical institution serve the present needs of the society?

2. To what extent has the introduction of scientific medicine led to changes [illegible] traditional medicine?

3. What type or kind of or[illegible] either type of medicine [illegible]

4. In what circumstances [illegible] of medical attention [illegible]

5. What are some of the s[illegible] from the introduction [illegible]

6. What are the psycholo[illegible] of scientific medicin[illegible]

To understand the concept of [illegible] Xhosa requires a knowledge [illegible] concepts of ill health and [illegible] brief description of these [illegible] such brief descriptions th[illegible] nature since this subject [illegible]

International body hits at racial labour move

26/3/81

By Drew Forrest

In what may herald a tougher line on South Africa, the powerful International Metalworkers Federation (IMF) has strongly condemned the racial registration of a South African affiliate, the Metal and Allied Workers Union.

In a statement released from the IMF headquarters in Geneva, general secretary Mr Herman Rebhan said the Government's action "was in contradiction with the declared non-racial aims of the new South African labour policy," and "contrary to the interests of South African workers."

The Metal and Allied Workers Union was one of six affiliates of the Federation of South African Trade Unions (Fosatu) which were recently registered for certain race groups only.

Fosatu is committed to non-racial unionism, and has said it will back its affiliates in their appeals against the racial registration decision. If these appeals fail, it has threatened to deal a major blow to the State's new labour deal by withdrawing from registration.

The IMF statement condemns the racial registration as a "continuation of the South African authorities' apartheid approach to labour issues."

It calls for reversal of the measure "in the name of 14 million metal workers organised in the IMF."

Observers see signs of hardening attitudes in the IMF towards the State's new deal for black workers.

Initially the federation cautiously approved of the reforms but, they say, it has grown impatient at slow progress in the elimination of the racial factor from the labour field.

IMF delegates who visited South Africa on a fact-finding tour in December last year were anxious for more rapid change, union sources said at the time.

METKOR (189)

Rebuilding the base

FM 20/3/81

Activities. *Investment holding company, invested principally in steel, engineering and allied industries Owns 100% of Wispeco and Hart, 37% of Afgate and 39% of Union Steel Since the year-end has sold 80% stake in Fowler*

Chairman· *Dr T M Muller, managing director L van Zyl*

Capital structure: *67,2m ordinaries of 50c, 40,5m 10,5% cum conv non-red prefs of 50c Market capitalisation R49,7m*

Financial: *15 months to September 30 1980 Borrowings net short-term, R6,1m*

Share market: *Price 74c (1980-81 high 113c, low, 64c, trading volume last quarter, 870 000 shares) Yields 35,7% on earnings, 8,9% on dividend Cover 4,0 PE ratio 2,8*

	'77	'78	'79	80
Market value of portfolio (Rm)	35,2	40,3	61 6	106 8
Dividend income (Rm)	3,5	3,0	3,7	7 8
Interest and fees (Rm)	0,8	0,8	0,8	1,3
Earnings (c)	13,1	8,0	11,4	26,4
Dividends (c)	5	5	5	6 6
Net asset value (c)	111	122	125	163,2

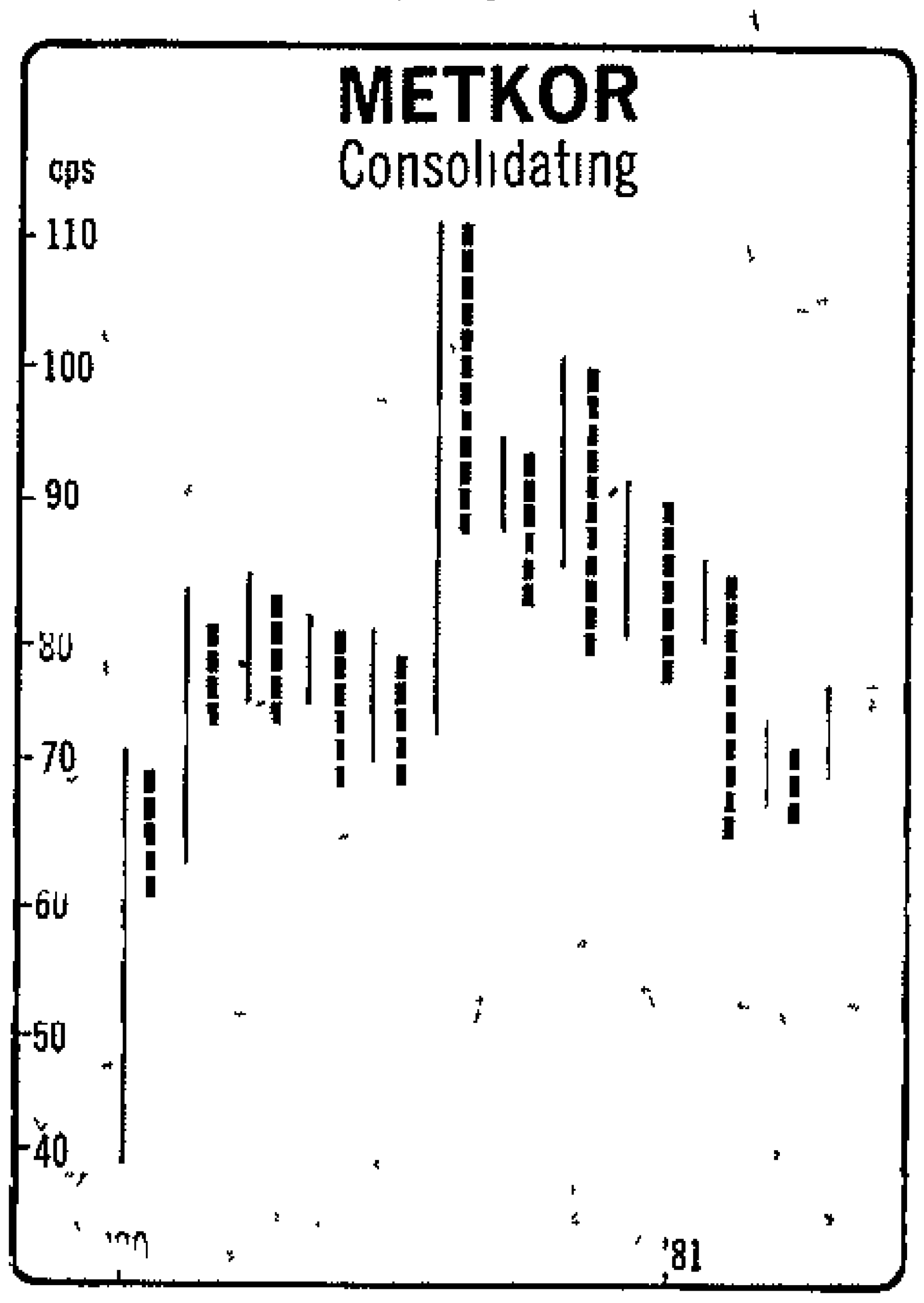
Clearly, Metkor's disposal of Fowler earlier this month was based largely on that subsidiary's poor performance in the past But at the same time MD Luther van Zyl also points out that Fowler did not really fit that well into the group which, in line with its Iscor ties, has tended to concentrate mainly on steel and allied companies in its portfolio

Consequently, the hiving off of the civil engineering company has created a more rational group, though there are still two very small units, Felbitem and FTS Binders, which could be sold sometime in the future Hollowware manufacturing subsidiary Hart, he adds, is not for sale, despite market rumours that it might go to Quincor

The rearrangement of the group has taken place without significantly affecting dividend flow, for the group had not, in fact, budgeted for any dividend income from Fowler for the next two or three years, Van Zyl says

The reconstruction of the portfolio also reflects, to some extent, a shift in management policy towards the group's investments Up to a year ago — that is before the arrival of Van Zyl and his team — Metkor operated strictly as an investment company But now management is taking a more active interest in its subsidiaries and will have, as Van Zyl puts it, "a major influence at board level"

In line with this, Van Zyl says, Metkor is not planning any further acquisitions for the time being He adds that, as the companies down the line in the group tend to plough cash back into the business at this level, the group itself will henceforth distribute the major portion of the dividend income it receives This does not, however, necessarily imply a change in dividend policy



There is, as a result, good scope for growth in the holding company, he says, and though it will obviously not flourish overnight, there is now a solid base from which to work

In the light of this change in management emphasis, there is a good case to be made out for the company to consolidate its accounts in the normal way It currently equity accounts its 20 or so subsidiaries which leads to an unnecessarily complex balance sheet

At present, the group looks well set for growth In the unconsolidated accounts at least, there is little outside finance and the ties with Volkskas Merchant Bank should assist in raising cash for subsidiaries if this is required

There is, however, the matter of some 40,5m outstanding convertible preference shares to be considered The shares are convertible as and when the group has paid two consecutive annual dividends in excess of 5,25c This level has already been reached and there is little likelihood that it will be reduced this year so it appears as if the conversion could start taking place in financial 1982

It was this issue of prefs which took voting control of the company out of the hands of Iscor which did not follow its rights Conversion of the prefs however, will not dilute ordinary dividends as the prefs already receive a 5,25c dividend

With the revamped base of the group coming into the picture for a full year for the first time and with a new attitude on the part of management towards its investments the future earnings potential of the group looks promising And with the counter well off its year's high at 74c it looks like the sort of special situation which could form a useful part of a longer-term portfolio

Scott Hooker

Aircraft maintenance trainees

Men working on an airplane engine as part of their training

Step towards bigger things

189

Sowetan 24/3/81

By ELLIOT TSHINGWALA

SOUTH Africa blacks maintaining Jumbo Jets at Jan Smuts may for the time being be sounding a pipe dream, but not so with the four men who are receiving training in aircraft maintenance.

The four, with one man from Namibia, work for aircraft manufacturing companies. The companies produce only the small variety of aircraft but for the men it is a step towards bigger things.

"It is a breakthrough," said Joe Sibiya, the public relations officer of Chamdor where the men are attending the course. The four are Mr William Mdluli from Pretoria, Mr Aaron Mbuti from Namibia, Mr Ernest Maibe from Germiston and Mr Isaac Maya also from Germiston.

The men will be trained for 12 weeks on how to maintain and assemble aircrafts, and the function of the aircraft engine. Their instructor is veteran aircraft engineer, Mr C Choppe.

He said "As soon as the men qualify they should not rest but should strive to be engineers of bigger aircrafts and even Jet engines, Mr Choppe is confident that all the men pass the course because they are no different from the men I trained during the army days."

The course is divided into theory and practice Mr Choppe believes that if both can be taught at the same time his students will benefit more than if they were to tackle theory now and practice at a later date

The course was instituted after initiatives from Mr D G Hobson, a past president of the Aviation Maintenance Organisation Of South Africa (Amosa), and the motor Industries Federation

(86) Grey, op. cit., pp. 304-308 passim.

(87) Ibid., p.319.

(88) Merriman Correspondence, 1912, No. 213; BRA, H.E., v.134 S. Evans to R. Schumacher, 20 Nov. 1905.

(89) BRA, H.E., v.134, Evans's letter book, S.E. Evans to F. Eckstein, 25 Feb. 1907. See also ibid., v.162, R. Schumacher to H. Marriott, 29 Nov. 1907.

(90) Ibid., v.138, S. Evans to L. Reyersbach, 2 March 1907.

(91) The Mining Industry Commission, 1907-1908, did not investigate working conditions conducive to phthisis as Burke and Richardson, op. cit., p.15, state. In fact, when requested to listen to evidence on silicosis, the commissioners stated that this was the function of the Mining Regulations Commission.

(92) BRA, H.E., v.258, file 154M, T.J. Britten to COM, 1 June 1905. See also ibid., C.H. Price to H. Eckstein and Co., 30 Aug. 1904; RMPC 1903 p.xxv; Transvaal Chamber of Mines, Miners' Phthisis Compensation Committee; Report of Judges (Johannesburg, 1904), pp. 1. ff; Payne et al, op. cit., p.8.

(93) Burke and Richardson, op. cit., p.10.

(94) RMPC 1903, p.20, q.72.

(94a) Minutes of City Deep Ltd (probably August 1913) "Maintenance and Running Costs Jan 1911 - June 1913"

(95) Ferguson and Scott, op. cit., pp. 14-18 passim; T.G. 2, 1908, pt II, pp.386ff, evidence of T. Mathews; U.G. 10, 1912, p.18, par.43; BRA, H.E., v.258, File 154 M, report dated 15 Nov. 1910; Boyd, J., 'Methods for Determining the Dust in Mine Air as practised on the Witwatersrand, in ILOSC 1930, III, pp. 5, 9-10.

(96) Grey, op. cit., pp. 40, 312.

(97) Ibid., pp.311-312; For management's claims that miners were inefficient, see BRA, H.E., v.134, S. Evans to Sir J. Wernher, 24 Sept. 1906 and S. Evans to H. Eckstein and Co., 11 Dec. 1905, v.161, L. Phillips to K. Wolff, 20 June 1906; CHA, WLF, P. Cazalet to L. Phillips, 27 Oct. 1906.

(98) BRA, H.E., v.258, file 154 M, 'Subcommittee Report of COM on Health', signed L. Irvine, 15 Nov. 1910.

(99) Grey, op. cit., p.312.

(100) Ibid., p.311; BRA, H.E., v.258, file 154 M, T. Britten to COM, 18 June 1906; Merriman Correspondence, 1912, R. Barry to J.X.M., 22 Aug. 1912.

(101) BRA, H.E., v.258, file 154 M, T. Britten to COM, 18 June 1906.

(102) Merriman Correspondence, 1911, R. Barry to J.X.M., 15 Dec. 1911; Pratt, A., The Real South Africa (London, 1913), p.163.

(103) Merriman Correspondence, 1912, No. 98, Dr Aymard's Paper; Worker, 21 Aug. 1913, in which the Government Mining Engineer supported this idea.

(104) FRMRC 1910, v.1, p.34; T.G.2, 1908, evidence, pt.II, p.512, q.6005, evidence of E. Moore. South African Mines Commerce and Industries, 24 Nov. 1906; BRA, H.E., v.258, file 154 M, T. Britten to COM, 18 June 1906.

(105) Merriman Correspondence, 1913, R. Barry to J.X.M., 17 Nov. 1913; CHA, WLF, 'Statement of Evidence of Transvaal COM',1913.

(106) Merriman Correspondence, letterbook, J.X.M. to M.T. Steyn, 12 May 1912.

(107) Ibid., 1914 correspondence, R. Barry to J.X.M., 21 May 1914.

(107a) FRMRC 1910, pp. 34-35, 38-39, 253-254; U.G. 10, 1912, p.18, par. 43.

(108) FRMRC 1910, v.1, pp. 27, 88-89; file 154M, report of Chamber of Health, 15 Nov. 1910, on single Acts, Mines and Works Act, No. 1

(108a) U.G. 12, 1914, Report of the Ec January 1914, p.25, par.36.

(109) Merriman Correspondence, 1911, Dec. 1911.

(110) BRA, H.E., v.258, file 154M, m Oct. 1910.

(111) Information supplied by Dr D.

(112) FRMRC 1910, p.37.

(113) Ibid., pp.34-35, 38-39, 253-25

(114) Ibid., p.34.

(115) Ibid., p.38.

(116) Ibid., p.34.

(117) U.G. 10, 1912, p.12, par.20.

(118) Ibid.,p.11, para. 16-17.

(119) Ibid., pp. 15,16,19,21,22, par

International TU appeals to SA on Mawu's behalf

GENEVA. — The International Metalworkers' Federation has appealed to the South African Government to reverse immediately a decision granting racial registration to the Metal and Allied Workers' Union.

Mr Herman Rebhan, the Federation's General Secretary, said the decision could lead to "new, serious threats to a peaceful solution of South African problems."

Sowetan 25/3/81

(120) Fraser and Irvine, op. cit., pp. 4-5.

(120a) Ibid., p. 11, par.18; Irvine et al, op. cit., p.7. Union Acts, Miners' Phthisis Act, No. 34 of 1911. A full list of Acts is given below, see (209).

(121) Ibid., p.13, para.23-25.

(122) Union Acts, 1911, Act No. 9, section 9(1); Mines

Atlantis engine plan is slammed

RDM 25/3/81

189

PORT ELIZABETH — The Government was criticised yesterday for saddling the motor industry in South Africa with a R170-million-a-year bill for its State-inspired Atlantis Diesel Engine (ADE) programme — "which could not achieve its objectives" — when the money was needed desperately for training and expansion

Speaking at a conference in Port Elizabeth dealing with the Atlantis programme, Mr Lou Wilking, the managing director of General Motors South Africa, said it would create inflation, add many thousands of rands to the cost of a truck — and in the end fall short of its objective

"Essentially, the Government's objective was to make South Africa self-sufficient in diesel engines — the only essential change to the initial plan being that the engines considered important at that time were not the ones now being manufactured

"The money that has been put on the table so far stretches to R280-million, which is aimed at producing two complete families of diesel engines — these to be used in a range of vehicles stretching from small tractor diesels to the heavy big trucks

"These 31 000 units are going to incur cost penalties which we estimate will average around R5 500 or R6 000 per unit Consequently, you arrive at an amount of R170-million to R190-million cost penalty

"If you take that kind of cost impact and start to divide it, for example, over the cost of bread, eggs and other food commodities it's going to result in significant inflation

"All this will put a large additional strain on the economy Even in a boom year like 1980 with an 8% growth increase, we cannot cope with the number of people looking for employment, because, if you relate the 193 000 new jobs reported to have been generated, with the 250 000 people looking for jobs, you end up having 57 000 jobs less than there should have been

"Yet we don't have the training, and all that this entails, to do the job or work the motor industry has ahead of it

"That is the programme, but I do not believe that it can be achieved 100% I cannot possibly foresee that South Africa can become totally self-sufficient insofar as diesel engines are concerned

"The next major point is that the ADC programme is going to be extremely inflationary Our studies indicate that there is going to be a most significant escalation in costs and resultant prices

"If you take the smaller truck bracket, we are looking at a probable 30% to 35% — or even as high as a 40% — price escalation to incorporate the ADE engine That will mean a price increase of around R3 600"

Mr Wilking said the same arithmetic could push up the price of medium range trucks by R7 600, and those of heavy trucks by R22 000 to R25 000 — Sapa

Cape diesel project criticized

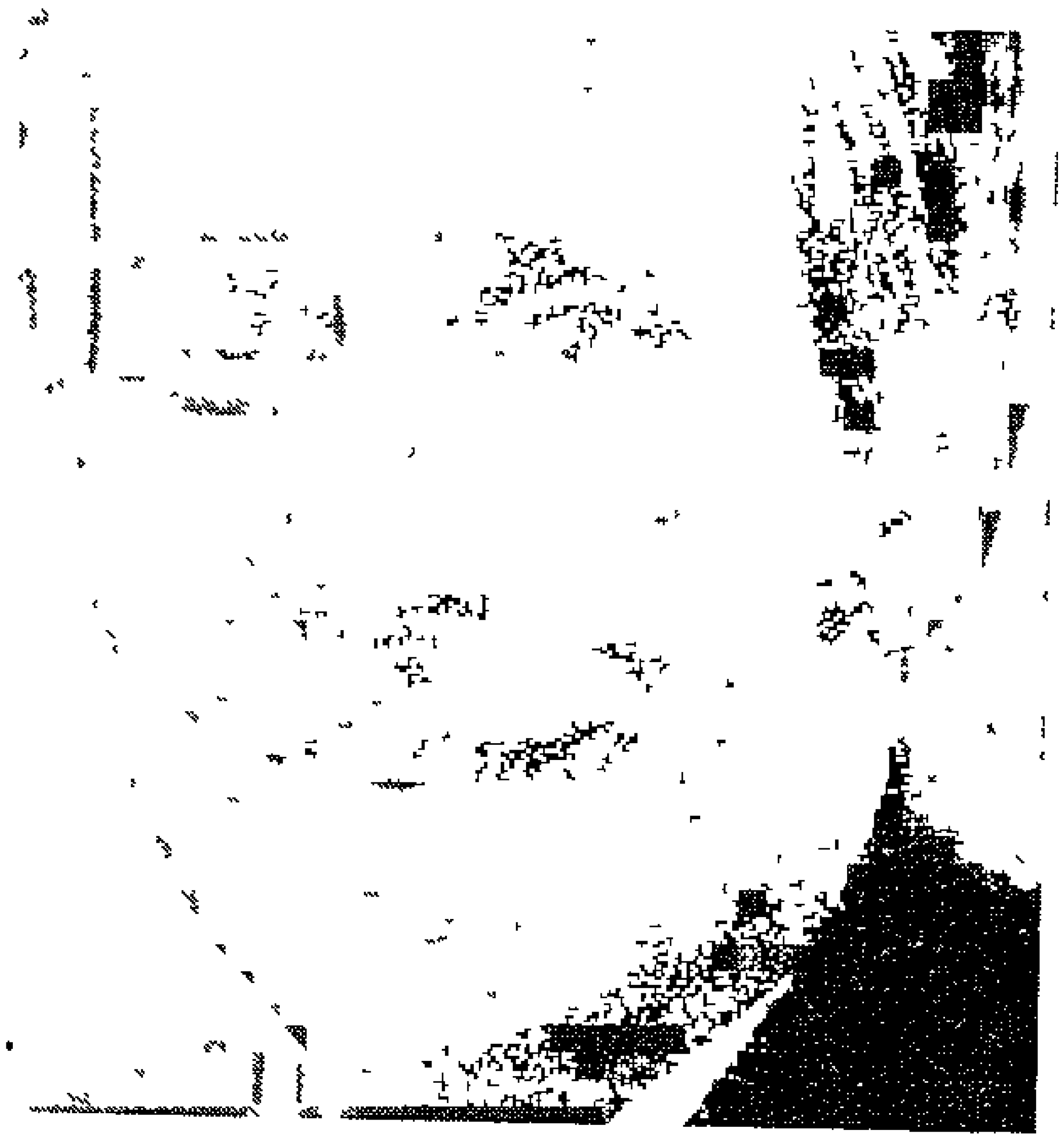
CT 25/3/81

189

From GORDON KLING

PORT ELIZABETH. — The head of one of the largest motor manufacturers in South Africa yesterday hit out at the R300-million Atlantis Diesel Engines project on the West Coast north of Cape Town as being badly-conceived, ill-timed and certain to cost the public far more than it appreciated.

Coming within a hair's-breadth of calling for immediate cancellation of the venture, which is scheduled to begin trial production next week, the managing director of General Motors South African, Mr Lou Wilking, told a briefing session of senior company personnel and motoring journalists yesterday that the ADE engines would add between R5 500 and R6 000 on average to all diesel trucks in rapid stages, beginning on October 1



Mr Lou Wilking

"If you take the smaller truck bracket I've deleted a brand name here we are looking at a probable 30 or 35 percent or even as high as a 40 percent, price escalation to incorporate the ADE engine in those trucks

'The man in the street simply doesn't realize what's coming, I really don't believe they know," said the company's sales manager, Mr John Cooley

"Just think of how the farmer will react when he's told a bigger truck will cost R7 000 more than he expected"

Even the limited pre-price rise buying that was now taking place had left dealers with demand 50 percent ahead of what could be supplied

"But we all know demand will collapse when they have to buy ADE, with all the implications this has for our workforce," said Mr Cooley

"We're nine months pregnant now so I don't think I should go on record as calling for the project to be scrapped, but from where we sit it certainly doesn't look very wise and we think it was very ill-conceived," said Mr Wilking

Everybody from supermarket chains to farmers and industry would have to pass on the increases in the form of higher prices at a time when the economy was going into a cyclical downswing

Ford's managing director, Mr Brian Pitt, said the implications for his group had yet to be quantified, "but we continue to be concerned about the escalating cost levels implicit in the ADE programme"

At ADE the chief executive finance, Mr Otto Scholtz, yesterday maintained that its advantages still outweighed other factors The benefits included standardization, training and inventory savings from the conversion to 11 ADE engines in five basic families as opposed to the some 200 types now in use, self-sufficiency and the impetus the project would give to the component-manufacturing industry

Mr Wilking rejected this

He said thousands of "crippled" cars lacking everything from brakes to window fixtures were being stored on company lots because the components industry was already incapable of meeting demand

ADE engines would not make the country self-sufficient, because numerous key parts still had to be imported

Military use

The plant would not be capable of turning out air-cooled diesels required for military use, which had been one of the main reasons why it had been established

Demand in South Africa was insufficient for economic production runs and export potential of the engines was nil

He also did not believe it was in the interests of South Africa to embark on uneconomic manufacturing to cushion against sanctions

"I personally think it would be an error to make ourselves really self-sufficient When you stop doing business with the banks in the United States, Japan, Britain and Europe it's much more likely rather than less likely that the door will be slammed on us"

Barlows revises labour code

By MONK NKOMO

THE Barlow Rand Group has revised its employment code to meet "changing circumstances", according to the latest issue of their journal

"For historical and other reasons, various wage gaps have been developed in South Africa and we are committed to working towards their elimination in our group as soon as possible," the article reads.

This revised third version of the group's code of employment practice states that the best road to industrial peace and constancy depended on negotiations at industry or national level between employer organisations and fully representative mixed unions.

Although the registration of unions was proving to be a slow and burdensome process, the group would ideally like to deal with registered unions in an industrial council structure

PROGRESS

"Until voluntary registration is made easier and more attractive, we shall have to continue negotiating with unregistered unions if meaningful numbers of our black employees wish to be represented by them"

All the subsidiary companies of the group will report annually on their progress towards the full implementation of the code.

"They should produce plans indicating how they proposed to eliminate any gaps that may still exist in their current employment practices"

The article further states that within the diminishing pressures imposed by law and by legally enforceable agreements, employees "will be appointed or promoted solely on the basis of their ability to meet the requirements of the post to be filled."

The Barlow Rand group promised to amend its employment codes periodically in an effort to represent the most enlightened practice attainable in prevailing circumstances.

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VOL 189] KAAPSTAD, 27 MAART 1981 / CAPE TOWN, 27 MARCH 1981 [No 7503

189

<table>
<tr><td>

KANTOOR VAN DIE EERSTE MINISTER

No 621. 27 Maart 1981

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word —

No 42 van 1981 Wysigingswet op die Suid-Afrikaanse Yster en Staal Industriele Korporasie, Beperk, 1981

</td><td>

OFFICE OF THE PRIME MINISTER

No 621 27 March 1981

It is hereby notified that the State President has assented to the following Act which is hereby published for general information —

No 42 of 1981: South African Iron and Steel Industrial Corporation, Limited, Amendment Act, 1981.

</td></tr>
</table>

CT 27/3/81

Diesels: Govt rejects attack

189 472

By GORDON KLING

THE ROW in the motor industry over price rises caused by the need to replace imported diesel engines by those manufactured by the government-sponsored Atlantis Diesel Engines project escalated this week with a rejection by both the government and ADE of General Motors' complaints

GM is the largest motor manufacturer in the world and its diesel truck range is one of the biggest sellers in South Africa

The Minister of Industries, Dr Davie de Villiers accused certain manufacturers of concentrating on the negative aspects of the project and conveniently choosing to ignore the positive aspects which it had for the consumer

ADE's managing director, Mr Hartmut Beckurts — prefacing his comments by noting that the venture was not a truck or tractor manufacturer — said he was unable to justify statements in the Cape Times by GM's managing director, Mr Lou Wilking, that the engines would cause diesel truck prices to rise by between 30 and 40 percent, provided realistic deletion allowances for engines are granted by overseas source plants

Deletion allowances are reductions in the price of trucks from the overseas source plants based on costs saved by eliminating their engines, which from October 1st are to be supplied by ADE

"In any event," said Mr Beckurts, "The normal market forces will dictate the final outcome, and we believe that since some manufacturers will not have to increase prices, those that do will have to revert to their principals for more realistic deletions allowances"

GM's head of public affairs, Mr Peter Ray, has rejected this stand, however He said in an interview this week "I can assure you our figures were based on facts developed by our own finance department Obviously the calculation we did allowed for any deletion allowance from the source plant from which we are presently drawing our engines"

Dr Dawie de Villiers said in a separate statement yesterday that the government saw fit to approve the ADE project because transport and food production were two areas in which South Africa should strive to be self sufficient The latest technology had been incorporated in the engines and the project would create thousands of new jobs

STEEL INDUSTRY (189) FM 27/3/81

Consumers keep it going

Steelmakers can thank Sasol and the free-spending consumer market for another year of domestic sales growth This follows massive growth to record levels last year

State-owned Iscor, which accounts for 75% of local steel production is estimating its local sales at 3.7 Mt for the year ending June 30 This is 1 7% up on last year, which exceeded the previous year by 27% Value of Iscor's sales should once again exceed R2 billion the figure for last year

Part of the reason for the slowdown in growth is that customers are reducing their inventories, because of rising interest rates and Iscor s increasing ability to deliver at short notice

However, sales patterns have changed and more steel is finding its way into consumer goods rather than capital items Demand for cold rolled steel, used for motor car pressings and white goods, should be up 15% to 563 000 t With car sales up 30% and appliance sales up 35% on last year, little further short-term growth is expected as these industries approach their capacity ceilings

Sales of tin plate used for beverage and food cans should be up 23% to 232 000 t Tin plate sales were boosted last year by a bumper fruit crop and the increasing consumer preference for cans as beverage containers

The growth of beverage cans at the expense of glass accelerated as the boom spread to the consumer sector, with increased consumption spurred mainly by blacks

"Black disposable incomes need only increase by a little for a whole new generation of products to open to them " says an industry insider " And one of the things they can now afford is the status and convenience of a can "

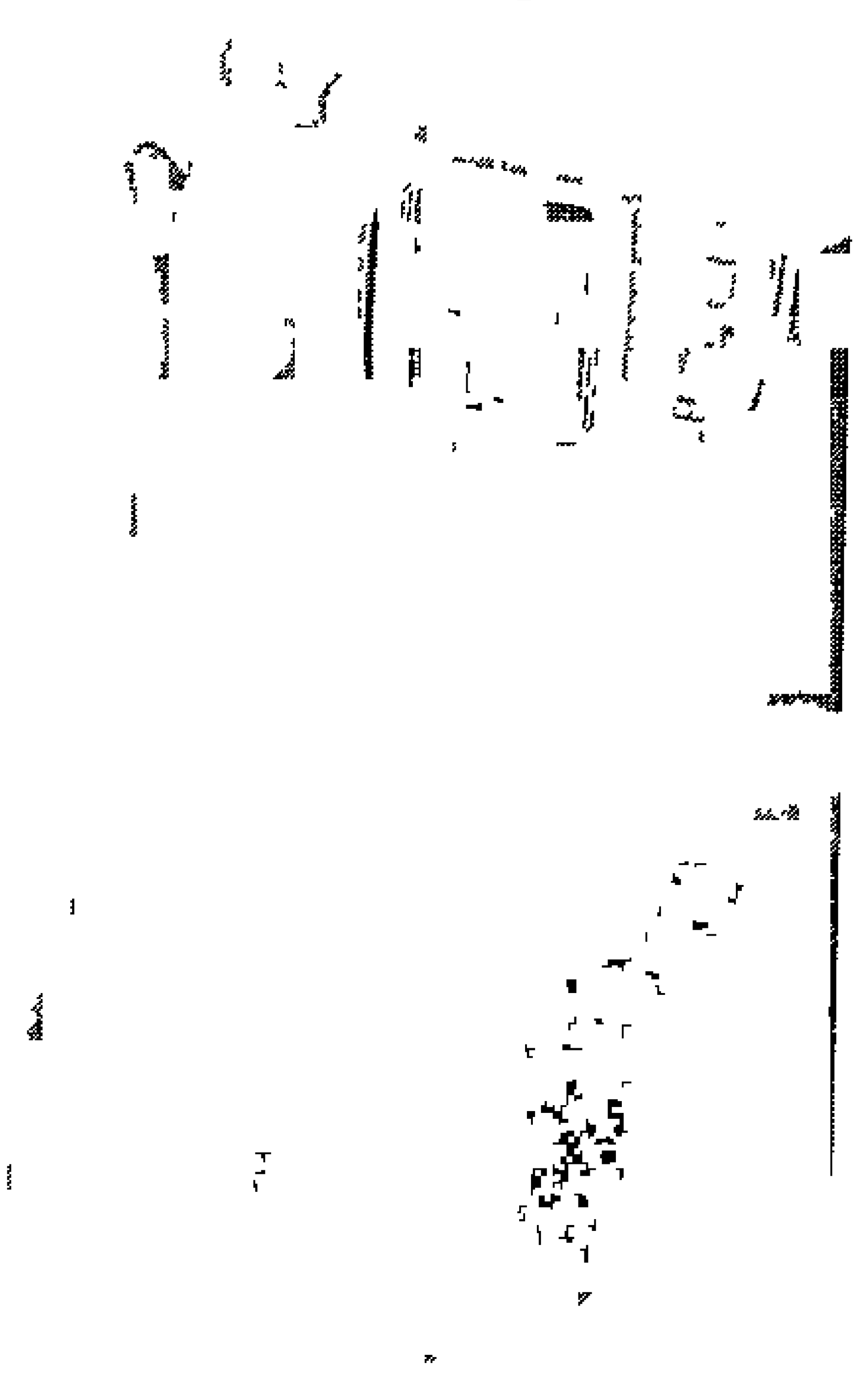
Manufacturers are hard pressed for beverage can capacity at present but new equipment is on the way Growth should be high over the next few years as the SA consumption of beverage cans is still well behind that of the developed countries In the US, 40% of soft drinks and 60% of beer is sold in cans while in SA the corresponding figures have not yet reached 10% and 25%

New two-piece beverage cans are also beginning to replace the traditional three-piece cans Two-piece cans use less steel as they are thinner and consist of a one-piece bottom and sides with an aluminium top The two-piece cans are made of a steel bottom, seamed steel sides and an aluminium top

Construction at Sasol which still has some time to run is continuing to support steel sales especially piping Sales of hot-rolled steel used largely for making pipes should be 29% up this year to 753 000 t

Sales of fencing wire and galvanised steel used for roofing should also be up, reflecting increased spending by farmers after a good year and more building activity

However, demand for steel sections and plates used in heavy construction and ship building should drop 18% from 1 46 Mt to 1.19 Mt Sales of rails to the SAR should drop 32% from 168 000 t to 115 000 t This reflects the fact that many big capital projects are nearing completion



consumer . keeping the mills rolling

ISCOR STEEL SALES

Type of steel and main use	1978/79 (Tons x1 000)	1979/80 (Tons x1 000)	Estimated sales 1980/81 (Tons x1 000)	Change on 1979/80
Sections — structural	561	762	662	−13 1
Wirerod — fencing	368	421	462	+9 7
Rails — SAR	187	168	115	31 5
Plates — structural, ships	467	700	528	−24 6
Hotrolled — pipes	482	582	753	+29 4
Coldrolled — cars, appliances	370	491	563	+14 7
Galvanised/colour coated — roofing	242	300	358	+19 3
Tin plate — cans	157	188	232	+23 4
TOTAL DOMESTIC	2 834	3 612	3 673	+1 7
Exports	1 794	1 743	1 268	−27 3
Second grade material sales	127	145	121	−16 6
GRAND TOTAL	4 755	5 500	5 062	−8 0

Iscor's exports should be 27% down this year, because of the combination of reduced dollar prices for steel and the strengthening rand Iscor usually aims at full production of steel so it is building up stockpiles which it will start exporting later this year when rand prices are expected to be better

Steel export prices average around R260/t free on rail, but the overseas customer ends up paying about the same as local customers after freight and duty charges have been added

Iscor's divisional GM (steel marketing), Nols Olivier, says Iscor has to sell its surplus overseas at low prices as this is less costly than closing plants once local demand has been filled Exported steel he says contributes about R60/t towards overheads in excess of direct manufacturing costs He does not believe that local demand would increase if the price were lowered because many local customers are so near to production capacity

Last year some 300 000 t of steel were sold at special rebate to local companies who were able to continue exporting

By giving them this concession he says, "we almost trebled the country's foreign earnings on each ton of steel so exported "

SA stoves . would imports hurt the market?

conditions and reduced demand overseas — could disrupt market stability in SA, says John Turner, chairman of the Domestic Appliance Manufacturers Association (Damsa)

Unit turnover of domestic appliances increased by 35% in 1980 With prevailing inflationary conditions, revenue increased by about 50% Local manufacture increased by 25% in real terms Imports increased by 45%

Present duties on imported washing machines are 25% on fob price or R50, whichever is greater

In the application, published in the *Government Gazette* of January 2, it is requested that ad valorem duties be increased to 40%, or R80 (The present duty on imported electric stoves is 30% on fob price, dishwashers, 20%, tumble driers, 25% Application has not been made to have these duties adjusted)

Turner admits that "when the industry grows quickly, no one complains about imports My concern is that the long-term structure of the industry is thrown out of kilter if the balance between local manufacture and imports is not maintained " Turner wants to see imports down to about 10% of total demand

Manufacturers have applied to have the

[redacted]

demand but little attention was paid to our warnings On certain appliances there's a three-month lead time Yet local manufacturers ask for increased protection against imports

SA needs new technology It lags far behind what's happening in Europe today Imports stimulate new developments

Vernon Katz, MD of Katz International Corporation distributors of both imported and locally manufactured goods says

We don t require additional protection for our locally manufactured washing machines and refrigerators We d be happy to see duties reduced

Katz says there s agreement among retailers that local manufacturers are often not terribly efficient Service on imported appliances tends to be vastly superior "

Spare parts on imported products "are freely available The problems arise on spare parts from local manufacturers He says that when local manufacturers get increased protection their immediate reaction is to increase prices of local products

Present duties on washing machines were introduced in December 1978

Says Katz "The increase meant duties hiked from R32 a machine to R50 Less than a month later Defy increased the price of its washing machine by R19, General Electric's model 660 increased R26, Barlows' National increased R20 Barlows' Kelvinator increased R25, Hoover s A 2020 increased R22 80, and Hoover s A2024 model R24,40 "

When comparing the price of a washing machine with the price of a pair of shoes overseas Katz says the ratio is roughly 2 1 In SA the ratio is 7 1

Katz is particularly riled by the fact that duties extend to types of washing machines which are unobtainable in SA

"There have been quite a lot of objections to these applications says a spokesman for the BTI Duties are not necessarily going to be revised he says

EXPLOSIVES FM 27/3/81

Hill blasted? 183

It seems that Oliver Hill s National Process Industries has little chance of getting a slice of SA s R200m explosives market

For it appears that if explosives users are given a free choice, they will opt for AECI s relatively new Sinex 960 rather than Tovex the NPI product (*FM* January 30)

A mining man says that tests at West Rand Consolidated Mine suggest that Sinex 960 may even be better than Tovex

At least one other mine conducting unofficial tests on Sinex 960 is also enthusiastic

Hill, however maintains that Tovex outperforms Sinex 960 on cap sensitivity fume performance and water resistance, as well as selling for only two-thirds the price

He is basing his hopes of entering the market on a report of the Competition Board to be tabled in Parliament next year

In this report the board is expected to decide on whether AECI s 99% of the explosives market is in the public interest

Says Hill All we want is a free market whereby we can sell our product in a fair manner

He scored the first point in his battle to crack the AECI near-monopoly in 1978, when he got several mines to test Tovex, the product he manufactures under licence from Du Pont

At that time most blasting was done with AECI s Antex and nitroglycerine-based explosives Some mineworkers dislike the latter because they say it causes headaches Tovex is a slurry explosive which does not give rise to this complaint

The tests showed that Tovex broke rock about as well as conventional explosives However there were some problems relating to quality of filling of the Tovex cartridges

In spite of the price difference between Sinex 960 and Tovex some mining men say they would still prefer to buy Sinex because of service undertakings built into the agreement on the supply of explosives

NPI's Hill 'All I want is a free market'

between AECI and the mines which buy more than 90% of the explosives it produces for the local market

And Chamber of Mines manager Peter Bosman says The prices the mines pay for explosives are calculated on a cost-plus basis We are satisfied with the arrangements we have with AECI to control the allocation of costs on the explosives sold under the agreement

In terms of the agreement t' have the right to test new ·

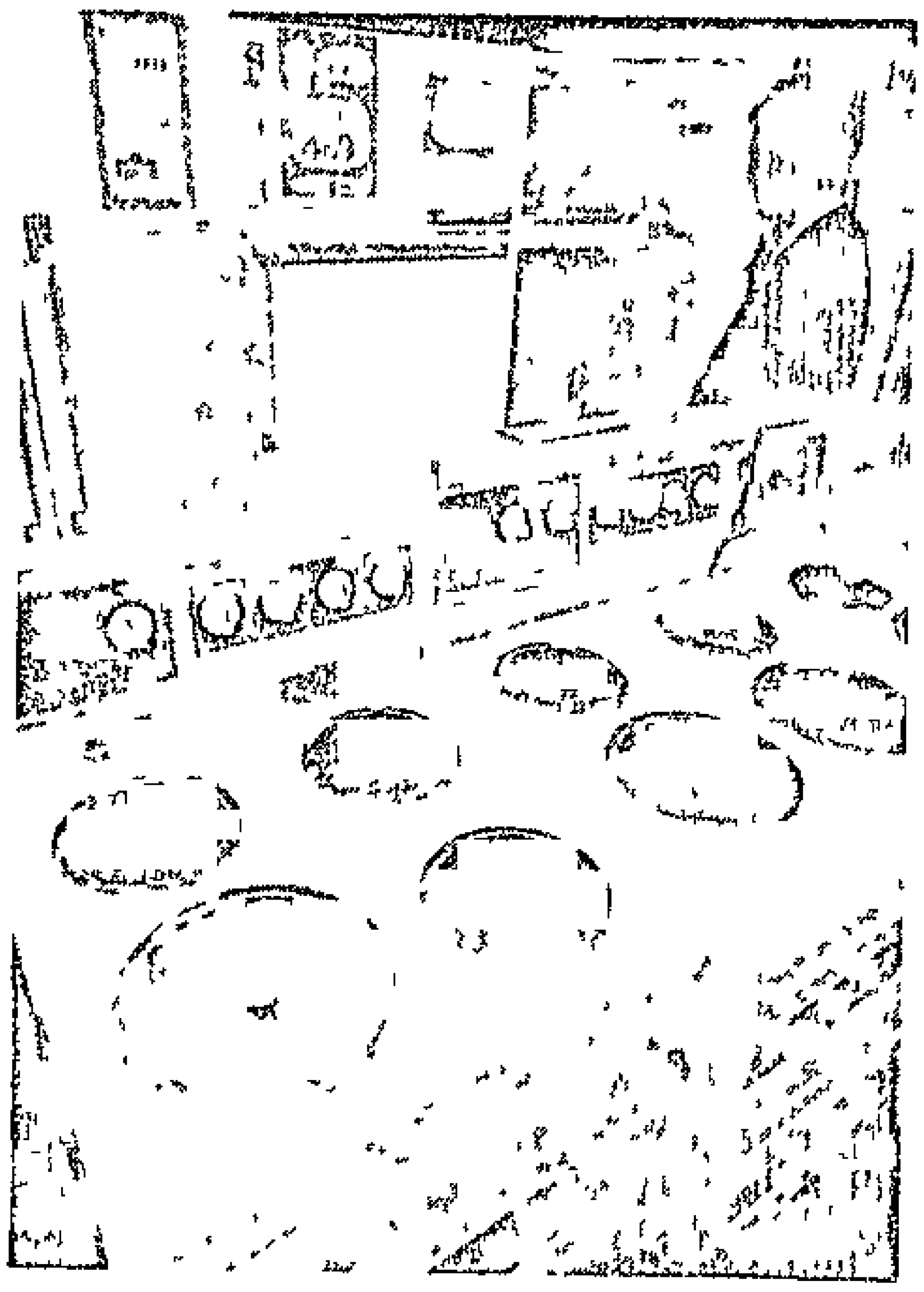
FM 27/3/81

189

WHITE GOODS
Looking for protection

Local manufacturers of domestic appliances have applied to the Board of Trade and Industries (BTI) to adjust import duties on washing machines and refrigerators But there's little support from some retailers for the applications

The view of manufacturers is that cheap imports — a result of recessionary



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Turner admits that when the industry grows quickly, no one complains about imports My concern is that the long-term structure of the industry is thrown out of kilter if the balance between local manufacture and imports is not maintained Turner wants to see imports down to about 10% of total demand

Manufacturers have applied to have the present duty on electric refrigerators — 25% ad valorem per unit plus 50c per litre of capacity less 75% of the fob price — adjusted to 25% ad valorem or 60c per litre of capacity less 75% fob

But says Ig Ferreira Pick n Pay Hypermarket director and chief hardware buyer We had a sales increase of more than 100% in large appliances last year Local industry could not supply all our needs

We warned them two years ago to gear themselves for the big increase in demand but little attention was paid to our warnings On certain appliances there's a three-month lead time Yet local manufacturers ask for increased protection against imports

'SA needs new technology It lags far behind what's happening in Europe today Imports stimulate new developments

Vernon Katz MD of Katz International Corporation distributors of both imported and locally manufactured goods says

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is shown in the table below.

TABLE 21

Distribution of workers according to d

Current debt to farmer (R)	Number of
0,01 - 10,00	10
10,01 - 20,00	7
20,01 - 30,00	5
30,01 - 40,00	4
> 40,00	3
total	29

Mean: R26,01
Range: R2,50 to R200

Some of the debts under R10,
farmer and not yet paid for, migh
end of the week and would perhaps
as debt by other farmers.

The system of 'buying on the
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S Times 29/3/81 (189)

R1 000-m annual sales forecast for new steel

By Andrew McNulty

ANNUAL sales of more than R1 000-million within 10 years — in today's money — are forecast for a new steel launched by Southern Cross Steel this week.

Projections for the corrosion-resistant steel — 3CR12 — are exciting both for the Barlow/Rand group which owns 72% of Southern Cross's holding company, Middelburg Steel and Alloys, and for South Africa

The managing director of Southern Cross, John Hall, forecasts that in the next 10 years the new steel could double world chrome consumption — and South Africa has about 80% of world chrome reserves

Direct foreign-exchange earnings from 3CR12 could reach R100-million a year within three to five years, based on annual exports of 100 000 tons

The steel has been fully developed to the commercial stage by the company at Middelburg after 10 years' research

Professor Paul Robinson, professor of corrosion science and engineering at the University of the Witwatersrand, describes the product as "one of the most overdue industrial developments of the century".

Major applications are in industries relying heavily on galvanised steels or coated mild steels

It is designed to fill the gap that exists between rust-prone carbon steel and conventional stainless steels, which cost four times and more a ton than carbon steels

The steel is a corrosion-resistant alloy, containing 12% chromium, whose price of about R1 300 a ton makes it competitive with carbon steels treated with special protective coatings.

The big breakthrough, creating a vast range of potential applications, is that 3CR12 is weldable in thicknesses of up to 20mm

Production started this week from new hot mills installed as part of Middelburg's R150-million expansion announced last September

In 1981 3 000 to 4 000 tons will be produced, building up to an annual 9 000 tons by 1982.

This will result in additional turnover to Middelburg Steel of about R12-million in 1982.

Mr Hall forecasts sales of one-million tons a year in the domestic market alone by 1990

He told Business Times that additional expansions to raise capacity by 33%, costing well over R60-million, will certainly be necessary to meet demand within five years.

About 500 prototypes are being tested in a wide range of mining, chemical, and heat-resisting applications in South Africa, Britain and Australia.

"A tremendous demand/pull has been created by these prototypes," Mr Hall says

JOHN HALL
Double world consumption

RDM 27/3/81

Govt defends diesel engine project

~~182~~ 189

Own Correspondent

CAPE TOWN — The Minister of Industries, Dr Dawie de Villiers, yesterday defended the Atlantis Diesel Engines project against criticism

He was reacting to a statement in Port Elizabeth by the managing director of General Motors, Mr Lou Wilking, who said the R300-million project was "badly conceived, ill-timed and certain to cost the public far more than it appreciated"

Mr Wilking said the programme would create inflation and add thousands of rands to the price of a truck

Dr De Villiers said the project would increase engine prices by "a much smaller extent" than the 30% to 40% estimated by Mr Wilking

The Government had seen fit to approve the ADE project because transport and food production were two areas in which South Africa should strive to be self-sufficient

"The Government accepts that sometimes there is a cost premium in self-sufficiency which has to be paid in order to attain the goal, but in this instance, the premium is not near to that claimed by certain persons," he said

Among the positive aspects were that "a range of more than 200 engines is being reduced to 14, with the resultant rationalisation of spares and service, as well as the cost advantages that follow from this"

"In many instances the Atlantis diesel engines are also longer-life units compared with many of those currently in use Initial higher vehicle prices will, therefore, be partially offset by lower operating costs"

He said general advantages of the project were

- Transfer of the latest technology and equipment to the Republic from the two largest diesel engine manufacturers in the world, and agreements ensuring this would continue
- About 1 800 jobs would be created at the ADE plant, and 2 500 more would open up in the component industry later,
- A substantial foreign exchange saving

25

World beater

S. Tribune 29/3/81

...A BREAKTHROUGH IN STEEL INDUSTRY

189

By JACK BRICKHILL Finance Editor

A BARLOW Rand company, Southern Cross Steel of Middelburg, has taken the gap in the world steel market and scored spectacularly with a new low-cost corrosion - resistant steel.

The steel, 3CR12 which is expected to earn R1 000 million in South Africa alone in the next 10 years, will have a major impact on export earnings and the gross national product.

Certainly the potential off-take on world markets is far greater than the South African consumption of one million tons in the next 10 years

Southern Cross does not plan to export large quantities of steel Instead, technology will be exported to encourage foreign production and this will increase world consumption of ferrochrome which is also produced by Southern Cross.

World consumption of chrome, comprising 12 percent of the steel, is expected to double during the next 10 years as a direct result of the Southern Cross breakthrough

The achievement marks a decade of research and development by the company with help from the universities of Cape Town, Pretoria and the Witwatersrand, the CSIR, the National Institute of Metallurgy, the Chamber of Mines and the South African Bureau of Standards

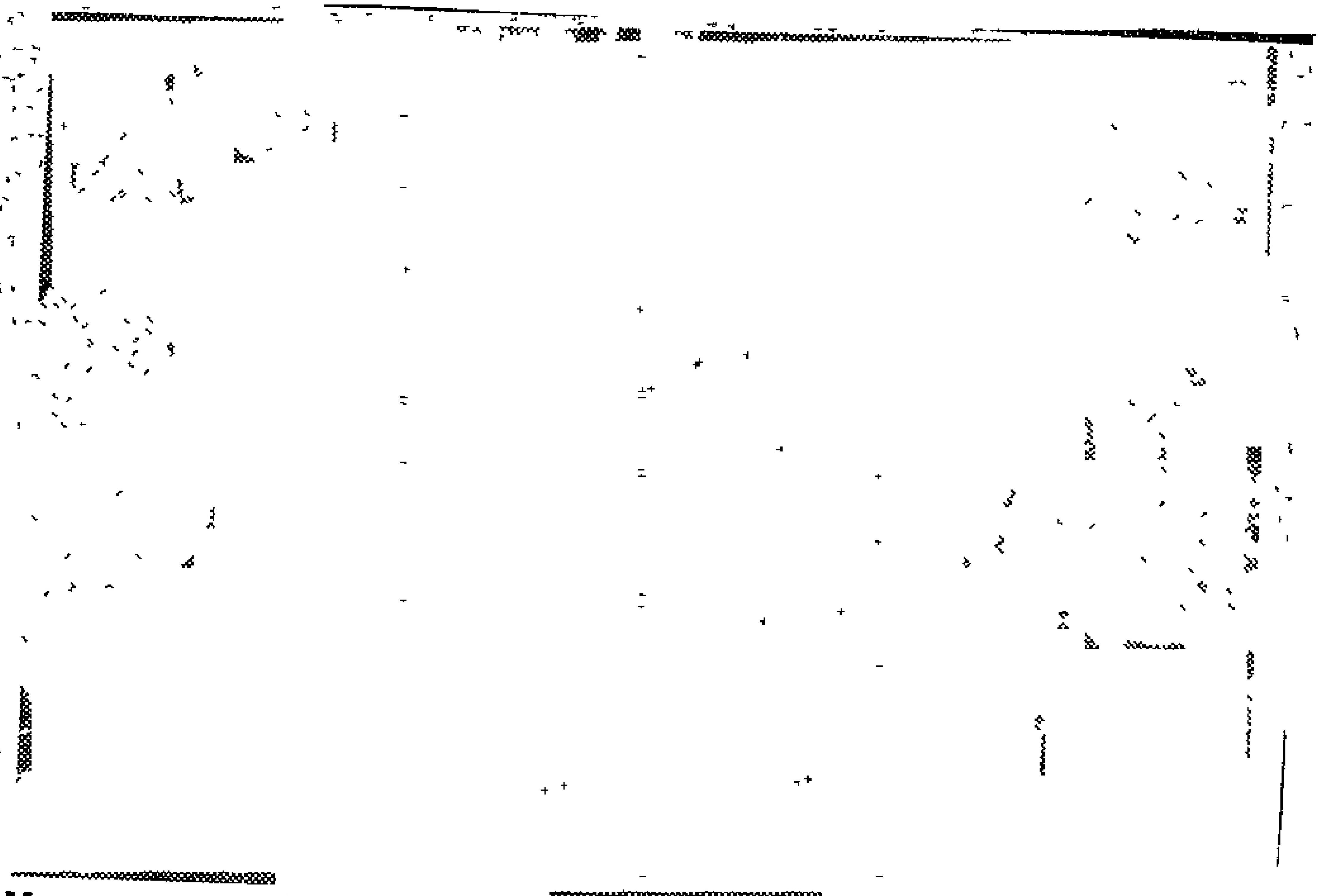
The new steel fills the gap between rust-prone carbon and conventional stainless steels which cost three times as much as the carbon steel. Thin sheets of the new steel have been used for many years in applications such as exhaust mufflers, but welding problems have ruled out its use in the heavy plate market.

Southern Cross developed a corrosion resisting steel plate which can be welded. This opened the door to a massive industrial market where coated carbon steel and corrosion protection systems are used

About 500 prototypes of the steel are being tested in a wide range of mining, chemical and heat-resisting applications in South Africa, Britain and Australia

Southern Cross managing director John Hall says· "In industrial corrosive environments 3CR12 will out perform any other material"

Professor Paul Robinson, head of the corrosion science and engineering faculties at Wits University, says it is no exaggeration to describe 3CR12 as one of the most overdue industrial developments of the centry.



Managing director of Southern Cross Steel, John Hall, left, and Leo Melville, director of marketing for Southern Cross Steel, watch a pour of 3CR12 at the melt shop at Middleburg Steel

Shortage of engineers is now critical

S. Express 29/3/81 ~~175~~ ~~248~~ 187

Business Reporter

A CRITICAL shortage of trained engineers, draughtsmen and technicians has developed and unless immediate steps are taken — including faster processing of immigrants — the shortage could reach crisis proportions this decade.

This is the view of Ken Andre, president of the South African Association of Consulting Engineers, who says the shortage affects the fields of civil, electrical and mechanical engineering

Unless the situation improves, the economic consequences for the country would be disastrous, he says "The whole economy would be slowed down and capital development projects would be delayed We cannot allow this to happen

"The demand for draughtsmen has sent their wages spiralling upwards and this means that engineers' and technicians' pay will have to go up too

"It is an unhealthy situation and remedial steps are needed "

The main reason for the shortages was that the industry was expanding at a time when universities were producing fewer graduate engineers

"If nothing is done about this, there could be four to five positions available for each engineer towards the end of the Eighties," said Andre

Professor Dirk de Vos of the University of Pretoria, president of the SA Council for Professional Engineers, has observed that whereas there were 690 first-year engineering students in 1973, there were only 300 in 1979 There will be about 250 graduates in 1981/2 to fill an estimated 400 to 600 vacancies

Andre believes the main reason so few young men go into engineering is a lack of understanding of the profession

"Careers in engineering should be made more attractive," he says

The likeliest reason for declining interest in engineering careers, particularly in civil engineering, was the recent recession which affected the construction industry in particular

He did not think that lack of interest was due to remuneration as engineers — like accountants, doctors and lawyers — were among the best paid in the country Nor was there now a "brain drain" — emigration and the lure of work abroad were not major factors

Andre said his own consultancy, WLPU, offered positions to graduates for a three-year training period

"We are fortunate in having offices in other countries which help us to get hold of immigrants," he said

"But that is a short-term solution There are difficulties in getting work permits, sorting out their personal affairs matching salaries and meeting local professional requirements so that the foreigner is eligible for registration in South Africa "

Andre believes the Department of Immigration could greatly assist by speeding the issue of work permits

The recruitment of more Blacks to the profession was also vital

"There are job opportunities for all races and there are already a limited number of Black engineers in practice "

Apart from housing, farmers generally provided retired workers with meat (either free or at subsidised prices), milk (free), fruit and vegetables when available, and some farmers allowed retired workers grazing rights and clothing. Many farmers would bank workers' old age or disability pensions and would take some of the money, to partly pay for the items they provided.

4. Cash and/or kind?

The question of the costs and benefits, to both farmers and workers, of taking a large part of payment in goods rather than in cash, is complicated. Yet at first glance it seems simple: workers should be allowed to organise their own spending, to receive all their income in cash and then to

...om the farmer or elsewhere, as they choose. They

be able to pay higher rents on bigger houses if they

to buy more meat and less clothing if they choose,

without cow's milk entirely and pay to graze 30 goats

farmer's land. Anything else, it seems, is either

of paternalism - the farmer thinking he can arrange

...ker's life better than the worker himself - or an attempt

...ers to keep wage costs down by off-loading on to workers

...e opportunity cost to the farmer is lower than their

...es.

...to

from

...es

Bonanza in tractor sales

(3general) (189) S. Times 29/3/81

FARMERS made a bonanza last year for tractor retailers

With their increased earnings of 38% over 1979, farmers queued for new tractors But manufacturers, hard pressed to keep up with demand, had to turn away custom

The result was that tractors fell into one of the few categories of used vehicles which did not decline in volume sales during 1980, when boom conditions favoured new vehicle sales

By Vera Beljakova

Although the used vehicle market as a whole fell during the first 10 months of last year, according to the Department of Statistics nevertheless 13 033 used tractors were sold, showing an increase of 1 5% on 1979, Whites bought 11 049 coloureds 51 Asians 69 blacks 681 and 1 183 sales were not accounted for in racial groupings

During this time unit sales of used buses fell by 50,3%, used motor cars dropped by 5,3% and commercial vehicles by 3 9%

Only sales of tractors showed a growth as did motorcycles (4%) and minibuses (9 8%)

In the same 10 months, sales of new tractors rocketed by 66,2%, accounting for 12 743 units as opposed to 7 668 for the same period in the previous year

"In terms of new unit sales 1980 was second only to the industry record of 19 166 units in 1975," says Ford Tractors "Last year new tractor sales leapt to almost 18 000" — a 77% increase on 1979

This was a welcome windfall for the tractor market which saw a dismal 1979 with a meagre sale of 10 500 models

New tractors showed the third-largest sales growth last year in the new-vehicle market, says the Department Tractors were beaten only by motorcycles (up 108,5%) and minibuses (up 77 2%)

Increased new motorcycle sales were accounted for by the luxury end of the leisure market, when more men tried to get out of their restricting limousines into the unconstrained bushveld — so explains one retailer

The rise in minibus sales is attributed mainly to more blacks buying "taxis" for the daily transport of workers between the metropolis and the townships

Tractors sales indicate that the farmer was rich enough to go out to replace his old stock and generally upgrade his fleet

Cape Gate into Britain in R16m deal

CT 31/3/81

189

By NEIL BEHRMANN

LONDON. — Cape Gate, a privately-owned South African steel company, headed by Mendel Caplan, is moving into Britain In a £9m (R16,2m) deal, it is acquiring two wire-making subsidiaries of Johnson, Firth and Brown, the Sheffield steel and engineering group.

It will take over two factories, at Manchester and Ambergate in Derbyshire, together with a workforce of 900

The Manchester company, which will revert to its original name of Richard Johnson and Nephew, was founded in 1773 and is a leading supplier of submarine cables The first trans-atlantic cable between the UK and America, was produced at the Manchester works in 1857

Mendel Caplan will be chief executive of the two factories Cape Gate is planning to extend internationally and intends to invest large sums of money in the two factories to develop new products and new markets

The purchase price is based on the combined assets of the two companies at March 31 This is expected to be about £9m, which will be financed by £2m of share capital and reserves and a £7m (R12,6m) loan from Johnson, Firth and Brown Cape Gate will repay the loan in five annual instalments

In the year to September 30, 1980, the Manchester company broke even on a £21m (R37,8m) turnover but the position has worsened in the last six months

The Ambergate company had a trading profit of £1,1m (R2m) on sales of £15m (R27m) in the full year followed by a break-even six months

TABLE 17 (a)

Distribution of workers according to payment in kind, R per week

Payment in Kind	Number of workers	Cumulative %
0 - 2,50	3	2,31
2,51 - 5,00	18	16,15
5,01 - 7,50	26	36,15
7,51 - 10,00	31	60,00
10,01 - 12,50	18	73,85
12,51 - 15,00	10	81,54
15,01 - 17,50	6	86,15
17,51 - 20,00	5	90,00
> 20,00	13	100,00
TOTAL	130	

Mean: R10,42 a week.

Range: R 2,37 to R28,35.

In this table and the two that follow, an average skim milk ration of 15,1 litres a week has been imputed to those whose milk ration was described by the farmer as 'unlimited' or 'erratic'.

No attempt has been made to value clothing, or Christmas 'presents' at workers' prices; it is assumed that the only difference between these and farmers' prices would be the wholesale-retail price difference, which is relatively small in terms of total payment in kind. Similarly, grazing rights and medical costs are valued in the same way as in the text.

The adjusted values for payment in kind lead to adjusted tables of distribution of workers at various levels of total payment (cash plus kind) and of family income per head.

TABLE 18 (a)

Distributic ... ash plus kind)

Payment (we	Cumulative %
0	6,92
5,01	22,31
10,01	59,23
15,01	76,92
20,01	90,77
25,01	99,23
30,01	100,00
> 35	
TOTAL	

Boilermakers looking for wage increases

S.A. Industrial Wk. 31/3/81

By Lynn Carlisle

HAVING recently conculuded pay increase negotiations with the Steel and Engineering Industries Federation of South Africa (Seifsa), the Boilermakers Union are hoping to secure higher wages from the Chamber of Mines, Iscor, Highveld Steel, Alusaf and Huletts, says the union's general secretary Ike van der Watt

This affects a minority of the union's 46 000 members, but will rub off on to scores of thousands of non-members — mainly blacks — working with their white and coloured colleagues

"An 11-shift-a-fortnight agreement has just been reached for workers on the mines — but not with the engineering companies — so current negotiations will be basically about wages," he says

Van der Watt points out that normal wage increases this year have been around 15% for artisans but could not disclose what he had in mind for his members, who and mainly boilermakers.

Raleigh row drags on despite agreement

31/3/86

Labour Reporter

Dismissed employees of the Raleigh Bicycle plant in Springs have accused management of not acting in good faith in efforts to reach a settlement

More than 700 workers were dismissed in January after a dispute in the previous November Raleigh's management claimed it had not dismissed any workers but had merely failed to renew their contracts.

The union which represents the majority of the dismissed workers, the Engineering and Allied Workers' Union (EAWU), took Raleigh to the industrial court in February

But, in a surprise decision, the president of the court, Mr B J Parsons, ruled that the case was not within the court's jurisdiction

In a further bid to settle the dispute the Transvaal Industrial Council for the Engineering Industry met a week later to discuss the unfair labour practices alleged by the EAWU

The union complained that Raleigh had already taken on new employees and had no intention of taking on any of the dismissed workers

At the council meeting Raleigh and EAWU reached agreement The central points were

- The settlement would finalise the dispute with the workers who were dismissed in November
- The dismissed workers could re-apply for jobs at the plant
- Raleigh would undertake to re-employ those workers when vacancies occurred
- Neither party would discuss the settlement with the Press.

Mr Calvin Nkabinde, EAWU secretary, said the dismissed workers had since called on his union to make further representations to Raleigh

They claimed that Raleigh had taken on only about two dozen workers since the settlement was reached in February

Of the 700 dismissed workers, about 350 were EAWU members and none of these had been taken on

Mr Nkabinde also said that although some EAWU members were still in the plant there was little union activity going on

The shop stewards committee and the workers committee were inactive

Mr Nkabinde also said the dismissed workers feared that other firms were reluctant to hire them once it was known that they were from Raleigh

EAWU had written to Raleigh recently detailing the workers' complaints but had not yet received a reply, Mr Nkabinde said

- A Raleigh spokesman approached by The Star recently to inquire about the hiring of dismissed workers would not comment because of the council agreement

The table below lists the distribution of workers according to the value of the weekly meat 'subsidy' (the difference between the value of the meat to the farmer and the price demanded from the worker).

TABLE 10

Distribution of workers according to value of meat subsidy.

(R per week)

...ly, weekly, R	Number of workers	Cumulative %
...,00	10	7,94
...,00	27	29,37
...,00	23	47,62
...,00	29	70,63
...,00	12	80,16
...,00	12	89,68
...,00	12	99,21
...	1	100,00
	126	

WORKERS

sacked at toy factory

SOWETAN

184

By Z B MOLEFE

THE ENTIRE black staff of 64 at a toy manufacturing firm in Nancefield, outside Soweto, was dismissed yesterday for allegedly going on strike

According to a management spokesman — who greeted reporters with "who gave you permission to enter my factory" — the workers included 12 women

He told **SOWETAN**: "They were striking for more money. But it is clear that they did not really know what they wanted You know they didn't even have a spokesman, though inspectors of the Department of Manpower Util- the Industrial Council were here."

He refused to tell how much the workers were earning and how much they were striking for "All I can say," he went on, "is that we were paying far above the Industrial Council minimums Only two of workers were on minimum council rates."

REFUSED

While talking to reporters at the factory's gates, the spokesman refused to have his picture taken. "You can photograph the factory if you like"

Asked what will happen if some of the workers re-applied for their jobs, he said he would take those he felt deserved their jobs

The spokesman's parting words were. "We made the workers an offer that if they returned to work after lunch we would treat it as a full-pay day."

The industry's Industrial Council would not throw light on what happened at the factory Said a spokesman "Nothing was reported at this office about a strike" Steel Engineering Industries Federation of South Africa's (Seifsa) director, Dr Errol Drummond, was not available

UK firms disinvest

Haggie to get Macdem

189

Low 2/4/81

By HOWARD PREECE
Financial Editor

HAGGIE is to pay R24 500 000 cash as the downpayment for joint control of the British-owned Macdem (Pty). It will mean a major acquisition for Haggie, but further disinvestment in this country by a UK group.

The cost of acquiring an effective 50% of Macdem from July 1984 will, however, include a substantial but undisclosed additional amount

Total control may be obtained between 1985 and 1989.

The sellers are the UK metal groups McKechnie Brothers and Delta.

Haggie is South Africa's largest steel and wire-rope producer and is jointly controlled by Anglo American and Gencor.

It made a pre-tax profit of nearly R47-million in 1980, has a powerful financial base and has been known for some time to be on the takeover trail.

Macdem is to be sub-divided into Jacksons and Macdem — the most important component of which will be McKechnie South Africa.

Jacksons is said to be the largest stockist and distributor in South Africa of non-ferrous metals and stainless steel in semi-fabricated form.

Macdem, through McKechnie SA, is said to be the largest manufacturer in this country of copper, brass and bronze semi-manufactured products

Under the deal announced last night, Haggie will hold 25% of Jacksons from July this year with McKechnie UK holding 25% and Delta 50%

Haggie will also have 45% of the restructured Macdem with McKechnie UK having the other 55% (but voting control will be equal)

From July 1984, in return for a further large sum to be determined by an agreed formula, Haggie will have 50% each of both Jacksons and Macdem

Between 1985 and 1989, and possibly beyond, McKechnie UK and Delta will have the right to sell the balance of their holdings in the South African operations to Haggie, also on an undisclosed basis.

A statement yesterday said exchange control approval was needed, but I believe that so far as Haggie is concerned the initial outlay is R24 500 000 cash.

It will obviously make a difference to the UK companies whether this money has to leave South Africa through the commercial or financial rand markets.

Haggie said last night that its medium- and long-term plans indicated it would continue to enjoy a sound positive cash flow and, therefore, was looking for acquisitions.

It said. "Macdem is seen as being a well-established group with a significant market share and high technology, principally in the area of production, and consequently meets Haggie's diversification requirements.

"The proposals, if effected, will result in an expansion and diversification of Haggie's industrial interests.

"They are expected to have a minimal effect on Haggie's earnings and net asset value in the current year, but are expected to contribute significantly to its earnings in future years."

in Malracior (2 - 8 km away), and Showhill (3 - 4 km), and once a month to Bluecliff area (11 - 24 km away). Thus residents of Bluecliff seldom appear at the clinic, whereas those of the Suurberg area 29 km from Addo do attend the clinic there.

Over half the attendances for minor ailments were for children under 15 years, and 14% were infants under a year old. Nearly all the rest were women of working age,

... 27 new acceptors, 144 old acceptors of whom 35 were on the pill and 136 on the injection. Bortrug has up to 150 attendances of acceptors in summer, not more than 22% of the women 'at risk'.

4.2. Choice of facility

A survey was carried out in the areas of Addo and Kirkwood to determine which health services had been visited

./...

by blacks in their last episode of illness, how they had travelled, the costs involved and their reasons for choice of facility.

Because of the lack of time, and the relatively wider choice of health services used by the white population who are wealthier and more mobile, this study has also concentrated on the utilization patterns of black people. This does not ... lth care for whites is ... e shown, but there is less ... basic needs are met.

... in Appendix IV. Interviews with a Xhosa interpreter, (Zwelitsha) and Kirkwood ... nding the child welfare ... clinics. As most of ... the choice of respondents ... sample towards those who ... age. In addition, to gain ... distance and cost of ... ws were done in the ... Bersheba, the African ... 1). In these areas ... ings called to discuss ... ly and sicker members ... overrepresented. However there is no reason to suppose that this would bias conclusions about factors affecting utilization of services except that the observed high proportion of people who walked to obtain health care would be still higher in an unbiased population.

The age and sex distribution of the sample is given in Table 2.

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HOW CAN ECONOMICS IMPROVE PLANNING FOR HEALTH ?

CONTENTS

* Suggested for the hasty reader

ACKNOWLEDGEMENTS

This paper owes much to discussions held over the last two years with two groups of medical and economics students, on problems of providing health care in Southern Africa.

Extension to cost R23-m at Usco

(18) SUN 2/9/87

Capital spending to be incurred by Union Steel in the current financial year has been raised to R23-million, Dawie Marais, the chairman, has announced

He said in the annual report that during the past few years it was company policy not to undertake large capital projects, but only to invest capital to improve efficiency and to eliminate bottlenecks

The R23-million will now be spent on a new forging plant and extensions to the bar-million rolling mill

The projects will cost R15,6-million and R7,2-million respectively

He added that substantial cost savings can be realised in view of the fact that the present light-sections rolling mill will be closed and the remaining rolling mills more fully utilised "Satisfactory long-term finnance has been arranged to finance these extensions"

Mr Marais said the nine months' profits will not be lower than that of the corresponding period last year (Usco is to change its year-end to September 30) Last year, dividends totalling 16c (8c) were paid from earnings of 58,8c (31,3c). — Geoff Shuttleworth.

Haggie moves into British market

By Ann Crotty

Haggie is to pay an initial R24,5-million as part of an agreement which will ultimately result in it having joint control of Macdem with two UK metal groups, McKechnie and Delta.

The total cost of acquiring an effective 50 percent in Macdem from July 1984 will include a further cash consideration based on an agreed formula

From July 1984 to September 1989 the two UK sellers will have an option of selling their remaining holdings to Haggie

Haggie is making the acquisition because of its concern for a number of years at the lack of prospect for growth in its traditional business of steel wire and wire rope.

Macdem is seen as being a large well-established group with a significant market share and high technology, principally in the area of production, and consequently meets Haggie's diversification

If the proposals are effected they will result in an expansion and diversification of Haggie's industrial interests

They are expected to have a minimal effect on Haggie's earnings and net asset value a share in the current year ending December 31 1981 but are expected to contribute significantly to its earnings in future years

The implementation of the proposals is conditional upon shareholders agreement and the necessary exchange-control approval

Macdem is to be subdivided into Jacksons and Macdem Jacksons is said to be the largest distributor in South Africa of non-ferrous metals and stainless steel in semi-fabricated form Macdem is sai dto be the largest manufacturer in South Africa of copper, brass and bronze semi-manufactured products

Under the announced deal, Haggie will hold 25 percent of Jacksons from next July with McKechnie holding 25 percent and Delta 50 percent.

Personal and environmental hygiene is promoted by encouraging the use of individual face cloths and water, digging of rubbish pits and the erection of pit latrines. Repeat visits are made at intervals to check if instructions are followed. The ideal number of households to be visited is not more than 5 - 8 per Care-Group member.

Most members prefer to do the visiting as a group. Collectively they feel more confident, they are more readily listened to and they can help each other when problems are encountered. Various methods are used to transmit the message, sketches, health songs or discussions.

3. EFFECTIVENESS OF THE CARE-GROUPS

It was important to assess the effectiveness of the Care-Groups once they had been reasonably well established.

This was done among others by a randomised sample survey of the whole community in 2 settlements, Mbokota and Chavane, which will be discussed by the next speaker.

Other evaluations I will mention briefly will serve as background information to the findings in these two settlements.

The map shows that geographical distribution number of Care-Groups, their size and their general rating by the motivators. Many prospective groups are kept waiting due to lack of motivators and vehicles.

From observations made over the last 2 years we found that there are certain general factors which influence the quality of a group.

Table

Both Chabane and Mbokota are very large settlements with few Care-Group members. Both are under the same chief who is not very cooperative. The Care-Group in Chabane is the only one where the respreantation of the social elite of the village is big enough to cause class tensions. In addition some key persons are interfering with the group. All this has led to a near collapse of this group.

Mbokota has started well, in spite of the handicaps mentioned, but last summer's heavy rains have forced the resettlement of a portion of the village to a safer area. The whole community was disrupted by the events and Care-Group activity came practically to a standstill.

Table

The effectiveness of Care-Groups d
can best be evaluated when determi
of the disease in small children.
school year, where the new intake
is a reasonably good correlation t
Sub-Standard A children and of the

(Explain table)

Other factors which can be measure
of village and personal hygiene,
individual face cloths.

The table gives a rough impressio
in promoting hygiene.

(Short explanation)

To summarise our experiences with

1. The Care-Groups are generally
most settlements are keen to

2. The greatest value of the Ca
awareness to health needs wi

3. The presence of volunteers w

4. Specific activities such as
if the Care Group is well m
easily manageable besides th

Cape buy into UK wire company

From the Financial Times
LONDON — Johnson and Firth Brown has agreed to sell its steel-wire businesses to Cape Gate of South Africa for about R16,1m, thus ending its involvement in this sector

The companies being sold are Johnson and Nephew (Manchester) and Johnson and Nephew (Ambergate)

Cape Gate said that its aim in buying these companies was to develop internationally

JFP, which was approached by the South African company, said it intended to use the proceeds to finance the upturn in trade expected in other parts of the group The long-term effects of the deal will include a cut in borrowing of R26,8m The current debt level is about R107,3m

Cape Gate intends to expand the two businesses and to use the long-established Richard Johnson and Nephew name for its UK operations

The price for the deal will be based on combined audited net asset value at March 31, 1981, financed by R3,6-million of share capital and reserves and a R12,5-million long-term loan from JFB

Cape Gate will pay R3,6-million in cash for the equity and the R6-million loan account will be repaid in five annual instalments — the first of R1,79-million on completion and the rest over four years

Combined bank borrowings of the two companies, estimated at R1,8-million will remain with them under their new ownership The land and buildings are being retained by JFB and are not included in the estimated R16,1-million net asset value

The properties are being leased back to the two companies and put-and-call options have been arranged so that the properties will be sold back to the companies by JFB in 1987 for the current combined book value of about R5,4-million.

ASEA 189 FM 3/4/81

Liquidity squeeze

Activities: *Manufactures and markets electrical engineering and cable products Amic owns 46,3% and Asea of Sweden holds 25%*
Chairman: *D L Keys, managing director R L Linnarsson*
Capital structure: *11,5m ordinaries of R1 Market capitalisation, R46m*
Financial: *Year to December 31 1980. Borrowings long- and medium-term, R6,8m, net short-term, R14,1m Debt equity ratio 63,1%. Current ratio 1,4 Net cash flow. R11,3m Capital commitments R2,5m*
Share market. *Price 400c (1980-81 high, 630c, low, 370c, trading volume last quarter, 150 000 shares) Yields 13,8% on earnings, 5,0% on dividend Cover 2 8 PE ratio 7,2*

Benefits of the high level of trading seen in 1980 will probably flow through to the bottom line only in the next financial year, and 1980 results still bear the scars of the low-margin work which Asea was forced into in the last three years to keep overheads covered

Though turnover increased 32,7% to R96,7m taxed profit was up only 19,8% to R6,3m This, says chairman Derek Keys, was the result of "severely depressed" prices of the recent past Current price levels are considered satisfactory and Keys sees the turnover increase as an indicator of the "exciting dimensions of the future"

	'77	'78	'79	'80
Return on cap %	23 7	28,5	17,4	17,9
Turnover (Rm)	52 4	58,9	72,9	96,7
Pre-tax profit (Rm)	6,2	8,7	7,6	8,0
Gross margin %	13 3	14 4	10 4	10,1
Earnings (c)	35,7	42,4	48,8	55 3
Dividends (c)	8,5	11	16	20
Net asset value (c)	186	220	255	289

Not surprisingly, Keys views the acquisition by Amic of a controlling stake in Asea as being the most significant development for the group during financial 1980 Though unsaid, his euphoria about the company's new major shareholder could be related to the group's tightening liquidity position

Restrictions formerly imposed because of the overseas shareholding now fall away because of relaxations by the authorities and Amic's arrival At 63,1% the group is not over-geared and borrowings could, and probably will, be pushed higher

Asea's Keys . . . happy in the Anglo fold

Liquidity started showing signs of strain during 1980 as stocks rose R5m to R28m, while debtors nearly doubled to R24,7m The increase in the debtors book would be due partly to the contract nature of work, but could also be a potentially worrying extension of debtor days To finance all this, the group relied on short-term borrowings and the current ratio reflects this

A repeat this year is going to be expensive That may be where Amic could come in to provide useful bridging finance This possibility could have been one of the factors which swayed the board towards increasing the dividend by 25% — almost double the rise in earnings The payout trend has thus been kept intact, and over the past nine years Asea has increased its dividend by a compound annual rate of 25,4%

Keys is optimistic about the future, though the short term, he says, will be characterised by consolidation, de-bottlenecking and an attempt to improve productivity Keys cites growth in the primary and secondary sectors of the economy and the "need to raise the living standards of the bulk of our population at the fastest rate possible" as indicative of the bright outlook for electrical energy demand

But he also quite bluntly warns that the local industry is finding it difficult to cope with overseas competition, obliquely he asks for government intervention.

"The market outlook is sufficiently attractive to induce manufacturers in all parts of the world to compete aggressively for their share In seeking this, they are assisted by offers of low-interest finance made by their countries' export finance schemes and driven to marginal and submarginal pricing by the desire to gain a foot in the door and the often parlous state of their order books"

Of course, SA benefits if the work is done at prices subsidised by foreign governments, but Keys owes his allegiance to his shareholders

For the next year, it seems the financing costs of the higher order book will restrict any major upward deviation from the long-term dividend growth trend The share is not that marketable either and the current high PE suggests future earnings are more than fully discounted

Ian Muil

5 Any point on the indifference curve ~~yields~~ a combination ... equal satisfaction.

FINTEC (189)

Profits bloom FM 3/4/81

Activities: *Manufactures electrical accessories and appliances Busch-Jaeger Electro of W Germany owns 57% of the equity and the ultimate holding company is Brown Boveri of Switzerland*
Chairman: *A E G Trollip, managing director G A M Ophey*
Capital structure. *4,1m ordinaries of 50c Market capitalisation R4,9m.*
Financial: *Year to December 31 1980 Borrowings long- and medium-term, nil Net cash R165 429 Debt equity ratio 3,0% Current ratio 2,1 Group cash flow R1,5m Capital commitments R2,2m*
Share market: *Price. 120c (1980-81 high, 143c, low, 100c, trading volume last quarter, 7 700 shares) Yields 24,8% on earnings, 6,7% on dividend. Cover 3,7. PE ratio. 4,0.*

	'77	†'78†	'79	'80
Return on cap %	21,0	18,0	22,6	38,7
Turnover (index)	100	99,3	134,1	178,4
Pre-tax profit (R 000)	796	678	950	1 905
Gross margin (ratio)	1,00	0 88	0 79	1,06
Earnings (c)	11,7	10,9	12,7	29,8
Dividends (c)	4	3,3	5	8
Net asset value (c)	70	80	95	122

† 18 months, annualised

After a rather slow start, Fintec under the control of Busch-Jaeger Electro of West Germany is turning into quite an interesting little company

Unfortunately, however, the emphasis must be on "little" because, with only 4,1m shares in issue, and 57% in the hands of the holding company, trading is virtually impossible

BJE first acquired an interest in Fintec in 1976 and since then the company has been extensively reorganised, both operationally and financially The initial years were marked by static profits, for which building industry conditions were largely to blame, but in 1980 results boomed under the combined effects of increased offtake and the more efficient structure which had been created.

A third factor was increased selling prices which gave the company improved margins for the first time in a number of years These are difficult to quantify with any accuracy because only changes in annual turnover are given, but it would appear that last year's gross margin was better than at any time in the past four years

Improved operational efficiency is reflected in the fact that since 1977 turnover has increased 78% without any material increase in capital employed Total capital employed in 1977 was R5m, including short-term borrowings, the current figure is R5,2m

But there has been a significant change in the composition of capital employed Over the period R2m in borrowings has been repaid, leaving the company ungeared except for a R152 000 loan from the holding company The debt equity ratio has, consequently, fallen from 74% to 3%

These borrowings have largely been replaced by profit retentions, expanding the capital base from R2,9m in 1977 to R5m now

Last year about R870 000 in loans was repaid (85% of the previous year's total), but the liquidation presumably came fairly late in the year as the company still paid over R91 000 in interest So there should be further savings on this front in 1981, although this may be offset by higher leasing charges

As part of the rationalisation, certain group properties were sold and the subsidiaries affected are now operating from rented premises The disposals realised R1,3m, which virtually covered last year's expenditure on fixed assets, leaving normal cash flow available for debt repayment, dividends and working capital

Capital commitments have increased further to R2,2m and dividend policy is thus likely to remain restricted again this year, notwithstanding the gearing capacity the company now has But if earnings increase one-third to 40c, the directors may be tempted to distribute 12c (up 50%), which would put the share on a prospective yield of 10% *Brian Thompson*

B

left of as here the other hand prefer to be with goods

and good

budget line consists of a combination of goods which ... income A point to the left of the budget line, we would not be consuming all our income. While a point to the right we would be consuming more than our income

TEDELEX FM 3/4/81 (189)

Building from a TV base

One of the main beneficiaries of the consumer buying spree was the appliance and electronics sector Spending on TV and audio units, and new or replacement purchases of appliances, boosted the turnover and profit of most retailers as well as many appliance and TV/audio manufacturers and distributors

Now that consumer spending growth has peaked, however, there have been suggestions that the furniture and household sector on the JSE will grow less fast

Share prices will, of course, depend on JSE trends and expectations of profits However, the diversification of some TV/audio, and appliance groups since the recession could provide some stability

This has been the case with one of the country's largest TV/audio groups, Tedelex, whose range of activities now covers an extensive market that could underpin its trading performance

Before 1975, Tedelex was mainly a distributor of domestic appliances and audio equipment Its range now extends across the consumer electronics and appliance industry — from calculators to vacuum cleaners Today the group is a fully-fledged manufacturer with factories in Johannesburg and a new TV facility at Atlantis

PATCHY GROWTH

	77	78	79	80
Turnover (Rm)	88,2	109 1	140 7	196 1
[illegible]	8 8	[illegible]	[illegible]	[illegible]
Earnings (c)	[illegible]	-3 9	9 1	30,9
Dividends (c)	10	12	12	20

The company's privileged entry to the TV market, in which Tedelex is still one of the largest manufacturers and distributors, put the group on the map It gave chairman Bennie Slome the muscle to finance his expansion, having forecast at the outset that the TV boom would be spectacular, but short-lived

Being chosen as one of the privileged few to manufacture TV sets gained Tedelex a useful — some said unwarranted — start and laid the base for future expansion into the consumer appliance and electronics fields In the first year of TV, Tedelex's pre-tax profits jumped from R2,3m to over R12m — a far cry from the R51 000 of 1970 The R12m profit was earned by what appeared to be fast footwork, in that Tedelex was allowed to import 100 000 TV sets on the understanding that it would establish a manufacturing plant at Atlantis, a border area Imports cost less than locally manufactured sets, giving Tedelex a major profits edge But the Atlantis plant only materialised last year

Stealing a march

This strong profit performance was roundly criticised in view of the high retail price of TV sets, but much of that may have been sour grapes Tedelex's imported TVs sold for the same as other manufacturers',but they were less successful as far as marketing and profits were concerned Most critics admitted that Tedelex had stolen a lead on its competitors by being in the running early, tying up licencing and distribution contracts long before TV became a reality in SA Tedelex clearly played the game as well or better than its competitors

True to Slome's forecast, TV sales eventually slumped At that time, portable sets were not available and Slome said their introduction was clouded by the one-licence-per-set rule and the lack of a channel catering to blacks His reading of the market was correct When the licence laws were altered, sales were rising again

In the meantime, Tedelex used its TV profit bonanza to broaden its base In 1976, when the TV boom was fast petering out, Slome acquired 50,5% of listed furniture retailer Ellerine at 165c a share from its controlling family Most minorities declined the offer

Diversification pays

In the year to end-June 1979, Ellerine contributed 65% (62%) of earnings, while Tedelex's non-furniture operations weighed in with 45% (36%) Diversification was clearly a shrewd move The situation has now reversed with non-furniture operations regaining ascendancy For 1980, Ellerine was responsible for 54%, while the appliances division contributed 46% The group benefited strongly from the upsurge in consumer spending In the first six months of 1981, when group taxed profit nearly doubled to R9,5m (R4,8m), non-furniture activities contributed 59% And Slome believes that TV, electronics, appliances and other non-furniture divisions should remain the principal profit generators

A large measure of Tedelex's success flows from distribution expertise Slome says many of Tedelex's products emanate from associations with overseas principals that were entered into more than 20 years ago Cases in point are the Blaupunkt (31 years) and Sony (21 years) audio and TV range With back-up from foreign associates, Tedelex has been in a good position to broaden its electrical products ranges Its latest move has been to introduce the imported Tomy toy range to SA from Japan's largest toy company

With excellent franchise lines and a strong manufacturing base, Tedelex is looking to exports Its Atlantis factory is gearing up for foreign sales and the company has already negotiated the sole Blaupunkt TV and audio equipment distribution rights in Israel

Near-term, the profit outlook is bright TV sales are rising with the introduction of electricity to black homes and the second TV channel Tedelex's plans to introduce a 35cm colour TV set should further enhance sales With about 1,5m licences already in issue, the scope for second set sales is "big", says Slome "It will not be a boom, but a boomlet as whites buy a second colour set and the black market buys for the new channel " And as Tedelex has a dominant market share, shareholders will obviously benefit

Though TV put Tedelex in the big league, it will not re-emerge as the biggest group division The furniture investment, held through Ellerine, is the largest single division, but new lines are always being sought At present, Slome is negotiating for new products and has tied up the toy operation to carve out a slice of SA's R80m/year market

Tedelex's Slome first aboard the TV bandwagon

A recent product addition is the Commodore mini-computer Sales are ahead of budget and management expects strong growth Video discs and the new video camera, which "could be as popular as the present cine camera" also add sparkle to prospects

No showdown yet

The second six months of the current financial year are "above budget", which suggests there will be no near-term profit slowdown for the Tedelex group Financially the balance sheet is sound, with a high gearing factor combined with very comfortable cover on the annual interest and leasing commitments, and a wide margin between current assets and current liabilities

Recently the JSE has begun to appreciate that the spread of interests gives Tedelex a strong profit base On the basis of 72,4c first-half earnings, Tedelex could easily produce around 120c for the whole year and a dividend total of 40c (20c) This puts the share, at 370c, on a 10,8% prospective yield, which even in current uncertain market conditions has been recommended as solid income value by a number of brokers

Des Kilalea

135

removed and a massive building programme of so-called locations or 'townships' around the cities now means that the African workforce is housed in carefully segregated and police-controlled areas distant from the old mining compounds on a much larger scale. All the terms on which Africans could have the right to reside permanently in the towns have been whittled away, so that today no African, no matter his place of birth or that of his parents, no matter where he has lived before, has the right to a permanent residence anywhere except in the 'reserve'—or, as they are now termed, *Bantustans* or 'homelands'—allotted to him by authority. Taking over the monopsonistic functions of the mining recruiting organizations, the state has instituted a system of labour bureaux which are the only means by which Africans can obtain contracts of employment, i.e. it is the state which totally regulates the distribution of labour. In the white-occupied rural areas, those Africans who had managed to retain tenure, even if under white ownership, have been evicted. These and the Africans from towns regarded as 'surplus' labour units, have been relocated in either the 'homelands' or in so-called [...] élite who would seek their economic and political outlets not within the central white-controlled state but in the 'homelands'. Thus the old segregationist structures of social control would be perpetuated and modernized, and from the late 1950s partly-elected institutions of government have been created to supplement the role of chiefs in the *Bantustans*, where such an élite could take its place.

To modernize the protection of the white working class, 'job reservation' was legislated in 1956. The purpose of this legislation was to provide a systematic classification of the kinds of semi-skilled positions in each industrial sector, and to ensure that white workers received a sufficient allocation of these to secure full employment.[37] The legislation itself was much less specific than the entrenchment of the job colour bar in mining in the 1920s, indicating a recognition of the need for flexibility and re-negotiation of the 'levels' at which the white/non-white divide should come. For, given the small numbers of the white workforce in conditions of an expanding economy, rigid demarcation of 'levels' would rapidly produce labour shortages in the

legislated white positions. In recent years there has been a gradual job reclassification, at first covert but now more openly espoused, so that white workers move upwards into more skilled or supervisory posts, while the jobs they vacate are 'diluted' into a larger number of less-skilled tasks and filled by black workers at lower wages.

This process of reclassification has often been termed by commentators the 'breakdown of job reservation', and is argued to indicate an erosion of racism or *apartheid*. This is not correct. Like the job colour bar in mining, 'job reservation' was a consequence of the forced labour economy, by which the white workers used the state to protect themselves from being supplanted by non-whites whose cheapness as a labour force was conditioned by the state. This job reclassification simply represents a means of dynamically modifying the system of racial differentiation in changing economic conditions. Non-whites may indeed move into more jobs, into more skilled jobs in manufacturing industry, and may receive marginally increased wages. But the whites move upwards ever farther. Nor can an attempt to pay equal wages for equal work—as some American and British companies have proclaimed an intention to do—have any [...] ment.[38]

Development and underdevelopment in Southern Africa: South Africa as a sub-imperialist power

Since the inception of colonization, South Africa has contained an expansionist society, acting in the interest of expanding the world capitalist economic system. At the same time state power and ideology have been used by white groups within the colonial economy to wrest a share of economic surplus from the metropole of world capitalism, by further exploitation of the indigenous inhabitants. This can be seen in the cattle trade, in the development of commercial farming, in the entrenchment of the position of white workers in mining and manufacturing, and in the establishment of secondary industry. In terms of the importation of labour and the export of capital for investment, this economic expansionism was not contained within the borders of South Africa as constituted at the start of

Durban firm in R1m merger

S Tribune 5/4/81 (189)

A LEADING Canadian company with connections in the United States and the UK has acquired a controlling stake in a Durban-based industrial-instrument contracting company in its first investment in Southern Africa.

The deal between ICS Construction Ltd of Sarnia, Canada, and Ultimate Technical & Management Services for a sum approaching R1-million, effective from March 31, was sealed in Durban last week during a visit by ICS Construction president Paul G Hayes.

The move puts the local company on an international footing and makes ICS one of the largest independent contractors for process control instrumentation.

Mr Hayes said South Africa represented a tremendous investment opportunity. The expertise ICS had achieved would be of great assistance to the South African company, particularly in relation to a number of the chemical and petrochemical developments taking place here.

Mr Renzo Beltramini, managing director of the South African company told the Sunday Tribune the company and its shareholders were delighted.

The firm, incorporated in 1974, had shown dramatic progress in the past three years.

Apex has been part of the group since the revamp at the end of 1978, but it had become apparent that no recovery would be forthcoming without a significant injection of capital

John Thompson, which specialises in shell-type and industrial water tube boiler manufacture, increased its contribution to pre-tax profits from 28% to 33% over the year Order intake was at record levels, and the year-end order book was 15% above the beginning of the year

This company is currently involved in a R1,2m expansion programme for a new heavy manufacturing plant which should be in operation this year.

The group's newest major subsidiary, electrical switchgear manufacturer Reyrolle Parsons, provided 15% of gross profits in its first year of consolidation, and the order book at December 31 was 34% above the end of the previous year

Cummins Diesel is currently negotiating a R3,5m leaseback deal on new premises which should allow it to keep pace with steadily improving demand for its engines The company contributed 24% (28%) of pre-tax income on a similar increase in sales

Also taking advantage of better conditions in the construction industry, Thomas & Taylor, which operates the Fiat-Allis franchise, contributed 8% (6%) of pre-tax income last year

Almost all the group's subsidiaries are involved in export markets, but these have generally been depressed over the past year in line with recessionary conditions overseas This situation could start to ease this year and there could also be some compensation from a move into South American markets

With a slim debt equity ratio and sound cash flow expected over the next year or two at least, the group is on the lookout for acquisitions in the general engineering field, says Griffiths All current capex will be financed internally, though the group obviously has considerable capacity for taking up additional finance if necessary Return on capital has increased steadily over the last four years and now stands at a respectable 27,5%

Griffiths says the additional order intake in the first quarter of the current year has been very good and most of the group's facilities are fully booked to the end of the year

Though chairman Len Abrahamse gives no earnings or dividends forecasts for the current year, growth should be comparable to 1980 as profits from new, higher-margin contracts start to come in.

If this is the case, dividends could reach 60c At its current 750c, the share thus offers a prospective yield of 8% which would indicate limited upside in the counter Nevertheless, fairly steady growth should be guaranteed over the next couple of years, while more consumer-orientated stocks weaken

NEI (189) FM 10/4/81

Growing orders

Activities: *Engineering holding company with five main trading subsidiaries ICAL (utility and industrial water tube boilers), John Thompson (shell boilers, pressure vessels), Reyrolle Parsons (electrical switchgear), Cummins (diesel engines), and Thomas & Taylor (Fiat-Allis earthmoving equipment)*

Chairman: *G Abrahamse, managing director H M L Bieber*

Capital structure. *5,2m ordinaries of 50c Market capitalisation R39m*

Financial: *Year to December 31, 1980 Borrowings long- and medium-term, R7,1m Net cash R12,5m Debt equity ratio 26,3% Current ratio 1,6 Group cash flow R7,7m Capital commitments R3m*

Share market: *Price 750c (1980-81, high, 750c, low, 435c, trading volume last quarter, 23 000 shares) Yields 14,7% on earnings, 5,9% on dividend Cover 2,5 PE ratio 6,8*

	'77	'78	'79	'80
Return on cap %	15,8	17,0	25 0	27,5
Turnover (Rm)	59,2	65 3	78 3	136,0
Pre-tax profit (Rm)	4,5	5,6	6 8	9 5
Gross margin %	9,5	10 1	10,0	8,0
Earnings (c)	76 9	70	73,8	110,5
Dividends (c)	21	28	32	44
Net asset value (c)	387	435	475	573

With a spread of operations across a broad range of heavy engineering activities, NEI has been able to take considerable advantage of recent strength in infrastructural development The group pushed up new orders by 70% over end-1979, and growth prospects through to the end of 1982 must accordingly remain buoyant

NEI only takes in profits from heavy engineering projects after construction is completed or, in many cases, only after the guarantee period runs out Consequently, the group tends to have a smooth earnings curve, and with last year's performance comfortably above historical rates, this year should also see steady growth

The delayed take-up of profits is reflected in the contribution to turnover and earnings from subsidiary ICAL The boiler, pump and effluent treatment plant manufacturer contributed 20% of group pre-tax and interest earnings, compared with 38% the previous year, despite a record order intake which saw the year-end order book 57% up on the beginning of the year

Financial director Ken Griffiths explains that although a fairly substantial pre-payment was made to the company from its involvement in the Wankie power station, profits will not be taken in for some time

During the year ICAL was awarded contracts for boiler tube manipulation at Escom's new Lethabo power station and a fair proportion of this year's R3m group capex is being spent at ICAL to allow it to meet its commitments there

ICAL sold off its 50% stake in Apex International Valves immediately after the year-end, and has made a provision for a R1m loss on sale in these accounts

3) to provide a less clinical, more homely atmosphere to reduce the psychological stress of childbirth. The patients get to know the sisters and midwives at the MOUs during the period of ante-natal care. The system at hospitals is clinical and impersonal. Ante-natal care is provided at outpatients departments and the delivery in the maternity wing.

The specific aim of the MOUs is not to reduce the peri-natal mortality rate or the maternal mortality rate - that is the aim of all obstetric care. However, since the establishment of the MOUs, the peri-natal mortality rate has declined. (See Table 5.I - this excludes information about deliveries performed by independent midwives.) There has been no significant change in the maternal mortality rate since I973 as modern medicine in Cape Town has advanced to the stage where maternal deaths are not common and are not usually clinically avoidable.

Nor is the aim of MOUs to do away with hospital deliveries - there will always be a need for hospital specialist care in the area, due to the number of high risk cases, particularly as Black women have a high incidence of cephalo-pelvic disproportion. It is important to note with respect to the peri-natal mortality rate that low risk pregnancies may still result in the need for the transfer of the case for specialist attention or in the death of the child. Under the auspices of UCT/CPA, no more home deliveries are now conducted. Table 5.2 shows the percentage of deliveries performed in institutions. This includes cases of born before arrival but transferred immediately to an institution after birth. (Institution refers to hospitals and MOUs.)

MOUs and associated clinics also provide the ideal environment for the introduction of the concept of family planning. In I976, 8I% of the patients discharged from MOUs were on some form of family planning. The Day Hospitals themselves also provide a family planning service. Since I972, there

./...

has been a marked decrease in the number of births to Cape Town municipal residents, particularly the 'Coloureds'. (5)

The operational efficiency of neonatal paediatric care has

hospital from the MOUs. There is thus specialists treating those babies requi professional teams. Each notified birt local authority health visitors, and we provided by lcoal authorities.

The impact of MOUs on the cost and eff care can be seen from the above discus is responsible for only 2 of the MOUs for the initial introduction of the co an important role in improving obstetr Peninsula, particularly in reducing th rate, a mortality rate which is accept to the quality of obstetric care.

S&L, Macdem in stainless-steel venture

RDM 11/4/87 (189)

STEWARTS & Lloyds and Macdem are to combine to establish a stainless-steel manufacturer on the East Rand next year.

The company will be called Salmac Stainless Tube, and is intended to meet South African demand for stainless steel tubing of up to 500 mm diameter, with a surplus for export

Stewarts & Lloyds will manage the company and hold 60% of Salmac's equity, and Macdem will hold the remaining 40%

The companies are already partners in Maksal Tubes and, in terms of the new agreement, Stewarts & Lloyds will reduce its shareholding in Maksal to 40%, with Macdem increasing its holding to 60% and managing Maksal

Mr Hylton Godwin, executive director of Stewarts & Lloyds' tubes and foundry division, said the major applications for stainless-steel tube were the growth markets of the food, dairy, sugar and petrochemicals industries

COMMENT: Nearly all South Africa's stainless steel is imported, but this will change when Southern Cross Steel starts full production of stainless steel strip from Middelburg by the end of the year.

Salmac will come on stream simultaneously with Southern Cross' stainless output, and tests have shown the Middelburg stainless output to be up to the standards of the imported product.

With South Africa sitting on 85% of the world's estimated ferrochrome reserves, any stainless-steel investment seems sound and immune to political embargo.

Indeed, the prospects are that a good deal of SA ferrochrome production could be beneficiated and exported next year when world demand for stainless steel is expected to rise as the industrial West emerges from recession.

S & L, Macdem launch new mill

13/4/81 STAR

(189)

A joint announcement by Stewarts and Lloyds of South Africa and Macdem (Pty) says a new R5,5-million stainless steel tube development will be established on the East Rand early next year.

This follows the agreement in principle between Stewarts and Lloyds of South Africa and Macdem to establish a company to be known as Salmac Stainless Tube (Pty).

Stewarts and Lloyds will hold 60 percent of the quity and will manage the new company with Macdem holding the remaining 40 percent.

The two companies are already partners in Maksal Tubes (Pty) and in terms of the new agreement, Stewarts and Lloyds will reduce its shareholding in Maksal to 40 percent, with Macdem increasing its holding to 60 percent, as well as beint responsible for management.

Salmac will take over the stainless steel interests in Vereeniging of the Stewarts and Lloyds' subsidiary Tosa which last year announced that it was purchasing a new stainless steel mill.

This new mill will be installed at the new factory, and once commissioned, the existing Tosa stainless steel mill will be moved over in a refurbished and modernised condition.

In addition a new spiral weld mill for the production of the larger diametertube will be installed at Salmac. — Sapa

Nobody to blame for Springs death

Sowetan 159

By Mzikayise Edom

THE death of a Springs man was not a direct cause or omission on the part of any living person

This was the finding of a Springs magistrate at an inquest into the death of Mr Simon Msiza (21) of Zincor Hostel, Springs

Mr Msiza, who worked for Zinc Coporation of S A was said to have died at his place of employment when he became entangled by a conveyor belt and hit his head between the belt and the roller on August 10 last year

Evidence given earlier before Mr P D Nel and an assessor was that MrMsiza was working for the first time on the machine which killed him

Passing judgement, Mr Nel said that the evidence given by the witnesses was insufficient

He further said "the court accept the fact that the deceased was working for the first time on the machine but he was always assisted by a foreman when operating the machine. The machine used by the deceased was simple and not dangerous"

Mr Nel also said that Mr Msiza had been working for about six months at the plant before his death

Mr A Chaskalson SC represented the Msiza family

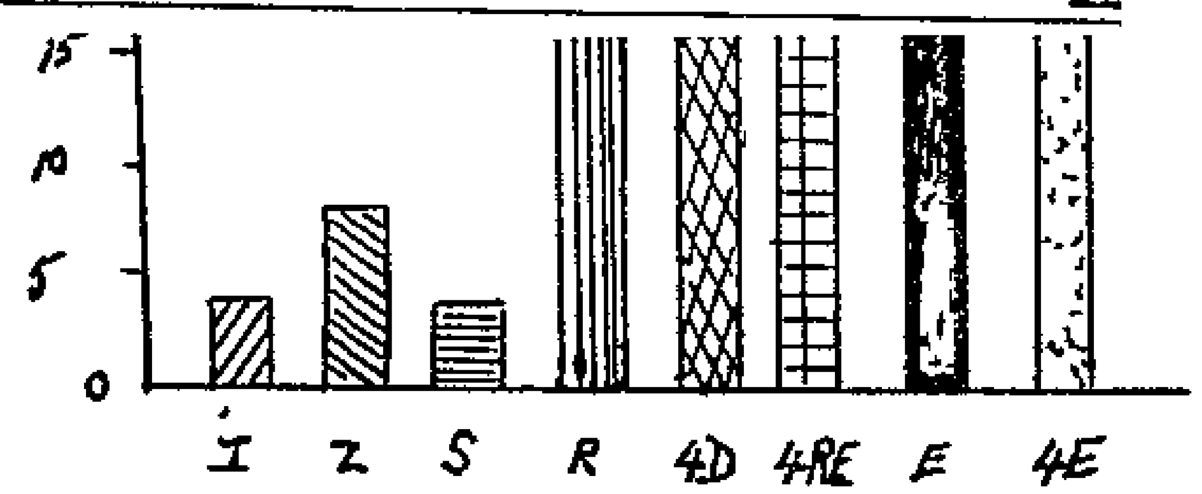

TABLE 5 INDIVIDUAL DRUG PURCHASE PRICE COSTING AND DRUG COMBINATIONS PER PATIENT FOR 100 DOSE THERAPY.

The Conference on the Economics of Health Care in Southern Africa

P.S., Miscellanea.

Out of 1 257 references only one has been devoted to the economics of Tb. control and 6 others make partial mention of it.

The best reference was found in Tubercle Vol. 49 of March 1968 in its reporting of a conference held in London in September of 1967.

Extracts: "The dramatic drop in the incidence of tuberculosis in technically advanced countries, although owing much to important factors of efficient public health, hospital facilities, mass radiography, immunisation and high standards of hygiene and nutrition, has been largely achieved by the use of TUBERCULOSTATIC DRUGS".

"Spectacular though these results may be, they also serve to emphasize how tragic and deep-rooted remains the problem of tuberculosis in less fortunate countries where poverty, over-crowding, poor sanitation and few and overworked medical services must mean millions of cases remaining untreated and millions more undiagnosed."

"Economics is not a popular subject among tuberculosis specialists or at tuberculosis conferences, but it is the core of the problem of tuberculosis in Africa and the world."

"The allocation of funds between diseases should not depend upon the size of the problem posed by the disease nor upon the trend of the disease, but only on the potential impact on the problem that can be obtained."

ROOIBERG FM (189) 12/5/81 17/4k

Dividend danger

Activities. *Tin producer with its own smelter. GFSA owns 24% of the equity*
Chairman: *A M D Gnodde*
Capital structure *2,1m ordinaries of 25c Market capitalisation R38,9m*
Financial. *Year to December 31 1980 Net cash R6,7m Current ratio 2,3 Capital commitments R6 4m*
Share market: *Price 1 850c (1980-81 high, 2 900c, low, 1750c, trading volume last quarter, 20 000 shares) Yields 30,1% on earnings, 12,4% on dividend Cover 2,4 PE ratio 3 3*

	'77	'78	'79	'80
Tin production (t)	2 294	2 292	2 072	2 236
Tin sold (t)	2 098	2 359	1 934	2 244
Revenue/t (R 000)	7 9	9 6	11 3	13 0
Turnover (Rm)	16 6	22 8	21 8	29 1
Pre-tax profit (Rm)	9 9	14 4	12,9	15 7
Earnings (c)	305	450	451	557
Dividends (c)	135	220	230	230

Since March last year, the tin price has been in a downtrend It peaked at £8 445/t on March 6 1980 and fell to a £5 740 low before appreciating slightly to the current £6 100 range Not surprisingly, therefore, Rooiberg's new chairman Dru Gnodde warns shareholders that on the basis of current prices and expected cost trends, the outlook for dividends is not too rosy

Last year Rooiberg paid an unchanged 230c dividend on higher 556c (451c) earnings The earnings increase stemmed from an increase in metal sold to 2 244 t (1 934 t) and a higher average price received Unit costs per ton mined increased to R23,53 (R16), largely as a result of a reduced rate of overburden stripping and, therefore of the number of tons absorbing costs, at "A" mine In addition, costs were affected by the first full year's production from the new smelter

Rooiberg's Gnodde . . . dividend worries

Though total tonnage mined fell to 582 000 t (684 000 t), ore sent to the plant increased to 514 000 t (471 000 t) as surface ore stocks were treated The stockpile at "A" mine was exhausted, while that at "C" mine was reduced to 7 000 t (30 000 t)

In 1980, Rooiberg spent R5 7m on capital account This year R6m is expected to be spent, largely on accommodation, a tailings treatment plant and a water pipeline between the mines

Gnodde is not optimistic about this year's tin price prospects A new International Tin Agreement has yet to be signed, though the buffer stock manager's price support buying level was raised 10% to £800/t for three months' tin And an application for a further increase from council members is likely this year

If a higher support price is agreed, the metal should not fall much below its current level On the negative side, however, are high US interest rates which dissuade either industrial or speculative stock holdings In addition, GSA disposal plans are acting as a damper on prices

Gnodde forecasts unchanged metal production at Rooiberg, further increases in working costs — probably around 20% on a unit basis — and no appreciable increase in the tin price until the latter part of the year

Assuming unchanged sales of 2 244 t tin this year, an average price of £6 100/t (R10 100), unit working costs rising some 20% and similar grades, and operating profit of about R7m (R11,6m) is indicated So unless capex is reduced, this year s dividend could be cut sharply On the brighter side, the industry expects the tin price to start improving towards the end of the year But that may not be enough to prevent Rooiberg's share price slipping further

Union Tin As with Rooiberg, the lower expected tin price and cost increases are expected to produce lower mining revenue, despite higher production The dividend was maintained at 24c in 1980, but Gnodde repeats his warning that the mine is unlikely to maintain this level

Union Tin	1979	1980
Tin production (t)	432	482
Tin sold (t)	426	460
Average price received (R/t)	10 098	10 983

Capex this year is planned at R673 000, including plant improvements leading to higher production which, if provided from current income, will leave little room for anything but a token dividend At 185c and yielding an historic 13%, the share price reflects market uncertainty about the near-term dividend flow

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METAL CLOSURES

FM 13/4/81 189

Expansion plans

Activities. *Manufactures metal closures and tubes, plastic crates and domestic plastic ware, and sells closure sealing machinery Metal Closures (UK) holds 76,9% of the equity*
Chairman *Dr M D Marais, managing director R A P Upton*
Capital structure *2,6m ordinaries of 50c, and 78 950 7% red cum prefs of R1 Market capitalisation R12,6m*
Financial *Year to December 31 1980 Borrowings long- and medium-term, R80 000, Net cash R1,4m Debt equity ratio 4,8% Current ratio 2,2 Group cash flow R3,7m Capital commitments R2,6*
Share market *Price 485c (1980-81 high, 505c, low, 375c, trading volume last quarter 15 850 shares) Yields 23,3% on earnings, 7,8% on dividend Cover 3,0 PE ratio 4,3*

	'77	'78	'79	'80
Return on cap %	23 1	24 5	27 1	35 4
Turnover (Rm)	15 0	15 9	21 6	29 0
Pre tax profit (Rm)	2 1	2 3	2 9	4 6
Gross margin %	14 4	14 9	13 4	16 0
Earnings (c)	48 5	53 7	69 3	112 8
Dividends (c)	17	19	24	38
Net asset value (c)	310	344	389	464

Metal Closures' future looks bright, with plans for new developments and expansion reflecting substantially higher demand Improved activity in all group divisions led to a turnover increase of 35% to R29m in the year to end-December, while pre-tax profit rose 58% to R4,6m (R2,9m)

Despite these increases, capital employed rose only 22% to R13,1m Consequently, both margins and returns improved (see table), notwithstanding higher raw material costs

Substantial investments are being made in plant and machinery to meet future demand A modern plastics factory is being built in Johannesburg and there are also plans to expand the injection moulding activities to the western Cape These new facilities are scheduled to come on stream by June 1981

Capex planned for 1981 so far totals R2 6m, but will present no problems to the under-geared Metalclo which has net cash resources of R1,3m and a very low 4,8% debt equity ratio

Despite last year's growth, total borrowings were only R580 000 (R288 000) and this is exceeded 6,4 times by group cash flow

Chairman Dr Marthinus Marais offers no forecast for the current year, but the expansion programme should impact favourably on costs once possible teething problems have been overcome He adds that raw material prices appear to have stabilised since the mid-year hikes

Asset management has been sound, which has also benefited group cost structure Last year stocks increased only 28%, despite higher raw material prices

At 485c the share is trading at a 45% discount to assets and stands on a high 7 8% historic yield This appears to indicate some caution on the part of investors, but also reflects limited marketability

Cathi Warriner

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SCOTTISH CABLES

FM 17/4/81 189

Belated recovery

Activities: *Manufactures insulated electric cables and technically related components BICC (UK) holds 58% of the equity*
Chairman: *A B Theunissen, managing director H Dixon*
Capital structure· *13,3m ordinaries of 25c Market capitalisation· R49,2m*
Financial· *Year to December 31 1980 Net cash R2,1m Current ratio 1,7 Group cash flow R6,3m Capital commitments R3,1*
Share market: *Price· 370c (1979-80 high, 410c, low, 260c, trading volume last quarter, 70 000 shares) Yields 9,1% on earnings, 6,2% on dividend Cover 1,5 PE ratio 11 0*

	'77	'78	+'79	+'80
Return on cap %	16 4	35 0	34 0	50,5
Turnover (Rm)	21,6	17,6	20 9	52 1
Pre-tax profit (Rm)	1,8	4 1	4 8	7,8
Gross margin %	10 5	19 7	11,7	15,3
Earnings (c)	8 5	20 2	21 6	33,7
Dividends (c)	7 5	13 5	18	23 0
Net asset value (c)	90	97	106	116

+ Lifo accounting

The electrical sector of the market is finally feeling the benefits of the economic upswing Scottish Cables' year-end profit reflects this somewhat belated improvement and, provided margins can be maintained in a competitive market, the earnings advance should continue

Improved levels of activity produced a 27% increase in turnover to R52,1m (R41m) in 1980 This reflects increased electrification plans by the SAR and Escom in the public sector, as well as in the mining industry. Soweto's electrification programme is also beginning to affect local manufacturers

Increased operational efficiency, significantly higher volume sales (and, therefore, overhead recoupment) resulted in a faster rise in pre-tax profit of 38,1% to R7,8m (R4,8m)

The effects of lifo stock valuation worked in reverse in 1980 with the fall in prices of copper and lead creating a credit in the income statement So instead of reducing profits and tax, lifo increased these items But offsetting this R483 000 increase in profit was an additional R604 000 in profit charge for depreciation as Scottish Cables adopted the straight-line, rather than reducing-balance write-off policy

Despite the 27% sales increase, capital employed rose only 9,1% to R15,5m (R14,2m), while the gross profit return improved to 50,5% (33,8%)

Chairman Albert Theunissen describes 1980 as a year of "planned and sustained" growth He says industry expansion may not have been spectacular, but there is a "phase lag" in demand for the company's products However, continued improvements in township electrification programmes should pull Scottish Cables through years of lower national growth

Theunissen expects higher turnover this year, but stocks were nevertheless up only 2,4% at the year end

In anticipation of improved activity, the company's distribution network has been expanded Facilities in Johannesburg have been increased considerably and a new Durban regional centre and branches in Windhoek, Welkom and Newcastle are now operational

Capital expenditure of R1,3m was incurred last year and Theunissen says about R3m is expected to be spent over the next 15 months to keep abreast of technological developments and demand Financing this will be no problem, as group cash flow is strong (R6,3m in 1980) and, like other cable manufacturers, Scottish is ungeared

Problem areas for the industry include strong competition from local manufacturers and imports from the Far East Local industry PVC material prices are higher than overseas, and the industry therefore wants protection against cheaper imports These at present probably amount to over 12% of total industry sales In terms of volume, PVC forms the largest part of the cable market's raw materials

According to MD Harold Dixon, "copper and lead prices should harden in the last six months of 1981 rather than the first half" So depending on competition, this could mean lower margins Should the price rise, however, lifo policy would have its normal effect and this could also result in a relatively slow profit gain this year

Since the June interim report, the shares have dropped from 405c to 370c, giving a 6,2c historic yield This is about average for the cable manufacturers, but the share could rise as benefits of increasing demand become more apparent

Cathi Warriner

DATES TO REMEMBER

Last day to register for dividends:
Friday April 21: Cullinan 12c, Panafic 3c, Premier Cement 5,2c, Tex Mills 3c, Tollgate A 220c
Meetings.
Tuesday April 21· Asea (Pretoria), Elandsrand, NEI, SA Land
Wednesday April 22 A Alpha, Amic, Field
Thursday April 23 E Haddon, EP News (Port Elizabeth), Fedvolks (S), New Kleinfontein, QH Super, Triomf, Utico (O & S), Veka
Friday April 24 Af Lease, Amgold, Broadacres (S), Cadswep, Diroyal (Cape Town), Dubin (Mobeni), East Dagga, Getco, Msauli, Vaal Reefs, Western Deep, Yorkor (Pretoria)

All meetings are in Johannesburg unless otherwise stated
S = Special meetings
O & S = Ordinary and special meetings

FINTEC

Profits bloom

17/4/81 FM (K9)

Activities: *Manufactures electrical accessories and appliances Busch-Jaeger Electro of W Germany owns 57% of the equity and the ultimate holding company is Brown Boveri of Switzerland*
Chairman: *A E G Trollip, managing director G A M Ophey*
Capital structure: *4,1m ordinaries of 50c Market capitalisation R4,5m*
Financial: *Year to December 31 1980 Borrowings long- and medium-term, nil Net cash R165 000 Debt equity ratio 3,0% Current ratio 2,1 Group cash flow R1,5m. Capital commitments R2,2m*
Share market: *Price 110c (1980-81 high, 143c, low, 100c, trading volume last quarter, 7 700 shares) Yields 27,1% on earnings, 7,3% on dividend Cover 3,7 PE ratio 3,7*

	'77	†'78	'79	'80
Return on cap %	21,0	18 0	22 6	38,7
Turnover (index)	100	99 3	134 1	178 4
Pre-tax profit (R 000)	796	678	950	1 905
Gross margin (ratio)	1,00	0,88	0,79	1,06
Earnings (c)	11 7	10 9	12 7	29 8
Dividends (c)	4	3 3	5	8
Net asset value (c)	70	80	95	122

† 18 months, annualised

After a rather slow start, Fintec under the control of Busch-Jaeger Electro of West Germany is turning into quite an interesting little company

Unfortunately, however, the emphasis must be on "little" because, with only 4,1m shares in issue, and 57% in the hands of the holding company, trading is virtually impossible

BJE first acquired an interest in Fintec in 1976 and since then the company has been extensively reorganised, both operationally and financially The initial years were marked by static profits, for which building industry conditions were largely to blame, but in 1980 results boomed under the combined effects of increased offtake and the more efficient structure which has been created

A third factor was increased selling prices which gave the company improved margins for the first time in a number of years These are difficult to quantify with any accuracy because only changes in annual turnover are given However, it would appear that last year's gross margin was better than at any time in the past four years.

Improved operational efficiency is reflected in the fact that since 1977 turnover has increased 78% without any material increase in capital employed Total capital employed in 1977 was R5m, including short-term borrowings, the current figure is R5,2m

But there has been a significant change in the composition of capital employed Over the period R2m in borrowings has been repaid, leaving the company ungeared except for a R152 000 loan from the holding company The debt equity ratio has, consequently, fallen from 74% to 3%

These borrowings have largely been replaced by profit retentions, expanding the capital base from R2,9m in 1977 to R5m now

Last year about R870 000 in loans was repaid (85% of the previous year's total), but the liquidation presumably came fairly late in the year as the company still paid over R91 000 in interest So there should be further savings on this front in 1981, although this may be offset by higher leasing charges

As part of the rationalisation, certain group properties were sold and the subsidiaries affected are now operating from rented premises The disposals realised R1,3m, which virtually covered last year's expenditure on fixed assets, leaving normal cash flow available for debt repayment, dividends and working capital

Capital commitments have increased further to R2,2m and dividend policy is thus likely to remain restricted again this year, notwithstanding the gearing capacity the company now has But if earnings increase one-third to 40c, the directors may be tempted to distribute 12c (up 50%), which would put the share on a prospective yield of nearly 11%

Brian Thompson

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BUSINESS

Seifsa reports slower tempo in first quarter

Star 21/4/81

(189)

By Mervyn Harris

A consolidation of last year's favourable growth phase in the metal and engineering industries continued at a slower tempo during the first quarter of 1981, says the Steel and Engineering Industries Federation of South Africa (Seifsa).

It says in the latest report that prospects should be enhanced in the medium term by private and public sector planned fixed investment which is expected to gather momentum during the second quarter.

A high level of activity is being sustained in the vehicle-component industry, the telecommunications and electronic sectors, the building industry supplies' sector and farm machinery and equipment.

Increasing activity was also reported during February in the large and heterogeneous engineering sector.

The heavy engineering sector benefited from the current expansionary phase in the mining and electricity-generating sectors and expects further stimulus from more private and public sector fixed investment in the coming months.

Consumer-related sub sectors in light-metal manufacture also reported a satisfactory level of orders in February.

Seifsa says, however, that the expected shift to a slower pace of activity in export-oriented sectors, particularly the ferro alloy industry, is taking place.

FLATTENING

Steel producers also report a further drop in exports and a flattening in domestic demand to levels below that forecast for the first quarter.

Increasing inflationary pressures and the large volume of imports, particularly in household durable consumer goods and the electric sectors, are also causing concern.

Seifsa says these constraints are impacting on the effectiveness and progress of import replacements programmes in a number of sectors.

Racial tensions flare in trade unions

RDM 22/4/81

By STEVEN FRIEDMAN
Labour Reporter

TENSION between registered trade unions in the mining and metal industries on racial issues came out into the open again yesterday when the white Amalgamated Engineering Union sharply criticised the multiracial SA Boilermakers' Society

The AEU's criticism, contained in the latest edition of its journal, The Metalworker, comes shortly after a heated row between the boilermakers and the Mine Workers' Union — also over racial issues

Both the AEU and the boilermakers are members of the Federation of Mining Unions and the Confederation of Metal and Building Unions The clash indicates tension in these bodies between the boilermakers and white unions

During their exchange with the MWU, the boilermakers accused the AEU of attempting to recruit white boilermakers

It claimed AEU organisers were telling workers the boilermakers were no longer interested in white workers since admitting black workers last year

In The Metalworker, Mr Tom Neethling, AEU general secretary, accused the boilermakers of "playing a very dangerous game by dragging political and racial matters into the trade union arena"

He also accused the union of launching an attack which was "totally unjustified, based on weak and fallacious arguments"

Mr Neethling charges the boilermakers with making "propaganda to recruit members"

He said its attack was "detrimental to good race relations and to the brotherhood of trade unions"

The AEU made no apologies for being a white union It had been attacked for being "an elite, racist white union" but had also been accused of "handing over to the blacks"

The general secretary of the boilermakers, Mr Ike van der Watt, could not be reached for comment yesterday

1.

PRIMARY HEALTH CARE IN TWO FARMING AREAS OF SOUTH AFRICA

Introduction

It seems that while the health problems of cities have been reported from year to year by Medical Officers of Health, and those in the Scheduled areas/homelands by magistrates and mission doctors stationed there, the extent to which health needs are being met in farming areas* has to my knowledge received very little systematic conside- [illegible] enforced) also leads to poor life-styles and problems with access to facilities such as schools, shops, etc., many of these problems also having been experienced by white settlers in days gone by.(2)

Thus it may be [illegible] to look at farming areas as well as those whose needs are more dramatically obvious, to see whether health care resources are adequate in these areas and how effectively they are distributed and utiliz[ed].

The two areas [illegible] were [illegible] reason than that the author had contacts there [illegible] assist in the study, and no claim is made that they are statistically representative. They are merely examples of two different and widely prevalent types of health service which illustrate some aspects of the present methods of distributing resources in health care. Perhaps they will show where there is a need for more thorough investigation.

* Areas where farming is the main source of income.

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The terminology adopted here for the three main race groups will be 'white', 'coloured' and 'African', the term 'black' being used to refer to both 'coloured' and 'African'.

PART I TIERSDORP*

Tiersdorp is a small Free State town serving a farming community of some 7 000 people, of whom about 1 000 are white and 6 000 black, mainly Tswana and Sotho speaking.(1)

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A new doctor had just arrived in Tiersdorp and opened his [illegible]

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integration can be analyzed in terms of the collective goals set and pursued in the different sectors of a society, in terms of the relations between these goals, and in terms of opposition to them

> Power refers to the capacity of some unit acting as an agent of the system to overcome the resistance of system members in setting pursuing, and implementing collective goals (Lechman 1969 455, 456)

This definition implies the existence of effective sanctions Since the scheme being developed here is conceived of within the four sectors of a society, Parsons's (1963) scheme of four sanction types will be used Each sanction type corresponds to one of these sectors Furthermore, the above definition of power can be so specified that four analytically differentiable types of power can be obtained, each of which will also correspond to one of the four sectors of a society

> We thus distinguish between four main types of power—economic, military or political, social and cultural Within this general framework we may say that the ultimate basis of economic power is control ... ard ... on, ... and ... ion, ... lues

Dorbyl takeover of FMC Springs

23/4/81

The Dorbyl group has expanded activities in material handling and power transmission with the acquisition of the Springs operation of FMC South Africa.

This operation — the Dorbyl Heavy Engineering-Linkbelt Division — has capabilities which cover an extensive range of products used in bulk-material handling, unit handling and mechanical power transmission.

Major market areas for products include the mining, cement, coal, pulp and paper, sugar, steel, food, electric power and automotive industries, as well as foundries and general industrial-equipment manufacturers

Mr R J Grellner will continue to manage the operation and FMC will remain associated

The Dorbyl executive chairman, Mr Doug Ellid, said that the acquisition would not have a material effect on the net asset value of Dorbyl shares

"Prospects in subsequent years, however, indicate that Dorbyl earnings could increase marginally with this acquisition."

Mr Ellis said that Dorbyl believed that the takeover would provide important access to the research and design technology and experience of a well-known international group, well established in the bulk-material handling and mechanical power transmission fields

Intentional Column C has control over R's intentions
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(For a further discussion of these four types of sanctions, see "On the Concept of Political Power", (Parsons, 1963 232-262)

Problems of system integration can be analysed in terms of the power which is wielded in each of the four sectors, in possibly clashing collective goals set and pursued within these four sectors, and in the amount of control over the power-bases in these sectors

Social integration depends upon the effectiveness of cultural and social power, which, in turn, depends upon the scope of the two power bases The first, control over societal values, and the second, control over the means of status attribution, are problematic in a plural society It is to be expected, therefore, that little effective intentional sanction can be used, at a societal level, over members of a plural society The most effective sanctions (and, consequently, the most effective power-wielding) in such a society will probably be situational coercion and inducement [8]

Therefore, it is to be expected that goals set and pursued within the four sectors of the society will create tensions and imbalances because they are set for all members of the society It becomes important, then, to inquire which persons and groups are in power-wielding positions, and which persons and groups have gained control over the bases of power as they have been defined Those who have gained control over such bases are in a position to apply effective sanctions when wielding power

To analyze this problem, the concepts of centre and periphery are introduced The centre refers to "the structural aspect of power and comprises those organizations, groups and individuals who exercise most 'power' in a given social system" (Jessop, 1972 65) The centre, then, refers to the coincidence, in the four sectors of a society, of power-wielding positions A leading politician who is also a leading businessman and church-elder may serve as an example Each position this person fills, taken separately, defines a position of power within one sector The strength of the centre is measured, first, in terms of the amount of control such positions have over the bases and sanctions allied with the power-type Second, a centre is strong insofar as the capacity compatibly to wield all four types of power coincides in such positions

Broadly speaking, then, the critical decision-making and goal-setting positions in each of the four sectors tend to overlap The units filling these coincident positions control a broad base from which collective (societal) goals can be set, pursued, and implemented

The positions such units occupy constitute the centre of the society Such units attempt, by using these positions of power, to maintain peaceful co-operation between the institutions of that society

Units in the centre are faced with two critical and recurrent problems. Both are brought about to a large extent by the process of development in the society. First, developing out of the inherent problem of system integration (especially in developing societies), there is a constant possibility that collective goals set in institutions within the four sectors clash. Under such circumstances, the centre is liable to split into a number of competing centres (and *élites*) [9] To avoid the formation of opposing centres, units turn to their control over the means of value creation, interpretation, and maintenance—in other words, to cultural power Social power may also be used Consensus (or social integration) amongst the units in the centre is critical here

Second, units in the periphery are constantly attempting to gain control over (especially) the reward structure of the society Thus, they attempt to gain a greater control over the means of production, distribution, and exchange of goods and services, in other words, they seek economic power Though other sanctions types are also used, those in the centre tend in this case to apply coercion (or the threat of coercion). It is political power that is critical in the handling of centre-periphery relations

These problems concerning social order are interdependent The gravity

Fosatu affiliate to fight threat of expulsion

SMK 23/4/81

1851

Labour Reporter

The Engineering and Allied Workers Union (Eawu) is fighting moves to have it expelled from the Federation of South African Trade Unions

The Transvaal region of Fosatu has recommended Eawu's expulsion and the issue is expected to be discussed at this month s central committee meeting, an Eawu spokesman said

REGISTRATION

Eawu had been accused of going against Fosatu s non racial registration stand, taking a racial stance towards union leadership, approaching the International Metalworkers Federation without notifying Fosatu, and not sharing union facilities such as transport with other member unions

Eawu has in turn accused the Transvaal region of Fosatu of attempting to split the Vaal and Springs branches of the union

DEFEND

An Eawu spokesman said they intended defending their position at the central committee meeting

Commenting on Eawu's position on racial registration he said the union had not disagreed with Fosatu in opposing racial registration But it had decided to discuss the issue before rejecting registration He also denied that the Eawu had not consulted Fosatu over public statements on this matter

METAIR (189)

Low rating

FM 24/4/81

Activities: *Holding company whose 75,1%-owned subsidiary Airco imports and distributes air conditioning equipment 41%-owned associate Rowen manufactures vehicle components Wesco holds 27,3% of the equity*
Chairman: *D J du Preez*
Capital structure. *2,2m ordinaries of 50c, and 25 000 6% cum prefs of R20 Market capitalisation R1,7m*
Financial. *Year to December 31 1980 Borrowings net short-term, R882 000 Debt equity ratio 14,1% Current ratio 1,3 Group cash flow R1m*
Share market: *Price 78c (1979-80 high, 95c, low, 45c, trading volume last quarter, 19 000 shares) Yields 42,4% on earnings, 9,0% on dividend Cover 4,7 P.E ratio 2,4*

Despite Metair's recovery in the last six months and its first dividend payment in eight years, the company still has a poor market rating The 78c share price against net asset value of 266c reflects this lack of confidence, as does the low 2 4 PE ratio compared with the sector average of 6 8

Chairman Daantjie du Preez forecasts that profit should at least be maintained this year But judging by the rating the market seems to have its doubts in view of the past profit and dividend record (see table)

	'77	78	'79	80
Return on cap %	12 9	—	17 8	21
Turnover (Rm)	9 1	7 5	9 1	12 0
Pre-tax profit (R 000)	109	(342)	441	1400
Gross margin %	4 7	—	6 9	12 5
Earnings (c)	4 1	(12 1)	14 2	33 1
Dividends (c)	—	—	—	7
Net asset value (c)	126	107	139	266

Return on equity was disappointing at 12,4% compared with the engineering sector average of probably over 17% One of the contributory factors here could be that 41%-owned associate Rowen has a low dividend yield in relation to the R4,6m at which the directors value this investment Metair does not equity account Rowen and the only income from this company was a R214 000 dividend

Borrowings increased substantially to R883 000 (R60 000), possibly reflecting diversification plans Details however are lacking on what direction this diversification will take in a rather uninformative annual report

The bulk of the borrowings comprise an R840 000 bank overdraft, secured by assets worth R5 4m At the same time, stocks virtually doubled to R2 3m (R1,2m), though whether this was related to diversification or whether the group is simply looking to a higher level of activity is not clear In any event, the possible effect on future profits is impossible to determine from the annual report

In 1980, Airco s taxed income doubled to R687 000 (R389 000) though it was decided not to pay a dividend so as to clear accumulated losses and boost cash flow

Automotive component manufacturer Rowen reported a taxed profit of R1,5m (R826 000) despite a first-time liability for tax

Metair could well pay a higher dividend this year particularly as Airco and Rowen operate in markets which promise sound prospects But the market is plainly sceptical, which makes any major increase in the share price unlikely in the short-term

Cathy Warrener

UNION STEEL 189

Capacity constraints

FM 24/4/81

Activities: *Manufactures various types of steel, castings, copper cable and wire, aluminium conductor and cable, and parts for agricultural implements*

Chairman: *Dr M D Marais, managing director J C de Waal.*

Capital structure· *29m ordinaries of 50c, and 250 000 variable rate prefs of R2 Market capitalisation R39,7m*

Financial: *Year to December 31 1980 Borrowings long- and medium-term, R14,4m, net short-term, R8,5m. Debt equity ratio 48,7%. Current ratio 2,1 Group cash flow· R17,5m. Capital commitments R23,2m*

Share market: *Price 137c (1980-81 high, 180c; low, 88c, trading volume last quarter, 490 000 shares) Yields 33,4% on earnings, *8,8% on dividend*

*Cover *3,8. PE ratio 3,0*

	'77	'78	'79	†'80
Return on cap %	7,4	12,4	19 0	21,2
Turnover (Rm)	94	101	135	178
Pre-tax profit (Rm)	1,1	6,1	13,2	17 4
Gross margin %	6,3	10 2	12 3	11,4
Earnings (c)	4 1	13 1	31 7	45,8
Dividends (c)	2 5	5 5	8	*12
Net asset value (c)	140	149	179	212

† Lifo accounting basis
* Excludes 4c bonus

Union Steel's results last year closely followed the pattern set in 1979 Most of the improvement again came from the steel and copper divisions but, with the recovery here now complete, prospects are that profit growth will slow at least until new capacity in the steel sector comes on stream

Price increases and a more favourable product mix continued to play an important part in the 1980 profit gain This was particularly evident in steel, where deliveries of 221 000 t were only 12 000 t higher than in the previous year In rand terms, however, the turnover of this division was 27% higher which, although the annual report does not say so, must reflect both the mid-year controlled price increase as well as a continuation of the policy of switching production towards non-controlled products

To overcome the capacity problem, the group is spending R23m on a new forging plant, and a related increase in the melting capacity of the Vaal works which supplies the steel ingots used in forging This is the first major expansion undertaken since the 1977 profit crash

The copper division did not suffer the same capacity constraints and was, consequently, able to increase deliveries considerably last year A further improvement is expected in the present accounting period.

A pleasing development was a swing from a loss to a profit in the aluminium conductor sector This reflected mainly accelerated electrification plans, leading to satisfactory capacity utilisation for the first time in a number of years

But despite the generally buoyant economy, the group still harbours some problem areas The non-ferrous castings operation continued to run at a loss due to over-capacity in this sector and intense competition from decentralised foundries which, because of border area concessions, have a price advantage

There was also an overall decline in demand for the group's agricultural implement parts as a result of depressed conditions overseas — particularly the US, where local manufacturers competed fiercely for available business

Neither of these two divisions are expected to improve results materially in the short term

After a few years of stringent capex restraints, the balance sheet is once more in good shape Borrowings were further reduced last year and the debt equity ratio is now down to less than 50% This compares with 62% in 1979 and well over 100% in 1976

With increased spending plans this year, total indebtedness will inevitably increase But a strong cash flow — enhanced by a switch to lifo — and normal growth in the permanent capital base should ensure that gearing does not get out of hand, as it did previously

Advantage was taken of the buoyant economy to change over to lifo, and this reduced pre-tax profits by R6,8m (28%) and earnings per share by almost 14c (24%) It also reduced what would otherwise have been a 19% increase in total stocks to only 2,4%, while strict control of debtors meant that overall working capital requirements were down slightly

The company has changed its financial year-end to September 30 and the current accounting period is thus one of nine months With normal profitability having been restored, management's view of prospects is cautious At this stage, chairman Dawie Marais will go no further than to forecast that results will not be lower than for the corresponding 1980 period Although local market conditions in the steel and non-ferrous divisions are presently good, production costs are expected to rise by over 20% This, apart from the effect on domestic margins, will make it increasingly difficult for the group to negotiate profitable steel export contracts

Dividend policy remains extremely conservative, as is reflected in the fact that one-quarter of last year's total distribution was paid as a bonus However, it should not be too much to expect the group to maintain the 12c normal dividend which, annualised, would be the equivalent of 16c At a prospective yield of almost 12%, therefore, the share could have some attractions for income seekers

Brian Thompson

STANDARD BRASS (189)

Under-rated

FM 24/4/81

Activities: *Steel and non-ferrous foundry operator and engineer Main products are railway freight wagon and locomotive components Holding company is Gencor (51,1%, previously 55,4%) Barlows has a 15% interest.*

Chairman and managing director. *G B Hobbs*

Capital structure: *3m ordinaries of 50c, and 75 000 5,5% prefs of R2 Market capitalisation R18m*

Financial. *Year to December 31 1980. Borrowings. long- and medium-term, nil, net short-term, R232 000 Debt equity ratio 1,7% Current ratio 2,5 Group cash flow R5,6m Planned capex R4,5m*

Share market: *Price 600c (1980-81. high, 850c, low, 600c; trading volume last quarter, 25 430 shares) Yields 23,7% on earnings, 9,2% on dividend. Cover 2,6 PE ratio 4,2.*

	'77	'78	'79	'80
Return on cap %	39,4	34,9	38,6	30,7
Turnover (Index)	100,0	101,1	141,3	162,3
Pre-tax profit (Rm)	4,4	4,5	5,8	6,0
Gross margin (Ratio)	1,00	1,02	0 94	0,85
Earnings (c)	96	103	134	142
Dividends (c)	30	40	55	55
Net asset value (c)	328	457	538	629

With the loss of the US as an export market for railway bogie castings and low SAR demand for rolling stock, 1980 was a flat year for Standard Brass

But in rating the share on a 9,2% historic dividend yield, the market may well be under-estimating prospects: Barlows now has a 15% interest in the company (with board representation) and, as chief executive Glyn Hobbs says, this association will increase the group's market as well as enable a more rapid expansion of its steel foundry

During the last quarter of 1980, the steel foundry and major portion of the order book of Unifront Founders were acquired from Barlows Heavy Engineering, while in a separate deal the company also took over Malleable Castings from Gencor

Hobbs believes the benefits of additional orders placed through the Barlows link will have a positive effect on earnings per share this year and he also forecasts a "small but positive" effect from the Malleable Castings acquisition.

These takeovers involved the issue of 239 331 new shares, thus increasing the issued capital by nearly 9% And, coupled with a fairly heavy on-going capex programme, most of the group's liquid resources (totalling R3,4m in 1979) were absorbed

Capex this year is expected to be virtually unchanged at R4,5m, although only R1,7m is committed so far Main items will be a new foundry for Malleable, scheduled for commissioning in 1982, alterations and extensions to the steel melting shop, including the installation of an additional 8 t melting furnace, and a new stores building at the Main Reef Road works

With profit growth forecast to resume in the second half, funding this programme should not present any problems Although the company no longer has its cash resources to draw on, it is almost totally ungeared (as has been the case for some years) and these expenditure plans may thus offer the opportunity to improve the effectiveness of overall financial structure

At 600c the share is not only 29% below its 1980-81 peak, but is also at its lowest level in 15 months Prospective dividend yield must be over 10%

Brian Thompson

STEEL (189) FM 04/4/81

Boosting ferrochrome

Southern Cross Steel, currently involved in R150m extensions to its Middelburg mill, has developed a corrosion-resisting steel which is expected to generate turnover in excess of R1 billion by the early Nineties.

The new steel (3CR12), which contains 12% chromium, is designed to fill the gap between stainless steels and carbon steel. Its major applications are in mining, the chemical industry, and the synthetic fuel industry.

Leo Melville, Southern Cross director (marketing) says the new steel has a longer life than orthodox carbon steels in wet abrasion environments. It has already been shown to be cost effective in coal mining, he says.

Southern Cross, a division of Middelburg Steel & Alloys, will not be giving the metal a hard sell but will be conducting a series of prototype tests to prove its cost effectiveness in other applications.

Southern Cross's aim is for a 1% penetration of the world's 650 Mt/year mild steel market. This would double the world's current ferrochrome usage, which is currently in a downtrend because of the recession in most industrial countries. (Ferrochrome is used in the manufacture of 3CR12.)

At present, 3CR12 is being produced at a rate of 500 t/month, about 25% of the mill's total production. Local demand is expected to reach 6 000 t next year. Present pricing is R1 300-R1 400/t compared to R800/t for specially coated carbon steels and R2 000-plus/t for conventional stainless steels. The cost advantage in using 3CR12 is that the alloy requires no maintenance and has a longer life than carbon steels, claims Melville.

A similar steel has been in use elsewhere in the world for years but has been restricted to the thin sheet application because of welding problems. Southern Cross concentrated on the development of a corrosion-resisting steel in plate form, which is weldable and so lends itself to industrial usage.

Melville says the new steel is expected to start affecting world chrome markets in about four or five years.

FOUNDRIES (189)

Demand hiccup?

FM 24/4/81

Depressed world markets and a levelling-out in the local market have reduced the output of private sector foundries.

The tonnage of steel castings produced in January and February this year dropped 12,7% from 22 100 t in the same period last year to 19 300 t (10 400 t was produced in February).

The tonnage of iron castings rose 0,68% from 44 200 t to 44 500 t (24 400 t in February), non-ferrous castings dropped 2,4% from 3 892 t to 3 797 t

Dr Errol Drummond, director of the Steel and Engineering Industries Federation of SA (Seifsa), says it is difficult to tell whether the 1981 figures indicate the start of a downtrend or a hiccup in demand. Although final output figures for 1980 have not yet been published, they are expected to show growth over the 1979 figure of 697 000 t

The industry is expected to continue with a high level of activity, but it is anticipated that it will not be on the same level as last year Drummond predicted in January that the present level of upswing in the metal and engineering industries would level off in 1981, a change partly attributable to the recession in the economies of most of SA's trading partners Any downtrend in the SA economy, possibly toward the end of 1981, could be offset to some extent by the resurgence of those economies

Drummond considers the foundry sector to be a good barometer of changing economic activity, although it has a fairly long lead time

Standard Brass chairman, Glynn Hobbs says the industry is faced with a situation in which costs are growing faster than general inflation Major factors, he says, are the rises in consumer materials and the escalation in wages and salaries which, in the labour-intensive sectors, is having a profound effect

Inflation, plus the strengthening of the rand against the dollar, is pricing SA out of the export market, he says and making certain imports look more attractive

Hobbs says overall cost increases are expected to exceed 20% this year — against an expected inflation rate of between 16%-18% Wages at both lower and skilled levels are expected to rise 25% this year

"Our prices can't always be increased our margins are narrowing Although we have provision for price increases written into our long-term contracts, they are usually linked to the CPI so we can lose out," he adds

SA foundry . . . overseas conditions buffeting the fires of production

David Butcher, MD of the Lenning Group, says the shortage of skilled labour previously largely confined to men on the foundry floor, has become much wider and is now embracing all levels of staff The skills problem, he says, is hamstringing profitability even although it has been easier to switch to the use of black labour in the foundry sector than it had been in other areas

Butcher says one of the problems facing the foundries in their pricing was the gst imposed on certain items required by the industry for production and which would later be re-taxed in the finished product

Capital expansion in the industry continues but at present seems to feature things like relocation of plant, modernisation and de-bottlenecking, and costs incurred for environmental controls

VOGELS 189

Tin worries

FM 24/4/81

Activities: *Base metal investment company owned 42% by GFSA and 21% by New Wits Major investments in tin (Rooiberg and Union Tin), coal (Apex) and zinc (Kiln Products)*
Chairman: *B R van Rooyen*
Capital structure. *15,3m ordinaries of 2,5c Market capitalisation R39,8m*
Financial *Year to December 31 1980 Net cash R213 000 Current ratio 1 3 Commitments R500 000*
Share market. *Price 260c (1980-81 high 380c, low 185c trading volume last quarter, 253 000 shares) Yields 10,0% on earnings, 6,2% on dividend Cover 1,6 PE ratio 10,0*

After two strong dividend growth years, Vogels maintained its 16c payment in 1980 reflecting the relatively poor outlook for major investments These include Rooiberg and Union tin and lower dividends expected from both these companies will impact adversely on Vogels this year

	77	'78	'79	'80
Dividend income (Rm)	1 71	2 52	3 36	3 93
Dealing profit (R000)	23	27	236	9
Pre-tax profit (Rm)	1 2	2 5	3 8	4 1
Earnings (c)	7 8	16 1	24 7	25 9
Dividends (c)	7 5	12	16	16
Net asset value (c)	151	196	306	359

However the market continues to rate the share relatively highly on a 6,2% historic yield Taking into account chairman Bernard van Rooyen s expectations for 1981 the rating is surprising as a dividend cut looks likely, bar a solid advance in tin prices this year

In 1980, Rooiberg which held its dividend at 230c contributed R1 3m to investment income — 32 3% of the R3,9m total Sister mine Union Tin contributed a further R172 000 giving a total of 37% of income from tin In addition, there was again no income from Black Mountain and Kiln Products Black Mountain is not slated to pay dividends until debt is retired while Kiln Products reported a R1 4m loss (profit R386 000) in 1980

Offsetting this was increased revenue from GFSA colliery Apex dividend income from which totalled R1m (R793 000) Prospects for a further improvement look good in view of expectations that local coal prices will be maintained in real terms and taking into account the recent re-negotiation of the Japanese low-ash supply contract in which Apex participates Zincor also produced higher revenue for Vogels — R1m against R836 000 — despite lower profit

Despite static income from major investments Vogels total portfolio was valued by the market and directors at R51 2m (R42,5m) at end-December Dividend yield consequently declined to 5 7% (7 9%) Since the year-end Rooiberg has fallen to 1 800c (1 900c) and Union to 190c (220c) reflecting the market s view of this year s prospects Apex however has appreciated 150c to 3 700c and further advances towards the interim could be on the cards But this improvement is not likely to be sufficient to offset weak base metal prices and, consequently Vogel s rating could suffer

Other investments include 70 000 Amcoal, and the company also bought 40 000 Duiker shares Copper prospects do not make the 91 900 Palamin holding a bull point for the coming year as copper prices remain weak and offer little major prospect of recovery before June at the earliest Last year Palamin paid out 110c (125c) a share

Currently Vogels is investigating the Kimberley series in conjunction with fellow GFSA mines This is unlikely to produce any significant results on the basis of previous searches, but at the same time, the cost of the evaluation should be low

On the basis of prospects for Rooiberg and Union Tin (*Companies*, April 17) and the still dull outlook for zinc, Vogels does not look like being a bright performer this year The 6,2% dividend yield probably overstates dividend prospects, and there is thus little if any reason in the near-term to chase the shares

Des Kilalea

3. It seems that all groups which reach a certain degree of poverty cannot support co-ops. Maxwell Klayman in an article on the Moshav in Israel writes of the new type of Moshav for settlers i.e. Moshar Olim, "The average size of farm was small, and there were fewer means of production than in the older moshavim. This meant a smaller output and turnover Many members did not farm their plots. If the village co-operatives were to perform the services of the older moshavim the farming settlers could not meet the costs of the services from their relatively small output. Because of the tight financial situation the coöperatives could not pay their members on time. This induced the settlers to sell their produce to private trades for

Worker sacked 'after 8-month trial'

RDM 24/4/81

189

By SOPHIE TEMA

MR Lot Simelane, father of Soweto boxer Leo "Ali" Simelane, claims he has been sacked from his job because he had been elected by co-workers to their new liaison committee

Mr Simelane said he was told by one of the company's managers, Mr B Nortman, that the management was not happy with his performance at work and had decided to terminate his services

Mr Simelane had been a checker for Trident Steel in Alrode, Germiston for eight months

Yesterday Mr Nortman denied the allegations and told the Rand Daily Mail that Mr Simelane, was one of five men who had been taken on for a trial period as a checker

He said "It is not true that our company dismissed Mr Simelane because he was elected a representative on the liaison committee, but because he was not very efficient in the job and that is why we let him go "

Mr Simelani said after he had been elected he was told by the foreman of the company to dress well because he was to attend a lecture at the head office this Tuesday

"While I was waiting for the foreman Mr Nortman came to me and told me that management was not happy with my performance at work and had decided to let me go

"I wanted to know from Mr Nortman how management had come to the conclusion because as a checker I was responsible for sending out orders and clients never had cause to complain

"I was also never told that I had been taken on a trial period If Mr Nortman is right I challenge him because no person works on a trial period for eight months," he said

1. ... their periods at the dairy with migrant labour). When a dairy member goes there may be no-one in his family to do the work involved in the dairy (i e. herding, milking and marketing) and therefore his participation in the dairy may be interrupted for the period he is away, or he may leave it altogether. All the people I interviewed who were not using the dairy cited lack of labour as the reason.

2. Mhlauli and Nkalitshane said migrancy was the Amathole dairy's biggest problem. Nkalitshane said that because the numbers of people using it fluctuated they could never become strong (he said a big problem was that many people had no milk in winter). Mhlauli stressed the fact that marketing is important and said that if a man becomes a migrant to get money, there is nobody to sell his milk.

These problems are obviously general ones for small scale reserve projects. Norman Reynolds writes of another small scale dairy scheme near Zwelitsha.(8) "During the life of the scheme there has been considerable change in the economic condition of the members families. Without any device to allow the

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members to retain a financial stake in the co-op, members at times opted out of the scheme for indefinite periods. Migration and death in the family are probably the two major factors. Apparently such actions have been common enough to threaten the efficiency of the scheme. It must certainly have made it difficult for the scheme to supply milk regularly and it must have hampered the co-operatives ability to sell in the best markets."

3. People who have other sources of income have an important advantage over those who rely solely on the dairy. ... because nearly all the people in the dairies have very few, very low quality cows, it seems that the dairies can only provide a supplementary source of income to those who already have some security, rather than the sole source of income for the very poor.

4. Here one must note the exceptions of Alfred Bukula of Inkomo and Freddy Mhlauli of Amathole. Both are particularly successful in the dairies and yet both of them are comparatively poor Mhlauli has a pension but the dairy is his main source of income. Bukula has no other cash income, but his income from the dairy is now second highest to that of N M He attributes this to the fact that his cows are particularly good and he has concentrated on improving their quality.

3.4 CONCLUSION

One must remember that these two projects are pretty exceptional in Umhlaba, and also, that while Umhlaba is classified as a pastoral area, with emphasis on cattle rather than cultivation, these are the only two dairies

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Landlock into crane industry at cost of R3-m

S. Times 26/4/81 (189)

By John Spira

LANDLOCK, one of South Africa's fastest-growing engineering groups, has announced yet another acquisition — worth R3-million — and has simultaneously upped its earnings forecast from 65c to 85c a share for the year to June 30 1981.

The revised earnings forecast ignores any future contributions from the new acquisition.

The group has now entered the R50-million-a-year gantry-crane industry via the purchase of 100% of the shares of Lasch Holdings for R1,947-million cash and 300 000 Landlock shares. Effective date of the acquisition is April 30 1981.

Lasch manufactures electric cranes and hoists, industrial gears and ancillary equipment, and supplies industrial machine tools to the engineering industry. Some 90% of turnover derives from sales of electric cranes.

Mr H R Lasch, who founded the company in 1935, has been appointed president of Lasch Holdings, Edward Ross (chairman of Landlock) becomes chairman of Lasch and Douglas Band has been appointed group chief executive. The management of the operating subsidiaries remains with Alex Nel.

Lasch is not expected to contribute "in any meaningful way" to Landlock's earnings for the year to June 30 1981. The acquisition does, however, raise Landlock's net worth by 50c to 220c a share and is expected to add a minimum 15c a share to Landlock's 1981/82 earnings.

Commenting on the deal yesterday, Mr Ross told Business Times: "Our purchase of Lasch gives us 30% of the country's gantry crane market — a share which we expect will expand significantly in the years ahead.

"We believe, too, that the company's machine-tool division has enormous unexploited potential — a potential which we intend realising to the full."

He emphasises that the R3-million acquisition is underpinned by R4,2-million worth of assets with a current replacement value of R10-million.

The revised 85c earnings forecast — which, judging from Landlock's previous predictions is bound to prove conservative — means that the shares are currently trading at a surprisingly low price-earnings ratio of 4,5.

The forecast also suggests dividends for the current financial year of not less than 40c for a projected yield of 10,5% — a return which implies that the shares will shortly enjoy an improved investment rating.

FACULTY OF COMMERCE

DEAN'S CIRCULAR

Confidential to Members of the Board of the Faculty of Commerce

No. 189 | 6 March 1981

NOTICE: The (... meeting scheduled for
Thurs ... been cancelled, as the
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theoretical perspective differs from that of others in this broad category of views in that its fundamental economic determinism is reminiscent of some Marxist thought Using the general theory of the stages of growth, he has attempted to date the probable stages of political change His argument is more complicated than the model sketched above, because he also grants a role to Black actors and so to revolutionary unrest. However, most of those who adopt this position stress mainly the role of the Whites

2.2. The 'Revisionist' Thesis

The term 'revisionist' is one that has come to be used to indicate a school of thinking which is basically at variance with the older conventional view The term itself is not intended to have ideological or political connotations (i e it is not to be confused with 'revisionism') However, the broad theoretical perspective most commonly associated with the revisionist school is that of 'conflict theory' in sociology and the 'political ... contributors to the debate ...rview of the 'revisionist' of this introduction Here ...oint ... the economic exploitation of the Black population ...th Africa it is seen to be ...ogy which legitimises the ...frican economy is not a ...d solely by the forces of ...nomy (see Trapido 1971) ...he high standard of living ... the White working class is made possible by the political machinery of repression which assures the continued sub-servience of the Black workers The tendency in such a labour repressive society is for an increasing concentration of power The fruits of economic growth will be concentrated in the hands of those who control the economy, thus both increasing their relative domination of the economy. and at the same time providing the wherewithal for strengthening the machinery of political and military repression Sophisticated weaponry and surveillance systems can be acquired to compensate for deficiencies in manpower White prosperity and White supremacy mutually reinforce one another (Johnstone, 1970) If capitalism has any rationalising tendency, it is towards the rationalisation of domination rather than towards the removal of race prejudice Blumer (1965) argues that in any event it is rational for the capitalists to take account of the prejudices of their influential White employees at the expense of their relatively powerless Black workers Johnstone argues that the principles of apartheid are in fact bent whenever

30/4/81 STM

3 injured in factory blast

201 149 242

East Rand Bureau

Three men were injured in a Springs platinum factory explosion yesterday.

Mr G Lategan, a senior operator at Impala Platinum in East Geduld, had leg burns and was taken to the Chamber of Mines Hospital in Johannesburg

The other two, Mr P Pretorius, an operator, and Mr L J van Vuuren, a fitter, were treated at the factory and sent home

According to the managing director of Impala Platinum, Mr Bob Bovell, the explosion occurred at about 11 am during a routine operation in the smelting section of the refinery.

He said damage was minor and there had been no loss to production

they threaten economic growth. Adam (1971 181–2) argues that rationalisation produces an increasingly competent technocratic oligarchy which is even capable of deracialising the society if that would be in the interests of maintaining supremacy Like the 'conventional' viewpoint, the 'revisionist' thesis also stresses the role of Whites, but whereas in the first case they are seen as more or less inevitable agents of change, in this second argument, they are seen as more or less irremovable obstacles to change.

3. Basic issues

The two major positions have inevitably had to be stated in rather over-simplified terms and in a somewhat overpolarised form Perhaps the most crucial difference in the two viewpoints outlined above turns on the distinction between a market economy and a labour repressive economy. According to Barrington Moore (1966 434) the distinction is between 'the use of political mechanisms (using the term political broadly) on the one hand and reliance on the labour market on the other hand'. That is, it is the distinction between an economy in which workers come voluntarily on to the labour market and enter into an equitable contract with employers, and an economy in which workers are constrained by some or other political mechanism to work for their employers, and so are not in a relation of contractual equality with them

Now this distinction is in some ways highly suggestive, but it also obscures an important fact by implying that it is possible to have a market system which operates quite independently of political factors A market is always embedded in a political matrix which defines the rules governing the use of property within that market Property is a politico-legal category Who may control property and how it may be used is a function of the power of various individuals and groups, and of the way in which that power is institutionalised in convention and law The very existence of a labour market assumes the presence of people who have no direct access to the means of production, and who, therefore, have to sell their labour in order to survive This condition does not arise of its own accord, and nor is it a fundamental inevitability

It has usually required the use of *power* by some group or stratum to acquire sole rights in the means of production. and this use of power becomes institutionalised in a politico-legal framework which defines the rights of the various groups, and so provides the parameters in which the market forces of supply and demand operate. These parameters may be altered by, for example, the extension or limitation of the workers' rights to organise, but also by less obvious factors, such as the way in which a dominant group might use its power over key resources to further strengthen its position within the market.

SUNDAY TRIBUNE, APRIL 26, 1981

Julie Tamsen looks pleased with South Africa's latest export.

SWITCHING ON TO EXPORTS

S. Tribune 26/4/81

Financial Correspondent

189

TELEPHONE Manufacturers of South Africa (TMSA) will become the world's largest exporter of electro - mechanical telecommunications equipment in a year or two.

It is already supplying uniselector switches and motors to Italy on a regular basis and recently signed an agreement with the Hong Kong Telephone Company, which operates 64 exchanges serving 1,5 million telephones, to supply it with spares for the next 15 years.

In addition, it is currently servicing inquiries from New Zealand, Australia and Israel. It is logical to assume that in the near future it will also be receiving inquiries for equipment from nearly all the countries in the Western world that still operate electro-mechanical telecommunications equipment.

The reason for this is that manufacturers of telecommunication equipment in Europe and America have switched to the manufacture of electronic telecommunication equipment leaving TMSA as one of the few and certainly the largest manufacturer of this type of equipment in the world.

Johnny Viljoen, a senior engineer at TMSA, said he believed the company's export business was only just starting and that it would grow to enormous proportions as more and more countries became reliant on it for spares for their electro-mechanical equipment.

There is an assured market for this type of equipment in South Africa for many years to come. Although the Post Office is switching to electronic equipment, many of the new exchanges it is installing are of the electro mechanical type. When the electro-mechanical exchanges in the larger cities, such as Johannesburg, Durban and Cape Town are replaced with electronic exchanges they will be rebuilt, made into smaller units and installed in smaller towns.

TMSA, which is one of the big three suppliers to the Post Office, currently has a turnover of about R100 million and is expecting its developing export business, as well as the manufacture of electronic equipment, which it will start next year, to give this figure a solid boost.

The company employs 3 000 people at its Springs plant and is jointly owned by GEC of the UK through its wholly-owned local subsidiary, AEI Henley, and Plessey UK, through its wholly owned local subsidiary Plessey South Africa.

ELECTRICAL ENGINEERING (189) FM 1/5/81

The wires are humming

The listed electrical engineering companies have reacted more slowly to the economic upswing than did the more consumer-orientated sectors But that is an inertia normal in heavy industry With the backing of heavy capex in both the public and private sectors, their lagging momentum should lead to a further significant improvement in results over the next year to 18 months

Indeed, with electrification programmes in Soweto and other black areas gathering speed, and with mining expansion taking place at an increasing rate, industry men are bullish about the sector's performance over the next two to three years at least

The Soweto scheme alone is worth in the region of R350m Escom's power station development plans, which should see the completion of a number of massive new plants over the next couple of years, provide an additional booster for the cable companies and manufacturers of electrical control gear

Linked to this is rapid growth in the coal mining industry, which requires hefty supplies of trailing cable for both drag lines and for underground operations Mooted plans for a R300m steam turbine generator programme (*FM* last week) would give the electrical engineering companies even more business

There appears to have been a slowdown over the past six months or so, attributed to a temporary lull in the Soweto project But most companies are sure the second half of the calendar year will see a return to more rapid growth

The industry does have a number of problem areas, however, not the least of which is foreign competition Recent industry statements refer to the sharp rise in the quantity of heavy electrical products being "dumped" on the local market from the Far East In the past, according to African Cables general manager Peter Muller, power cable imports, in particular, tended to complement, rather than compete with, local production However, this has changed and foreign supplies now constitute as much as 12% of this R250m a year industry

Certainly, the situation has not been helped by the widening range of locally manufactured goods — in the areas of super-tension cable, for instance — which had previously not been made here But the real moan of the local cable manufacturers is that existing protection of the SA PVC industry means the local price for this basic raw material is more than double the normal world price

One of the effects of the rising trend of imports has been tightening margins aggravated by the continued existence of some low margin work from earlier times when the economy was not so buoyant

As a result, the industry has asked for protection against "unfair" competition but nothing has yet been heard from Pretoria

A related problem area is the large number of manufacturers turning out similar products, making it difficult for them to compete with foreign imports There have been indications of rationalisations through mergers and takeovers in the past, but little has eventuated, and the overseas ownership of many of the companies is seen as baulking many such developments

The expansion of the available product mix is another interesting aspect of the industry While just managing to expand production capacity quickly enough to match demand, the industry also finds itself having to spend substantial amounts on additional capex just to keep up with technological developments The introduction of cross-linked polyethylene insulation, for instance, requires significant investment in new plant

Despite this, the characteristics of the industry's financial side include low gearing, fairly low dividend cover, but largely internally-funded expansion The three big cable companies for instance, have consistently had almost no outside debt seemingly as an historical situation

Powertech executive director Ken Maud believes that this low level of gearing has arisen largely because of the nature of the market Most business tends to be written

Cable manufacture . . more competition at the heavy end

on fairly long-term contracts, he points out, and the major customers are organisations such as Escom, the Post Office and the municipalities As a result, payments tend to be made fairly promptly, and there is a negligible bad debt position

African Cables, for instance, which is the largest of the local cable manufacturers, had a debt equity ratio of only 2 6% at the last balance sheet date, and there was no change reported at the half-way stage at end-January Nevertheless capex for the current year is projected at R6 3m — double the previous year — and the group still managed to pay out as much as 70% of earnings last year

If this trend is maintained this year, shareholders could probably expect a payout of around 25c (22c) which offers a 6,25% prospective yield at the current 400c share price The sector's average historical yield is 4,7%, but this is distorted by the very low returns from the Altech group, so Atcable's offering does not represent a particularly attractive entry

Aberdare Cable's debt equity ratio is also minimal, though this is in line with the small capex programme of around R520 000 The group's performance last year was enhanced by its rapidly growing distribution network following the 1979 acquisition of BICC (SA) though slimmer margins held back the profit advance At the current 580c a 50c dividend would offer a prospective 8 6% and provides a better entry into the sector

Over the past financial year the other listed cable manufacturer **Scottish Cables** produced a return on capital of over 50% while gross margins increased strongly against the trend, from 11 7% to 15 8% The group should be able to match last year's earnings performance and with capex covered twice by 1980's cash flow a 28c (23c) payout should be attainable At the current 375c share price this indicates a moderate prospective yield of 7 5%

Somewhat on the sidelines of the industry **L H Marthinusen** offers an anomaly to the solid growth of the electrical engineering groups This company which also manufactures transformers rotor coils and the like relies on repair work for the bulk of its earnings And as MD Jimmy Raubenheimer points out this tends to be contra-cyclical

As the major groups improve their performance he reasons they tend to invest in new equipment rather than send in old machinery for repairs He points out that 1977 earnings, when the manufacturers were hit by a downturn in public sector expenditure were higher than those in 1980

Results for the year to end-March have not yet been released but a 25c payout looks reasonable after a sluggish first half At 265c the share offers a prospective 9,4% reflecting investor concern over the less certain market in which the group operates

At the other end of the scale Powertech stands on an historic 2 5% yield at 80c The group's preliminary results revealed some problem areas and the unchanged 2c dividend disappointed the market Nevertheless, the power electronics and electrical equipment manufacturer looks an attractive long-term hold

Also well placed for the future is Asea, following Amic's acquisition of a controlling stake in 1980 Previously this group was alone among electrical engineering companies in having a debt equity ratio of over 63% and though this was not necessarily a constraint Amic's financial clout could help ease some emerging liquidity problems

Operating margins were squeezed last year and the earnings advance was slightly below the medium-term compound growth rate Nevertheless Asea cut dividend cover and declared 20c (16c) indicating that a 25c payout this year is not unlikely with Amic's new backing However, this offers a prospective 5 8% yield at 430c, and there are easier entries under present conditions

Scott Hanley

Grootegeluk coal for three Iscor works

STM 4/5/81

The new Grootegeluk coalmine at Ellisras has been established as an additional source of coking coal for Iscor's three works at Pretoria, Vanderbijlpark and Newcastle

Construction of the Escom Matimba powerstation has not yet begun and the middlings stockpile, currently around 1-million tons, will grow to about 20-million tons before depletion by burning in the powerstation

A 116-km railway line connecting Thabazimbi, where Iscor mines iron ore, and Ellisras was opened simultaneously

Grootegeluk is producing 24 000 tons of coking coal and 36 000 tons of powerstation middlings a week, making it one of the largest national coal mines

The design capacity of the mine will be reached by the end of 1981, when coking-coal production will be slightly under 2-million tons a year and powerstation middlings about 3,5-million tons. At the same time, more than 10-million tons of waste will be discarded

Iscor's Grootegeluk opencast coalmine near Ellisras was opened in the middle of last month at a cost of R386-million.

The mine was established by Iscor to serve its three major steel producing centres with coking coal. An additional function of the mine will be to supply middlings coal to the new Matimba powerstation at Ellisras.

The mine has, however, had a controversial start. Many local coal-industry commentators believe that the mine should never have been started at all, though there are none who doubt its technical and production efficiency.

In this, the first of a two-part series, the mine will be looked at from a technical and historical point of view. The second part, to be published in The Star's next special mining pages will focus on criticism of the mine and the Iscor decision to start development.

The coking coal produced at Grootegeluk will have to be blended with superior coking coal from the Vryheid area in Natal

At its designed capacity and within the confines of the open-pit design, there are enough coal reserves at Grootegeluk to last for more than 200 years

The coking coalfields in the Northern Transvaal are in three major areas The first, the Waterberg area, where the Grootegeluk mine is situated An area has been demarcated in the Soutpansberg further east of the Waterberg field and still further east Iscor is exploring deposits in the Kruger National Park

In size Grootegeluk ranks behind only Phalaborwa and Sishen Its coal beneficiation plant will have an average input capacity of 3 000 run-of-mine tons an hour and will be one of the largest in the world.

The output of blend coking coal from the mine will mean that Iscor will be able to meet about 42 percent of its needs by the end of the year. At present Iscor produces about 20 percent of its own coking-coal needs

About R35-million worth of sophisticated mechanical and electrical equipment is to be used in the pit to remove about 20 m of overburden and mine and transport 18 to 20-million tons of coal and waste a year

The geology of the pit area is such that strata of non-coal-bearing shale are often thicker than the coal seams

A decline in the long-term coking coal requirements resulting from the general economic recession in 1955/6 caused Iscor to postpone the mine's commissioning date.

Coal was discovered in 1919 and from 1940 to 1950 144 holes were drilled over a general area in the Waterberg coalfield

During the 1960s 120 holes were drilled by Genmin on behalf of Sasol in the western block and in 1973 Iscor started an intensive drilling programme in the potential open-pit area

After completion of the first 20 holes it was noticed that the correlation of the coal layers in the deposits (as compiled by the geological survey — and revised by Genmin) should be divided into 11 zones based on cyclic sedimentation About 120 boreholes were drilled on a 500 m-square grid

Five seams were distinguished These consist of bright coal with coking properties and non-coking dull coal

In May 1974 the decision was taken to develop the mine Waste stripping and pit development began in December the next year and in 1976 construction of the surface plant began.

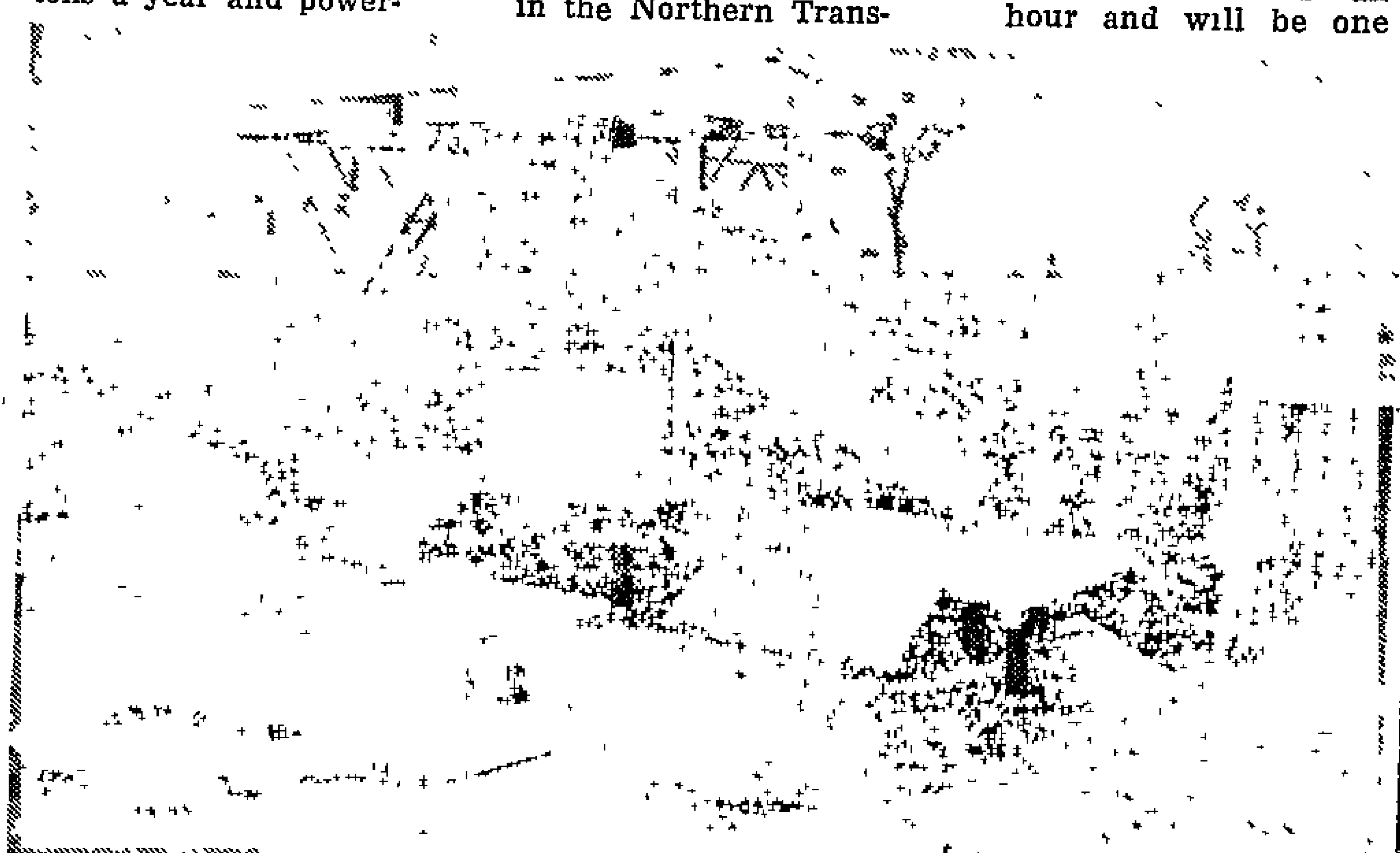
Soon after this, work on the project was wound down because of recession

In January 1978 financing for the completion of the surface plant was available and first coal was fed into the plant last May. In July 1980 the first coking coal was sent from the mine.

● The second part of this article will concentrate on the major criticism levelled against the establishment of the mine, namely the costs of producing coking coal.

It will also focus on alternative methods of producing coking coal which have been put forward by the coal industry

Another area of criticism of Iscor is that it has taken the course of developing its own mines at above average industry cost in order not to depend on private industry supplies of coking coal



PHB-Weserhutte has an order worth about R1,5-million from Anglo Alpha Technical Services for the design, manufacture and commissioning of this 600-tons-an-hour semi-mobile in-pit crushing plant. The equipment, to be commissioned next year, forms part of the extensions to the Ouplaas lime works of Union Lime near Danielskuil in the Northern Cape.

4/5/83

Mawu revives its Wadeville branch

Sowetan

ABOUT 200 people yesterday attended the inaugural meeting of the Wadeville branch of the Metal and Allied Workers' Union (Mawu).

The meeting, at the Kwesine Hostel hall in Katlehong, Germiston, was held to revive the Wadeville branch and tell members what Mawu stood for.

Mr Moses Mayekiso, Transvaal branch secretary of Mawu, told the meeting that since the union branch was established in the Wadeville industrial area early last year, more than 5 000 workers had joined.

He said that the union was already recognised by five factories in the Wadeville area, and that the union was still busy negotiating with more factories.

The meeting resolved yesterday to hold a meeting once a month to discuss developments and union's progress and to organise all workers under Mawu

It was also decided that shop stewards at all Wadeville factories falling under Mawu should help by boosting union membership in the factories.

Slowdown for civil engineering

RDM 5/5/81

(189)

By SUSAN DALLAS

GOVERNMENT policy to reduce public-sector spending will result in a slow-down in the expansion of the civil engineering industry, says the South African Federation of Civil Engineering.

After analysing the results of a survey of the capital expenditure programmes of public authorities and corporations, the federation predicts a zero growth rate in civil construction work in this sector this year.

Public-sector spending budgeted for civil construction is R1 385-million — 14% higher than the total of R1 215-million spent during 1980.

However, this increase can be attributed to the rise in construction costs and the volume of civil work undertaken will remain the same as it was last year, says the federation

Last year, public-sector spending accounted for 74% of the civil engineering industry's total turnover.

Expected increases in civil work investments by industry and mining are not expected to compensate for the lack of growth in public-sector spending.

The federation expects growth in the construction of water schemes. Expenditure on water supplies in the homelands has risen from R5-million in 1979 to a projected R30-million this year.

Cable injures five employees

By SELLO RABOTHATHA

FIVE people were seriously injured at the weekend when a cable carrying wires snapped, hurling a railway slipper which hit the five at their place of employment in Brakpan.

The five, all employees of Grinaker Pty Ltd are Miss Faith Guqu of 2814 Duba Street, Tsakane, Miss Rosa Kunene of 1862 Ndabezitha Street, Tsakane, Miss Eunice Nalom of 43? Mzimanda Street, Brakpan old location Mr Andries Hongxo of 49 Tsakane Hostel and the fifth was identified only as Gordon

Miss Guqu said that the cable that pulled the wires is electrically operated and as they were standing on their tables in a line when she heard the cable snapping and the slipper flying through the air towards them None of them had a chance to avoid it and all she could remember was people trying to revive her

The two men said they could not remember anything that happened Mr Hongxo said that he was only told of what happened by "my colleagues when they came to visit me here at the hospital"

A hospital spokesman at the Far East Rand Hospital said that their condition is fair And one, Miss Guqu was discharged yesterday

Attempts to get a comment from Grinaker were futile

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GENERAL NEWS

6/5/81

Engineers set out to train blacks

By Iain Macdonald

A new course to prepare black students for a career in civil engineering was launched in Soweto yesterday by the South African Institution of Civil Engineers.

The programme will aim at fitting school children for university, and arises out of the grave manpower shortage in engineering and related fields.

Introducing the scheme at the Soweto Teachers' Training College yesterday, Mr C Skeen of the SA Institution of Civil Engineers said that at least 500 graduate engineers and 1 000 civil engineering technicians would have to be trained each year to meet demands.

The profession was now training only about half that number, he said.

"The programme is aimed at making sure students have an adequate grounding in maths and science by the time they get to technikon level, as well as an ability to communicate.

"In South Africa we have produced fewer than 20 graduated black civil engineers.

"The idea of the programme is to select a particular group of promising pupils, monitor their progress and allow their skills to develop.

"It should be off the ground by the beginning of next year."

Mr Skeen said "about 200 promising pupils should be identified and if necessary drafted to schools for special training in maths and science.

"We also propose organised camps where pupils can exchange ideas, visits to civil engineering sites, involvement in assignments of an engineering nature and an introduction to engineering drawing.

"It's a tough assignment and if one out of four emerge at the top, we'll be satisfied."

STAR 25/5/81

Appeal to adjust scrap steel prices

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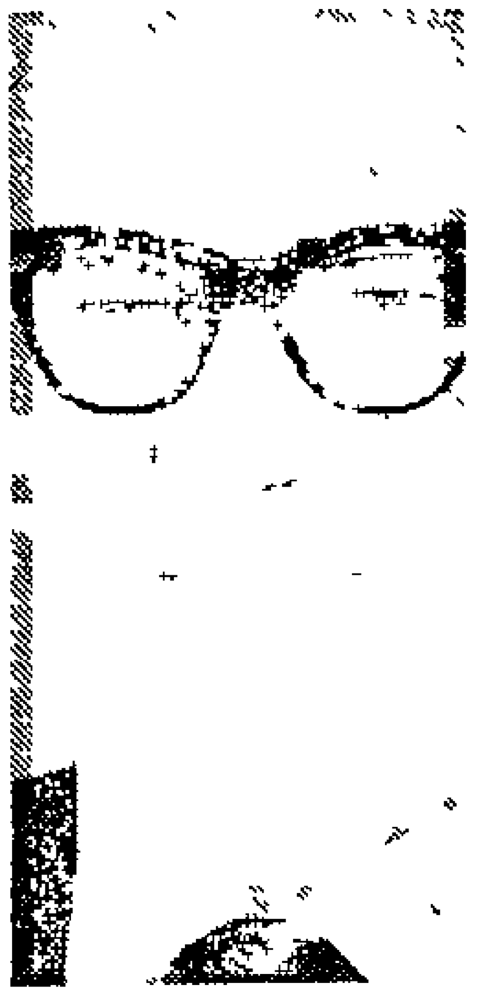

DR VAN DER MERWE

Scrap steel prices need to be adjusted in keeping with the desperate shortage of steel scrap to make recycling economically viable, the head of large recycling firm said in Johannesburg yesterday

The managing director of Metal Box, Mr D A Jacobs, was speaking at the official opening of the first used-can recycling factory in the country at Industria

Virgin tinplate cost R770 a ton while recyclers were paid just over R20 a ton for baled material distributed by the ferrous scrap distributors

"This is low by world standards and does not reflect the country's present, almost desperate, shortage of steel scrap," Mr Jacobs said.

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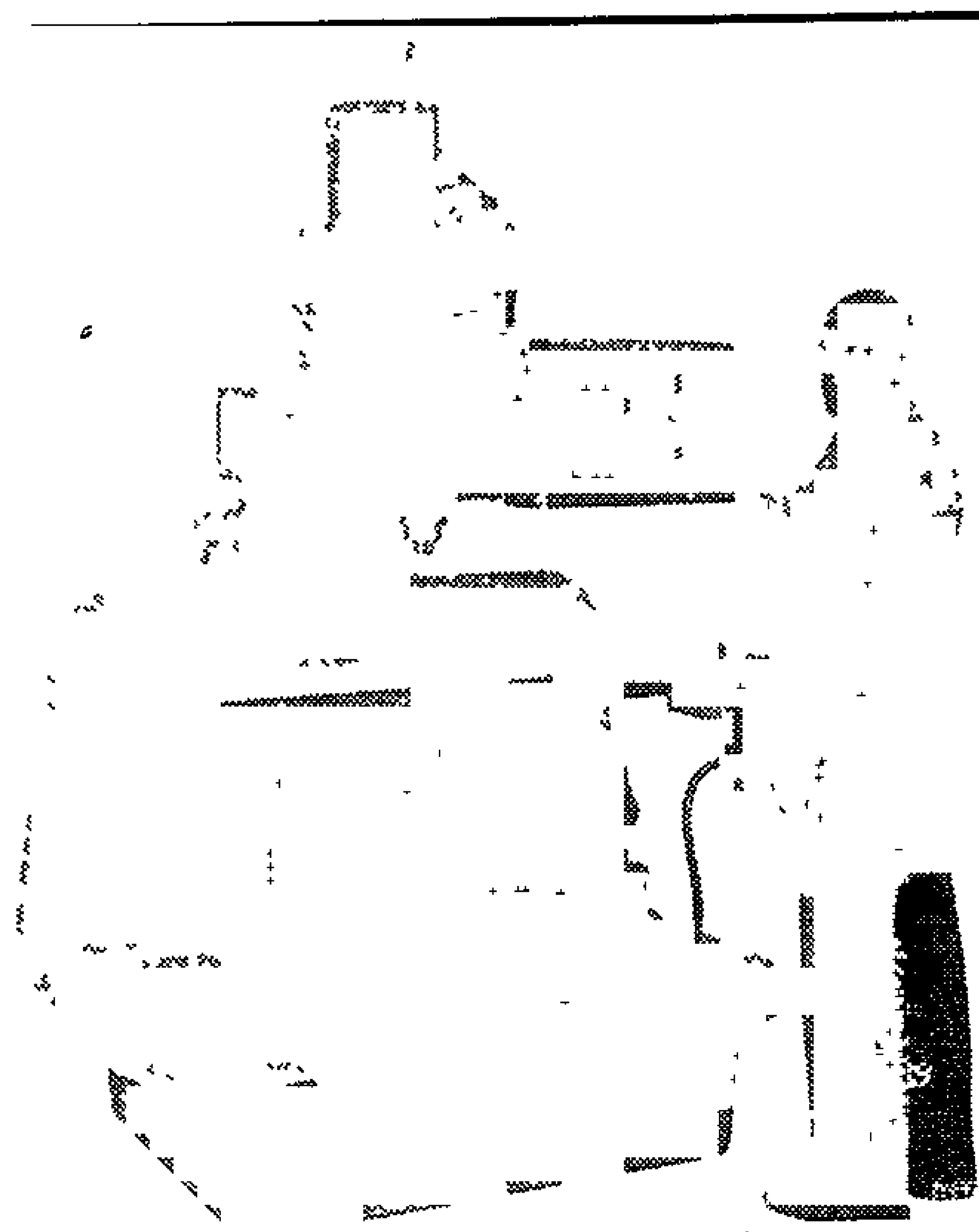


The Beaver Crusador and NC5 vertical machining centre

Drury Wickman enters new era

THE South African machine tool market is in a strong growth phase, a situation of which major marketing organisation Drury Wickman Limited is taking full advantage

At the "LC NC" in house exhibition, managing director, David Wilter, revealed that the company is really going places, restructuring, penetrating new market sectors and generally establishing a dynamic presence

Mr Wilter explained that he considers this the age of specialisation and Drury intends to be up front with a thoroughly professional approach to the marketing of machine tools — providing a comprehensive service to buyers, which embraces machine tool selection, installation, commissioning, service, operator training and finance, with the back-up of a spares holding second to none

It makes sound business sense for, in a market conservatively estimated at R180-million, his company has, in the past five years, improved its performance to the point where it anticipates a record turnover in excess of R24-million to be reported for 1980 This makes it one of the top four in the machine tool marketing industry in South Africa

New metrology room

An aspect of the corporate programme of specialisation and professionalism is the Tooling and Measurement Division's new metrology room, opened to coincide with the "LC NC" exhibition

In the new metrology room, highly sophisticated instruments, such as the Bendix Cordax 803 co-ordinate measuring machine, were seen measuring components made on the machine tools being demonstrated

Also on display in the metrology room were Ono Sokki micrometers and electronic digital indicators, the latter being a complete replacement for conventional mechanical dial gauges, Rockwell hardness testers, Sigma electronic gauging equipment, and the Mitutoyo PJ300 optical profidle projector, with digital read-out

In line with Drury's forward-looking policies, the Tooling and Measurement Division has recently broadened its scope of representation with the acquisition of several new agencies These include Ono Sokki and Mitutoyo mentioned above, as well as Eley & Warren, who manufacture the Vertex 750 height measuring, awareness testing and scribing instrument with digital read-out, and Crawford Collets, with a full-time specialist appointed to take responsibility for sticking and promoting the Collets

Demolition made easier and faster

DURING a recent demolition project, part of reconstruction work for a Johannesburg hospital, one artisan using a South African made thermal lance was able to cut out a three-ton portion of floor slab in approximately two hours Vital to the demolition was the absolute lack of noise, vibration and dust

South African interest in the principle of the thermal lance grew during the demolition of the Carlton Centre's supporting grid some two-and-a-half years ago Despite the fact that this method gave way to the more conventional blasting on this particular project, 210 mm diameter holes were cut through 450 mm thick reinforced slabs to a tolerance of 13 mm at the rate of 30 minutes per hole

Problems with the technique at that stage appeared to be the considerable amount of smoke and heat created by the lance resulting in considerable discomfort for the operator. A further difficulty was that the lance tended to affect the concrete immediately adjacent to the cut

Problems overcome

According to the manufacturers of the South African lance — Thermo-Bore (Pty) Ltd — these problems have now been overcome According to the Concrete Society and the Portland Cement Institute who have tested the lance, the speed of cutting is such that a 50 mm high tensile steel bar may be held in the hand during cutting at a distance of only 75 mm from the flame They contend that it is apparent that at a very short distance from the cut, the effect on reinforcing steel is negligible

The operator discomfort problem also appears to have been eradicated The operator, as seen in one of our photographs, wears no special protective clothing other than gloves, goggles and safety helmet

The actual lance is formed by a 15 mm steel tube approximately four metres long filled with chemically treated wires One end of the tube is connected by means of a flexible hose to an oxygen supply, the rate of flow being controlled by a valve The tube is ignited simply with a match When ignition temperature is reached, the tube and wires melt and start to burn at 1 000 deg C The "business end" of the tube is then placed in contact with the concrete and the oxygen valve opened fully A burning temperature of 4 000 deg C is then reached and the concrete rapidly melts to lava on exposure to this temperature

Concrete being a relatively poor conductor of heat, and at the high rate of penetration achieved, the temperature of the concrete adjacent to the flame does not rise above 100 deg C at 35 mm, or above 80 deg C at 50 mm in 304 mm thick concrete At a distance of 100 to 200 mm there is no noticeable increase in temperature

According to tests carried out in this country and overseas, steel plate 100 mm thick can be cut in five to eight seconds and ordinary reinforcing bars in one to two seconds

In building, the practical applications of the system are considerable Obvious everyday jobs could include the cutting of slots, sleeves, ducts and openings for windows, doors and stairs

On a recent project it was necessary to strengthen, by encasement, existing columns so that the floors could carry additional load Holes for the additional steel required in the enlarged columns were bored through the 200 mm thick floor slab at the rate of four holes per minute, using two lances and two operators

With this type of boring it has been found that the widest part of the hole is at the starting point where the diameter is about 50 mm, tapering to 30 mm at the outlet

Once the concrete has been pierced, however, the hole can be "washed out" to any shape, and it is possible to obtain an almost perfectly cylindrical hole up to 70 mm diameter with one pierce of the tube

In demolition, the applications are obvious and the lance will play a particularly important role if silence, lack of vibration and dust are required

In column demolition, for instance, four horizontal holes are bored at top and bottom, cutting through the vertical reinforcement The columns can then easily be broken off by winch

When boring holes for blasting charges, the lance gives the advantage of being able to cut regardless of the positioning of reinforcement Holes for blasting have been bored to depths of 1,5 mm with a diameter of 65 mm at the rate of five minutes per hole

It is interesting to note that the lance has also been applied in fire fighting During a recent Johannesburg fire, fire fighting operations were hindered because firemen could not gain access to the seat of the fire located in the basement The thermal lance was called in and within 30 minutes two openings had been cut through a 450 mm thick reinforced concrete floor through which water and detergent could be sprayed Later, a larger hole was bored through which a canoe was lowered into the flooded basement These holes were cut through the floor while it was under about 300 mm of water

Your bolting problems in a nutshell...

DOES that giant plant give you bolting problems?

Well, Amba Engineering (Pty) Ltd have introduced the Reef hydraulic bolting system which saves time, tightens with absolute accuracy, outdates all other methods, is not affected by grease, the quality of thread or dirt, requires no spanner and doesn't need skilled labour

Amba claims that it "will tailor a system to solve any bolting problem — large or small"

Amba says that tension induces load so how can accurate maximum load be attained in large diameter bolts or nuts? Definitely not by any flogging down or torque method, because

1 It is well established that 90% of the effort is lost in friction due to the rotation of the nut The existing machinery available is very expensive and generally limited in its application due to the above

2 Grease, oil, dirt and variations in standard threads adversely affect the accuracy of these systems

3 The machines require continual calibration due to the handling problems and are cumbersome where access is limited

4 When the bolt or nut is flogged down to access, the shank of the bolt twists When a vibrating condition occurs, the bolt swings back to its original position and the bolt is loose

From the above we can see that the solution to the problem lies in the application of hydraulics By using the elasticity principle of steel, where stress is related to strain, ideal accurate loading can be achieved In the Reef Hydraulic Bolting system the bolt or nut incorporates a hydraulic ram and when high pressure is applied it forces the steel to stretch to a predetermined amount. The simplicity of this principle leads to the following advantages

1 Because a simple hydraulic pump is used and the surface area of the bolt or nut is known, it can thus be accurately tensioned to approximately 3%

2 Physical effort is not required because the hydraulic pump does the work When the bolt is required to be loosened the process is reversed

3 Any number of bolts or nuts can be tightened or loosened at the same time

4 In a limited access situation, it requires no more space than the normal bolt or nut

5 Where the surface to be bolted is uneven a patented self aligning orbital washer is incorporated

6 Bolts or nuts can be used at temperatures up to 650 C

7 No damage occurs to th threads and many years of li can be attained from the sam bolts and nuts

8 All bolts or nuts are te sioned at the same load, so n shearing or braking of bolt occurs

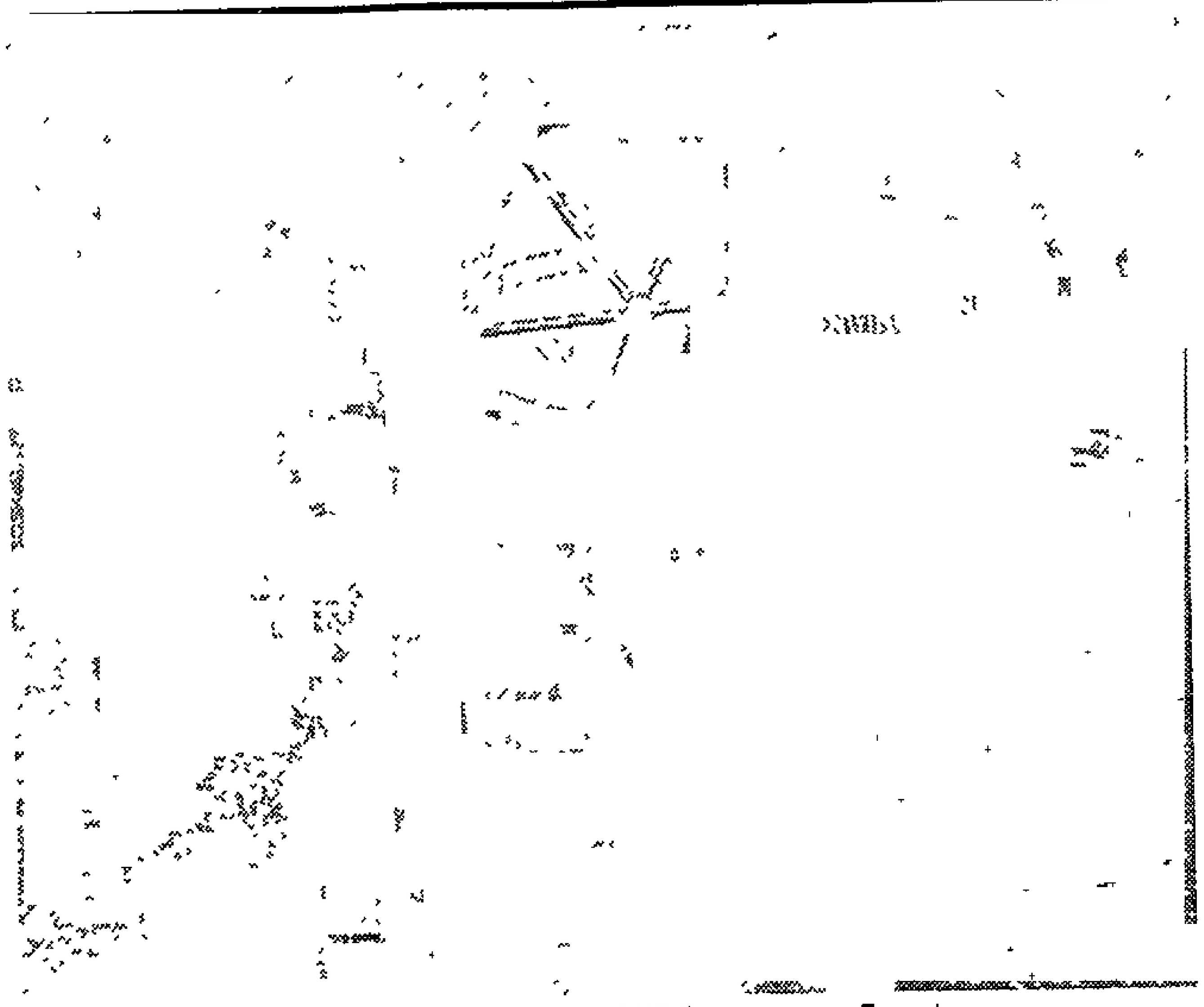
What size bolts or nuts ca be used? Any bolt or nut o 20 mm or larger can be adapt ed to this system

APPLICATION OF THIS SYSTEM

This system can be used in the following cases

Heat exchangers
Pressure vessels
Pipe flanges
Machinery holding down bolts
Sub-sea pipeline flanges
Turbine casings
Heavy machinery
Rolling mills
Presses
Crushing machines
Sugar machinery

MACHINE TOOLS



Pouring hot metal into moulds at SKF Engineering's Foundry

SKF has diversified in many directions

THE name SKF is synonymous with bearings and throughout its 67 years in South Africa, this connection has persisted. However, over the years SKF in South Africa has diversified in many different directions.

The first development was the opening of a workshop in 1951 to provide assistance to the mines and the railways in the form of axleboxes, wheel and axle assemblies and sheave headgear. It has subsequently grown into a major promoter of bearing sales by giving an engineering service to SKF customers.

This growth and demand resulted in a separate engineering company being formed in 1973 and, from a single workshop, the company has expanded into a foundry, fabrication shop and machine shop.

Established a few years ago, the foundry was a logical development in the company's aim of customer service, providing a controlled source of cast wheels, axle boxes and housings.

The fabrication shop continues to produce certain housings, as well as providing welded components, such as skip guide roller assemblies, axle mountings and indeed any component where guillotining, flame cutting, punching and welding are required.

Machining of cast or fabricated products forms an important link in this customer service and with strict quality control, a high standard of products reaches the market place.

The introduction of bearing manufacture into South Africa in 1967 allowed SKF to assist in the local content programme for the motor industry. It also supports light industry and, for example, mining equipment manufacturers.

Still identified with bearings, the opportunity arose in the last decade for SKF to diversify into products which in themselves are synonymous with motion — tools, couplings and all forms of fluid sealing.

Thoughout this development, there has always been technical backup, not only in application design but also in maintenance and service. Where SKF markets principals' products, the company is careful to ensure that there is always a high standard of technical backup available.

A wide range of products now marketed by SKF is retailed through the exclusive Skefko distributor network which provides one-stop shopping throughout its 26 companies in Southern Africa.

Thus the advertising slogan "SKF — Bearings and much more" couldn't be more appropriate for SKF South Africa.

Steel for special purposes

BRUCE Fairlie Steels is today supplying the majority of South Africa's special steel requirements. A special steel may be regarded to meet certain specific purposes. This special purpose may dictate that this steel should be a carbon steel, an alloy steel, a case hardening steel, a stainless steel, a tool steel, or even a high speed steel.

Today's industrialist appreciates that losses in plant downtime due to a component failure would outweight any initial cost savings made by choosing a cheaper raw material which may not stand up to the demands made of it.

Firstly, he must decide what mechanical properties are required. The tensile strength, yield stress, elongation and these will help him to choose the right steel specification and decide whether the steel will require heat treatment.

This is not the end of the decision making. He must decide on the steel surface condition. If the steel is to be machined, how much surface removal will be given and will this clear slight surface imperfections? Must the steel have a controlled grain size or is there a need for controlled harden ability?

If the steel is for a critical, highly stressed purpose, such as "life and limb" motor components, then microscopic cleanliness is important. Last, but not least, steel for critical applications must be sound, as isolated imperfections can lead to fatigue failure. The purchaser must be sure that the steel has been crack-detected and he may insist on ultrasonic testing to guarantee internal soundness.

Metric engines

BATEMAN Power Engineering have announced the arrival of the first completely metric Allis Chalmers diesel engines in South Africa.

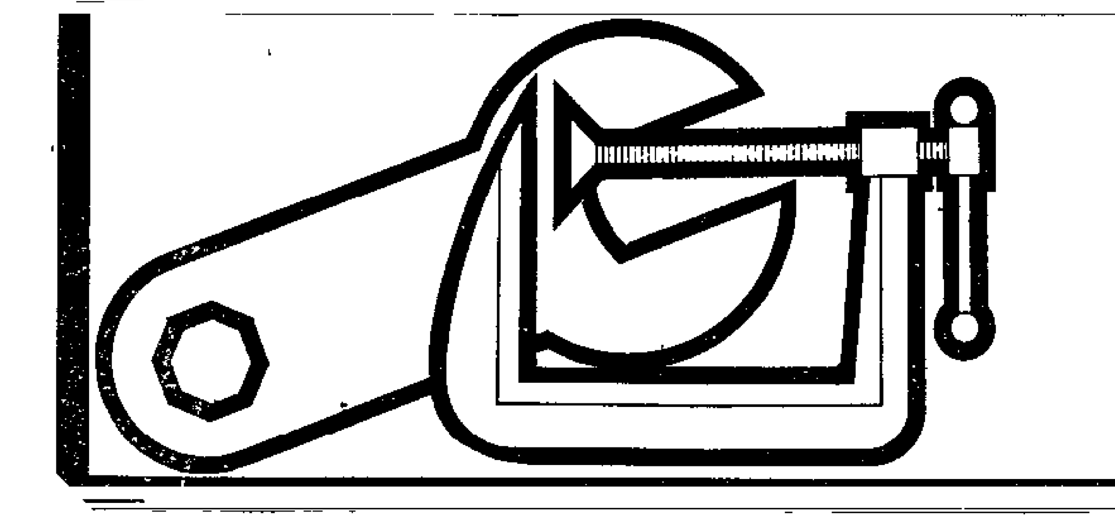
The units are available in a range of two, three and four-cylinder versions with the same bore and stroke and a very high commonality of parts.

The units are naturally aspirated industrial type, suitable for use with generating and pumping equipment. The range is being used extensively by OEM's in the United States in such varying applications as lawn care equipment, compactors and snow-groomers.

The units, coded the 214, 320 and 426, have gross outputs of 24, 39 and 54 kW respectively at 3 600 rpm.

They are all direct injection four-cycle, water-cooled versions and are available in 3-5% governed models for generator drive or 7-12% governed for general industrial application.

The addition of the new range means BPE can now offer engines from 24 to 314 kW.



Engineerin machine tc

SA machine tools are of a high standard...

GONE ARE the days when "imported" meant quality and South African machine tools were regarded as inferior relations When buyers frowned on anything local and plumped for the overseas article

The consensus of opinion among local firms and producers is that South African machinery is of a high standard and in many cases good enough to export overseas

Koppel Gilbert chairman, Mr Norman Gilbert, says that " the question is simply not one of quality"

"South African manufacturers are obviously equipped to produce any equipment to high standards and, in fact, machine tools which we do manufacture have more than proved themselves by successfully competing on the world export markets, even in countries traditionally manufacturing top quality machines," he says

Mr Gilbert cites SA-manufactured shears as an example

"However, the local manufacture of more sophisticated machines is subject to economic considerations," says Mr Gilbert

"Our markets are too small to justify it At this stage it would not be in the interest of our industrial development to devote scarce and expensive skills to manufacture equipment which can be produced more economically overseas

"I think South Africans must be careful not to be influenced by an outdated chip on our industrial shoulder We have proved ourselves capable of competing with the world's best items of quality The contest now is in the field of rational marketing "

Doug Sulin, chairman of the Machine Tools Merchants Association, says he "firmly believes that generally speaking the majority of articles produced by local manufacturers are of a high quality"

"Quite rightly local engineering firms do have tariff protection and this assists SA manufacturers to produce good quality articles," says Mr Sulin

"But then the overseas man does have an advantage of a wide market to sell to He can therefore make more machines so their prices are more competitive "

He says that "they are able to incorporate qualities into the manufacturing programme to make their articles very attractive"

Mr Sulin says "One must, of course, differentiate between the articles that are a 100% locally made and those that are only of say 60%-70% local content to get a true reflection of the SA machine picture

"Some companies still have to import important items "

John Abbott, of Toolrite, is directly involved with local manufacturer HM Machine Tools (Pty) Ltd and agrees with Mr Sulin that "the majority of SA goods are of a high standard", but qualifies this statement with "those articles that are made by manufacturers who belong to SA Manufacturers Association"

"Most local manufacturers belong to this association and have to subscribe to a code of ethics

"A buyer has recourse to the association if he is not satisfied with an article

"Most machine tools in this catergory fall into the R30 000 bracket and they are generally good quality articles

"However, HM and Elga Engineering compete in the highly expensive locally-made bracket

"Elga is already exporting and HM is negotiating for overseas contracts Anyone who can send 'coals to Newcastle' must have articles of a high standard," Mr Abbott said

He also stressed that "engineering concerns overseas have such a high buying power that if anything is sub-standard they would label it so"

Jim Economides, managing director of SA Manufacturers Association, says that South African products are of a high standard

"The local content varies usually in excess of 70% and some companies 100%

"We do have to import special steels and articles at times but South African goods compare favourably "

Bert Altern, managing director of Compart (Pty) Ltd, an IDC-backed, Rustenburg-based company, which manufactures vehicle water pumps, and has signed an agreement with SA Engine Components, a division of the Associated Engineering Group, for sole distribution rights for their range of products, says that SA goods are tops

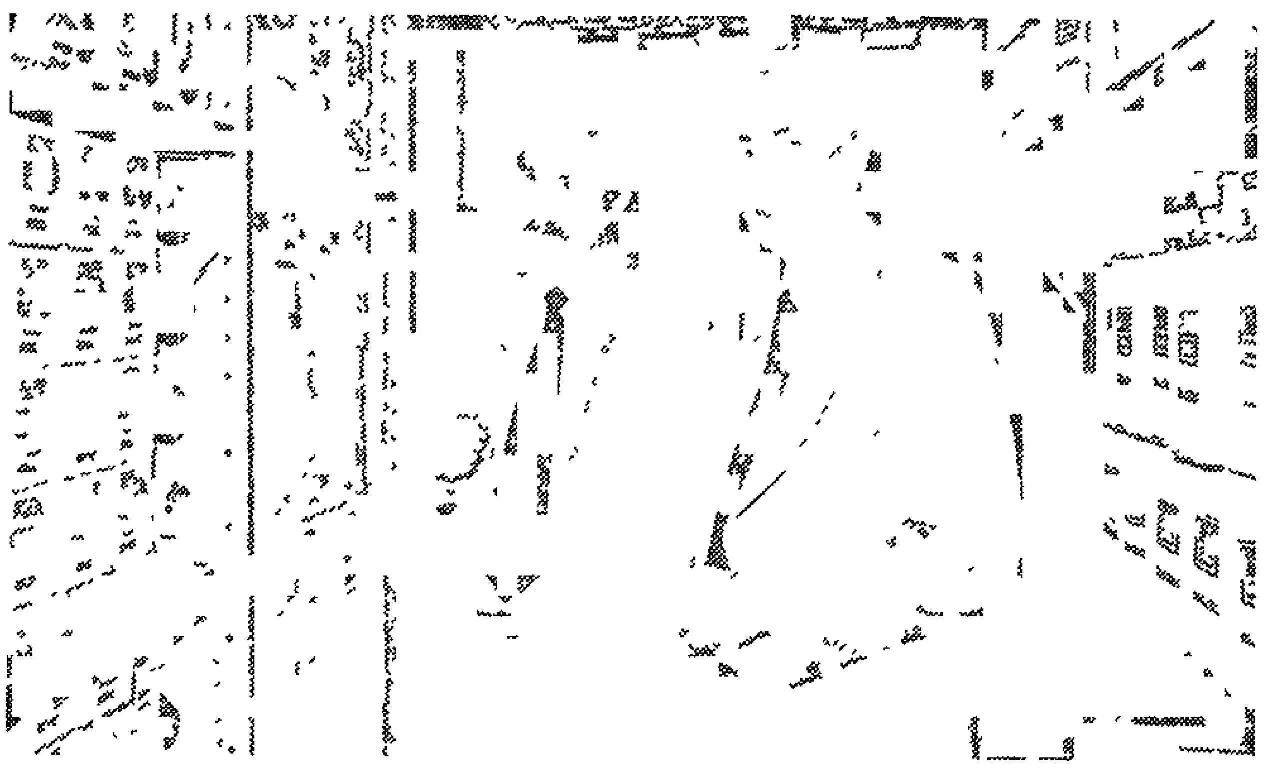
Compart is a totally South African concern manufacturing vehicle water pumps and water pump repair kits and is presently developing what will be South Africa's first locally manufactured vehicle oil pump

Said Mr Altern "We are dedicated to the concept of maximum local content and our stake in the market place proves we can meet and, in some instances, exceed overseas' original equipment standards "

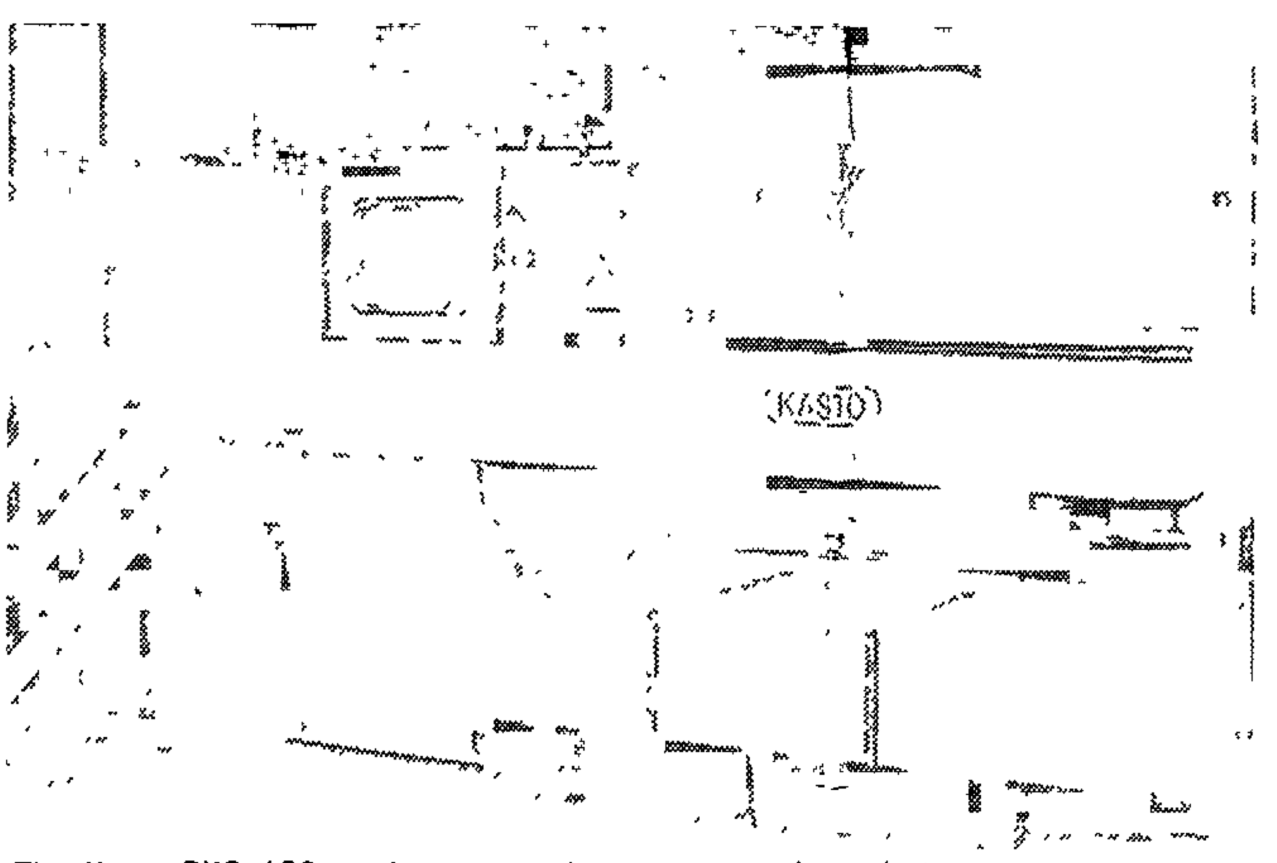
SA Engine Components' managing director, Stan Bromley, concurred "Local articles are first class and of high quality," he said

"Our policy is to supplement local manufacture with an imported range of products until a complete range can be manufactured locally," he said

"SA Engine Components will shortly be offering an imported range of oil pumps which will, in time, be replaced by a locally manufactured Compart range," said Mr Bromley



Stan Bromley (left), managing director of SA Engine Components, and Bert Altern, of Rustenburg-based Compart (Pty) Ltd, have such faith in the local range of water pumps that SAEC will now market and distribute the Compart range according to a recently signed agreement



The Kasto PKS 130 production circular sawing machine which incorporates a new pulling vice

Big day for SKF

FRIDAY, March 13, was certainly a red letter day for SKF's Uitenhage bearing factory — but not for the reasons one might imagine

It was a milestone — the day on which the factory manufactured its 50-millionth bearing, to be exact, a 6210 single row deep groove ball bearing

The SKF plant came on stream at Uitenhage in 1967, with imported rings machined and assembled, using imported balls and rollers

Only three years later it was producing all the components at the rate of two million pieces a year

Today its output exceeds five million pieces a year

The only fully integrated bearing factory in South Africa, the Uitenhage plant is more than a R10-million investment, through which SKF has played a leading role in the development of South Africa's ball and roller bearing industry.

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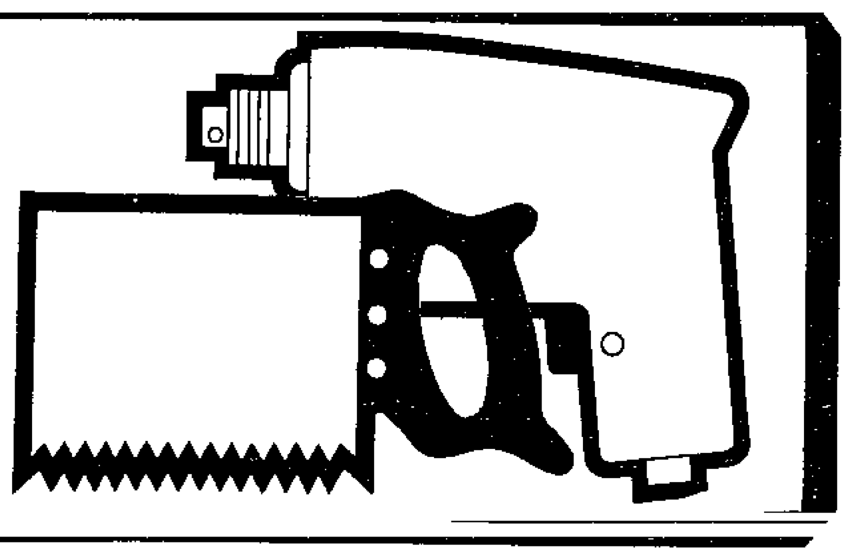
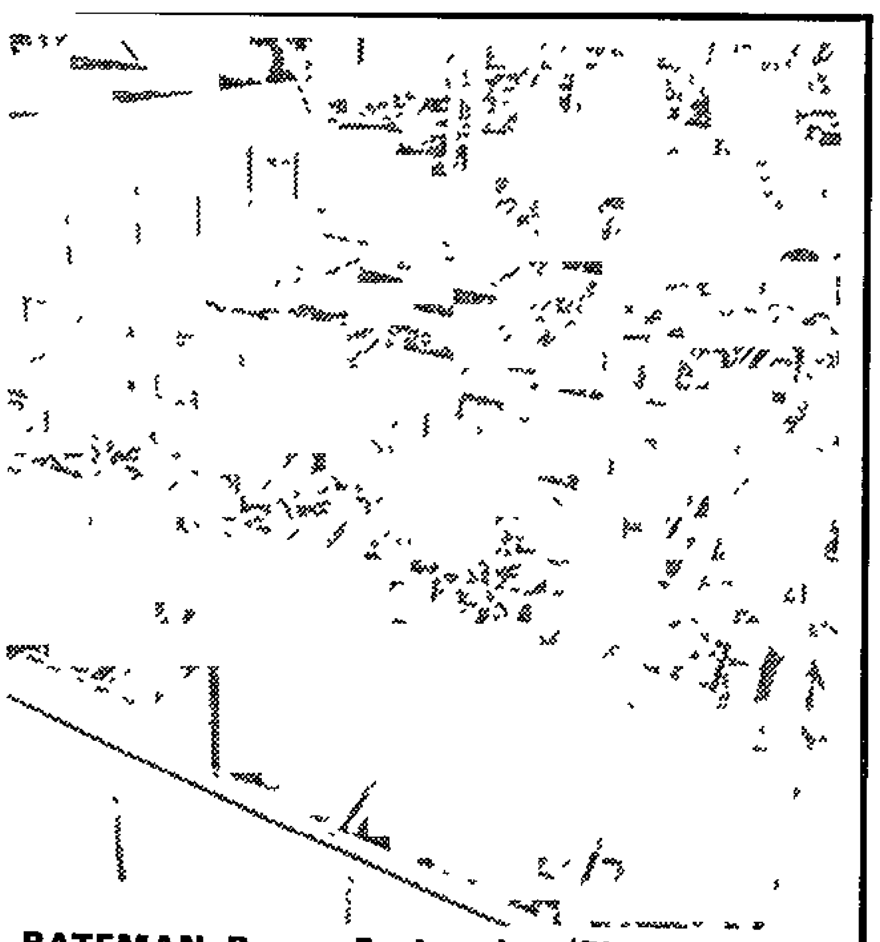




BATEMAN Power Engineering (Picture above the Bateman power assembly line) has developed a prototype intercooled and turbocharged diesel engine for Fiat-Allis wheeled loaders. The unit will be the first of its kind in the construction industry and is expected to extend engine life and cut fuel costs.

The first prototype, 670 1, Allis-Chalmers engine is being fitted to a 645 Fiat-Allis loader belonging to Hammond Earth Works. Apart from the addition of intercooling, the engine is fitted with piston cooling and the latest type fuel injectors. BPE believes that this engine with controlled internal heat and power reserves is not only going to have an extended life, but will have a 10-15% lower fuel consumption.

Plans are already under way to up-rate the engines in the 545, 605 and 745 Fiat-Allis loaders.

The tests are being very closely monitored by BPE under field conditions, with the assistance of Hammond Earth Works personnel. All test results are being fed to the Allis-Chalmers Engine division in Hurvey, Illinois, who will analyse the results.

New saw replaces push with pull

KASTO PKS 130 Production circular sawing machines incorporate a new pulling vice for feeding cut-piece lengths of more than 400 mm

Advantages are improved accuracy of material feed, ability to handle cuts from 7 to 1 000/2 000 mm, and a significant space saving in relation to the maximum cut-off length required

The Kasto also significantly reduces material wastage, the length of waste pieces being reduced to as little as 40 mm

Various cut pieces and waste pieces are separated and sorted into six different containers situated alongside the pulling vice

The standard model features a pre-tensioned roller guide for saw head carriage, an electronic steplessly variable feed motor, coolant device, hydraulics for vices, and a 315, 350 or 400 mm diameter blade. For cutting homogeneous material the standard 2-speed driving gear is sufficient, but a 4-speed driving gear is available for cutting a range of different materials

With a steplessly adjustable direct-current motor an optimum speed can be set. For automatic programmed operation the drive is controlled to 12 steps

Material feed can be by rollertrack, inclined or universal magazine, or direct connection to an integrated automatic storage system

In South Africa, Kasto sawing machines are available from Koppel Gilbert (Pty) Ltd

A healthy sign of quality standards

MANY of the new machines sold by Toolrite are the products of local manufacturers, especially in the Press Brake, Plate Roll and Guillotine categories

These locally made machines are, in some instances, actually exported to Europe, which is a healthy sign of the quality available

Toolrite (Pty) Limited, of Johannesburg, take pride in the machinery they sell, with the accent on personal service

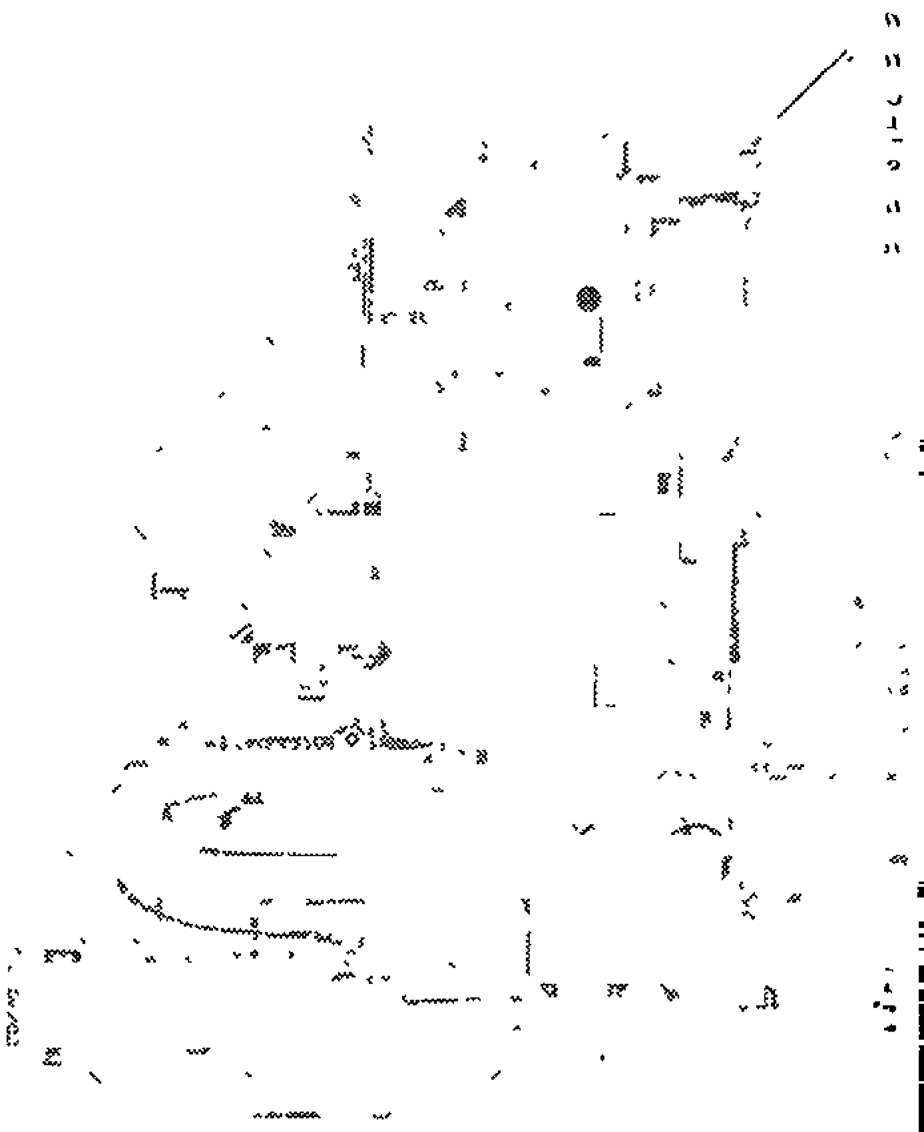
They hold comprehensive stocks of new and used machine tools and enjoy the confidence of both large and small companies

Many large machines operating in heavy engineering workshops have been supplied by Toolrite at prices small companies could afford

Most of the larger machines, however, are not made in this country and for this reason Toolrite has specialised in importing and supplying machines to the mines and heavy and light engineering industry at a cost considerably below that of new units and in many instances with a delivery far in advance of newly manufactured machines

This service has many advantages to the end user. Toolrite is responsible for the transaction through all its stages until commissioning in the customer's works

Machines supplied from stock in the past include vertical and horizontal boring mills, large swing and large centre lathes, big gear cutting machines and grinding machines of every description, together with the normal stock of milling machines, drilling machines, lathes and all other standard machine tools



Toolrite's reconditioned Berthiez Vertical Boring Mill

Eight workers angry over 'unfair' sacking

7/5/81 Sowetan

By LEN KALANE

EIGHT men have been sacked from a Fordsburg factory after complaining about the firing of a colleague.

The men said they were disgruntled and had stopped working on Tuesday until a satisfactory reason was given for the sacking of their colleague.

The manager at Name-Plate Centre in Fordsburg, Johannesburg, Mr Selwyn Uria, then told them to go home "to make up their minds" and return the following day

But on their return to the factory yesterday, all the men found that their pay packets were ready and they had been signed off.

They told SOWETAN "We were also fired without cause, in the same way as our colleague "

The eight men said trouble started on Monday when one colleague was injured by another The two were busy offloading steel sheets from a railway truck when one cut his right hand after a mistake by the other.

The workers' spokesman said: "We were surprised the next day when Mr Uria fired our colleague. He told us that he was firing him because he had injured the other man He also told us that our colleague had been drunk and had been drunk at work for most of the five years he was working there "

He added "We don't think this is legitimate All of us have been getting injured at the factory We are doing a very dangerous job there I was once injured myself. We think there were racial reasons behind the sacking of our colleague "

They explained that the injured man was a so called "coloured"

The workers said they went to the manager to demand reasons for the sacking of their colleague. It was then that he gave them time off to go home but sacked them the following day.

Mr Uria told SOWETAN: "Those people only see things from their side I am now busy with an inspector from the Industrial Council and I'm telling him the whole story If you want details follow it up with the Industrial Council "

Mr Uria refused to disclose why he has fired the eight

He said "I am not going to discuss this with the Press Those people were not fired, they left on their own."

Among the sacked men, one has worked at the factory since 1968 and the others have service of between three and five years The men also said they were still owed some money.

The one with the longest service said: "He has ripped us off He's given us peanuts. This is not the kind of money I should get. We have no union representing us and he took advantage."

Students draw up contract for domestics

CT 7/5/81

189

Staff Reporter

A GROUP of students from the University of Cape Town law faculty has begun to draw up an employment contract which will formalize relationships between domestic workers and their employers

The students are members of the Legal Resources Centre which was set up at a meeting with the Domestic Workers' and Employers' Project (DWEP) in February to deal with the problems of domestic workers

Expected to be finalized within two weeks, the contract will provide domestic workers' with the kind of legal protection from exploitation which they, along with farm workers have hitherto lacked

It will cover conditions of work such as wages, annual wage increases, notice, money in lieu of notice, time off for lunch and tea, hours of work, pension benefits, sick leave, holidays and duties

Legal protection

Once completed contracts will be sent to employment agencies and distributed among members of the Johannesburg-based South African Domestic Workers' Association (SADWA), a branch of which is to be opened in Cape Town next month

Mr Dennis Davis, a senior lecturer in the UCT law faculty who will be supervising the drawing up of the contract, said yesterday that it would "initiate a situation where domestic workers' will have legal protection which they don't have at the moment

"It will put the provisions of common law down in writing This will make the rights of the domestic worker clear and enforceable and bring them into the same category as the rights of other workers"

Common law, up to now all that has defined the relationship between domestic worker and employer, did not involve anything written, explained Mr Davis, and therefore it was difficult to prove any deviation from it in a court of law

"The only answer is a written contract This will provide a tangible document which can be presented to court as evidence As long as it is signed by both employer and employee it will be legally binding

"The Industrial Conciliation Act specifically excludes domestic workers from the ambit of industrial legislation and so up to now they have had no means of enforcing the kind of statutory benefits enjoyed by other workers"

"You'd be amazed at the treatment domestic workers have to put up with," remarked the regional secretary of the South African Institute of Race Relations, Mrs Kim Elias, underlining the need for a contract

"Many of them work the whole day without being given anything more than a bit of bread to eat

"At a meeting of domestic workers the other day, one of them commented that a job she really disliked doing was cooking the family meal because it was so tantalizing seeing all that food and knowing it was not for her Many others echoed this feeling

"Domestic workers are often expected to babysit at night without getting paid extra for it or being given any time off to make up for it"

Commenting yesterday on the plight of domestic workers, a community worker for DWEP, Mrs Sapho Matolengwe, said there was a need for employers to be made aware that their domestics were people who, like them, had families and family problems with which to cope

"So often employers are not aware that their domestic workers have children who occasionally get sick and have to be taken to hospital

"When they come to work after having had to spend the whole day waiting at the hospital they are often told to leave"

A contract which set down conditions of work as agreed on by the employer and the domestic and which was signed by both was, she felt, an important move towards a better deal for domestic workers

IRON AND STEEL FM 8/5/81 (189)

Investing for efficiency

With demand for steel likely to grow more slowly during the Eighties, Iscor and Usco are investing nearly R100m to squeeze more profit from each ton sold

Iscor's investment of R73m in coke briquetting and ore de-alkalising plants will improve efficiencies and reduce the amount of blast furnace time required to make a given quantity of iron These efficiencies will also increase the production capacity of the present blast furnaces by 700 000 t of liquid iron a year

Blast furnaces are at present the bottleneck in steel production The move thus puts Iscor in a good position to cater for higher demand when it comes

The two new coke briquetting plants will cut its annual coal bill by R11m and save the country 400 000 t of metallurgical coal a year at present levels of production They will raise iron production capacity of its blast furnaces by 7,5% or 500 000 t a year

They will stretch the country's metallurgical coal reserves and could help to defer the controversial decision to exploit coal deposits in the Kruger National Park

At a total cost of R63m, the two plants at the Vanderbijlpark and Newcastle works will produce nearly 9 000 t of coke briquets a day after commissioning at the end of next year

Using the Japanese Sumicoke process developed in the Seventies, the plants will convert low grade metallurgical coal into coke briquets which are superior in quality to the coke Iscor currently produces SA is the second country outside Japan to adopt this technology

Main contractor for the plants is Didier, a subsidiary of Voest Alpine, the Austrian iron and steel corporation Didier is rumoured to be sweating over unexpected planning snags, but Iscor is confident the plants will be in operation on schedule

Coke is used with iron ore as a blast furnace ingredient to produce liquid iron It comes from metallurgical coal SA has enormous steam coal reserves but only about 20 years known supply of the metallurgical variety And a lot of that is low grade The briquetting plants will use a larger proportion of this low grade coal than Iscor's can employ in existing facilities

Iscor's plant for de-alkalising its iron ore will cost R10m As one official puts it, 'Alkali is like a poison in the blast furnace, and its impurities reduce the liquid iron output "

Iscor claims to be a world leader in this SA-developed technology which when the plant is on stream at the end of next year,

Iscor blast furnace . . more iron from less coal

will improve efficiencies and enable the existing blast furnaces to produce an additional 200 000 t of liquid iron a year

Usco is spending R26m on a new forging machine, the modernisation of its bar rolling mill and a new vacuum degassing plant These improvements will increase the its output of specialised steel for the heavy engineering industry as well as steel used for making coil springs, bolts, chains, tools, railway and motor components such as crankshafts, connecting rods and propellor shafts

Total production capacity will remain at about 200 000 t a year, but the improvements will mean increased production of high grade specialised steel from 124 000 t to 140 000 t a year

This will make Usco less dependent on sales of conventional mild steel products where it faces competition from several SA steelmakers At the same time it will strengthen the company's dominance in the more lucrative and fast-growing local market for specialised steels These are being used increasingly by local engineering plants and manufacturers to make machinery which was previously imported

Usco executives believe the country already has an over-capacity for certain types of mild steel The decision in the mid-Seventies to stop producing concrete reinforcing rod and other structural steels was no doubt based on this belief

The new Austrian GFM forging machine will cost R13m to install and should be in operation by the middle of next year It replaces a 40-year-old hammer forge which is to be scrapped It will be able to work bigger pieces of metal more quickly than the old hammer forge and impart a better surface It will turn out round, flat and square forgings of between 80mm and 220mm diameter equivalents

A new furnace for reheating pieces being forged will also be installed But the new machine works the metal quicker, thereby cutting reheating costs The forge and furnace should be operating by July next year

The company's new R3m vacuum degassing plant is another facility which will improve product quality This project, which is being undertaken with Daido Steel of Japan, has not been previously announced although installation work started last year It should be in operation at the end of this year

HIGHVELD'S OTHER PLAN

Iscor and Usco are adapting to the expected low growth in steel demand by increasing efficiencies and producing more specialised products But Highveld, the country's second largest steel producer, is boldly upping its total production capacity

"We read the market in the same way as Iscor," says a Highveld executive, "but we intend to cope with it in a different way Our expansion is aimed at broadening our product range "

Highveld's philosophy will be put to the test in 1983 when its R110m programme to increase production capacity from 900 000t to 1,1 Mt a year comes on stream

Highveld's spokesman admits that the country already has spare capacity in hot rolling facilities which his company is now putting in But he says they will be needed to "establish an alternative local supplier and to cater for surges in demand "

He also predicts better prices in world markets and thus better revenues from exports

"Many of the traditional European and American steelmakers will have to go to the wall," he says, "and this will improve our opportunities Up to now steelmakers have been dumping to protect jobs Their new strategy is to restrict production to support prices "

SOLUTION 5.2

Ace Druggists (Pty) Ltd.

(a)	Taxable income		R130 000
(b)	Scientific research - mat	R 400	
	- sal	3 600	
	- cap		
	R40 000 incurred on 1 Ja		
	25% of R40 000	10 000	
	add back: R30 000 - 1/10		22 000
	R8 000 incurred on 1 Apri		
	25% of R8 000	2 000	
	add back: R4 000 - 1/10 x		3 200
	R2 000 incurred on 1 May,		
	25% of R2 000	500	
	add back: R500 - 1/10 x C		500
(c)	Donation to U.C.T. - s.1	10 000	
(d)	Housing allowance - s.11		
	R3 000 - 1/10 x 2/1 x 30		2 400
	- s.8(4)(a) recoupment:		
	tax value R15 400 (16		
	proceeds R15 500		
	R 100		100
		R 26 500	R158 200
			(R26 500)
	Taxable Income		R131 700

GEARED FOR EXPORT

This week Southern Cross Steel (SCS) presses the button to commission the continuous casting machine in its new R22m melt shop

The continuous caster supplied by Voest Alpine of Austria is part of a R150m expansion programme which is geared to export sales of 140 000 t a year It will raise total production of SCS's stainless and corrosion resisting steels from under 30 000 t to 200 000 t a year by 1983

SCS will have less of a battle to sell its production on depressed world markets than makers of conventional carbon steel, because its production costs should compare favourably with many overseas competitors The most important cost items in stainless steel, iron ore, coal-based power and ferrochrome, are all locally available and relatively cheap And the new production facilities are the most modern and efficient available

SCS MD John Hall says if he cannot beat his competitors on price, "then we do not deserve to be in the business"

As part of the programme, the company has spent R1,5m on sending 100 mill personnel for training on similar installations in countries like Japan, Austria, Finland, Germany and Canada

Usco is working on a R7m project with Pomini Farrel of Italy to modernise its Hitachi bar rolling mill This will enable it to produce higher quality bar used in the manufacture of springs and fasteners The updated mill will also produce smaller diameter bar

Another advantage of the new mill is that it will produce one ton coils of bar as opposed to the 170 kg coils produced at present Usco customers will welcome the upgrading It will mean fewer interruptions to their own production cycles

(Note 1) - It is not clear in s.11(q)(ii) whether the relief is based on R40 000 or R30 000 - "less one tenth of the amount of such expenditure".

(Note 2) - It can be argued that scientific research was carried on for two complete years although this item was only used for one complete year.

(Note 3) - In the year in which the house was erected, the maximum allowance per s.11(t)(ii) was R3 000. This is the figure used in the calculation. The maximum allowance in terms of the current s.11(t)(ii) is R4 000.

This solution is based on the Income Tax Act, including 1980 amendments.

MACHINE TOOLS (189)

FM 8/5/81

Second time around

Rising costs and long deliveries of new machine tools are encouraging more companies to look to the second hand market At present, SA is well supplied from recession-hit industry in the UK and Europe

Unaudited figures for 1980 show that the demand for machine tools reached more than R180m during 1980 almost double the 1979 figure of R97,5m Of that an estimated R30m plus was spent on second hand tools (which are not separately identified in trade statistics)

Demand for the imported product is expected to rise to more than R220m in 1981 and dealers in second hand machine tools expect local sales to rise to R50m

Claus Feldmann, a consultant who represents a number of German and British machine tool manufacturers, says demand has increased out of all proportion He is, he says, expecting record turnover

Feldmann, who sells mainly to the production engineering sector, says the companies he represents achieved a higher turnover in the second-hand market in the last six months of 1980 than in the previous three years This year it is expected to be even better

Fred Thompson, of F Thompson Machinery Tools, says some machines come from France, Germany and behind the Iron Curtain But most are from Britain Thompson has been importing for 10 years He says he is currently bringing about £1m worth of machines in a year and stocks machines worth R2m-R3m

He believes, however, that the market is close to saturation point and says government should not be issuing import permits quite so freely to engineering companies which are speculating with the machines The used machine tool industry is of economic importance to the country, he says, and there are now a lot of people cashing in on speculating

Thompson says the Used Machine Tool Merchants Association, which was formed just over a year ago, was intended to provide some back-up to buyers Members offer a three-month guarantee on refurbished or reconditioned machines, unless a voetstoots sale has been specially negotiated

Although Feldmann also buys from the UK, he says better deals are to be had from Europe where better quality machines of newer vintage are available

The obvious attraction of the second-hand machines is cost Thompson explains that it would often be suicide for a small manufacturer to buy new machines He can, he says, set up a maintenance shop for about R40 000 with used tools, against about R100 000 with new

End buyers are getting the used tools at about 40%-60% of original price The market is not restricted to smaller companies and dealers list several major corporations among their clients One reason cited was the long lead time, often in excess of 18 months, which manufacturers are quoting for the delivery of new machinery

Speculators are obviously attracted by the profits An Israeli dealer who buys machine tools from liquidated British companies and sells them in SA was quoted recently as saying he had bought a post-war down-stroking press brake from an insolvent company for £3 200 He will sell it in SA, he says, for about £18 000

The dealer, Pinchas Oslerne, said SA was the busiest market in the world for second hand machine tools He also sells in Israel, France and West Germany He intends buying £200 000 of machinery a month before the market turns down But he doesn't say when that will be

Thompson points out, however, that profits are not all that handsome High transport charges have to be considered as well as the high cost of maintaining a skilled labour force to refurbish the machines

Machine tool transferred from UK

Robbed of job by 'agreement,' man claims

C. Herald 9/5/81 (189) ~~87~~

AN ATLANTIS man claims that he was refused a job by the town's biggest employer, Atlantis Diesel Engines (ADE), because there was an agreement between firms which prevents the movement of workers from one business to another. ADE deny this.

The supposed agreement, which, if in existence, could be illegal, first came to light when several workers from a factory in Atlantis applied for jobs with the Atlantis Diesel Electric Company (ADE) recently

They were turned down on the grounds that an agreement existed between employers in the area that they would not employ each other's workers

This in effect meant that workers were stuck with one company no matter the conditions or pay

And the workers involved said the wages and conditions at their workplaces were particularly atrocious, so much so that an inspector from the Health Department visited the premises on Monday

His findings could not be ascertained

One worker had been given a job at ADE but on his first day it was discovered that he was from the factory in question

It was later arranged that he return to his previous job but at the higher rate that ADE was prepared to pay

ADE's Personnel Manager, Mr J Swart, admitted that the workers were told of the agreement and that it was put in writing to one of them

'But the official responsible made a big mistake, because no such agreement exists,' Mr Swart said.

It was his company's policy to employ the person most capable, irrespective of his previous place of employ

'But we also have to adopt a responsible attitude to other (and especially smaller) employers in Atlantis We cannot cripple a small firm by employing most of its workers.

'In the final analysis, though, we judge each case on its own circumstances'

Mr Colin McCarthy, deputy director of the Cape Chamber of Industries, said he was unaware of such an agreement

'There is no way such an agreement may exist It may even be illegal'

Tongaat bid for electric motor sales

S. Times 10/5/81

189

By John Spira

THE Tongaat group, through its electrical engineering arm, Trivetts UEC, is challenging the multi-million-rand Reef market for electrical motor manufacture and repair.

In the first stage of a determined drive to establish a major presence in the market, Trivetts has absorbed the well-established SA Electric Motor Manufacturing (SAEMM), has renamed the company Trivetts-SAEMM and has injected R2,5-million into a new factory for the company in Alrode.

The new factory, which is being equipped with the most modern plant and facilities, is being headed by Brian Nelson, an electrical-motors man of 27 years' standing, who was brought in from the Trivetts operation in Natal.

Mr Nelson believes that the original SAEMM built up a reputation for the manufacture of quality scraper winch motors for the mines and for its excellent, if relatively small-scale, repair work for both mines and industry.

He says that the new operation will continue to build on these foundations. Various improvements to the quality and ruggedness of existing products have been completed.

In addition, the company now has an extended repair capability and is developing new products, including a new ventilation fan motor, already undergoing proving.

New motor production capability at the 3 800 sq m Alrode plant includes all-steel fabricated scraper winch and standard frame induction motors in the 7,5KW to 500KW range, drip-proof and TEFC enclosures and a more limited range of flame-proof enclosures.

Atlantis 'lacks basic facilities'

CT 12/5/81.

Staff Reporter

ATLANTIS Diesel Engines, the biggest employer in Atlantis, has criticized the authorities for failing to provide the basic infrastructure needed to draw labour to the new industrial and residential growth-point on the west coast

The company was finding it difficult to attract workers to Atlantis, due largely to the lack of this infrastructure, Mr O von G Scholtz, ADE's chief executive, financial, said yesterday

He said urban workers, accustomed to having all facilities within easy reach in the city, were daunted by the prospect of "coming to the bush" in Atlantis

He also revealed that an "action committee" formed by industrialists in Atlantis had written to the Decentralisation Board listing their problems

Mr Scholtz was addressing members of the President's Council on a tour of the industrial and coloured residential areas of Atlantis, where officials envisage a population of 500 000 people by the turn of the century

By nightfall

Land is available to coloured, Indian and white entrepreneurs in the Atlantis industrial area, near the new coloured township of Wesfleur Black South Africans permitted to work in Atlantis have to leave by nightfall

Mr Scholtz said the 25 000 residents of Atlantis lacked basic facilities There were no chemists, laundries, banking facilities and the first shop was only recently introduced Banking facilities would be introduced shortly

There was no cinema and only "talk" of a swimmming bath and an hotel

There was a "total void" when it came to housing for employees earning more than R600 a month These people had not been able to buy plots on which to build their own houses, and would only be able to do so at the end of the year

People earning less than R600 a month had been expected to buy houses for which no firm prices had been determined.

Single people

No provision had been made for housing single people, who would be playing a big role in the development of Atlantis.

Schoolrooms were now being built but there had been complaints of inadequate education facilities

He attributed the delays to lack of understanding of workers' needs and the lack of a central controlling function to coordinate the involvement of local and central government in Atlantis

If his criticism had sounded "blunt", Mr Scholtz said, it was because of the realization that industry and state had to "do the job together" and industry could not do its share without "drastic changes" by state authorities

Mr Scholtz emphasized yesterday that his comments should not be interpreted as criticism of the work done by Mr Piet Burger, project director for Atlantis, and the Divisional Council

"Perhaps what I have to say will strengthen their arm in doing an even better job"

Dr Schalk van der Merwe, vice-chairman of the President's Council, said later that the positive aspects of Atlantis far outstripped the criticism to which it had been subjected He described the project as an "act of faith in the industrial future of the country"

The ADE project could also be termed an act of faith comparable to the advent of Iscor and Sasol, he told members of the President's Council

Atlantis had been a big success as an experience in "community relations" and "cooperation between two population groups", said Dr Van der Merwe, who has been associated with the project as Deputy Minister of Coloured Affairs, Minister of Planning, and through his Trade and Industries portfolio

Mr M T de Waal, managing director of the Industrial Development Corporation, said the problems in Atlantis were "quite normal" in any developing area

Some Seifsa sectors slow

RDM 12/5/81

(189)

Industrial Reporter

TELECOMMUNICATIONS and electronics are the main exceptions to a generally slower rate of increase in domestic demand in the steel and engineering industries

The Steel and Engineering Industries Federation of South Africa (Seifsa) reports in its business conditions bulletin for May that industrial sectors covered by the federation report a growth slowdown this year compared with the breakneck demand of 1980

Four sectors have bucked this trend, however. Besides electronics, continuing high new-car sales have boosted automotive components, construction demand is supporting building industry supplies and farm machinery and equipment is buoyant

But the federation's export-oriented sectors report that the growth outlook for South Africa's major trading partners continues uncertain, with adverse consequences for steel and ferroalloy export orders.

The ferroalloys sector reports a further slowdown and expects no revival in exports until the first quarter of 1982

In spite of labour shortages, increases in the cost of financing and a softening in domestic demand, order intake and production levels in the federation's members are still consolidating last year's favourable growth phase

Welder burned

Crime Staff

A Piet Retief welder, Mr Fritz Ficker (53), was seriously burned and his workshop gutted this morning when paint caught fire while he was welding

Police said today that he was working at FAF Engineering in Piet Retief

(189)

STAR 15/6/81

World economy puts curb on Barlow Rand

1/5/81 STAR ~~249~~ 184

By Ann Crotty

Barlow Rand report an increase in pre-tax profit of 37 percent to R287,6-million for the six months to March 1981.

Because of higher tax rate the increase in after-tax profit was lower at 27 percent.

This plus an increase in profits attributable to outside shareholders produced an increase in earnings a share of only 17 percent over the same period of the previous year. Out of earnings a share of 86,7c (74c) an interim dividend of 21c (18c) has been declared.

The increase in the tax rate and the increase in profits attributable to outside shareholders were attributed partly to the consolidation of the C G Smith group.

TURNOVER

Turnover for the group increased by 41 percent to R2-million from R,5-million.

Attributable profit amounted to R109-million which represents a 20,8 percent improvement on the corresponding six months in the previous year, but this was on a slight increase in the number of issued shares.

It appears from the results that the South African divisions of the group performed well and better overall results would have been reported if the international economic conditions had not been depressed.

The results, as expected, showed a slower rate of growth than that of 1980. The directors attribute this to two main factors:

- The ferro-alloy and stainless-steel divisions faced severely reduced earnings because of the depressed state of the world-steel industry.
- The 1981 results should be viewed in the light of the strong growth in 1979 and 1980.

The manufacturing and distribution divisions not affected by adverse conditions overseas — in particular earthmoving equipment, household appliances, building materials, paint and motors — recorded good results.

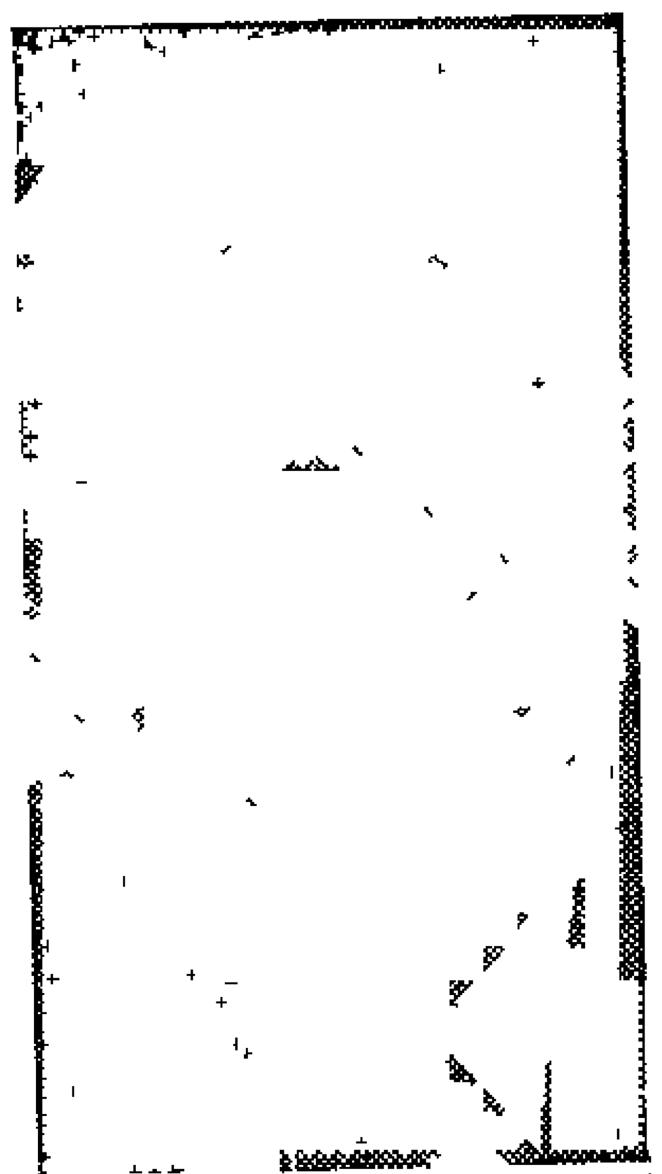
SUBSIDIARIES

The profits in the mining division were adversely affected by the export markets, where unfavourable conditions also had a severe effect on the ferro-alloys and stainless-steel divisions Overseas subsidiaries have reported a loss for the review period.

The South African economy is expected to continue growing but at a slower rate, this plus the fact that economic conditions overseas are not likely to show any significant improvement before 1982, and the difficult conditions facing Middleburg Steel & Alloys and the base-mineral operations of the minig division indicated that the growth rate of the first six months will be maintained for the whole year.

DIESEL ENGINE CHIEF HITS BACK AT CRITICS

Argus 16/5/81 189 ~~87~~ ~~45~~



MR H H BECKURTS, managing director of Atlantis Diesel Engines.

By Vincent Leroux

ATLANTIS Diesel Engines has reacted strongly to criticism by local truck and tractor manufacturers that the compulsory use of ADE engines could push vehicle costs up by 50 percent.

It says these estimates are grossly exaggerated and that most of the blame for the expected extra cost of these vehicles rested with the manufacturers themselves

Mr H H Beckurts, managing director of ADE, said 'We originally indicated to manufacturers that our engines would cost between 10 and 15 percent more than the equivalent imported engine and we still stand by this figure

'The engine of a truck or tractor accounts for about a quarter of its price, so the higher cost of our engine should result in the vehicle's cost being just a few percent higher.

Two reasons

'However, in many instances it is going to be much higher than this for two basic reasons.

'Firstly, I do not believe that the overseas manufacturers of local trucks and tractors have allowed for a sufficient deletion allowance on their vehicles'

Explaining this point, Mr Beckurts said all trucks and tractors in SA were assembled from a completely knocked down (CKD) pack exported by the overseas manufacturer

This CKD pack contained virtually all the necessary parts Now that this pack would no longer include the engine, the overseas manufacturers had been asked to subtract the cost of the engine from the overall price.

'In most cases this deletion allowance is in my opinion far too low, which makes things difficult for the local representatives of the overseas company and pushes up costs here'

Design

The second reason why the cost of vehicles could be substantially higher than expected lay in the design of the chassis and engine compartments of many vehicles.

If the ADE engines — of which there are 20 different basic models — 'marry up' relatively easily to a given vehicle, then extra costs can be kept to a minimum

But in many cases at present the 'marriage' is not an easy one and a large number of adaptive parts are called for, such as different flywheels and flywheel housings, and different sumps, manifolds, water pumps and fan positions

The way expensive adaptions can be avoided, said Mr Beckurts, was through redesigning local vehicles around the ADE engines.

'Consequently, I foresee a period of adaption by manufacturers to the ADE engines and a big shake-out in the market

'No country in the world had so many truck and tractor models as South Africa.

'Here we have 16 manufacturers each producing between three and 20 models — adding up to around 200 different vehicles This I am confi-

Continued on Page 2

Diesel engines

Argus. 16/5/81

(84) (184) (455)

From Page 1

dent can be reduced to about 40 without any significant limitation for the buyer.'

Criticism of the slightly higher cost of the ADE engines was extremely short-sighted in the light of the long-term advantages to the vehicle owner.

The big plus factors are going to be the rationalisation of parts and ease of servicing.

Vital part

'Gone are the days when a vehicle was out of commission for weeks while the owner awaited the arrival of a vital engine part Since ADE engines consist of only 20 different models belonging to five basic families, the distribution and stock situation throughout the country will be immeasurably more efficient than it is at present.

'Furthermore, the prices of spare engine parts will dive due to competition in selling them.

'Many trucks and tractors on the SA market required specialist servicing, which could be expensive and inconvenient.

'This will become a thing of the past when the necessary experience has been gained in the servicing of the ADE engine range,' Mr Beckurts said.

Saldanha Bay plan refloated

S. Express 17/5/81 (189)

ONE of South Africa's top businessmen and entrepreneurs, Paul Hoogendyk, is making yet another determined effort to get a giant shipbuilding and ship-repair yard for Saldhana Bay.

SECOND EFFORT IN TEN YEARS

By ARNOLD DAVID

This will be his second effort in less than a decade to get a yard where ships of up to 350 000 tons can be built and drydocked for repairs and maintenance

He is trying to persuade the South African Government to invest half of the enormous sum of money that will be required for the yard with an overseas partner who will supply the balance of the finance and the necessary expertise

He is also to look for a choice of partners that are acceptable to the South African Government in West Germany, Britain, Japan or Taiwan

This is a path he has trodden before But he had to abandon his first effort, within a hairs-breadth of success in 1974, when the Government decided to pull out of the venture at the last minute on the advice of the IDC

Hoogendyk can be descibed as a truly international businessman — he is on the local boards of several multinational companies, was on the board of Iscor and is a former president of the influential Afrikaanse Handelsinstituut

He had persuaded one of the world's biggest shipbuilders, Cornelius Verolme of Holland, who has enormous yards in both Holland and Brazil and who also owns one of the world's biggest liquid-petroleum tanker fleets, to become a partner in the yard with the South African Government, and had virtually convinced the Government to become involved in the scheme

So serious was Verolme about the project that he bought the necessary ground adjoining the harbour at Saldhana Bay, as well as an engineering works which he planned to enlarge into the shipbuilding company

Verolme still owns both the ground and the engineering company

"We made a terrible mistake in not building the yard in those years," Hoogendyk told me

"We could have built it for what would be regarded today as bargain-basement prices In those days inflation was more of an academic than an actual problem

"Had we built it then, it would probably have been fully paid-off now I have no doubt that it would have been profitable from the start

"It would have benefited the whole country We could have carried our iron ore and coal exports as well as a portion of the increasing container traffic in ships that we not only owned, but which we had built ourselves in South Africa

"There was a surplus of steel, which was virtually going for a song, in the world's markets from 1975 onwards That would have suited us ideally

"We could have earned millions for repairs and maintenance of giant tankers and ore carriers I doubt whether the drydock would ever have been empty

"There is a tremendous traffic past the Cape Just think of all the ships that must have been in dire need of repair, but which had to carry on simply because we didn't have a facility that was big enough to drydock them

"A few years ago two giant oil carriers collided off our coast All we were able to give them were temporary repairs and a goodbye wave — to both the ships and the big money for permanent repairs

"Right now we have the Energy Endurance, a giant carrier that was the victim of a freak wave, in our waters for repair "

Mr Hoogendyk said the need for South Africa to be able to build its own giant carriers was becoming more important by the day

"With the Sishen-Saldhana railway line being used to capacity there is a lively demand for ore carriers," he said

"The export of coal through Richards Bay is to be increased to 44 million tons a year, but I believe that it will have to be increased to much more than that There's an energy-starved world out there, and South Africa is one of the few reliable suppliers of coal which, in some countries, is beginning to replace oil "

Among the obvious benefits a ship-repair and shipbuilding harbour would have, is that it would reduce unemployment in the Western Cape

And the quantities of steel it would use would boost Iscor's sales and would be of tremendous strategic importance in a defence context

Export of oil rig next month marks new SA industry

SECRECY OVER DESTINATION

A SIGNIFICANT step in the development of a [illegible] [illegible] [illegible] next month when the first of four oil rigs manufactured by the South African industry is launched at Durban.

A veil of secrecy — ironic in the context of the manufacture of such towering structures — has been drawn round the manufacture of the rigs, which are, it is understood, destined for the American export market.

It is believed that the four rigs will earn South Africa as much as R70 million in foreign exchange, and that there are several other orders in the offing.

But the two industrial giants which have joined forces to give the comparatively new lo-

By [illegible] de Beer

[illegible] boost — the [illegible] Dorbyl and [illegible] [illegible] [illegible]

[illegible] the purchasers of the rigs, and the South African Government are not in favour of too much publicity regarding the [illegible] — [illegible] political reasons.

Because of the large number of rigs being called for throughout the world, Dorbyl and Hodgson and [illegible] and Roberts last year formed a joint company, Amanzi Shipyards, operating at Durban, to concentrate on oil rig manufacture.

A major factor in South Africa's securing the lucrative oil drilling platform contracts is the fact that the Republic has been able to supply favourable long-term financing facilities to purchasers, a facility which makes South African oil rigs competitive on the world market.

Exports of South African-built oil rigs have taken place in the past, but indications are that the rig to be launched during the next few weeks will be the first of several regular orders.

A second rig is, in fact, already taking shape at what was [illegible] [illegible] between [illegible] [illegible] [illegible] in Durban.

RDM 18/5/81

Cemenco higher

(157)

CEMENCO steel and metal manufacturing holding company reports an 11% increase in pre-tax profit for the six months to March 31 compared with the six months to March 1980

The Cementation Company raised taxed growth to 13,4% Earnings a share rose by 13 8% from 25,8c a share to 29,3c

The interim dividend was raised by 3c a share from 8 5c last year to 11,5c This reduces dividend cover from 2,9 to 2,54 and indicates that the company expects a better performance in the second half of this year

Mr W W Thomson, managing director, confirmed this yesterday He said sales would be improved by a forthcoming contract with the South African Railways and Harbours for the supply of steel railway products

JSE-listed Concor to lift payouts

RDM 18/5/81

(~~227~~) (~~20~~) (189)

By JOHN MULCAHY

IN a reverse takeover and listing move Elmar Holdings has acquired engineering and construction group Concor Holdings (Pty) in return for 16 160 000 new shares in Elmar.

In terms of the agreement Concor will become a wholly owned subsidiary of Elmar with effect from July 1, 1980, and the enlarged Elmar will change its name to Concor Ltd.

Concor Holdings shareholders will receive eight new Elmar shares for each Concor share held by them Elmar has 4 261 700 ordinary shares of 25c each in issue

Based on projected consolidated balance sheets at June 30 this year the deal will raise Elmar's net asset value from 30c a share to about 58c a share, representing an increase of 93% Estimated earnings for the same period will increase by 275% to 15c a share from 4c

Elmar intends paying a final dividend of 3c a share in October for the 18 months to June 30, giving a total distribution for this period of 6c a share, equivalent to an annualised 4c a share Based on the 15c earnings projection the dividend cover will be 3,75

The Concor group is in a growth phase, according to a statement from Metboard, and requires material profit retentions However, the new Concor Ltd's policy will be to increase dividends each year, and dividend cover is not expected to be higher than 3,75.

The management of the various companies in the Concor Holdings group will continue on the same basis and terms of employment, including profit participation, as previously, and the boards of Elmar, Concor Holdings and Concor Construction will remain unchanged for the time being.

The senior management are all shareholders in the company, and profit participation depends on seniority and length of service. At present 46% of the shares are held by non-resident shareholders, and 54% are held by SA residents It is expected that after the Elmar transaction the SA shareholding will increase to 60%.

The arrangement is subject to approval and allotment of new Elmar shares by that company's shareholders, to the granting of a listing by the Johannesburg Stock Exchange of the Elmar ordinary shares to be issued, to certain major fiscal clearances, and to the approval by the shareholders of vendor companies of the disposal of a major part of their assets in exchange for new Elmar shares

THE ARGUS, MONDAY MAY 18 1981

Appliance imports threat to local industry—bank

Argus 18/5/81 189

THE rising level of domestic appliance imports poses a serious threat to the 'fragile' local domestic appliance industry, the Standard Bank says in its latest review.

It says in the past two years rising real disposable incomes, a rapidly growing housing sector, the easy availability of credit and the postponement of new purchases during the recession have contributed to an exceptionally strong growth in demand for domestic appliances.

As a result South Africa has become a useful outlet for a small but increasing part of the production of foreign manufacturers hard pressed by the recession abroad.

Imports of domestic appliances have risen sharply in the past two years. While the overall volume of imports into the economy rose by 14 percent last year, early estimates indicate that unit imports of some domestic appliances more than doubled.

QUADRUPLED

Purchases of some types of imported washing machines and refrigerators more than quadrupled in the first nine months of 1980, compared with the same period of the previous year.

The increase in some other areas, notably air conditioners and small hand-operated washing machines, was even higher but these rises were from a low base.

The proportion of imports to total sales has risen appreciably at the expense of locally manufactured products. While total unit sales of domestic appliances from all sources rose by an estimated 30 percent last year, sales of most locally produced appliances moved up by only 15—25 percent.

Imports are now estimated to account for more than a quarter of total refrigerator sales, compared with 10 percent in the mid-1970s, and for almost half of automatic and twin-tub washing machine sales, against 35 percent almost six or seven years ago. Sales of locally produced washing machines appear to have experienced an absolute decline.

Italian and Japanese manufacturers accounted for the bulk of the increase in imports. Their competitive position has been bolstered by the fact tha' most of their products are of high quality and are sold at prices often appreciably lower than those of locally made items.

MAJOR HANDICAP

According to industry estimates, the free-on-board price of some finished goods imports, particularly of refrigerators, is below the local industry's cost of labour and materials for similar products.

More recently, imports of lower quality products from other countries, including Eastern Europe, have also shown a marked increase.

The local industry's major handicap is the small market which it serves, resulting in small production runs and relatively high unit costs.

The plight of the local industry illustrates the benefits and drawbacks of a policy of actively promoting self-sufficiency in areas where local producers do not have a comparative advantage over their foreign competitors.

FINANCE

On the one hand, the local appliance industry has helped domestic growth and job creation. It has brought new technology to the country and provided a useful market for several other important sectors.

But the creation and continuing protection of the local industry has also meant that consumers are discouraged from choosing the best and cheapest products from the wide range available on world markets.

In considering the industry's application for further protection — and similar applications from other sectors — the authorities have the invidious task of deciding which of these arguments deserves higher priority, the review says.

RDM 20/5/81

Iscor wages to be raised

Own Correspondent

PRETORIA — Iscor's 60 000 workers are to get average increases of 15 percent from July 1, according to a corporation spokesman

This means the total wage bill will rise from nearly R400-million a year to R440m

The spokesman said that to remain competitive in the labour market Iscor had to keep itself in line with the 15 percent increases negotiated by the Steel and Engineering Industries Federation of South Africa (Seifsa) earlier this year

The pay rise announcment has drawn sharp comment from senior government workers, who protested in vain against the 12 percent granted state department employees from April

The president of the Public Servants Association, Dr Colin Cameron, said the association had appealed to the government repeatedly to close the gap between salaries earned by state department workers, and workers in the big state corporations

This had oviously not been done

Last month, the PSA urgently appealed for interim increases, and at the same time again asked that the differential between the salaries of state department workers and state corporations be eliminated

The application for interim increases to supplement the "inadequate" 12 percent granted to government workers was rejected

Senior public servants warned last night that if the next April's increases failed to wipe out the backlog and compensate fully for the level of the consumer price index, public services would "drop into chaos"

Dr Cameron warned earlier this year that the high resignation rate from the service had begun to affect the efficiency of some vital state services

Senior Post Office workers are in a similar position They also received average rises of 12 percent and, it is understood that representations are to be made to the Minister of Posts and Telegraphs next month for interim increases

If they are successful — and they are not likely to be — it could lead to a clash between the PSA and the Commission for Administration

Steel price likely to go up by 15%

RDM 20/5/81

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By GERALD REILLY, Pretoria Bureau

THE price of steel is expected to go up by about 15% on July 1 — and the ripple will affect a whole range of products.

Iscor estimates that its production costs in the 1981/2 financial year will increase by 20%, but sources in Pretoria said it was unlikely that the Government would agree to such a big rise being passed on to the steel price.

Economists said last night that a higher steel price would ripple through the whole economy and affect essential capital and semi-durable goods.

The motor vehicle and building industries would be hit, and also producers of household equipment such as fridges and stoves.

When the new price is determined, the major cost increases to be taken into account will be the higher railway tariffs announced this year, higher coal and power prices, and pay rises for Iscor's 60 000 workers

An Iscor spokesman said the corporation's 60 000 black and white workers were to get an average increase of 15% from July 1 This would raise the year's wage bill by R50 to R60-million

The chairman of Union Steel Corporation, Dr M D Marais, said the steel industry had had to bear steep rises in nearly all steel production costs this year

The railway tariff rises were particularly important because of the weight of steel products and the distances they had to be hauled This also applied to coal used by plants

Though it was bound to have an inflationary effect, adjustment of the steel price was essential, he said

The chairman of the National Automobile Dealers' Association, Mr Fritz Borsuk, said a 15% increase in the steel price could raise the cost of cars by 6 to 10%, depending on size But the impact would not follow immediately after the price hike because most manufacturers had substantial stocks of steel

Explaining the Iscor workers' pay rises, the corporation spokesman said that for Iscor to remain competitive in the labour market, it had to keep itself in line with the 15% increases negotiated by the Steel and Engineering Industries Federation of South Africa (Seifsa) earlier this year

The pay rise announcment drew sharp comment from senior Government workers, who protested about the 12% granted to State employees in April

The president of the Public Servants Association (PSA), Dr Colin Cameron, said the association had repeatedly appealed to the Government to close the gap between the pay of State department workers and that in the big State corporations.

Last month the PSA appealed urgently for interim increases, but this was rejected

Senior public servants warned last night that if next April's increases failed to wipe out the backlog and compensate fully for the level of the Consumer Price Index, public services would "drop into chaos"

Senior Post Office workers are in a similar position They also got average rises of 12%, and it is understood that representations will be made to the Minister of Posts and Telecommunications next month for interim increases They are unlikely to be successful

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STAR 20/5/81

Motor industry strike grows

Own Correspondent

PORT ELIZABETH — Strike action by black motor industry workers was growing today as the labour dispute in Port Elizabeth remained firmly deadlocked

About 1 500 workers from three Ford plants walked out again soon after starting time this morning

The number of supporting strikers at General Motors was reported to have grown substantially from the 175 who downed tools yesterday

Hundreds of workers were reported to be singing as they left the General Motors Kempston Road plant about 8 am today.

This means that the labour unrest which started with a refusal by two Ford Cortina plant workers to fit Firestone tyres on their production line on Monday has grown into a fully-fledged strike by about 2 000 workers

The 1 000 strong black labour force at the Cortina plant today repeated their walkout of yesterday and Monday as soon as they saw the company wanted them to handle Firestone products

They were joined yesterday by 400 workers at the adjacent Ford Engine plant, 40 at the Ford Neave plant and 175 at General Motors

Those on strike are reported to be the full membership of the Motor Assembly and Component Workers Union of South Africa (Macwusa) at these plants

The chairman of Macwusa, Mr Dumile Makanda, said today Ford had adopted a hardline attitude and that he saw no chance of the union backing down unless Firestone reinstated workers who lost their jobs early this year

If necessary, Macwusa members at four companies supplying Ford with

To Page 3, Col 1

Unrest growing

[illegible]

products could also go on strike

Mr Makanda said how Firestone was to reinstall workers if they appointed substitutes was a problem of its own creation'

The strike at Firestone was probably a blessing in disguise because those people who lost their jobs were mostly old people

"They have probably now employed mostly youngsters"

Macwusa expected Ford to contact Firestone and put pressure on it

The union was also disappointed that Ford had ordered 400 more tyres from Firestone last week after being warned of the impending boycott

Mr Makanda said the striking workers were to meet in a church hall in New Brighton today to discuss their position

Strike continues

Labour Reporter

The strike at the Leyland Blackheath and Elsies River plants near Cape Town continued today when workers refused to meet management's back-to-work deadline

All workers were suspended until today after last week's strike over wage increases Although they gathered at the plants they did not start work

Dorbyl 45% ahead

RDM 21/5/81

189

Financial Reporter

DORBYL, the heavy engineering group, increased taxed attributable profit to R8 325 000 in the six months to March 31 from R5 588 000 in the previous first-half

Earnings a share rose by 45% to 49,6c from 34,2c.

The company declares only a final dividend

Dorbyl traditionally earns most of its profit in the second half of the year so the interim figures do not necessarily reflect the full outlook

The executive chairman, Mr Doug Ellis, says earnings for the year should show some improvement on 1979-80

Dorbyl intends extending the lifo depreciation method to the unprocessed steel stocks of all major operating subsidiaries this year.

It says the after-tax adjustment of R820 000 arising from those group companies which have already gone over to lifo has been transferred to a non-distributable reserve.

Capital commitments at March 31 were R11 286 000.

In the last full year the group made an attributable profit of R24 102 000, earnings a share of 147,3c and paid an annual dividend of 39c.

Electronics industry hurt by skilled labour shortage

Science Correspondent

N Mercury 21/5/81

189

THE present shortage of skilled labour is making it very difficult for the electronics industry to maintain production, let alone expand it

This is the view of Prof H L Nattrass, head of the newly formed Department of Electronic Engineering at the University of Natal.

He delivered his inaugural lecture yesterday evening at the university

'It is a self-evident fact that the white population of South Africa is unable to supply sufficient skilled manpower to meet South Africa's needs in the short term as well as in the long term,' he said

'Clearly the black population must be allowed to play its part and any efforts by the Government or the private sector to establish or expand educational or training programmes for blacks should be strongly supported by us all'

Prof Nattrass said that another cloud on the horizon was the meagre supply of graduates prepared to work for higher degrees, so cutting off the supply of future highly skilled manpower.

There were two reasons for this. One was that most engineering students had bursaries that required them to work for the sponsoring organisation as soon after graduation as possible.

Young people were prevented from reading for higher degrees by their obligations to unsympathetic sponsors, who were also faced with manpower problems, he said.

The other reason was the misuse by the armed forces of many young graduates during their military service.

'This has the effect of removing the fine cutting edge of their academic ability and of reducing their wish to go back to the university.'

To meet the twin objectives of military training, which was quite essential, as well as the maintenance of academic enthusiasm, the military authorities should make every effort to employ gifted undergraduates called up for service on research or development projects of value to the armed forces,' he said.

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Mawu hits out at labour body

Sowetan 21/5/81

THE Metal and Allied Workers' Union (Mawu) this week charged Industrial Councils of "not being representative of the majority of workers".

By Z B Molefe

This was after the National Industrial Council for the Metal Industry failed to resolve a dispute between the Federation of South African Trade Unions (Fosatu)-affiliated Mawu and the Toyota Motor Company over the dismissal of 134 black workers early this year

A Mawu statement to SOWETAN said the secretary of the council said the council could not resolve the matter because "it was not satisfied that a dispute existed"

The Toyota workers and Mawu referred the dispute to the council on February 6 following the refusal by Toyota management to negotiate or to agree to arbitration of the dispute the statement went on The dispute arose when eight black workers were dismissed by Toyota This was after the workers refused to sign a "final warning" for missing weekend overtime

This resulted in a work stoppage and the dismissal of 134 black workers Following written submissions by Mawu and the motor company, the union asked for oral evidence to be heard On March 30, a meeting of the sub-committee of the Transvaal Regional Industrial Council was held and attended by the union and Toyota

Following the hearing, the Council applied to the Minister of Manpower Utilisation Mr Fanie Botha, for an extension of 60 days to allow it to conduct further investigation "The application was opposed by Mawu and was refused by the Minister Despite this, the Council delayed a further two weeks before reporting," continued the statement

The statement charged "Industrial Council have been able to operate up till now because they have not been representative of the majority of workers They are still unrepresentative"

Industrial Councils, the statement pointed out, themselves need radical modification before they can satisfy the majority of workers "and workers must also be given the right to representation and negotiation at establishment level by their unions The Toyota case has demonstrated this beyond doubt"

CT 22/5/81

Asseng up by 45%

189

JOHANNESBURG — Riding the crest of the motor boom, Associated Engineering, the biggest motor parts maker in the country, hoisted earnings 45% in the six months to end March

Unlike its ailing UK parent, Asseng reports a "very satisfactory" first half with sales up 36% to R53m, pre-tax profit 45% better at R2 900 000 and taxed attributable profit ahead 50% at R2 100 000

Earnings a share were 32c (22c), and a 33% better interim dividend of 6c (4c) has been declared

The directors "confidently anticipate" that a similar trend will continue for the rest of the year

Associated Engineering UK reported a loss of 1 700 000 on turnover of 210m in the same period.

"Useful exceptions" to the difficult trading conditions elsewhere were reported in South Africa and West Germany The UK company expects trading to improve in the second six months

Asseng zooms with the boom

RDM 22/5/81

Deputy Financial Editor

RIDING the crest of the motor boom, Associated Engineering, the biggest motor parts maker in SA, hoisted earnings 45% in the six months to March.

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Associated Engineering UK reported a loss of £1 700 000 on turnover of £210-million in the same period

"Useful exceptions" to the difficult trading conditions elsewhere were reported in South Africa and West Germany The UK company expects trading to improve in the second six months

COMMENT: With Atlantis Diesel and the local content programme running in its favour, Asseng SA should continue to prosper in a motoring environment where demand for parts exceeds supply.

It would be no surprise if yearend earnings were still 45% ahead and the dividend rose in line with this one. This suggests a total payout of 28c, giving an attractive prospective yield of 9,2% on the current price of 305c.

Call for protection angers importers

Argus 23/5/81 (94/189)

By Shannon Sherry

THE latest call by the domestic appliance manufacturing industry for more protection against imported products has caused a storm of protest among retailers and importers who believe import control is already excessive.

Two retailers, OK Bazaars and Victrix Furniture (Pty), said the major manufacturers, Defy and Barlows, raised their prices at least twice a year while relying on protection against imports to overcome their 'inefficiency and poor service'

Mr Arthur Solomon, general manager of the furniture and appliance division of OK, said imported appliances were competitively priced, of better quality, more reliable and had more features.

DUTY R50

He said import controls should be relaxed. The duty on a washing machine had been R32 two years ago and was now up to R50, with the industry pressing for a rise to R80

'When the black townships are electrified, there will be a new demand for small refrigerators and top-loading washing machines which are not made locally'

Increased tariffs would be inflationary

Local manufacturers would have to become more efficient to meet this new demand

Mr Solomon said he preferred import quotas to import tariffs as the lesser of the two evils.

'At least then retailers would know what to expect, and could plan accordingly.'

Mr Solomon's views were supported by Mr Colin Abel, managing director of Victrix, who accused the manufacturers of being 'virtual price dictators.'

He was, however, more in favour of tariffs than quotas as the latter would lead to fewer firms getting the products they wanted

Imported products, unlike the local ones, seldom needed repairs, Mr Abel said

Mr Vernon Katz of Indesit-Katz, the biggest importer of 'white goods', said it was 'ludicrous' that spares from a maker 10 000 km away were instantly available while it took up to eight weeks to get them from local producers.

He said the local industry was losing ground because of inefficiency and not because of unfair competition

However, Mr Richard Newby, managing director

Continued on Page 3

Call for protection

Argus 23/5/81. (94/189)

From Page 1

of Defy, defended the industry's demands for more protection and said he would prefer import quotas to a tariff increase

'The industry needed an assured market if it was to expand and introduce new products and create more jobs.

Denying allegations of inefficiency, he said 'We have to be efficient because of strong competition from local and imported products Defy is well aware of the effect poor service has on sales'

SUNDAY TRIBUNE, MAY 24, 1981

ADE hits back at criticism

S. Tribune 24/5/81 189

Finance Correspondent

ATLANTIS Diesel Engines (ADE) has reacted strongly to criticism by truck and tractor manufacturers that the compulsory use of ADE engines could push vehicle costs up by 50 percent.

Estimates are grossly exaggerated and most of the blame for the expected extra cost of these vehicles rested with the manufacturers themselves, says H. H Beckurts, managing director of ADE

"We originally indicated to manufacturers that our engines would cost between 10 and 15 percent more than the equivalent imported engine and we still stand by this figure," he says

"The engine of a truck or tractor accounts for about a quarter of its price, so the higher cost of our engine should result in the vehicle's cost being just a few percent higher

"However, in many instances it is going to be much higher than this for two basic reasons

"Firstly, I do not believe that the overseas manufacturers of local trucks and tractors have allowed for a sufficient deletion allowance on their vehicles"

Explaining this point, Beckurts said all trucks and tractors in South Africa were assembled from a completely knocked down (CKD) pack exported by the overseas manufacturer.

This CKD pack contained virtually all the necessary parts Now that this pack would no longer include the engine, the overseas manufacturers had been asked to subtract the cost of the engine from the overall price.

"In most cases this deletion allowance is in my opinion far too low, which makes things difficult for the local representatives of the overseas company and pushes up costs here"

The second reason why the cost of vehicles could be substantially higher than expected lay in the design of the chassis and engine compartments of many vehicles

If the ADE engines — of which there are 20 different basic models — "marry up" relatively easily to a given vehicle, then extra costs can be kept to a minimum

But in many cases at present the "marriage" is not an easv one and a large number of adaptive parts are called for

"Here we have 16 manufacturers each producing between three and 20 models — adding up to around 200 different vehicles This I am confident can be reduced to about 40"

Criticism of the slightly higher cost of the ADE engines was extremely short-sighted in the light of the long-term advantages to the vehicle owner

The big plus factors are going to be the rationalisation of parts and ease of servicing

"Gone are the days when a vehicle was out of commission for weeks while the owner awaited the arrival of a vital engine part Since ADE engines consist of only 20 different models belonging to five basic families, the distribution and stock situation throughout the country will be immeasurably more efficient than it is at present," says Beckurts

S. Times Bus. 24/5/81 (230) (189)

Steel takeover

By Vera Beljakova

MURRAY & Roberts Holdings, the giant R818-million group (in terms of last year's turnover), has reached an agreement with Cape Steel Construction whereby M & R will acquire the total share capital of Cape Steel.

Cape Steel, a privately owned national company employing 900 people, has a turnover of about R35-million from its two divisions — steel and aluminium.

24/5/81

Speed proves strong point for huge new projects

STEEL NOW CHALLENGING CONCRETE

By Jan de Beer

THE speed of construction of steel-framed buildings has thrust the steel construction industry into its most competitive situation with concrete in many years

A highly conservative estimate predicts that there is work worth at least R400-million for the industry in the next nine years

The successful race against time to complete the Sun City arena for the Coetzee-Tate fight proved the value of speedy steel construction

At present, the benefits are again being proved at the same venue as 2 400 tons of steel are erected for Frank Sinatra's appearances at the opening of the new 8 000-seater convention centre

This is one of many current projects for the industry which in the past few years has been involved in massive expansion projects such as Sasol II and III, Koeberg, and the Duvha and Matla power stations as well as some major mining projects

Examples include Highveld Iron Plant No 2's first phase, Iscor's slab yard extensions as well as its direct reduction plant at Vanderbijlpark, the Richards Bay coal terminal and other mining work

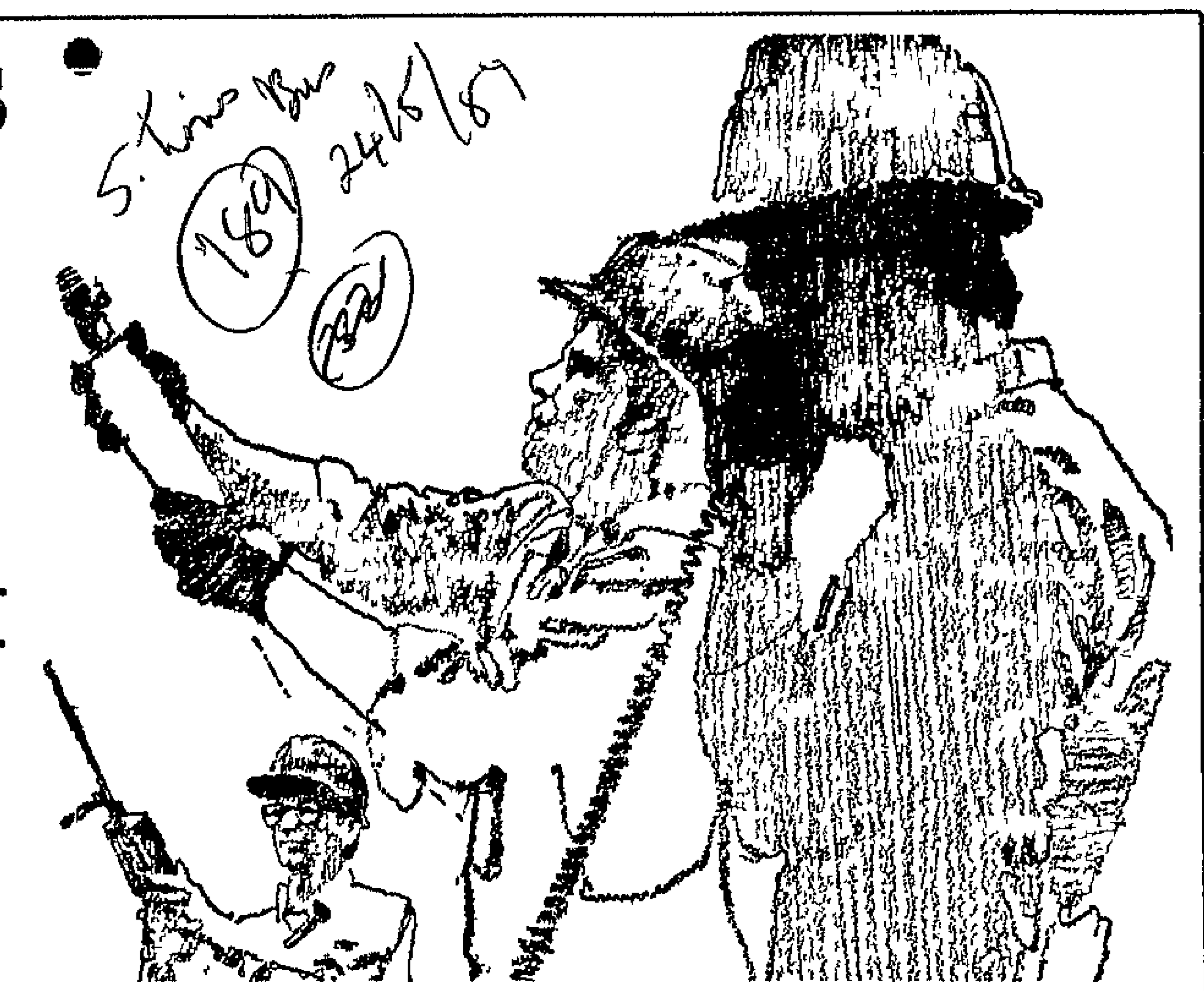
Other major projects involve Escom and its new series of power stations, including Tutuka, Letaba and Matimba.

But there are also aspects causing concern In the first place, work coming into the pipeline, although impressive, appears alarmingly lower than work now tapering off.

Much of the work that could change this seems frequently to be raised in discussion without any definite move towards fruition This covers a number of schemes, including the often-publicised methanol and ethanol plants and various drydock schemes

Rob Jeffrey, managing director of Dorbyl Structural Engineering, confirms that there is over-capacity in the industry However, he views the long-term future with confidence.

Dorbyl is spending R4-million on increasing capacity at its Vanderbijlpark plant, on the installation of numerically controlled drilling lines at the Vanderbijlpark, Vereeniging and Germiston plants, and in the purchase of a new 225-ton crawler crane.



Construction workers . . . racing against time

Robot flyer

By Vera Beljakova

MACHEN, the latest of a large number of remotely piloted aircraft being developed in various countries, is believed to be the first to have digital on-board flight control.

This new robot aircraft, designed to fly at the command of a computer carried on board, has just passed its first flight test in Britain, according to Tom Chalmers of World Airnews.

Although Machan, with its 3,6m wingspan, is part of a UK defence programme, it could be applied for civilian use in the future.

In this case it would be particularly useful to skill-starved South Africa, where it could be used for traffic and coastguard surveillance, as well as crop spraying.

U.S. airlines hunt protection

By Jim Srodes
Washington

EXECUTIVES of the five largest American international airlines have called on the Reagan Administration to protect them from further losses to foreign government-backed air carriers (South Africa among them) in the lucrative North Atlantic routes.

In a policy memo presented to White House trade officials, officials of Pan American World Airways, Trans World Airways, Braniff International, Flying Tiger and Northwest Airlines urged the Government to halt further new route awards into the United States market until a new aviation policy could be formed.

The five said they lost $152,5-million on their international operations last year and that they have been forced to lay off 10% of their work force.

The US airlines charged that unfair government subsidies by Britain, France, West Germany and Japan, plus predatory regulations in such countries as South Africa, South Korea and Taiwan, have led to a decline in the share of international travel held by American air carriers.

Ten years ago the five firms accounted for 27,7% of all international passenger traffic, but that share is now around 19,7%, they added.

Officials of TWA singled out the landing fees charged at London's Heathrow airport as another discriminatory practice against the American carriers.

Last year TWA paid $1,3-million in airport landing charges on the London-US leg of the transatlantic run.

However, it paid $8,9-million, or as much as $11 per passenger, to be able to land at Heathrow on the return run.

Pan Am officials added that their airline paid more than 9% of the landing charges of all international airlines landing at Heathrow last year.

Steel takeover

~~232~~ ~~22~~ 189

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Steel new blow to mine costs

RDM 25/5/81

189

By ADAM PAYNE

THE expected 15% increase in steel prices from July 1 will impose a heavy burden on mining costs, hitting particularly the high-spending gold and coal mines

Gold mines are expected to spend about R2 600 million on stores and equipment this year, of which it is estimated about R850-million will be on steel equipment including drilling equipment, pipes and tubes, trucks, rails, headgear frames, axles, plates and sheets

Assuming that a 15% increase is allowed to Iscor and passed on to consumers with additions, the total cost of steel equipment will be at least R1 000-million on the gold mines in the coming 12 months

The additional cost of steel will aggravate the expected annual increase in working costs of about 20%

The expected 20% rise covers stores equipment and power on one side and wages and salaries on the other Wages of white workers are expected to be raised by about 15% and those of blacks by about 18% in the next three months

Coal mines are expected to spend R560-million on stores and equipment of which more than a third will be on steel equipment

The coal industry, being more highly mechanised than the gold-mining industry, uses comparatively more steel

Its capital costs at a time of expansion will be increased by more costly steel

The mining industry is strongly opposed to Iscor's practice of announcing a big increase in steel costs, as it is expected to do before July 1

It is continually pressing for a system of graduated small increases over the year, which make for easier planning and prevent the upsets to capital project estimates that occur when a big increase in prices is allowed with varying effects down the long line of equipment

Escom went halfway to meeting the industry's contention last year by announcing two increases

A mining executive commented "A steel-price rise, which follows coal and coke price rises and the raising of wages, will hit the base metals industry as well as gold

"We had been looking for an annual growth of between 8% and 10% in mineral production for SA sales and exports, but with the world recession the estimate has been cut back to a growth of about 3½% annually for most of this decade

"Base metals mines are operating a greatly reduced profits Chrome mines are making either no profit or little

"In these circumstances a 15% increase in steel prices will be a heavy burden to mines buying equipment based on steel, especially as we predict that base metals will continue in a trough for at least two years.

"The 3½% growth predicted is expected to occur when the Western world climbs out of its present recession "

Only platinum and antimony are expected to fare better, being allied to specialised technologies that are not as badly affected as the heavy industries which use chrome, manganese and other base minerals

KDM 27/5/81

Malbak seeks growth above inflation rate

189

By DAVID CARTE
Deputy Financial Editor

MALBAK, the farm machinery, motor, engineering and packaging conglomerate, followed up last year's 50% earnings increase with 82% earnings growth in the year to end March.

And the group is looking for earnings growth in excess of the inflation rate in the year ahead

Thanks to soaring farm machinery, motor and engineering profits, pre-tax profit rose 81% to R16 457 000 and taxed attributable profit 82% to R9 600 000.

Earnings a share rose in line to 91,6c (1980 50,4c)

A final dividend of 19c has been declared, making 27c for the year, a 50% improvement on the 18c paid last year. Dividend cover has been lifted to 3,4 (2,8).

The managing director, Mr Grant Thomas, told me the group still had a good deal of momentum behind it

He said Malcomess would reap the benefits of the excellent agricultural season this year The group made seven acquisitions for R3 500 000 last year and these would contribute for a full year

Process Control Instrumentation and the engineering companies had fat order books, reflecting increased infrastructural spending, and packaging subsidiary, Bakke, would continue steadily upwards, even in a slowdown.

He said Malbak's balance sheet had never been stronger

In the past five years Malbak's dividend had grown at an average annual compound growth rate of 22% and earnings at 27%

Most subsidiaries had switched to the conservative lifo method of stock valuation last year, saving tax, but the holding company still reported on a fifo basis

Mr Thomas estimated that the net effect of lifo last year would have been to reduce earnings by R600 000 and that even if lifo had been applied to the top company, earnings growth would have been of the order of 70%

He said Malcomess had been the star of the group but engineering subsidiary, Maccabee, also had an excellent year and made several acquisitions Malbak Motor Holdings had also excelled

Since the year end, Malbak had bought Castor and Ladder Holdings for R1 350 000 This is expected to add 3c to earnings this year

COMMENT: The group looks good for further real growth this year. Its dependence of Malcomess and motors once made it appear cyclical but conservative financing, some steady cash businesses such as Bakke, and its wider spread of interests make it less vulnerable today to a downturn than some of its bigger rivals. The well-covered dividend is eminently safe.

At 415c, Malbak yields 6,5% This compares with Abercom's 6,8%, HLH's 6,9%, Protea's 8,5% and Rennies' 9% and does not seem out of line.

Malbak's rising profits CT 27/5/81 189 gain momentum

Own Correspondent

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RDM 28/5/81

Irish firm denies workers misled into SA contract

Own Correspondent

DUBLIN — An Irish firm of engineering contractors, M F Kent and Co, which has a subsidiary in South Africa, yesterday rejected allegations by some recruited workers that they were misled into signing contracts to work in South Africa

About 20 of 300 men recruited by the firm and sent to South Africa have now returned home

They claim they were misled on conditions in signing contracts to work on the construction of an oil refinery at the Secunda site

A spokesman for M F Kent of Clonmel, County Tipperary, said yesterday "We stand 100% behind our contract

"Everyone who went to South Africa knew exactly what their terms of employment were to be We never promised them a holiday camp It was a tough job on a tough site, like most of our overseas contracts are

"They knew that before they left They also knew exactly what their pay would be and what kind of living conditions there were

"If they did not read the small print of their contracts, it is their fault, not ours "

The firm which does extensive contractual work in South America and the Middle East, sent the 300 men — mostly Irishmen — to South Africa eight months ago

Apart from the 20 who have returned to Ireland with complaints, a further 80 have returned on leave under their contracts

Most of them are trained electrical engineers

The company's overseas projects director, Mr Noel Kelly, is to make a routine visit to South Africa in next month

He stressed this has nothing to do with the recent alleged discontent among employees, which he claims was blown up "out of all context" in a certain South African Sunday newspaper and then transmitted to Ireland

One of the 20 who has returned home after completing only six months of the two-year contract, claimed the decision had cost him and other workers about R2 550 each

A spokesman for Kent said the company had paid the return airfares of these men, but would be reclaiming the money from them as their contracts had been broken

STEEL (189) FM 29/5/81

Tough 'n light

If Iscor's new Supraform grade steels perform to expectations, medium-sized cars could soon be up to 80 kg lighter than they are at present And when Iscor is able to produce it in thinner gauges, the range could shed anything up to 160 kg

Supraform grades are stronger than conventional steel and consequently can be used in thinner gauges for component pressings like chassis members, bumpers, wheels, suspension parts, axle boxes and engine mountings

They also have good cold forming capabilities which allow pressings of complicated shapes without loss of strength And they are more easily weldable than steels of similar carbon content

Supraform steels are so-called high carbon, low alloy products which obtain their qualities from hot-rolling at carefully controlled temperatures

They cost between R35/t and R100/t more than equivalent mild steels But as Supraform is stronger a little goes a longer way, and cost savings are possible in many applications

They were developed largely as a result of the local manufacture programme for heavy trucks At present most trucks are imported in kit form and assembled locally

But when truckmakers are obliged to fit locally produced diesel engines gearboxes and axles within the next two years, many will investigate the merits of locally made chassis members Supreform steels will also be used in pressings for local differential housings

Initially sales of Supraform will be about 60 000 t a year and 25 000 t of this is expected to go to truck manufacturers.

Iscor expects massive sales increases once the local industry is apprised of its benefits

Iscor s marketing campaign will entail visits to the parent companies of local motor manufacturers in Europe, the US and Japan They will want them to specify the product for their pressings

Supraform also has applications for structural steel, pipes and tubing, cranes, rolling stock, bulk containers and agricultural machinery

It is now available in thicknesses ranging from 1,6 mm to 12 mm But when Iscor has managed to perfect its cold-rolling capabilities, it will be available in thicknesses of 0,7 mm This will enable car manufacturers to specify it for use in body pressings which will bring about the further reduction in the mass of locally produced cars

Wage deal criticism expected

(181)

Labour Reporter

DISSATISFACTION at what has been called a dirty wage deal is likely to be expressed at a meeting of the Electrical and Allied Trades Union tomorrow.

The meeting is to inform members about new agreements for the electrical contracting and servicing industries which came into effect last week.

Members of the Western Cape branch of the union [illegible] criticised the agreement for [illegible] skilled work to be done [illegible]

Mr Cyril Shield, secretary to the union's [illegible] [illegible] committee [illegible] in the notice of the meeting [illegible] meetings have been held recently and addressed by people who [illegible] no knowledge or information as to the recent changes which have taken place.

In a statement last week the Electrical Contractors' Association said the cost of electrical services and installation would rise by as much as 25 percent following an average wage increase of 30 percent for workers in the industry.

Tomorrow's meeting will be in the Garment Workers' Hall, Victoria Road, Salt River, at 8 pm.

3. [illegible]

4. As[illegible] of stock [illegible] calculate the value at which this [illegible] stated in his financial statements for the year ended [illegible] 1982.

(2 marks)

(Conversion Course - March 1981 . 22 marks - 20 minutes) replies is often small enough to make one confident that the results do provide a reasonable idea of all graduates turned out by the Medical School up to the year 1970

2.2. General Characteristics and Job Histories of the Graduates.

The average age of the graduates interviewed was 35 years, and they were overwhelmingly male. Only two-fifths of the Africans had been town born, but over four-fifths of the Indians had an urban background While the Indians were almost entirely from Natal, with far the biggest number being from Durban and Pietermaritzburg, African doctors came from all over South Africa, and some adjacent territories. At the time of the fieldwork two-fifths of the sample were employed in hospital service. Half of the Africans and a third of the Indians were in private practice. Details of their job history are provided by the following table:

TABLE 1

POST-INTERNSHIP JOB HISTORY OF A SAMPLE OF BLACK MEDICAL PRACTITIONERS WHO GRADUATED FROM THE UNIVERSITY OF NATAL, INTERVIEWED DURING 1970 - 1971

JOB HISTORY, GIVING SEQUENCE OF JOBS	NO. OF MEDICAL PRACTITIONERS					
	AFRICANS		INDIANS		TOTAL STUDIED	
	No.	%	No.	%	No.	%
1. Hospital/Clinic work only	8	25,0	15	41,7	24	34,8
2. Hospital work, then general practice	12	37,5	9	25,0	21	30,4
3. Hospital work, general practice and part-time health service	2	6,3	4	11,1	6	8,7
4. General practice only	3	9,4	2	5,6	5	7,2
5. Hospital work; then overseas work	3	9,4	[illegible]	[illegible]	[illegible]	[illegible]
6. Hospital work, overseas work, and then general practitioner in South Africa	1	3,1	[illegible]	[illegible]	[illegible]	[illegible]
7. Hospital work, overseas, hospital and part-time general practice in South Africa	1	3,1	[illegible]	[illegible]	[illegible]	[illegible]
8. Hospital, G.P, hospital work	-	-	[illegible]	[illegible]	[illegible]	[illegible]
9 Hospital, research; G.P. and part-time hospital work	-	-	1	2,8	1	1,4
10. Hospital, Junior Lecturer, hospital work and part-time G.P.	-	-	1	2,8	1	1,4
11. General practice, later with part-time hospital work	1	3,1	-	-	1	1,4
12. General practice, hospital work	-	-	1	2,8	1	1,4
13. General practice, hospital work overseas; hospital work	1	3,1	-	-	1	1,4
TOTAL	32	100,0	36	100,2	69	99,6

NOTE The total column includes one Coloured doctor who has worked in hospitals only

Metal Box sells CME

4/6/81

METAL BOX SA has sold its precision engineering company, Cape Manufacturing Engineers, to the managing director of CME, Dr E J H Wessels, and other members of its staff

CME will continue to supply specialised industrial components, gears and design and project services.

Metal Box is retaining a spares manufacturing facility for its plants and its customers. The group managing director, Mr Derek Jacobs, says the sale of CME will have no material effect on the group's financial results.

Restraint placed on dismissals

5 Mm
6/4/31

159

Court Reporter

A Rand Supreme Court judge confirmed an interdict yesterday preventing an employer from dismissing any workers because they were members of a trade union or because of the union's activities.

An application for an interdict was brought two months ago by 23 workers of Auto Industrial (Pty) Limited — all of whom were members of the Metal and Allied Workers Union of South Africa — who feared victimisation.

At the first hearing the court granted the men an interdict after they had claimed that they had feared dismissal because of their membership of the union.

Mr Justice F S Steyn confirmed the order yesterday after a document filed by Mr D Fragale, managing director of the firm, was handed to the court. Mr Fragale stated he did not intend opposing the order.

He said that he disputed allegations against his firm, particularly that any employee was in danger of dismissal because he was a member of a trade union.

In papers filed previously, the judge was told that the application resulted from the dismissal of two workers who were members of the union.

Mr John Marcus Sibiya, a union organiser and one of the applicants said the application was made as a result of the attitude of the firm towards the union.

Diesel Electric's record turnover

STAR 4/6/81

Diesel-Electric gross pre-tax profits climbed by 32.3 percent from last year's figure of R2 811 000 to R3 720 000 for the year ended February 28.

The consolidated net after-tax profit of R2 076 526 reflects earnings of 39,3c on ordinary share compared to earnings of 32,1c achieved in the previous financial year.

Total turnover, including that achieved by franchise holders exceeded R50-million for the first time in group history.

Group chairman, Mr O A Nagel attributes the excellent performance to the general economic upswing, the sale of quality products, dependable after-sales service, introduction of new ranges and major improvements in nationwide services.

Group managing director, Mr G N Ward, pointed out that Bosch automotive products and power-tools continue to form the major part and growth of overall business activity.

"The Gardena range of garden equipment was added to the company's marketing activity under a sole franchise agreement entered into with Gardena Kress & Kastner GmbH," he said.

ALTECH/ALTRON (179) FM 5/6/81

Strengthening the base

Activities *Manufactures and distributes telecommunications equipment electronic components electronic and electrical equipment and systems for professional users Altron owns 57% of the equity*
Chief executive *W P Venter*
Capital structure *8 7m ordinaries of R1 and 2 3m 11% red prefs of R1 Market capitalisation R145m*
Financial *Year to February 28 1980 Borrowings long- and medium term R4 1m Net cash R8 9m Debt equity ratio 15 8% Current ratio 1 5 Group cash flow R6 5m Capital commitments R4 1m*
Share market *Price 1 700c (1980 81 high 1 825c low 1 050c trading volume last quarter 56 114 shares) Yields 8,5% on earnings, 2 9% on dividend Cover 2 9 PE ratio 11 8*

	78	'79	80	81
Return on cap %	34 7	41 7	45 6	47 8
Turnover (Rm)	53 8	58 0	86 7	122 0
Pre tax profit (Rm)	7 4	10 6	15 2	21 1
Gross margin %	14 5	18 7	17 3	18 0
Earnings (c)	50 8	68 7	93 6	144 6
Dividends (c)	20	28	40	50
Net asset value (c)	192	224	286	393

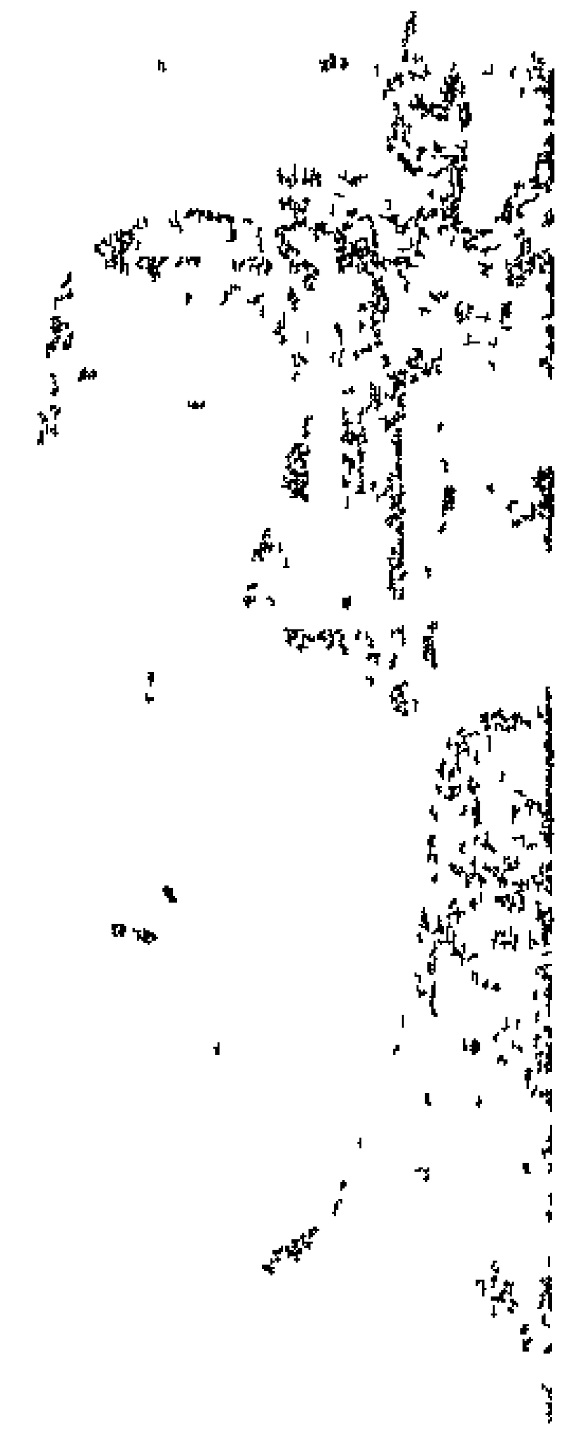
Turnover Profile

	Rm	(%)
Telecommunication	37 8	31
Power electronics	28 1	23
Electronic components	24 4	20
Business communications	14 6	12
International activities	9 8	8
Electronic systems	7 3	6

The revision of Altech's dividend policy certainly seems to have taken some of the gilt off the gingerbread as far as investors are concerned even though it will enhance an already strong financial structure. Whereas previously the share could always be counted among the market leaders its recent performance has been pedestrian.

At 1 700c the counter shows virtually no change compared with July last year. And although its 26% gain over the past 12 months is more than double the improvement in the electronics sector index it is not significantly better than the industrial market as a whole which is up 21% over the same period.

One of the difficulties in assessing the merits of the share at present is the vagueness of the new dividend policy. In the past the company was committed to distributing 40% of its earnings but in future according to the annual report the policy will be to increase the dividend cover each year while continuing to give shareholders a meaningful increase in the dividend itself.



Altech's Venter holding back more profits

Chief executive Bill Venter explains that the change has become appropriate to enable the company to meet its growth objectives in the coming years and to continue to strengthen our position in the industry.

Part of the problem is that under the old policy the group was not having much luck in meeting certain of its financial targets - in particular the total liabilities fixed capital ratio and the current ratio.

As regards the first of these the aim is to have total liabilities at least matched by permanent capital. But over the past two years liabilities have risen by 126% whereas permanent capital has increased by only half this amount 64%. So while in 1979 the group was well within its target with a ratio of 98% this has now moved to 138%.

And in the case of the current ratio which the group would like to see at 1 8 although there has been no further erosion over the past year, the 1 5 at February 28 remains significantly below par. The liquidity (quick) ratio of 0 9 however is somewhat nearer the target of 1 0.

In both cases problems with these ratios have a common origin and that is that a very significant portion of Altech's business is now financed by its creditors.

A secondary problem is that debtors are increasing rapidly and in this context it is interesting to analyse the main changes to the balance sheet over the past year.

The first point to emerge is that the group's investment in net working capital stocks plus debtors less creditors more than doubled from R8 8m to R18 5m. This came about through a 34% increase in stocks (four percentage points less than the growth in turnover) a 95% increase in creditors and a 43% increase in debtors.

As far as this concerns balance sheet structure of the R26 2m increase in total assets employed by the group R14 6m (55 6%) represented increased creditors. This compares with 28 4% for stocks and 23 9% for fixed assets (including loans and investments). Cash resources were down by R2 1m representing 7 9% of the total asset increase.

On the other side of the accounts these additional assets were financed by in order of importance debtors (47 1%) permanent capital (35 3% including 18 5% attributable to the net proceeds of new shares issued) borrowings (12 8%) and other interest-free liabilities (4 8%).

In a nutshell debtors are now financing 44 6% of total assets. And while this is not significantly higher than 1980's 43 6% there has been a marked change since 1978 – the last year in which the group met all three of its target financial ratios. In that year the ratio of debtors to total assets was only 31 1%.

The build up of debtors has not only affected the total liabilities permanent capital and current ratios but also has implications on the profitability front. Although there has been an impressive improvement in operating profit on total capital employed - which excludes interest-free liabilities such as debtors - from 36 1 in 1978 to 49 (on the company's calculation) the improvement in the return on total assets has been far more modest. In 1978 it was 21 now it is 23 8%.

It follows that if under the new dividend policy the proportionate importance of debtors in relation to overall financing is going to decrease balanced by an increase in permanent capital future growth in profitability is going to be affected.

But of even greater importance to shareholders is what the company means by meaningful increases in future dividends. If 1981's 25% improvement is a sample it may not be sufficient for the share to retain what is still a very low 2 9% historic dividend yield. This is especially so if the market had been counting on the growth rate of more than 40% achieved during the first two years after the 1978 restructure being maintained.

Much the same considerations apply to Altron although in this instance the share has the advantage of a higher 4 4 historic yield. A further attraction of this company is that with effect from the current year it is splitting its dividend into an interim and final to avoid undistributed profits tax.

Brian Thompson

R.T.O.

he is not allowed to claim back.

Thus, eventually and Demand has reached the demand at the

What about!

POWER CABLES (159)

Import shocks

FM 5/6/81

Imported plastic-insulated cable is being landed in SA at a lower cost than local manufacturers can produce it. And now they are looking for government help.

They are not calling for import protection per se, but have requested a disruptive duty which would allow them to compete fairly. Figures show that about 12% of the cable sold on the R330m/year domestic market is imported.

Imports jumped 69% between 1979 and 1980, from R17,7m to R29,9m. In 1980 R21,3m worth of imports were plastic-insulated cables — a 103% increase on the previous year. Japan supplied cable worth R7,3m during 1980, R6,8m of it plastic-insulated. Taiwan is also a major source.

Central to the issue is the protection afforded to local manufacturers of the plastic component, PVC, which makes the SA price of PVC almost double that in the USA and Taiwan. But manufacturers believe that this is an essential protection if the survival of SA's primary chemical industry is to be ensured.

Peter Muller, GM of African Cables, says manufacturers are not concerned about the importation of special cables which are not produced locally, but about the rising number of imports in the "bread and butter" items — like railways signalling cable.

Muller says landed prices of the imports are lower than local production costs, because of the more competitive PVC prices outside of SA, longer production runs, and the incentives which other governments provide.

The May report on business conditions by the Steel and Engineering Industries Federation (Seifsa) says electric cable manufacturers continue to benefit from developments in the energy-generating sector and from ongoing schemes for the electrification of townships.

Growth prospects appear assured, the report says, but it notes that concern is continually expressed over the rising volumes of relatively low-priced imports.

some more dilapidated, decrease until the point of supply & ...

... shortage?

I believe the enlightened new Health Act can be a catalyst to bring about dramatic changes in the health of the people of this country and to fight the enemy within disease and discontent

What is health ? There are no known direct parameters to measure health status in general use. Usually health is measured and assessed in terms of certain negative indices: "negative", because they measure the absence of health, namely disease' This may well be the most practical, although over-simplified, view to hold in the coming years

How we hope to implement the new Health Act has evoked many suggestions, but in the long run we must measure the benefits of any system against the birth rate, or even better fertility rates, perinatal mortality rate, infant mortality rate and life expectancy and at what cost Unfortunately the basic requirement of statistical analysis for future planning - honest reporting has not been a characteristic of hospital annual reports. This basic epidemiological flaw has been of grave concern to many members of the medical profession including the Director of Hospital Services, Dr. R. Kotze, though some people prefer information which is plausible and pleasant rather than factual. Nevertheless inspite of opposition, it is hoped that from next year hospital statistics will be standardized, meaningful and comparable.

The super specialist and specialist levels of care do not come within the context of my talk, except to state that if we wish to achieve 'health for all by the year 2000' then the secondary and tertiary levels of health services, that is in the hospitals, should invariably be designed in support of the needs of community health centres rendering primary health care at the peripheral level and not vice-versa!

The Day Hospitals Organisation was started in 1969 - to-day we have 16 centres and our health teams carry out over one and a half million items of service a year, with a referral rate of only 2% and at a cost of only 4% of the C.P.A. Hospitals Services budget for the area, in other words a small proportion of patients utilise the major portion of health care expenses.

I believe I have been priviliged to have seen the effect, like a catalyst, of placing such a service as ours in our communities as the following statistics show. The birth rate which was one of the highest in the world in the coloured community, has dropped from 32 per 1000 in 1968 to 23 per 1000 today.

I believe our part has been to motivate our patients of the importance of family planning at such psychological times as during pregnancy and in the pre-school period, of stressing the importance of rearing this child as a healthy child, before thinking about the next one

The present infant mortality rate for the white and coloured community which make up, nearly 90% of the population of Cape Town is 22 per 1000 and let me remind you that is in a society which only allows limited abortions If abortions had been allowed for unwanted infants that died of slow infanticide the figure would have even been lower The T B. the coloured community in Cape Town is lower than amongst the in the U.K.

Busaf expands

(184)

DURBAN — Major expansion is planned for the Busaf plant in Natal which has completed 1 000 bus bodies for customers all over South Africa

Mr Keith Jenkins, group executive director of the Dorbyl group which owns Busaf, said the the tempo of bus sales in the past year had speeded up He believed this was partly due to buying before the compulsory installation of Atlantis diesel engines and the expansion of mining and other projects throughout South Africa

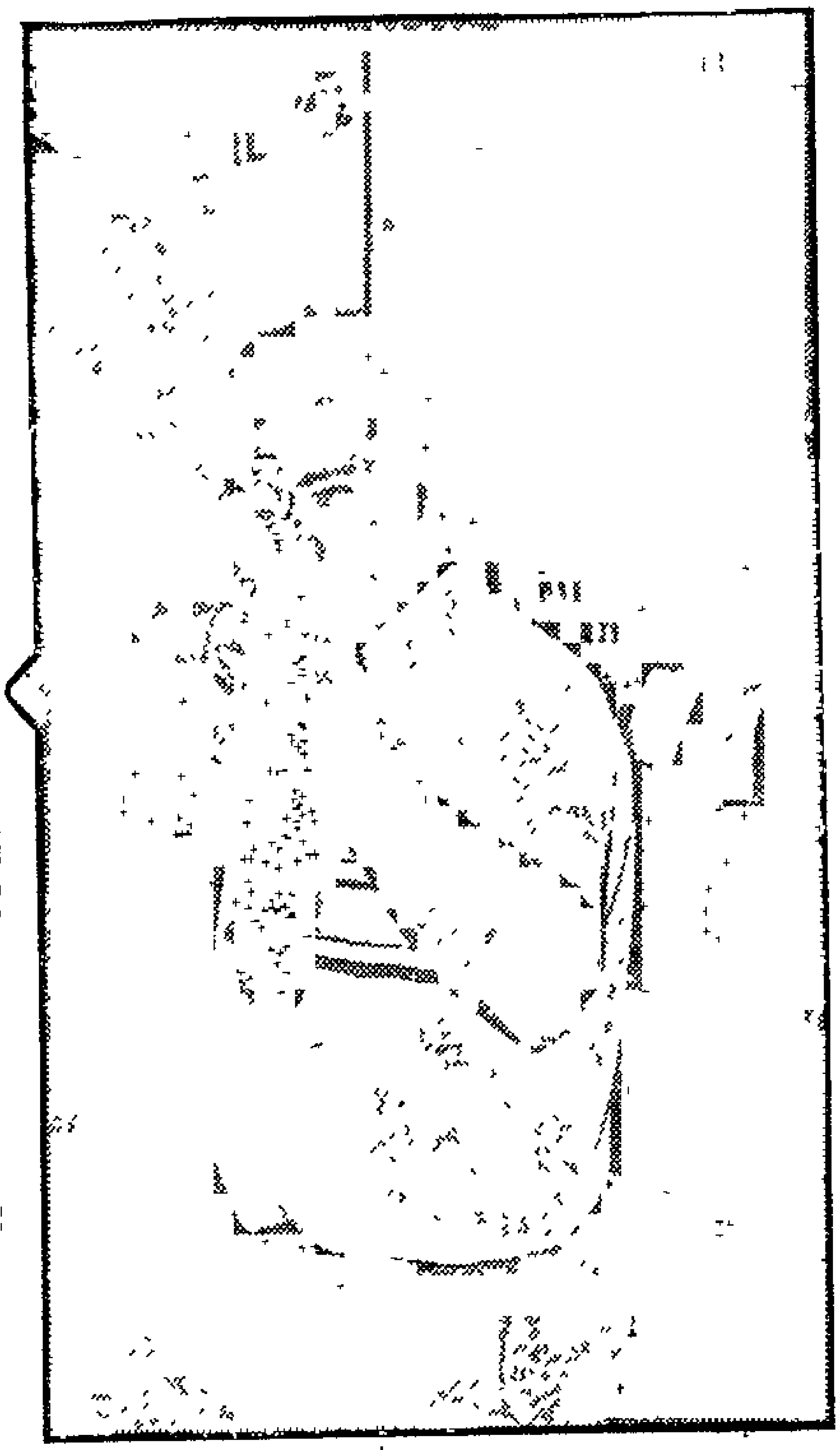
Production lines would be expanded at the Pinetown plant, he said

Mr Errol Ramshay, general manager of Busaf in Natal, said that "this trend is most pronounced in the mini-bus sector where we have had to significantly increase production"

ARMS INDUSTRY IS GROWING FAST

7/6/81

Finance Reporter



Jimmy von Sorgenfrei . . . aiming for R3 million.

AWARENESS of the need for increased security in urban areas has turned the arms and ammunition business into one of the fastest growing markets in South Africa.

The total market is presently estimated to be worth about R35 million, growing by at least 10 percent a year.

Durban's newest arms dealer, The Armoury, is aiming for a R3 million turnover in its first year. The company, formed by combat shottist Doug Kirton and world practical pistol shooting champion Jimmy von Sorgenfrei, will also concentrate on the wholesale market through a subsidiary, SA Arms and Ammunition Suppliers.

Kirton says more and more companies are arming their guard forces and teaching them the correct use of weaponry.

"They have vast assets to protect and realise that in many cases they are extremely vulnerable to sabotage. An armed security force is a deterrent to the saboteur in the same way that burglar guards repel the housebreaker — they will seek easier targets.

"South Africa has yet to experience selective attacks on businessmen as is happening in Europe and America but local companies are becoming increasingly security conscious. Top executives are therefore arming themselves and learning how to use firearms."

Both Kirton and Von Sorgenfrei were in executive positions with Marshall Guns before leaving to set up The Armoury.

Precise figures for the size of the arms and ammunition markets are hard to establish. Many institutional buyers do not need to licence their weapons and the number of licences issued is the only measure of sales.

Metal Box sells off subsidiary

5/182 (187)

3/6/82

In a move to rationalise its activities Metal Box has sold its precision engineering company, Cape Manufacturing Engineers, to Dr E J H Wessels, managing director of CME, and members of CME's existing management

Mr Derek Jacobs, group managing director of Metal Box said that engineering constituted a small part of their interests and differed from the mainstream of their manufacturing operations

CME will continue to supply their specialised market which includes industrial components machined under strict quality control on conventional and CNC equipment, gears, and design project services

Metal Box is retaining a spares manufacturing facility for its plants and its customers

Mr Jacobs said the sale of the company would not have a material effect upon the group's financial results or performance.

Ann Crotty.

189

8/6/81

SA firm lands oil rig contract

Rom 184 8/6/81

By JOHN MULCAHY

SOUTH Africa has moved further into the world of oil exploration with the manufacture for the first time in this country of drilling rigs destined for the Gulf of Mexico

Amardah, a joint venture between Murray and Roberts and Darling and Hodgson, has contracts for four full rigs, as well as a hull section, to be built under licence for Baker Marine, of Texas

The value of the contracts for the "four and a half" oil rigs — the last will be launched in July next year — is about R70-million

Mr John Hodgson, chairman of Darling and Hodgson, says Amardah will be aiming at an output of four rigs a year from its Durban dockside yard, at a total value of around R100-million a year

Darling and Hodgson won the first US contract in March last year, as a result of inquiries the company made into possible steel fabrication work for the southern states.

The operation has been kept low-key in view of opposition from the Carter Administration, and the unwillingness of the US principals to publicise their co-operation with South African industry

However, says Mr Hodgson, there has since been a re-emergence of closer relationships accompanied by a less sensitive approach from US companies

He says the establishment of the rig-building venture has had a significant impact on the depressed Durban dockyard industry

When the construction of the first hull was started in August last year, Amardah had a staff complement of five, and this has grown rapidly to the present workforce of 700

The Amardah venture has put South Africa in a position to be competitive on price and technology with the rest of the world, and should develop into a substantial industry, he says

A rig was built in Durban some years ago on a "one-off" basis, but proved to be unprofitable, and Amardah, building four simultaneously, finds this is the only economic method of constructing the massive platforms

Last week the "250" hull was "wet-launched" onto a huge barge in Durban Bay, and on Wednesday the "53", which is fully equipped, will be loaded onto the same floating platform.

The barge, with its 6 000 ton burden, will begin its journey to the Gulf next week

The Amardah rigs, designed by Baker Marine, will accommodate between 30 and 60 workers, who are based on the platform on a two weeks on, two weeks off, basis, working 12-hour shifts every day they are aboard

Of a necessarily sound structure, the rigs will be required to withstand the brutal weather in the Mexican Gulf, which is often lashed by winds of up to 80 knots, with waves as high as 11m

While the crew quarters are sparse, they are well-appointed and catering is said to be of five-star quality. "These guys can earn anything up to R5 000 a month, and expect to be fed decently," says the managing director, Mr Allston Mitchell

The expected income from the export of the rigs represents 45% of the total value of South Africa's capital goods exported in 1980, and 65% to 75% by value of the first four units is local content

Much of the electrical equipment such as generators and lighting is imported from the US, but these will increasingly be supplied from South Africa once approval is received by the US coast guard agencies involved

Amardah bases its confidence on steady orders for at least four rigs a year on the expected growth in world-wide demand for oil exploration equipment

In the next eight years the global requirement for additional rigs is put at 800, or 100 a year, and the level of inquiries as well as feed-back on the rigs already contracted indicate that there is a niche for the South African industry, according to Mr Hodgson

Although Amardah is not planning any expansion yet there is the possibility of a 50% addition to output after a few years of current production, says Mr Hodgson

The rigs being built by Amardah are different to those operating for Soekor off the South African coast, in that they are designed for relatively shallow waters, 10 to 100m, with either a mat or legs resting on the seabed

The desperate search by the US for additional oil reserves is indicated by that fact that there are currently about 180 drilling rigs being built throughout the world, in Japan, Taiwan, the Scandinavian countries and on the US east coast.

STMR 9/6/81

Turnover record for B and S

Mr H Back, chairman of furniture company B and S Steel, says the increased buying power of the community will offset any downturn in the economy and his company intends to increase existing lines and to diversify

He said adverse factors which could affect this year's trading included the political situation, the effects of inflation, the tight monetary situation and changes in the Credit Agreements Act

During the last financial year, the company had a record turnover and produced good results, Mr Back said

He said the main reason was greater economic activity.

HELPED

Increased capacity from plant improvements as well as new training programmes also helped .

Other contributing factors, said Mr Back, were the close monitoring of costs, which had declined in relation to turnover, efficient utilisation of the labour force and a more sophisticated sales policy

— **Ann Crotty**

Earnings shoot up 70%

1SW

ROM 9/6/81

Metal Box can toast the drinkers

By DAVID CARTE
Deputy Financial Editor

A SOARING economy, some heavy drinking from cans, lower tax and interest lifted Metal Box SA to 70% earnings growth in the year to March.

Its ailing UK parent has reported earnings down by more than 50%

Sales of Metal Box SA rose 25% and operating profit 39% to R35 707 000. Lower debt and interest rates caused interest payments to fall 27% to R2 743 000 with the result that pre-tax profit was 50% better at R32 964 000

With the tax rate down to 32,1% (37,5%), taxed attributable profit rose 89% to R21 334 000

The number of shares in issue rose 5%, so earnings a share were 70% better at 79,8c (1980 47c) A final dividend of 15c has been declared, making 39c for the year — a 30% improvement on the 30c paid last year

Metal Box UK, with sales of more than £1 000-million, reported pre-tax profit down 53% to £29 100 000 (£62 800 000) This means Metal Box SA contributed 63% to its pre-tax profit compared with 23% in 1980 At the attributable level, Metbox SA contributed 46% (8,4%)

The directors of the SA company ascribe Metal Box's success mainly to "a sharp increase" in demand for beverage cans, significant growth in most areas of business because of the booming economy, the elimination of losses at Walvis Bay and the lower rate of tax

They say floods in the Western Cape caused severe damage to many fruit farms and this reduced profits in food canning

The deputy managing director, Mr P L Campbell told me the tax rate would eventually return to the more normal level of between 36% and 37%, but because Metbox had R20-million to R30-million of capital expenditure plans, he did not expect this to happen suddenly

He said most capital expenditure would be in the metal rolling and beverage can divisions

Metal Box had sold 49% of its booming electrical company, Lumex, to Siemens mainly to obtain technological know-how. He was sure Lumex would go from strength to strength with Siemens as a partner

The fruit and vegetable canning division was still in "serious trouble" not only because of the recent floods but because of depressed foreign markets and EEC tariff protection.

He said the Chilean fish canning operation should bear fruit soon. It would serve several SA companies that had started operations in Chile as a result of poor fishing off Namibia Plant from Metal Box's Walvis Bay factory was relocated to Chile and a further $4-million was invested

While it could soon make profits, the Chilean operation would never be as lucrative as the Walvis one had been in its prime Metal Box could supply the South African and Namibian fishing industries, if these revived, from its SA factories.

COMMENT: The group is highly geared to the general economy and will be hard pressed to improve substantially on figures achieved in a consumer binge that looks like cooling.

The outlook on the food canning side certainly looks bleak, but judging by bullish noises from beer and soft-drink makers, the beverage-canning division should do well. So should the metal rollings division. But the tax rate and interest payments look set to rise.

At 570c, the share yields 6,8%, which is bit thin because of the bear points [illegible]

Lenning buy

Sow 4/6/81 (189)

Lenning Holdings, the holding company of the Lenning Group, has bought a controlling interest in the Besaans-Du Plessis Pretoria Foundries Group. For the purpose of the sale, the shares and loan accounts were valued at R7,5-million.

Mr Charl du Plessis will remain as managing director His brothers, Pieter and Hendrik, will also remain as directors. — Sapa

The activities of the indigenous healer in the urban area include divination, healing, protecting houses, jobs, cars, journeys, soccer teams as well a driving away evil spirits and witches.

Fees for divination vary from gifts only to 50 cents to R5 The fee for healing depends on the nature of the illness and can be as much as R100.

Protecting the houses and the people in it can cost as little as R50 or as much as R120 It usually involves many hours of work. Driving away the tokoloshi usually costs about R50. One highly respected woman in Soweto is guardian spirit of five soccer teams The decorative fencing which one of the teams erected around her house, must have cost many hundreds of

Metal Box profits up 50%

Helped by a buoyant economy and a sharp increase in demand in the beverage-can market Metal Box increased pretax profit by 50 percent to R32,9-million for the year ended March

Sales increased by 25 percent to R340,6-million and pretax income by 39 percent to R35,7-million.

A lower tax rate and reduced interest payments helped to boost attributable profit by 89 percent to R21,3-million Earnings a share were increased by 70 percent to 79,8c (47c). From this a total dividend payment of 39c a share was declared composed of an interim dividend of 15c a final dividend of 24c

The final dividend payment was above earlier forecasts

Profits increased to 10,5 percent (9,4 percent).

Other reasons for the good results are the elimination of the losses recorded last year at Walvis Bay and on the machinery division plus the effect on earnings a share of the relatively low effective tax rate

The directors said that the results would have been more impressive but for a significant drop in the profit of the food-can making operations, as a result of severe flood damage to many fruit farms in the Cape — **Ann Crotty.**

Indigenous healers from Soweto are also called out to render professional services in other parts of the country Often transport is provided for the healer to go, as far as Durban, the Free State or Bophuthatswana

There are several societies attempting to organize the affairs of indigenous healers The two best known ones are The National Dingaka Association and The Bancu Herbal Company of South Africa Of the two the latter is perhaps regarded highest The membership fee is about R11 per annum. Membership primarily provides status and help in the event of arrest These associations have annual or bi-annual conferences.

Since cleansing the body inside and outside plays such an important part in the healing process, herbs either have to be bought or dug out by the healers themselves. This requires frequent and extensive travelling The number of shops selling herbs and their turnover is not known. However, it certainly is a profitable business venture. Centralization, of shops

selling herbs and other items required in the profession, has even come about The Mai-Mai shopping complex in Johannesburg is a good example of such a development.

In fact, an impressive secondary trade has sprung up around the practice of indigenous healing Although many healers make their own beaded skirts and other items of clothing There are raw materials and many other items, like special blankets, drums, horns of animals or divining bones which indigenous healers require from time to time.

1" set of divining bones can be quite prohibitive and rand One of the most impressive sets I have seen eces of ivory, each about six or eight inches in inches in width. This set, however, was a gift to of one of the tribes in the northern part of the

in indigenous healer has many economic implications trainee's unavailability to the labour force is ... that they do not become a ward of the state, and eventually come to fulfil a very important function

Training can be as long as several years or as short as a few months Payment can be made in terms of animals or cash Three hundred rand seem to be an average figure, which certainly is not expensive if the time duration is taken into consideration The trainee naturally also pays for his or her treatment in terms of the carrying out of chores and other duties. The teacher usually gets whatever the trainee earns by means of divination or treatment of patients

There is in the profession of indigenous healing something analogous to our graduate education By staying on after completion of training, the person has an opportunity to gain advanced experience. Indeed many indigenous healers are constantly searching for such experience

Throughout training animals are required for sacrificial slaughtering. Often these animals have to be of a special kind, like a white chicken or goat, or a black and white bull. Such requirements increase the price of

Judgment in SA trade union dispute

EP 16/6/81

(189)

By CHRIS RENNIE

JUDGMENT was given yesterday in the dispute between the Engineering Industrial Workers' Union of South Africa and its Port Elizabeth branch executive committee in the Port Elizabeth Supreme Court

In his judgment, Mr Justice Solomon said according to the papers the union was open to coloured persons in certain industries and operated in terms of a written constitution in terms of which its national executive council had the power to review decisions of branch committees and to confirm, alter or reverse such decisions

It also had the power to establish or close down branches and to suspend any branch executive committee for action contrary to the terms of the constitution

The Port Elizabeth branch was founded about 13 years ago and the respondents in this action were all members of the branch executive committee

The constitution clearly gave the national executive the power to suspend the branch executive committee if it acted contrary to the terms of the constitution

According to the affidavits, this occurred when the branch held a meeting with the National Union of Engineering Industrial and Allied Workers with a view to "breaking away" from its parent body

This meeting was not denied by the respondents although they submitted that it was unofficial and for discussion only

The minutes of the meeting, however, recorded that the meeting "unanimously agreed that the Port Elizabeth branch withdraw from head office and register as an independent union"

The judge found that whether or not the meeting was properly constituted was irrelevant, it was clearly held to decide the question of withdrawal

This attitude was confirmed by subsequent actions in changing the office locks and attempting to withdraw the branch's funds

"In my judgment, the actions of the respondents were clearly actions contrary to the terms of the constitution, and as clearly justified action by the national executive council," he said

He granted an order restraining the respondents from holding themselves out as the Port Elizabeth branch committee of the union, or acting as such, confirming their suspension, ordering them to vacate the union's offices, interdicting them from operating the branch's bank account, and ordering them jointly and severally to pay the costs of the application

Mr P Tebbut SC and Mr L S Melunsky, instructed by Kaplan Solomons Loon and Blumberg appeared for the national executive Mr L Dison SC and Mr D Chetty, instructed by Herbert Fischat and associates appeared for the Port Elizabeth branch committee

Group invests R2,5-m in black schools

Education Reporter

THE Barlow Rand group has taken the escalating education problem at black schools into its own hands with a project in which R2,5-million will be poured into the group's private schools in the next five years.

Public relations officer, Mr Kevin Murray, said the project, which was launched at the beginning of the year, was unusual in South Africa

'Although other companies such as Anglo and AECI have contributed to specific education projects this is the first time that a uniform policy on education on such a large scale has been launched,' Mr Murray said

The scheme, which will eventually involve more than 5 000 primary school pupils, is being spearheaded by Rand Mines education officer Mrs Debbie McWilliams

All black schools have to be registered with the Department of Education and Training and must follow departmental syllabuses They are subject to scrutiny by local government inspectors However, a company can improve educational facilities at its own expense.

According to Mrs McWilliams emphasis will be laid on the quality of teaching and seminars will be held during the school holidays to help teachers to improve their skills. In-service training has already begun

'If this type of scheme were taken up by similar companies we could improve the education of tens of thousands of black children,' Mrs McWilliams said

The company will subvent salaries paid by the department to bring them level with other mine employees

Afcol set to beat the cash squeeze

11/48 1
RDM
188

Financial Reporter

AFCOL, the major furniture group, is expecting more real growth this year in spite of the severe financial squeeze.

The chairman, Mr Dick Goss, says in the annual report that "it is not anticipated that consumer buying constraints will be applied as these would lead to negative growth and unemployment"

Such action would also mean a "negation of much capital investment made by manufacturers and raw material processors"

Afcol is controlled by SA Breweries

Mr Goss says the company is "well placed to meet increased demand It is not possible, however, even with its increased capacity to achieve another doubling of earnings from organic growth

"While the building industry is still very buoyant retail trading in furniture appears to have eased a little, particularly from March 1981 onwards

"While this might constitute a seasonal reaction to the high spending in 1980 there is some opinion that it is the result of a change in the credit regulations which govern furniture sales

"If this is so it may still prove to be of a temporary nature while consumers adjust to the new credit requirements"

Mr Goss says Afcol is a strong, undergeared financial situation and will be able to maintain the twice-covered policy for dividends

The report shows, in fact, that the ratio of total borrowings to total shareholders' funds has fallen steadily from 0,54 1 in 1977 to 0,23 1 at the latest count

In the year to March 31 Afcol had a turnover of R194-million and an operating profit of R30-million

out of their minds.

In short, for whatever reasons, it is clear that Cape Town only partially learnt the lessons of 'Black October' 1918.

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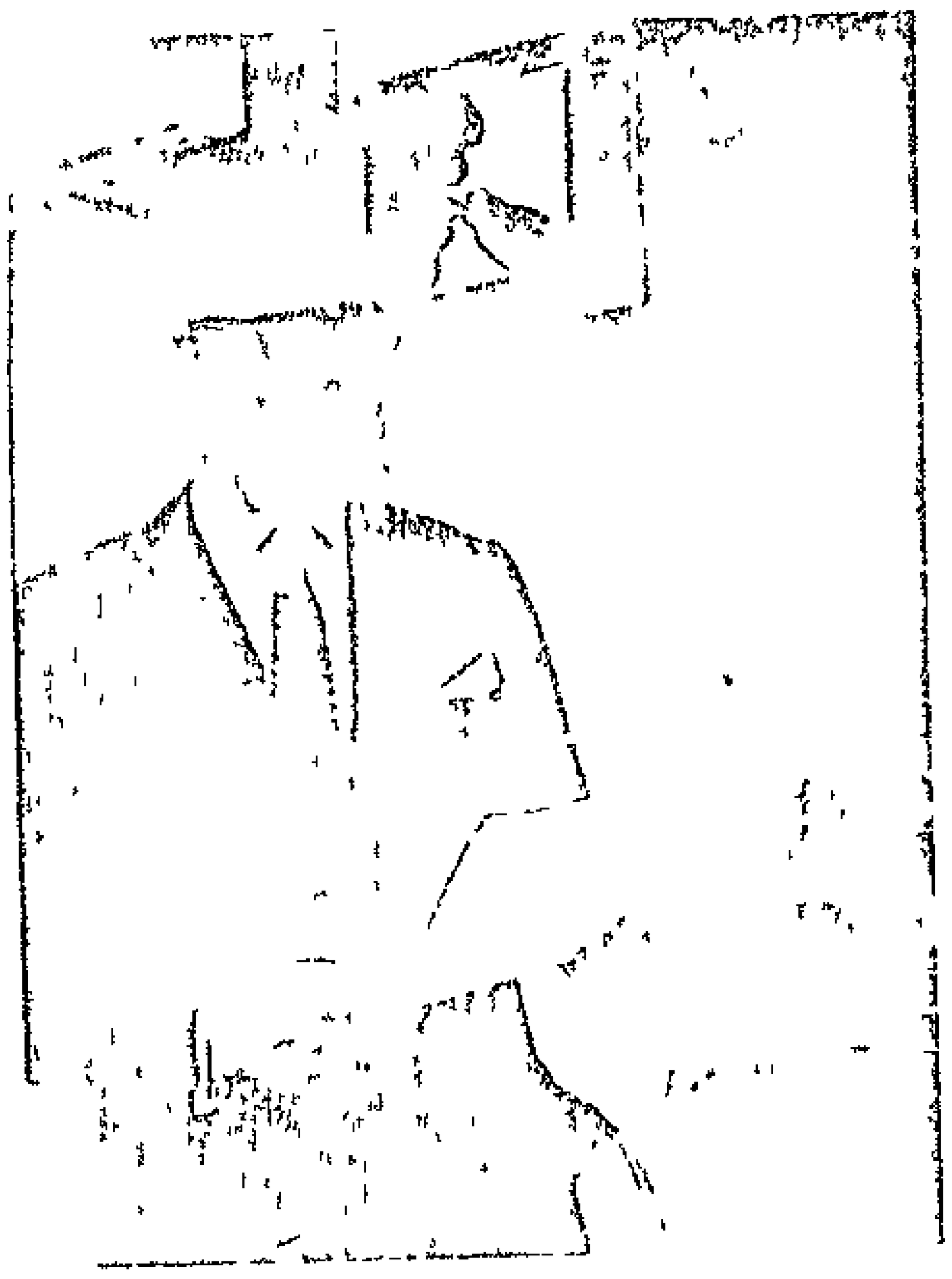
Section IS Trade.

GALLO FM 12/6/81

Sound prospects (189)

Activities *Manufacturer and distributor of gramophone records and tapes. Music publishing. Distributor of electrical appliances and audiovisual equipment, books and stationery.*
Chairman *J H Bloom; managing director G McGrath.*
Capital structure *6,9m ordinaries of 25c; 150 000 6% cum prefs of R2. Market capitalisation R24m.*
Financial *9 Months to March 31 1981. Borrowings: long- and medium-term R1,8m. Net cash R752 000. Debt: equity ratio 20,3%. Current ratio 1,3. Group cash flow R[illegible]m. Capital commitments R112 000.*
Share market *Price 345c (1980-81 high 405c; low 150c; trading volume last quarter 292 000 shares). Yields 21,8% on earnings*; 10,1% on dividend†. Cover 2,1. PE ratio 4,8†.*

Gallo's remarkable return to profitability over the last two years far surpassed the company's and, it seems, the market's expectations. The share at 315c is on an



Gallo's McGrath: hitting new records

earnings yield of 21,8% and a dividend yield on the annualised payout of 36c of 10,1%.

Pre-tax profit increased to R6,8m (R2,[illegible]m) in the nine months, a [illegible]% [illegible] on an annualised basis. Attributable earnings grew to R3,9m (R2,[illegible]m) despite a fivefold increase in tax to R2,3m (R509 000) as assessed losses from previous years have largely been utilised.

	78	*79	*80	**'81
Return on cap %	13,8	12,6	43,7	[illegible]
Turnover (Rm)	19,0	20,7	28,[illegible]	49,9
Pre-tax profit (Rm)	0,[illegible]	0,5	3,7	6,3
Gross margin	3,[illegible]	7,0	11,6	13
Earnings (c)	[illegible]	1,7	53,3	[illegible]6,5
Dividends (c)	[illegible]	—	25	27
Net asset value (c)	109	99	115	125

* Foreign subsidiaries deconsolidated
** Nine months to March 31
† Annualised

Turnover rose 136% to R66,5m (annualised). According to MD Gerald McGrath, sales should increase satisfactorily and he expects the group to maintain profit growth in the current year.

This year expansion will be largely internal, he says. The rationalisation of the newly acquired Literary Services Group (100%) and Music for Pleasure (MFP) (50,01%) will be a top priority. In addition, the contribution to earnings by RPM will be a minimum of 8c a share this year. 10% of RPM was bought for R2,1m in March 1981.

Gallo's borrowing structure has not altered much since the last annual report. McGrath says that wherever possible capital requirements are financed internally. The conversion of certain redeemable preference shares to ordinary shares and the issue of ordinary shares to Premier Group have increased total shareholders' fund. This explains in part the subsequent drop in debt:equity from 27,1% in 1980 to 20,3%.

The consolidation of MFP and the book division resulted in the increase in debtors from R8,7m to R16,1m. Stocks have doubled to R10m (R4,[illegible]m). However, liquidity is satisfactory, with group cash flow at [illegible]. There is still about R1m cash available on call.

McGrath is looking at two major areas of expansion. One is the introduction of single-tune cassettes. These, he expects, will have immediate market impact, particularly among blacks, who currently rely on [illegible] for sound players. Turnover of these cassettes is anticipated to exceed sales of even single records. But they should not reduce record sales, he says.

Home video cassettes is the other targeted growth area. This entertainment and educational product has become a major industry worldwide. Gallo plans to provide software in video cassettes and video discs.

If the opportunity arose, Gallo would re-enter the electrical domestic appliance market by acquisition, says McGrath. The group is looking for suitable companies.

McGrath says the consumer spending slowdown is not likely to adversely affect Gallo as the book division, most active in the first quarter of the year, balances out the seasonally weaker music sector earnings during that time.

Nevertheless, it will be difficult to improve on the 44% annualised dividend growth this year. An attainable increase of 33% in earnings to 100c a share and an unchanged dividend cover would allow a payout of 40c. At the current 345c, the share offers an attractive 14,5% prospective yield. *Cathi Warriner*

CAPE TOWN

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POWERTECH FM 12/6/81

Buying growth (189)

Activities: *Diversified company operating in the power electronics, electrical engineering, power conversion and electrical protection industries Since the year-end has acquired US-controlled battery manufacturer Willard Africa Altech owns 73,3% of the equity*

Chief executive *N O Davies*

Capital structure *21 8m ordinaries Market capitalisation R16 8m*

Financial *Year to February 28 1981 Borrowings long- and medium-term, R1 0m, net short-term, R398 000 Debt equity ratio 37 5% Current ratio 1,7 Group cash flow R1,4m Capital commitments R46 000*

Share market *Price 77c (1980-81 high 137c, low 71c, trading volume last quarter 328 000 shares) Yields 6 5% on earnings 2,6% on dividend Cover 2 5 PE ratio 15 4*

	'80	'81
Return on cap %	28 0	28 1
Turnover (Rm)	14 3	22 4
Pre tax profit (Rm)	1 2	1 8
Gross margin %	9 3	8 8
Earnings (c)	5 2	5 0
Dividends (c)	2	2
Net asset value (c)	18	21 1

Following the acquisition of Willard Africa from US parent ESB last week (*Fox*, June 5) Powertech's annual report bears little relationship to the now enlarged group With effect from May 1981 the takeover doubles the size of this Altech subsidiary and offers growth prospects in a new market area

In financial 1981 Powertech was a disappointing performer particularly contrasted with Altech's 44,5% earnings growth Pre-tax profit increased to R1 8m (R1 2m) but difficulties in two subsidiaries and an increased tax rate of 33% (10%) brought attributable profit down to R1 09m (R1 11m)

The two poor performers were Circuitaire (bought in July 1979) and Disbar Both suffered shrinking margins In Circuitaire's case there was a positive contribution to profit but the completion of 'several large contracts at uneconomic prices hurt earnings Disbar traded at a loss but with tighter on-site supervision and new cost control systems the directors expect improved productivity and performance In addition diversification is planned

Nevertheless other subsidiaries reported record profits as new products and increased market share boosted sales The acquisition during the year of 66% of UK-controlled Whiteleys added little to earnings per share But the extent of the contribution can be gauged from the R96 000 minorities charge in the income statement This charge includes setting off part of 60%-owned Disbar's loss

Bull points for the current year include the acquisition of Willard and a more than doubled R9 2m (R4 4m) order book With rationalisation and productivity drives in poor performing subsidiaries and a slowdown in senior staff turnover, improved profitability seems likely This should lift the return on equity which last year fell to 23 7% (29 3%)

Incorporating Willard means annualised historic sales rise to R42m (22 4m) taxed profit to R2 3m (R1 1m) and a 1c boost to earnings (assuming 10m Powertech shares are issued in consideration) The acquisition would have meant a lower RoE in financial 1981 because of the R9 5m price But with 40% compound earnings growth over the past four years and good prospects for higher sales of industrial motive power batteries Powertech sees Willard as a major profit source

Sound contracts and the outlook for the electronic/electrical power sectors give the Altech group a high market rating For Powertech the expansion of the national electricity grid Sasol projects electrification of black townships and the fast growing mining industry are favourable factors As economic growth tapers off acquisition possibilities should increase and management is eyeing the cable and transformer fields But until Willard is digested nothing significant seems likely

At 77c Powertech yields 2 6% historic which is not attractive on income grounds But as the JSE rates this company along with parent Altech and returns seem set to improve a major price fall appears unlikely near-term

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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 ... ble to disqualification and to possible exclusion from the University

R338 000 contract to topple chimney

RDM 184/250 13/6/81

Staff Reporter

A CONTRACT valued at more than R338 000 has been awarded to a British engineering firm for the demolition of the ill-fated Matla power station chimney

Of that money, R172 000 is believed to be going to a team of American demolition experts alone, who have been hired by the firm to carry out the demolition

The chimney cost R3 300 000 to construct

According to a member of the demolition squad, which is based in Tulsa Oklahoma, the stack is the tallest structure in the world to be demolished with dynamite

Although a five-man British steeplejack team is already preparing the site for the demolition, the final decision as to how the stack will be "dropped" will be taken after the demolition team has inspected the site

The team is drilling more than 700 holes for dynamite at the 40m level of the "windshield", or outer coating of the 278m stack

However, the demolition is only expected to take place in the middle of next month

The dynamite will "shoot" out a section of the stack, causing it to collapse in the same way as a tree felled with an axe

The two remaining flues, which line the inside of the stack, will be drilled after the contractors arrive to plan the final stages of the demolition

So far 25 000 cubic metres of soil and ash have been laid to act as a cushion when the tower collapses

Another 15 000 cubic metres of earth still need to be deposited to form a protective wall to shield nearby installations and equipment which include a cooling tower and a coal staith, which dispenses coal to boilers nearby

It is understood the blast poses no danger to the mine shafts of the Matla coal mine 1km away The shafts run 60m — 80m below ground

An American demolition expert told the "Mail" that he did not think there was any chance of the stack falling skew on to surrounding structures

"When we shoot the stack we have got a lot of control and can predict within a small margin precisely when it's going to fall "

SA's improved situation helped heavy engineering

S. Express 14/6/81

189

By ARNOLD DAVID

WHILE the heavy engineering industry still has quite a bit of useful loading, the light engineering sector will probably continue at its present production levels only until the last quarter of this year.

The industry is then expected to take a marginal dip.

That is the opinion of Dr Errol Drummond, executive director of Seifsa who, in an exclusive interview, said that this was the result of the past years' boom, when the South African economy was expanding while the economies of most Western countries were experiencing a downturn.

South Africa's improved economic fortunes encouraged capital expansion programmes which benefitted the heavy engineering sector, says Drummond.

Of particular benefit to this sector was Escom's expansion programme; the Railways' expansion programme which resulted in increased orders being placed for rolling stock and tractive equipment; new mining developments; and the Sasol oil-from-coal programme which has resulted in spectacular expansion at Secunda

"These things don't happen overnight. The contractors have long lead times, so there's still quite a bit of useful loading left in heavy engineering.

"Light engineering is, however, a highly-diversified sector It's tempo and activities are affected by what happens in, inter alia, the building industry in particular, motor assembly plants, and stores.

"It also embraces certain consumer goods and consumer durables.

"The take off in these fields has obviously benefitted this sector .. recently there was high liquidity, increased disposable income and increased consumer spending"

On the negative side Drummond sees a flattening off in the tempo of demand due to the collective effects of high interest rate patterns, inflation and "increased operating input costs

"All these effects are showing signs of biting, but their effect at this stage is marginal," he said.

"It is expected that downturn should be of short duration as the European and American economies are expected to pull out of their recessionary curves then

"This should improve the performance of the light engineering sector as far as exports are concerned."

Duros expands furniture base

CT 16/6/81 (188)

By PAUL DOLD
Financial Editor

ONLY three months after taking control of Duros, the Cape furniture and property company, the new owners have shrewdly expanded its furniture base which should lead to both enhanced net asset value and profitability.

Last night Gordon Verhoef and Earl Krause, who bought Duros in March in a deal negotiated by Lawfin's chairman Lawrence Miller, announced that it was expanding the Duros furniture interests through a deal which will give a wholly-owned subsidiary, H Ospovat and Company, 85 percent of Mobilia Mobilia is an Atlantis based group

Mobilia has recently penetrated the Johannesburg market and has opened a sales office in the city It will allow the new Duros management to expand nationwide sales of both the Duros range (which aims at the upper market) and Mobilia which is in the budget area

The deal is effective from July 1 The price paid has not been disclosed as yet but is understood to be a mixture of cash and shares

Mobilia enjoys the extensive decentralization benefits applicable in Atlantis The group has a 10 000 sq m site with adequate space for expansion The existing management team is to be strengthened by Duros

Verhoef and Krause believe the deal offers important synergies with improved sales and profit prospects for both plants

Duros' existing furniture operation is housed in the group property in Roeland Street, Cape Town While furniture will no doubt be the profit sweetner, Duros seems likely to emerge as a growth-orientated property group

Both Verhoef and Krause have extensive property interests and no doubt more details of plans will emerge in coming weeks including several key management appointments

The majority of shareholders have meanwhile decided to stay aboard with the new management with shareholders holding less than 3 000 shares accepting the Verhoef and Krause offer to minorities underwritten by National Acceptances

The share price has moved well ahead of the offer of 178c, reflecting the improved prospects

Otis lives up to expectations

By JOHN MULCAHY

OTIS Elevators has performed in accordance with its chairman's forecast in the annual report, by paying an interim dividend of 12c out of earnings of 13c a share The directors say the final dividend is unlikely to exceed the interim.

In his review for the year to November 30 Mr Philip Sceales said Otis was expected to earn between 20c and 30c for the full year, and since past profits have been fully distributed, the company's dividends would no longer exceed earnings

For the six months to May 31 attributable profit amounted to R2 512 000 compared with R2 2?3 000 last year

The directors say in the interim statement that competition remains fierce and at times irrational "Otis is determined to retain its proper market share and is succeeding in doing so"

The company has changed its basis of accounting for construction and modernisation contracts from the completed method to a percentage of completion method

Initially this will result in some profit being brought to account earlier than would have been the case and it has the effect of smoothing profit reporting from month to month and year to year, according to the company.

The effect of this in the review period was to increase net income by R284 000 "The general profit level is in line with the 1980 interim results but profit for the full year will probably be below the 1980 level as was indicated in the 1980 annual report"

SALDRU/SAYST

ECONOMICS OF HEALTH CARE IN SOUTHERN AFRICA

SEPTEMBER 1978

THE MEASUREMENT OF THE IMPACT OF COMPREHENSIVE HEALTH CARE ON REMOTE AREAS

by

DR G.S. FEHRSEN

Paper No. 28

1 000 U'hage workers still on strike today

By BILL GARDINER and SANDRA SMITH

ABOUT 1 000 workers at Dorbyl Automotive Products in Uitenhage stayed out today on the second day of the strike at the motor component firm.

Last-minute negotiations between union officials and management failed to resolve the pay dispute.

Workers yesterday walked out at the two Dorbyl plants over minimum pay demands.

Officials of the National Union of Motor Assembly and Rubber Workers (Numarw) — which is affiliated to the 50 000 strong Federation of South African Trade Unions (Fosatu) — have been negotiating for a minimum wage level of R2 an hour with management since April.

But the company has stood firm on its offer of R1.36 an hour recommended by the Industrial Council for the Engineering Industry.

Dorbyl employees, who are at present being paid minimum wages of R1.13 an hour, have rejected the Industrial Council pay offer.

About 400 workers gathered outside the factory gates early today while union shop stewards met with management officials. They were later joined by the Numarw local organiser, Mr Edwin Maepe.

In an interview, Mr Maepe said little had been resolved at this morning's talks. Management had called on workers to return today or be dismissed, but [illegible] prepared to resume pay talks on July [illegible] Mr Maepe said.

Management warned union officials that workers who failed to return to work would be dismissed and the firm would start recruiting a new work force from tomorrow.

Mr Maepe said he was disappointed [illegible] the outcome of today's talks. He had expected [illegible]

The outcome [illegible] would be referred to workers at a meeting later today.

Management could not be reached for comment today.

Meanwhile, a total of about 200 dismissed workers at Federated Timbers in Port Elizabeth who downed tools on Tuesday in a pay dispute, elected a 10 member committee yesterday to negotiate with management.

A spokesman for the Port Elizabeth based General Workers of South Africa (Gwusa), representing the dismissed workers, said the union had arranged to meet management later today.

At last night's meeting workers re-affirmed their demands for a minimum wage of R1.65 an hour and criticised the company's liaison committee system. The regional manager of Federated Timbers, Mr T Botha, said today about 35 workers had since been recruited. He said dismissed workers would be re-employed if their positions were still vacant.

Fitted out for a man's job

Breaking down the barriers of tradition is all in a day's work for Mrs DINAH BLAAUW, the only woman welder at a motor assembly plant in Port Elizabeth. Mrs Blaauw became a qualified artisan earlier this year.

Picture by Mike Holmes

Woman welder 'one of boys'

E Post 18/6/89

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By SANDRA SMITH

WHEN Mrs Dinah Blaauw, 28, pops into the "Ladies" at the Ford motor assembly plant where she works, she is often mistaken for a man and re-directed to the "Gents"

This is because Mrs Blaauw, a mother of two, wears the same clothing as all the other swing-arm welders at the plant — overalls, boots, gloves, canvas apron and protective goggles.

In that get-up her colleagues often mistake her for a man.

Physically small, Mrs Blaauw obtained her welder's ticket after undergoing training at the motor plant's training school earlier this year

She now works alongside her colleagues, all men, as an equal

"They treat me just like one of the boys, and my foreman says that he forgets I'm a woman," Mrs Blaauw said

Asked why she chose to do what is traditionally regarded as men's work, Mrs Blaaw shrugged and said: "I thought it would be interesting. I have been with the same foreman for three years, and he suggested it."

Richards Bay to get conveyor belt factory

NM 18/6/81

Financial Editor

SARMCOL has plans to build a new factory at Richards Bay, Dr D J de Villiers, Minister of Industries, Commerce and Tourism announced yesterday when he opened a R4 000 000 plant which will produce steel-cable reinforced conveyor belts at Howick

The plans were confirmed by Mr Tony Hesp, managing director of Sarmcol, who said that planning was beginning on a R3 000 000 plant which would produce industrial products at Richards Bay.

These are mainly hoses and moulded rubber components for the automotive and engineering industries. It would not make conveyor belting.

Spending

A start could be made on the project at the end of 1982 but this was tentative at this stage

Mr Len Dean, managing director of BTR — the holding company of Sarmcol — said that between 1980 and 1982 they would be spending R10 million on expansion in South Africa. The plant that was opened yesterday was the first stage of another expansion plan at Sarmcol.

The new plant, designed by a German company, can produce belting up to 2,5 m wide and is the largest in the southern hemisphere. It can make the steel cord belting up to 2,4 m wide.

Dr de Villiers said that when, in the mid 70s, there was a strong revival in the mining industry, conveyor belt equipment had to be imported at considerable cost at a time when the balance of payments was under stress.

Possible

He said that three years ago the belting market was valued at less than R3 000 000 a year, it was now R15 million a year and would 'pass the phenomenal figure of R50 million by the end of 1983'

It should be possible to make the steel cable used in the new product in South Africa and cease importing it from Japan, Dr de Villiers said. The new rubber plant being built at Newcastle would be another source of local material.

Mining companies were turning to conveyor belts as the cost of using diesel-powered trucks and equipment rose with the price of oil He said that according to the Economic Development Plan for the decade from 1978 the demand for minerals would continue to rise.

'The demand for coal alone will increase by not less than 8,7 percent a year'

As claimed by J. Middleton in such a traditional setting the threat to the belief system, that is, traditional cosmology, does not lie in the growth of Christianity alone, but also in the development of a society in which a large proportion of the day-to-day relationships are impersonal and segmented.

The relevance of this point lies in the fact that with the present migrant system and the contemporary social changes, many kinship members have moved to cities where job opportunities are available. Therefore, many of them have ceased at least in urban areas to relate in close relationships as before. Now a large proportion of the urbanite's day-to-day activities are impersonal and segmented. These may have implications for traditional social structures, which gave support to traditional medical theory.

Traditional Medical Concept

To enjoy good health and prosperity members of a kin group have to keep in good standing with other relatives of the lineage. Quarelling, for example, among lineage members is a taboo strongly disapproved of by the ancestors and God. Whenever the spiritual world manifests itself an intermediary is needed to communicate with the spirit. The traditional medical practitioner is needed to bring its favour or/and avert its misfortune.

In Xhosa society, religion, medicine and magic are closely interwoven, being parts of a complex whole which finds its religious distinction in the well-being of the tribe.

This does not imply that Xhosa medicine is all magic or ... only of sacred religious rites. Xhosa possesses

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British Steel to sell its SA interests

By HOWARD PREECE
Financial Editor

BRITISH Steel (BSC) is selling all its interests in South Africa for R67-million The big buyers are Anglo American Corporation and Metkor, in which Iscor, the state steel giant, has the controlling stake.

Dr Anton Rupert's Rembrandt group is also playing a key role, both directly and through the 20% holding it has in Metkor

I understand that Sanlam and Old Mutual will also feature

About R21-million of the proceeds of BSC's sale will be remitted overseas at the commercial rand rate but the remaining R46-million will have to go out of South Africa at a discount through the financial rand market

Mr Maurice Hall, managing director of British Steel Corporation of South Africa, told me last night that there was nothing political in BSC's decision to sell out of South Africa

He said. "It is a simply a financial issue. British Steel has big financial problems as is well known

"The corporation has already sold its interests in Australia and New Zealand and is negotiating sales in some other areas"

The new chairman of British Steel, Mr Ian McGregor, has apparently decided that BSC must concentrate all its efforts on its basic British operations

It also needs to raise all the funds it can

The official announcement from Volkskas Merchant Bank said agreement had been reached between British Steel, Metkor and Anglo under which BSC would sell its interests in International Pipe and Steel Investments, Ipsa, to Anglo and Metkor

Ipsa is the holding company of the steel groups Stewarts & Lloyds and Dorbyl

Anglo will now increase its holding in Ipsa from 14,7% to 40% for R29 490 000 Metkor's holding will rise from 37,3% to 47,3% for R11 660 000

African Gate Holdings, a Metkor associate, holds the remaining 12,7% of Ipsa

British Steel is selling its direct holding of 21,1% in Stewarts & Lloyds to "certain South African financial institutions" (this is where Sanlam and Old Mutual are believed to feature) and to "a company in the Rembrandt group" for a total of R22 840 000

BSC is also selling its 2,4% in Dorbyl to Ipsa for R2 780 000

The total R67-million payment to BSC for all these arrangements will be done through the issue of redeemable preference shares

A total of R21-million will effectively be able to be paid out at the commercial rand rate through special dividends

The balance will have to go through the financial rand market and might well be phased over a lengthy period, given the sensitive nature of that market

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ANGLO BOOSTS STAKE IN ENGINEERING

St Argus 17/6/81

(122) (220) (187)

THE Anglo American Corporation has greatly increased its stake in the engineering sector by acquiring a substantial block of shares in Ipsa, the holding company of Dorbyl and Stewarts and Lloyds, two of the country's biggest metal working organisations.

Ipsa (International Pipe and Steel Investments SA) was formed some years ago by the British Government to hold the shares of the South African associates of nationalised British steel companies

Ipsa has 56 2 percent of Dorbyl's capital and 52 percent of Stewarts and Lloyds

At the time of Ipsa s formation British Steel Corporation retained 35 percent of the company s shares while the balance were held by Metkor, an Iscor subsidiary (37,3 percent), Afgate (12 7 percent) and Anglo American (15 percent)

40 PERCENT

Anglo America is now buying five sevenths of British Steel s holding for R29,5-million, lifting its stake in Ipsa to 40 percent

The other two-sevenths are being bought by Metkor for R11 7 million, which will increase its stake in Ipsa to 47,3 percent

The move gives Metkor nominal control over Dorbyl and Stewarts and Lloyds as it holds 37 percent of Afgate s shares

At the same time British Steel is selling its direct interest in Stewarts and Lloyds, amounting to 21 1 percent of that company s shares to the Rembrandt group for R2?,81 million

Altogether British Steel will raise more than R60-million as a result of these transactions

Uitenhage strikers dismissed after refusing to return

By PHIL GARDINER

ABOUT 1 000 striking workers at Dorbyl's two motor component plants in Uitenhage were fired yesterday for failing to respond to management's ultimatum for a return to work.

The firm today started recruiting a new work force.

The executive director, Mr J H Fehrsen, would not say how many workers had been hired but said dismissed workers would be considered for re-employment.

The National Union of Motor Assembly and Rubber Workers of South Africa (Numarwosa) — which represents the striking workers — has called another meeting of the dismissed Dorbyl workers in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue with the strike until management accepted their R2-an-hour demand.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R1,36 an hour.

According to the local Numarwosa organiser, Mr [illegible], Volkswagen management was prepared to meet for further talks with union officials on July 2, pending union meetings in Johannesburg and productivity.

He said the union would recommend that workers accept a compromise wage offer. He would not recommend anything less than R1,[illegible] an hour.

However, Mr Fehrsen said from Pretoria today that the firm was willing to meet union officials before that date.

Meanwhile the Port Elizabeth based General Workers Union of South Africa (Gwusa) is continuing its attempts to have [illegible] dismissed workers at Federated Timbers reinstated.

The workers were dismissed after management rejected their demands for a 100% increase in weekly minimum wages.

Management told Gwusa officials yesterday that the wage issue was "non-negotiable" as the union represented workers who were no longer employees at Federated Timbers.

The company was still prepared to talk to Gwusa officials and worker representatives about the re-employment of the dismissed workers.

Federated Timbers was not prepared to reinstate the workers, so some people with [illegible] would lose all their [illegible] service benefits [illegible].

In a statement today Federated Timbers said that though the firm could not meet pay demands made by striking workers, an increase of between 10% and 20% in minimum wages had already been budgeted for later in the year.

"Workers who accepted this were given the opportunity to return to work.

"To ensure that the commitments of the company to its customers continue to be met, new workers are being taken on in the place of those who did not accept management's offer, with the result that operations virtually returned to normal yesterday," the statement said.

Golds plunge in wake of BSI sale

KOM 189 20/6/81

By JOHN MULCAHY

THE decision by British Steel to sell its interests in South Africa and to repatriate R46-million of the proceeds through the financial rand market sent shudders through the gold board at the Johannesburg Stock Exchange yesterday.

In the absence of any knowledge of the timing involved in the remittance of the financial rands, already nervous London operators scurried out of gold shares in fear of being caught in golds at a time of financial rand weakness

The only clear picture seen by overseas investors is that there is definitely going to be a significant seller of financial rands at some stage, and no one is willing to take the chance of being caught at that time

Ironically, an upward movement in the financial rand earlier in the week turned London and New York sellers of SA stocks

New York started the move out of gold shares on Thursday when the bullion price was fixed below $460, but whatever local support there was disappeared in the concerted selling action yesterday

While reasonable trading was evident earlier in the week, with any sell orders restricted to fine price margins, yesterday dealers reported a greater willingness by overseas investors to part with scrip at lower prices

One dealer said "We saw stock come out — people were not fighting about prices"

Arbitrage brokers said the week saw a noticeable acceleration in physical delivery of scrip for settlement out of London, and attributed this to the collapse of brokers Saunders and Taylor on Monday

London brokers, not protected by the JSE guarantee fund, felt there was wisdom in obtaining settlement for sold scrip as soon as possible

Randfontein was the most seriously injured victim of the week's onslaught on golds, followed closely by the Free Staters Randfontein shed 1 075c to 5 600c, Western Holdings fell to 6 600c from 7 600c, Freguls and Pres Brand each lost 750c, to 3 600c and 3 500c respectively, St Helena dropped to 3 800c from 4 200c and Pres Steyn dipped to 3 350c from 3 700c

The general weakness spilt over into mining financials, and since last Friday Anglos lost 20c to 1 590c, De Beers fell to 885c from 902c, TC Lands dropped to 5 605c from 5 825c and Johnnies dipped to 8 000c from 8 175c

Amgold fell to 9 850c from 10 200c, Minorco lost 35c to 1 225c and against the trend, Anglovaal gained 100c to 5 000c

Metal markets were mixed, but weaker on balance Platinums all lost ground, with Implats down 15c at 810c, Lydenburg off 40c at 310c and Rusplat 50c down at 505c

Rooiberg attracted some strong support, as did Samancor, defying trends in the tin and manganese markets Rooiberg's rise of 25c to 1 800c was particulary surprising, in view of its recent significantly lower dividend announcement Samancor gained 5c to 360c

The industrial sector was again a five and ten cent market, with institutions waiting in the wings to take up stock when offered, but not prepared to chase prices upwards

Yesterday saw increased volume in Plate Glass, Nampak, Unisec, Karoo, the Pickard group companies, Gallo and the short-term insurers, all of which gained a few cents

- 5 -

care area — viz. self-help in the maintenance of health and the treatment of minor ailments at home. To draw another analogy — motor cars need regular checks and servicing, but due to the high cost of these many motorists have resorted to do-it-yourself

these auxiliaries may progress from single to general purpose auxiliaries.

The/...

- 6 -

The actual 10 auxiliaries recruited came from people associated with two community projects in the area. Five were connected with the Early Learning Centre and five with BABS (Build a Better Society).

The background to these 2 organisations is as follows :

...ch project to ...y disadvantaged ...rogramme it gave ...ence. As part of ...red rapidly and ... physical ... the heart of

The 5 Early Learning participants form the staff of the HELP scheme. This is a service whereby the home visitor goes into the home to play with the infants enrolled in the programme and teach the mother "how to parent" from the view of stimulating physical and cognitive development. Each child is visited for 1 hour per week and each visitor covers 17 children. Even before they became auxiliaries they were distributing booklets on child care, arranging health education talks and demonstrations as well as giving mothers advice on health where indicated. These lady home visitors were given a lot of background lectures on child development, family planning and community health as part of their training for the HELP scheme. They have become auxiliaries in their private capacities and are well qualified educationally for these posts, as well as being well placed geographically.

Build a Better Society (BABS) and the Dr Abdurahman Day Hospital were both born in the latter half of 1972. BABS is described as an organisation which employs social workers to organise the community into self-help groups which are eventually left to function on their own. BABS undertook a full sociological diagnostic survey of the Kew Town housing scheme in 1972. Regional committees were established and each of these were represented on a central committee.

Each/...

1. See for example Prest and Turvey p.683
   Mishan (1975) Ch.2
   UNIDO Ch. 1
2. See for example Fein p.210
   Layard (introduction)
   Pole (1968) p.192
   Newton pp.235-6
   Culyer p.66
3. See Dasgupta and Pearce: for a full coverage of the theoretical aspects of cost benefit analysis: also Graaff (1975) Baumol, and the original articles by Hicks, Kaldor, Scitovsky, Arrow and Fisher. Krutilla also gives a clear account of the welfare aspects of cost benefit analysis.
4. See Prest and Turvey
5. Packer p.247
6. Illich
7. See Arrow "The welfare Economics of Medical Care" Cooper and

Factory for Sarmcol

Own Correspondent

DURBAN. — Sarmcol has plans to build a new factory at Richards Bay, Dr D J de Villiers, Minister of Industries, Commerce and Tourism announced when he opened a R4-million plant which will produce steel-cable reinforced conveyor belts at Howick.

The plans were confirmed by Mr Tony Hesp, managing director of Sarmcol, who said that planning was beginning on a R3-million plant which would produce industrial products at Richards Bay

These are mainly hoses and moulded rubber components for the automotive and engineering industries It would not make conveyor belting.

Mr Len Dean, managing director of BTR — the holding company of Sarmcol — said that between 1980 and 1982 they would be spending R10-million on expansion in South Africa The plant that was opened yesterday was the first stage of another expansion plan at Sarmcol

17. Introduction to G.H. Peters "Cost Benefit Analysis and Public Expenditure" IEA 1968.
18. Graaff (1975) P.243
19. Fein pp.200-201
20. Dasgupta and Pearce p.21
21. Comment by A.G. Hines "On the reaapraisal of Keynesian Economics"(1971) pp.24-25
22. Prest and Turvey p.731.

3. <u>The health centre concept</u>.

(3.1) <u>The aims of the Day Hospitals</u>

The Day Hospitals were established with the following

1. <u>Decentralisation of outpatient services</u> - bringing medical and nursing care to the indigent group of patients in their own areas.

2. <u>Reduction in transportation costs</u> - to reduce the costs to hospitals of transporting indigent outpatients to outpatient departments, and to reduce costs to patients who paid for their own transport.

3. <u>Reduction in outpatient department costs</u> - by a better matching of patient and facility.

4. <u>Decongestion of outpatient departments in all hospitals</u> - improving the quality of work environment for medical staff and reducing the waiting time of patients. The assumption was that a good service and attractive surroundings would create the right image for patients to prefer attending their nearby Day Hospital.

5. Ultimately, all outpatients to be seen initially at Day Hospitals and only those requiring specialist treatment would be referred to outpatient departments. Patients suffering from chronic diseases, and those requiring regular postoperative examination would be referred from hospital to a Day Hospital for further treatment.

6. <u>Earlier discharge of inpatients</u> - to convalesce at home under the supervision of district sisters and social workers. This would result in a higher turnover of beds in hospital.

7. To provide more facilities for general practioners to work in hospitals thereby halting and reversing the trend of ousting them. In essence, the Day Hospitals would provide a general practioner service for the indigent who could not afford a private GP.

The decentralisation is aimed to encourage patients to attend the Day Hospital in their own area, enabling an emphasis on the community rather than on illness, although as long as Day Hospitals provide only curative care, they remain a disease service rather than a health service.

/.......

Business

Steelmen lagging hints Dawie

By BARRY BAXTER

STEEL-CORD belting produced at a new R3,75-million plant at Howick, Natal is unlikely to achieve the level of local content the Government is hoping for.

The South African Rubber Manufacturing Company (Sarmcol) plant was opened this week by Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers.

It is being geared up to satisfy an initial market estimated at R10-million to R15-million a year, which will all be import substitution.

But the steel cords which account for at almost 50% of the cost of the product will have to imported for the forseeable future.

"The local manufacture of the cords is surely within the capabilities of our industries, and I trust you will soon be able to purchase cable at competitive prices from local sources," Dr De Villiers told Sarmcol executives.

Within 18 months Sarmcol technicians will be substituting all other imported components of the belting for locally-produced items, to take the local content of the belting to just over the 50% mark.

But they think it unlikely that the South African steel industry will be able to come up with suitable cords to make the belting a 100% local product.

"The strength of South African made steel cords cannot meet the rigid specifications necessary for heavy duty belting," they claim.

"The steel is not strong enough. The strength of the imported cords is such that belts with 15kn between centres can be produced."

Also, the cords have to be zinc dipped to ensure that they bind to the top and bottom covers, a process jealously guarded by Sarmcol's supplier and parent company, British Tyre and Rubber Company.

The rubber covers are imported at the moment, but will be replaced with a locally produced synthetic rubber, polyisoprene, when the synthetic rubber plant at Newcastle is commissioned.

The Sarmcol belting will be marketed under the trade name 'Powacord'.

Maximum specifications will be 40mm thick, 2.5m wide, 196 cords which can range from 5.2mm to 12.9mm in diameter with the 9mm cord registering a breaking strain of 68.4kN.

Biggest buyers are expected to be the mining houses who plan to use the belting to replace expensive and fuel hungry dump trucks as the major movers of ores above ground.

The steel-cord belting plant opened by Minister of Industries Dr Dawie de Villiers

Fosatu men meet today to discuss Uitenhage strike

By PHIL GARDINER

THE executives of all plant committees affiliated to the Fosatu union at engineering firms in the Uitenhage area are to meet today to discuss the pay strike [illegible] 1 000 [illegible] employees.

The workers were dismissed last week after they had ignored a management ultimatum to return to work.

They have rejected Dorbyl's pay offer of R1.36 an hour and have demanded an hourly minimum wage of R2. Management has refused to budge from its offer, recommended by the Industrial Council for the Engineering Industry, which [illegible] into effect from [illegible].

According to the local organiser of the Fosatu affiliate, the Metal and Allied Workers' Union of South Africa, Mr [illegible] Maepe, union officials and shop stewards would meet Dorbyl management later today for talks.

Asked if the meeting would discuss the reinstatement of the dismissed workers, Mr Maepe said: "Dorbyl employees still regard themselves as Dorbyl employees. [illegible] talk about [illegible] require [illegible] wages, the cause of the dispute."

[illegible] force at Dorbyl [illegible] motor component plants in Uitenhage continued [illegible] but official figures could not be obtained.

[illegible] to [illegible], according to sources, production at one of the plants has stopped completely.

The executive director, Mr J B Robinson, was not available for comment.

Star 20/6/81

Siemens refutes report on labour

(189)

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 Allegemeine 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 Allgemeine 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."

THE IMPLICATIONS FOR UNDERGRADUATE AND POSTGRADUATE TRAINING

The key to the cost effectiveness of the general practitioner lies in his training This must take place at undergraduate and post-graduate level The limitations of the teaching hospital as an environment for learning the skills and attitudes of primary and personal care have been discussed This has led to the establishment of departments of general practice in medical schools throughout the world during the past decade

These departments have de [illegible] and have trained teachers to imp [illegible] schools the behavioural sciences [illegible] pre-clinical years and department [illegible] active part in this teaching Ir [illegible] to patients at a much earlier sta [illegible] behaviour, development and ageing [illegible] have laid emphasis on the teaching of communication skills e g Dundee. In others, students follow up and study a family throughout their under-graduate years e g Cardiff Small group teaching is widely employed but the most effective learning situation is the doctor's consulting room or the patient's sick room

This one-to-one teaching situation is unique in medical education and it has evoked important study and writing e g "Learning to Care - Person to Person" by Byrne and Long[17] One of the interesting observations to emerge is that the doctor-student relationship mirrors the doctor-patient relationship. The teacher is encouraged to develop

a non-directive, non-judgemental and equal relationship with his students - and his patients.

In this country Pretoria established a department of general practice in 1971 but this is based on the out-patient department of the teaching hospital. Recently Orange Free State and the new Medical University of South Africa have created chairs U.C.T. established a unit of general practice this year. However, it is not enough to create departments. These departments must be based in the community and must have [illegible] specialty. Training schemes have been created in most developed countries. These schemes vary in duration and detail but they have some features in common Part of the time is spent as a trainee in a general practice or university unit, part is spent in hospital internship Throughout the period of training the trainee attends a course in the principles discussed earlier in this paper. Most schemes lay emphasis on insight training with a view to better understanding of the doctor-patient relationship

Britain has a three year course which has achieved its target of 1000 places a year By 1980 no doctor may become a principal in general practice unless he has undertaken a three year period of vocational training Canada has a two year period of training which is under the [illegible]

It's 'Timber!' for a deadly giant

By ANTHONY HARDING

ONE windless day in the third week of July the massive chimney at Matla power station near Witbank will crash to the earth like a giant tree.

The 278m high chimney one of the tallest of its kind in the world is to be felled with a high explosive sledgehammer on July 18.

Building operations on the chimney cost a Johannesburg engineering firm R3.3 million but it was never completed.

On August 26 last year one of its three central flues collapsed killing two workers and injuring seven others.

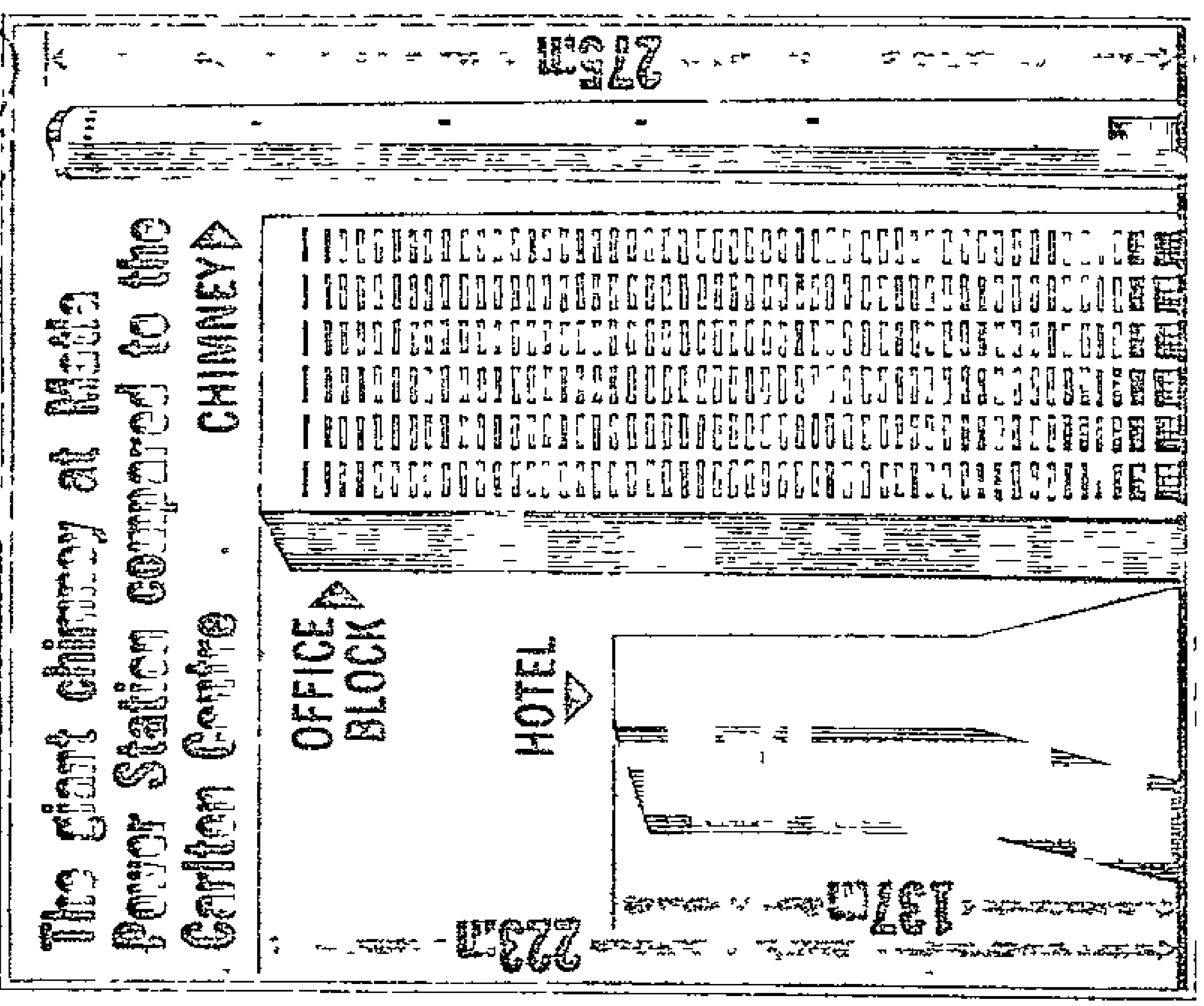
A court of inquiry to probe the incident heard that the flue collapsed as a result of a combination of a poor concrete mix splitting supports and battering winds.

Now the date has been set for the demolition of the tallest structure of this kind ever to be dynamited.

Steeplejacks from a British engineering firm which has been contracted for the blast, are busy preparing the site.

An American demolition expert Mr Jim Bedyke has been hired to bring the structure down.

See Page 13



The 60-storey Matla chimney, where two workers died when a flue collapsed, will be dynamited next month. The smoke-stack is 138 me es higher than the Carlton Hotel, and about 10 storeys higher than the Carlton Cent e block.

Graphic GAIL IRWIN

not one of the households boiled water prior to consumption.

The reasons for not boiling water (Table Thirty Nine)

Did not need to	30%
Filtered water through muslin	2%
Why should we?	68%

The statistics reflect a very unsatisfactory situation in the homelands as far as water supplies are concerned. Very often the unavailability of a sound water supply is given as the reason for not starting a vegetable garden.

7) [illegible]

The mothers or [illegible] were asked to assess the constituents of an adequate diet for their children.

38 of the mothers of children suffering from malnutrition described what the research team evaluated as an inadequate diet.

62 of the mothers of the children suffering from malnutrition described what the research team evaluated as an adequate diet.

13 of the mothers of the children not suffering from malnutrition described what the research team evaluated as an inadequate diet.

87 of the mothers of the children not suffering from malnutrition described what the research team evaluated as an adequate diet.

The figures [illegible] knowledge about nutrition [illegible]. It should be noted that 61% of the mothers of children suffering from malnutrition had adequate knowledge about what constituted a healthy diet. The fact that they quote diet could be related to one or more of the following facts:

i) insufficient income to purchase the necessary diet
ii) the mother may not be the person doing the buying and the cooking
iii) a fatalistic attitude on the part of the mother whereby she is in possession of the relevant knowledge but is not convinced of the relationship between diet and disease.

Table A2 Es

Most of fired timber workers back at their posts today

23/6/81 EP

Post Reporter

MOST of the workers at Federated Timbers in Port Elizabeth who lost their jobs last week after a pay strike, returned to their posts today

About 200 workers downed tools last week after management rejected their demands for a 100% increase in the weekly minimum wage rate The firm started recruiting a new work force last week and dismissed workers were given the opportunity to return

Workers said they were dissatisfied with the present 80c an hour minimum and demanded an hourly minimum of R1,65

Federated Timbers, however, said although the pay demands by striking workers could not be met an increase of between 20% and 30% in minimum wages had already been budgeted for later in the year

Most of the dismissed workers returned to work today

The firm has already engaged a number of replacement workers but official figures could not be obtained All who returned today will be accepted back but it is not clear whether workers will be reinstated or re-employed

If they are reinstated, workers will not lose accumulated long-service bonuses and holiday pay benefits

Meanwhile management at the strike-hit motor component firm, Dorbyl, in Uitenhage would not say how many workers had been recruited after the dismissal of 1 000 strikers last week

Recruitment has reportedly been slow and one of the two plants hit by the strike is at a standstill

	Details				African Homeland and Rural Area
1.	Estimated Settled Population ... African Areas from 1936 Popu... estimated on the basis of th... the African population as a ... Children 0-14 yrs in Town = ... .39 White Farms actual count; Af...			7	(Migrants 476 000) 3 438 395
2.	Estimated population in 1951 o... only. Natural rate of incre... Population$_{1951}$ = Population$_{1...}$				4 493 372
3.	Actual Population in the area ... urban area taken as actual chil... 39 African rural areas census coun...				(Migrants 679 000) 3 986 234
4	Permanent Migration together wi... migrants i e persons who would... in 1951 if no migration had take... 1951 (rounded to 10 000)				- 510 000
5.	Estimated Population in the area... increase only, rate of natural in... 3 per cent p a. Note calculatio... period 1951-1960 as 1960 is the l... which it was possible to obtain actual census counts of the population resident on White farms.	(4)	2 625 000	1960 3 145 072	6 985 966
6.	Actual count adjusted for temporary migrants. Ratio of children to adults .42 for urban population. Migrants from homelands 1 177 000.	(5)	3 702 000	1960 2 144 085	(Migrants 1 177 000) 7 586 780
7.	Permanent Migration together with the outmigrants natural increase (see 4 above) (estimates rounded to nearest 10 000)		1 080 000	1 000 000	+ 600 000

(1) Population census data has been taken from Union of South Africa 6th Census, 5th May 1936, Vol 1 'Sex and Geographical Distribution of the Population', UG 21 of 1938 and the Supplement to Vol IX "Ages and Marital Conditions of the Bantu Population", UG 50 of 1938, Government Printer, Pretoria The number of temporary migrants has been taken from Jill Nattrass, The Migrant Labour System and South Africa's Economic Development 1936-1970 Unpublished Doctoral Thesis, University of Natal Library.

(2) Population data from 'Sex and Geographical Distribution of the Population' Vol. V, Population Census 1936, UG 21/1938 The Rate of increase of 1 8 per cent has been taken from the average rates of increase 1936-1951 for the African Population in South African Statistics 1974, Department of Statistics, Pretoria, 1975

(3) Actual population data from 'Union Statistics for Fifty Years' Bureau of Statistics, Prétoria and Population Census 1951, Vol. V, Ages All Races Bureau of Statistics, Pretoria, UG 42/1958 The estimates of the number of migrants from data in Jill Nattrass, The Migrant Labour System and South Africa's Economic Development 1936-1971, see Note 1.

(4) The rate of increase of 3 per cent from the average rate of increase 1951-1970 for African Population in South African Statistics 1974, Department of Statistics, Pretoria, 1975

(5) Actual counts of urban population from Monthly Bulletin of Statistics, December 1975, Department of Statistics, Pretoria, 1976. The estimated number of migrants from Jill Nattrass The Migrant Labour System and South Africa's Economic Development 1936-1971 See Note 1 The ratio of children under 15 to all African adults ,42 estimated from Report 02-02-02, Population Census 1970 Bantu Age, Occupation, Industry, School Standard, Birthplace, Department of Statistics, Pretoria, 1973.

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(184)

Bosal announces big expansion in Uitenhage

Post Reporter

THE world-wide industrial group, Bosal International, one of the largest producers of exhaust systems in the world is to increase its investment at its Uitenhage plant by about R2,5 million in the next four years

This will make the Uitenhage plant one of the largest tube and exhaust systems factories in Southern Africa

Mr Will Schoeman, managing director of Bosal Afrika, announced that plans for extensions and improvements to the present buildings to the value of about R1 million are well advanced

This will include up-grading the present canteen and ablution facilities as well as the addition of a new office block which is planned for completion by early 1983

As part of Bosal Afrika's national re-equipment and mechanisation programme, more than R750 000 will be spent on the installation of the latest mechanical systems for the manufacture of exhaust systems in the Uitenhage factory

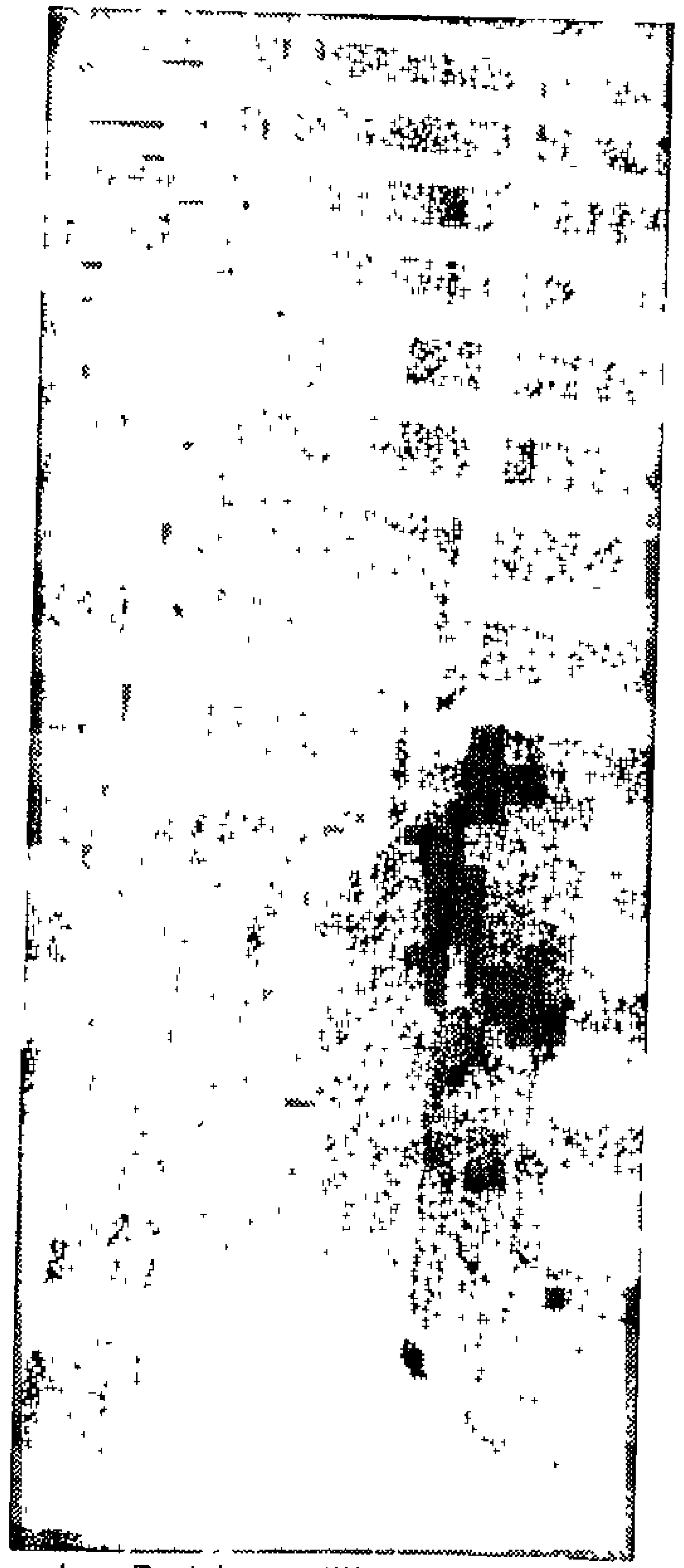
This is planned as soon as the factory area has been extended, early in 1983

A further R500 000 will be invested in the expansion of the tube manufacturing facilities in the Uitenhage plant over the next two years

Part of the investment of Bosal Afrika in Uitenhage will be in the form of in-house training

According to Mr Schoeman, Bosal Afrika is very conscious of the gap which exists between technical training in South Africa and the ever-increasing need for trained people in industry

The training programme will concentrate largely on basic training, closely integrated with Bosal's own needs in Uitenhage, leaving the more advanced training to the technikons



Jim Redyke "I'm confident"

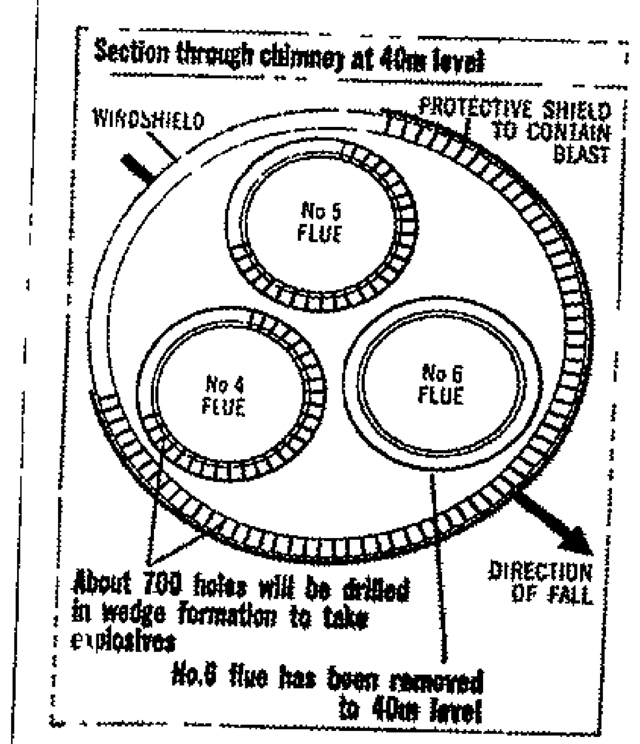
BLAST! JIM'S DOING IT AGAIN

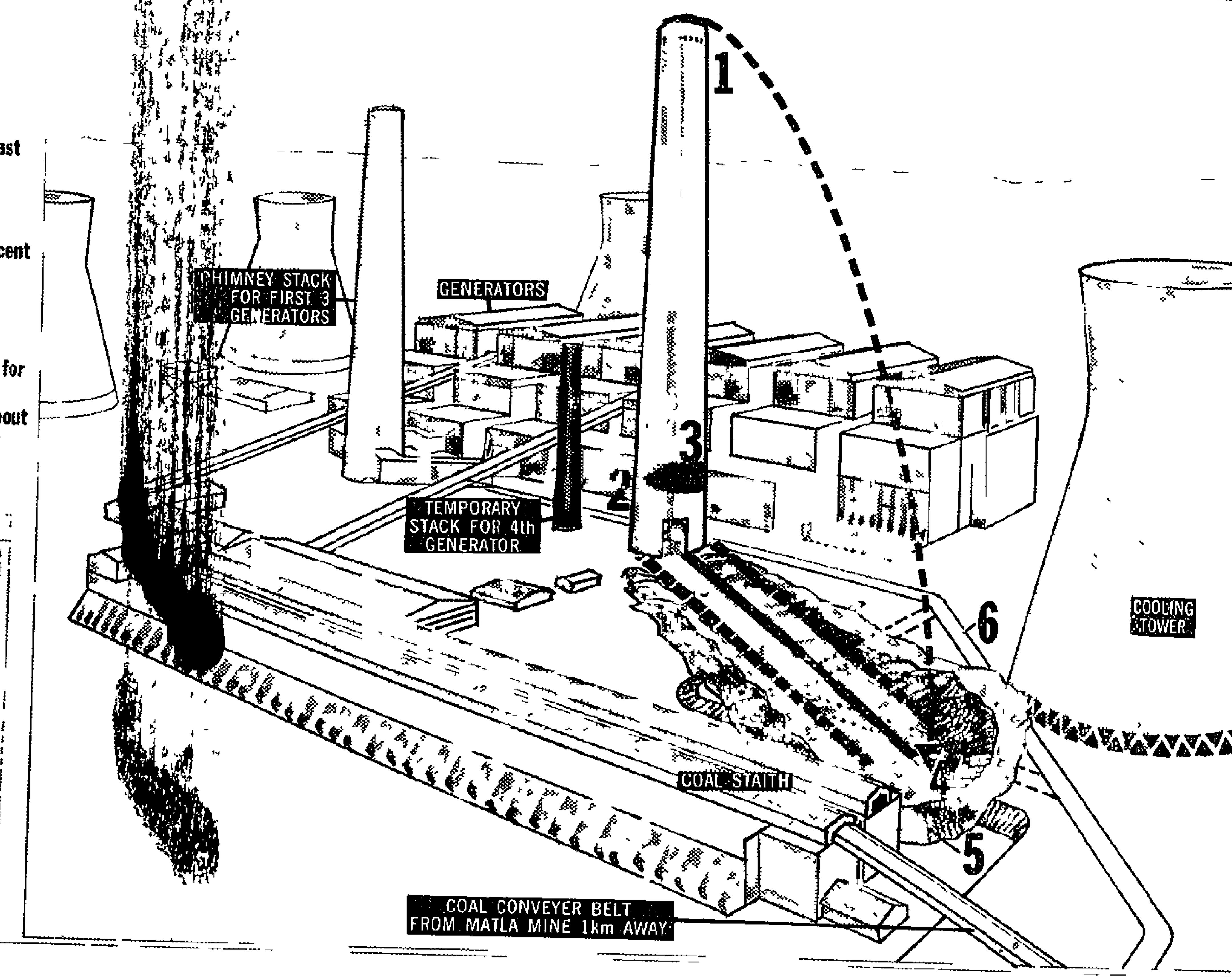
RDM 23/6/81 189

Preparations for the demolition of Matla power station chimney on Ju

1 Stack will be demolished with explosives. It is calculated to fall like a felled tree away from generators
2 Explosives located at 40m level
3 Protective shield will contain blast
4 Planned line of fall
5 Mounds of earth (50 000m³) will cushion impact and protect adjacent cooling tower and coal staith
6 Ash pipes rerouted

Power station will be shut down for demolition
(Top of stack will not move for about 15 seconds after explosives have been detonated)





HE'S ON A R170 000 MISSION OF DESTRUCTION — TO REDUCE A R3-MILLION SMOKE STACK TO

"DO IT again please Dad"

This is how one little boy reacted as he watched a 10-storey building crumble into a neat heap of pulverised rubble — in 15 seconds

And now Jim Redyke, 38-year-old American demolition expert is about to do it again — this time to a 275m-high, R3,3m power station stack near Witbank

Redyke has been hired to "pop" the controversial Matla stack which partially collapsed in August last year killing two workers and injuring seven. After much discussion between Escom, the contractors, and overseas experts, it was decided to demolish the stack, rather than rebuild the fallen flue

The tower which was built at a cost of R3 300 000 by a Johannesburg engineering firm Futurus (Pty) Ltd, was meant to serve the power station's 40-year lifespan

Now Jim Redyke will reduce it to a heap of rubble

Matla is his biggest challenge. When, hopefully on July 18 if there's no wind, Redyke brings the tower crashing down he will be quietly confident

Twice as high as the Carlton Hotel, the crippled smoke stack at the Matla power station will soon crash to the ground in an unprecedented display of demolition skill ANTHONY HARDING reports.

A tra...

...ted by American demolition expert Jim Redyke, who will "pop" the mighty Matla smoke stack next month

It is confidence born of experience — since the beginning of the year he has demolished two 100m smokestacks, five buildings, one of 11-storeys, and a reinforced concrete bridge over the Red River, between Texas and Oklahoma

And on July 5, two weeks before he topples the mighty Matla, he is "popping" a seven-storey hotel in Vancouver, Canada

His work carries him everywhere and he is "too seldom" at home with his wife, Jane, and their two boys and 15-month baby girl

What made him become a demolition expert? "It's hard on my nerves" He laughs

"One sees the results of one's work over a short period of time There is always a challenge in getting a building to drop as planned without incident

"Occasionally something goes wrong and a nearby fourth-storey window is blasted out There's nobody in the blasting world who hasn't had a problem

"One learns demolition by experience It is a cause and effect relationship You make a mistake and you learn There is no training for the job"

Jim grew up in an engineering environment His father had his own excavating construction business

After school he went to the John Brand University in Arkansas to study building construction

Then he joined a quasi-government demolition agency, the Tulsa Urban Renewal, which bought up blocks of old buildings and cleared them to make way for new developments

It was there he gained his skills before launching his own demolition enterprise During his five years with the firm he demolished "25 to 30" buildings

He now has his own company, Dykon, which over a period of seven years has successfully carried out "40 or 50" demolitions throughout the United States and the world

Jim has already "starred" in two films with Burt Reynolds — "Smokey and the Bandit (Two)" and "Hooper", both directed by Hal Needham

For "Hooper" he blasted two smoke stacks and a two-storey building, and in "Smokey" he dynamited a roller-coaster track

In the scenes smoke stacks and buildings explode in clouds of dust, crushing a motor car, while stunt cars, running a gauntlet of debris and flames, barely escape a similar fate

Jim believes in teaching his children the secrets of his rare profession while they are still young Recently his five-year-old son helped him to set up dynamite charges in a 10-storey building in Iowa

He neither smokes or drinks Softly spoken and shy, he at first refuses a request to photograph him but, with a wry smile, accedes for "just two shots and that's all"

So much for the man Now the mission

Towering 60 storeys above surrounding generators, cooling towers and coal dispensing units (staiths), Matla's anti-pollution chimney is one of the tallest structures of its kind in the world

On the day — which is scheduled for Saturday, July 18 — Escom will shut down its Matla generators for the duration of the blast

A crack team of British steeplejacks from a Manchester engineering firm, Santon International, has been carefully preparing the stack for the huge blast

Over the last few weeks the five-member team, perched on hanging "cradles", have been drilling 700 holes to receive the dynamite charges which will "drop" the tower

Placed at the 40-metre level — where the outer concrete windshield of the chimney narrows — the men have been drilling a "smile" pattern

It is this pattern which is the secret of the demolition's success A similar pattern is to be drilled into the two remaining flues inside the stack

The charges will be laid in the holes drilled around two-thirds of the circumference of the stack, leaving a section at the rear as a "hinge"

Various methods of demolishing the tower were suggested, but after tenders were received from two British firms, it was decided to award the R338 000 contract to Santon International, a well-known steeplejack firm

After a lengthy and complicated feasibility study to determine the effect of the blast on surrounding structures, the go-ahead was recently given at a high-level meeting between Escom executives and Futurus

It was found that the kinetic energy released on impact would be released sufficiently rapidly into the earth to prevent damage to the structures

Santon, in turn hired Jim Redyke, who is based in Tulsa, Oklahoma, to do the job It is believed he will receive R170 000 for his explosives expertise

So far the steeplejacks have jackhammered the collapsed flue to the level of the blasting point The two remaining flues will be drilled in the same pattern as the outer windshield

The flues are brick-lined chimneys which carry the super-heated gases from the power station turbines into the atmosphere Their brick-lined core prevents acidic coal gases eating away the concrete

The team is also lining the outside of the tower with steel plating This is to protect surrounding structures, including a temporary steel flue alongside the stack, from the initial dynamite blast

These plates will also contain the force of the charges which will first pulverise the concrete at that level — effectively chopping the tower like a giant tree

It is understood the outer windshield will start moving first, followed by the two inside flues

Accordng to experts the stack will stand motionless for up to 15 seconds after the initial explosion Then, slowly at first, it will lean forward, gathering momentum until it hits the earth below with devastating impact

Futurus is moving 50 000 m^3 of soil onto the site to create a protective impact cushion for the stack

On impact the reinforced concrete and steel stack will break into thousands of fragments which will be thrown about the site by the airblast created by the force of impact

A soil trough is being built along the line of fall to deflect the airblast and protect the cooling tower and coal staith just over 60 metres away

Will it fall as planned — between the cooling tower and the coal staith — or is there a chance the stack will collapse onto these structures?

Jim Redyke is confident all will go according to plan

And why should there be any reason to doubt the confidence of a man who has demolished nearly 70 structures over the last 12 years

British Steel to sell its SA interests

Own Correspondent

JOHANNESBURG — British Steel (BSC) is selling all its interests in South Africa for R67m The big buyers are Anglo American Corporation and Metkor, in which Iscor, the State steel giant, has the controlling stake

Dr Anton Rupert's Rembrandt group is also playing a key role, both directly and through the 20 percent holding it has in Metkor

I understand that Sanlam and Old Mutual will also feature

About R21m of the proceeds of BSC's sale will be remitted overseas at the commercial rand rate but the remaining R46m will have to go out of South Africa at a discount through the financial rand market

Mr Maurice Hall, managing director of British Steel Corporation of South Africa, told me that there was nothing political in BSC's decision to sell out of South Africa

He said "It is simply a financial issue British Steel has big financial problems as is well-known

"The corporation has already sold is interests in Australia and New Zealand and is negotiating sales in some other areas"

The new chairman of British Steel, Mr Ian McGregor, has apparently decided that BSC must concentrate all its efforts on its basic British operations

It also needs to raise all the funds it can

The official announcement from Volkskas Merchant Bank said agreement had been reached between British Steel, Metkor and Anglo under which BSC would sell its interests in International Pipe and Steel Investments, Ipsa, to Anglo and Metkor

Ipsa is the holding company of the steel groups Stewarts and Lloyds and Dorbyl

Anglo will now increase its holding in Ipsa from 14,7 percent to 40 percent for R29 490 000 Metkor's holding will rise from 37,3 percent to 47,3 percent for R11 660 000

African Gate Holdings, a Metkor associate, holds the remaining 12,7 percent of Ipsa

British Steel is selling its direct holding of 21,1 percent in Stewarts and Lloyds to "certain South African financial institutions" (this is where Sanlam and Old Mutual are believed to feature) and to "a company in the Rembrandt group" for a total of R22 840 000

BSC is also selling its 2,4 percent in Dorbyl to Ipsa for R2 780 000

The total R67m payment to BSC for all these arrangements will be done through the issue of redeemable preference shares

A total of R21m will effectively be able to be paid out at the commercial rand rate through special dividends

The balance will have to go through the financial rand market and might well be phased over a lengthy period, given the sensitive nature of that market.

Unisec buys into steel

(184)

Com 24/6/81

Deputy Financial Editor

UNISEC has bought 70% of Gulf (Pty), a Germiston steel company, for about R3 000 000, bringing the total it has spent on acquisitions in the last year to more than R11-million

The 30% balance of Gulf will be kept by the vendors, mainly the chairman, Mr Gordon McQueen, and managing director, Mr Reg Wepener, who have been in steel for 25 years and will continue running the company

The vendors have guaranteed that Gulf will make R1 700 000 before tax but Unisec expects it to make R2-million

Unisec managing director, Mr Peter Thomas, told me Gulf would pay a full rate of tax, suggesting a minimum taxed profit of about R1-million Unisec's 70% share means it is paying, at most, 4,3 times expected earnings for the acquisition

Mr Thomas said steel merchandising was a high growth area, pointing out that HLH expects its Wolhuter Steel to lift sales 40% this year Steel was new territory for Unisec but distribution and the financing of distribution had long been a Unisec speciality

Mr Thomas said with Unisec's financial muscle Gulf would grow at a good rate

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Steinmuller contract for Dorbyl

L & C Steinmuller (Africa) who were recently awarded a contract for the installation of six 600 Mw boilers and associated steelwork at Escom's Tutuka power station, near Standerton, have in turn awarded a contract for the steelwork in the boiler houses and turbine houses to Dorbyl Structures, a division of Dorbyl Structural Engineering.

This is the largest single structural steelwork contract awarded in Southern Africa and has a present-day value of approximately R100-million, says a spokesman for Steinmuller.

The contract requires the fabrication and erection of 60 000 tons of structural steelwork over a period of about five years.

The structural component alone will give employment to 700 people while it is estimated that the total boiler project will give employment to about 10 000 persons for almost seven years.

Construction is due to start in October and access for erection of the boiler parts will be available to L & C Steinmuller in February 1983.

farmer finds [...] as labour than he had anticipated it is those [...] a daily basis who are dismissed first: Less [...] dents - or none - will be employed. If the farmer [...] labour, dependents resident on the farm - wh [...] on a daily basis - will not be offered work. [...] will however continue to be employed as th [...] eed payment in advance.

X Structural Chan [...] rket over Time

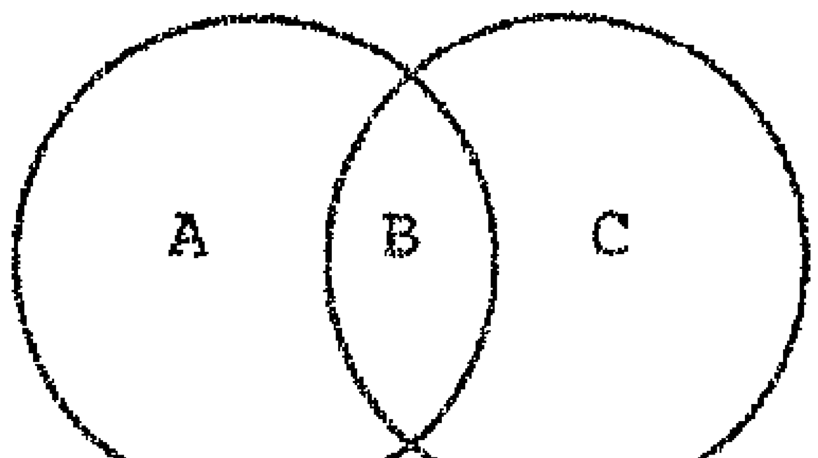
Other than a br [...] the historical circumstances which led to Af [...] people working as farm labourers in the [...] analysis has been largely static in the se [...] considered the situation as it exists at [...] riefly attempt to fill in some of these gap [...] ructural changes in the labour market in the med [...] over approximately the last twenty years. In [...] otheses will be put forward as to what future [...]

While adaptation is [...] ns, in the short-term changes appearing t [...] marginal, over time some of these alterations may be far-reaching indeed. Some of the changes discussed are common to both Elgin and the Hex River Valley, while others are relevant to one area only. Although our focus is on seasonal labour, some consideration will also be given to changes in the permanent labour market as well. Detailed research into the historical patterns of supply of labour were not possible; thus while in principle much of what follows is verifiable, in fact much of the discussion still remains conjecture.

(i) There seems to have been a trend towards the substitution of African migrant workers for 'Coloured' workers (and - an enforced substitution - for prison labour in the Hex River Valley) over time in both permanent (Elgin and the Hex River Valley) and seasonal (Elgin only) employment. The supply of 'Coloured'

While in principle the casual worker always has the option to seek permanent employment, as we shall see at times this decision can involve costs well in excess of the income gains resulting from the shift from casual to permanent employment. In general - although not necessarily - casual workers are paid on a daily basis. The seasonal worker may be employed either on a regular or a 'casual' basis for the duration of the season.

The above will become clearer if we focus on the relationship between seasonal and casual employment in some detail.



In position A the worker is casually but not seasonally employed. The worker may be hi... y basis, as in the case of women (and childr... who are often employed to perform various o... on a casual basis; alternatively he may ... a specific task, (e.g. a fencing team ... a field) and paid on completion of that ta...

In position B a worker ...id seasonally employed; that is, he is employe... o perform a seasonal task. (We note that w... from the perspective pf the 'employment agre...his 'function in production.' This rath... istified on the basis that it is necessary to ...om other forms of seasonal employment - wi... our discussion by introducing any new term...

In position C a worker is ...d, but on a regular rather than casual basis ...orker employed on a

Steinmuller contract for Dorbyl (187)

L & C Steinmuller (Africa) who were recently awarded a contract for the installation of six 600 Mw boilers and associated steelwork at Escom's Tutuka power station, near Standerton, have in turn awarded a contract for the steelwork for the boiler houses and turbine houses to Dorbyl Structures, a division of Dorbyl Structural Engineering.

This is the largest single structural steelwork contract awarded in Southern Africa and has a present day value of approximately R100 million, says a spokesman for Steinmuller.

The contract requires the fabrication and erection of 60 000 tons of structural steelwork over a period of about five years.

The structural component alone will give employment to 700 people while it is estimated that the total boiler project will give employment to about 10 000 persons for almost seven years.

Construction is due to start in October and access for erection of the first boiler parts will be available to L & C Steinmuller in February 1983.

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B & S STEEL

189 FM 24/4/81

Slower growth?

Activities: *Manufactures steel furniture Main products are kitchen units, tables and chairs, office furniture and institutional seating*

Chairman and managing director *H Back*

Capital structure: *2,3m ordinaries of 50c Market capitalisation R3,3m*

Financial: *Year to December 31 1980 Borrowings long- and medium-term, R1m, net short-term, R1m Debt equity ratio 50,3% Current ratio 2,2 Net cash flow R1,2m*

Share market: *Price 145c (1980-81 high, 160c, low, 75c, trading volume last quarter, 60 000 shares) Yields 42,9% on earnings, 10,7% on dividend Cover 4,0 PE ratio 2,3*

	'77	*'78	'79	'80
Return on cap (%)	15 8	11 0	23 0	40 9
Turnover Index †	—	100	108	137
Pre-tax profit (R'000)	425	304	996	2 369
Earnings (c)	12 1	8,6	27,6	62 2
Dividends (c)	5 5	5,3	7 5	15 5
Net asset value (c)	102	112	133	180

* 18-month accounting period estimated results for calendar 1978

† 1978=100

B & S Steel's 125% earnings advance for the year to December 31 1980 was reflected in the sharp recovery of the furniture sector — a performance which outstripped the composite industrial average — under the impetus of the buoyant economy

Turnover rose 27,2% with an increase in pre-tax profit of 138% to R2,4m, indicating a significant improvement in gross margins Increases in production capacity, a decline in costs relative to turnover and improved labour productivity all contributed to the improvement At the same time, return on capital employed rose sharply from 23% the previous year to 40,9%

Manufacturing operations contributed 83% of overall profit against 73% the previous year By comparison, administration and finance accounted for 13,5%, while the contribution from rentals declined from 6,7% to 3,5%

As was the case the previous year, attributable profit benefited from a reduction in taxes of R21 000 in the form of an allowance from the Department of Industries in respect of decentralisation assistance to a subsidiary The full allowance of R210 000 will be claimed over 10 years in equal annual instalments

A proposal last year to reduce issued share capital, following the emigration of one of the firm's directors, was not carried out Instead, there was a change in shareholding with a reduction in the stake held by directors The company thus avoided becoming subject to restrictions on its borrowings under exchange control regulations relating to foreign-owned companies

This had a beneficial effect on the debt equity ratio, which dropped from 70,3% to a more healthy 50,3% Borrowings declined slightly and the cash position strengthened Net cash flow more than doubled to R1,1m against R591 000 previously Previous years had shown a substantial build-up of debt

Since B & S responds directly to cyclical economic fluctuations, earnings growth could slow in the current year In addition, last year's benefits from capacity utilisation cannot be repeated, which could bring profit growth more in line with turnover increases That suggests a 30% growth in earnings is easily obtainable

If dividend cover is pegged at 4 times — and this seems likely — a dividend of 20c is possible At the current price of 145c the share yields an attractive prospective 13,8% A limiting factor, however, is marketability and chasing the share could be counterproductive

Chris Wilson

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Workers down tools in representation dispute

NM 6/6/81 189

Mercury Reporter

WORKERS at the Richards Bay Minerals plant downed tools yesterday after a dispute with the management over worker representation

According to a spokesman for the workers at the plant, workers would not leave the premises and refused to go home Police were on standby but were not called out to the plant, a spokesman for the Richards Bay police said

The issue being contested is a change in representation for the black workers at the plant According to Mr Matthews Oliphant, general secretary for the National Federation of Workers, most of the workers at the Richards Bay company want to be represented by his union Management has agreed to recognise the federation only if it can prove that it represents at least 50 percent of the workers at the plant

A statement issued by management says the company 'insists that documentary evidence be produced to show majority support' According to Mr Oliphant management wants proof that at least 50 percent of the workers at the plant are paying members of the union

However, the federation does not only recognise members who have paid their fees

'As long as workers are registered with the union, we represent them whether they have paid their fees or not,' Mr Oliphant said He also said he could prove that 65 percent of the 933 black workers were registered with his union

Stoppage

In an effort to resolve the issue, a meeting was held last Tuesday between management and union leaders The union suggested a secret ballot be held to determine majority support, but management would not agree to this, Mr Oliphant said

The union reported back to the workers, telling them of the management's decision Workers then decided to confront the management themselves, Mr Oliphant said This led to this morning's stoppage

The public relations officer for Richards Bay Minerals reported that the work stoppage had been 'very orderly and and without any incidents'

XVI SYMPTOMS AND ILL-DEFINED CONDITIONS

	W M	W F	A M	A F	C M	C F	B M	B F
0–1	0,51	0,54	2,10	1,24	7,00	6,86	19,69	19,83
1–4	0,04	0,04	0,21	0,35	0,75	0,77	2,58	2,48
5–24	0,01	0,01	0,09	0,06	0,08	0,03	0,21	0,23
25–44	0,05	0,05	0,28	0,17	0,42	0,31	0,72	0,78
45–64	0,44	0,18	1,73	1,04	1,73	1,02	3,80	3,64
65+	1,84	1,95	8,32	6,56	8,55	5,71	14,69	14,84
ALL	0,22	0,23	0,56	0,38	[illegible]	[illegible]	[illegible]	[illegible]
NO.	463	485	199	134	[illegible]	[illegible]	[illegible]	[illegible]

XVII ACCIDENTS, POISONINGS AN[D]

	W M	W F	A M	A F
0–1	0,85	0,69	0,70	[illegible]
1–4	0,49	0,21	0,31	[illegible]
5–24	0,71	0,22	0,68	[illegible]
25–44	1,18	0,30	1,43	[illegible]
45–64	1,25	0,42	1,55	[illegible]
65	1,26	0,71	1,34	[illegible]

Metal Box sees further profits

Star 26/6/81. (249) (61) (189)

Having chalked up record results last year, Metal Box (SA) expects to improve its net operating income and its dividend distributions in the current year

However, the rate of increase will be lower, Mr Charl Cilliers, the chairman, says in his latest annual statement to shareholders

Reviewing a year in which sales rose by nearly a quarter to R341-million and net operating income by 39 percent to R35,7-million, Mr Cilliers says that as a result of inflation and the lower gold price, indications are that the high rate of economic growth achieved last year will not be repeated this year.

However, to provide for the increasing volume of business, Metal Box will incur further capital expenditure this year, which will be financed from existing resources and available facilities.

Last year was a good one for Metal Box but the company did face some problems

The disastrous floods which struck the Western Cape caused severe damage to many fruit farms which, in turn, significantly reduced the profit of the foodcan making operations.

Substantial cost growths were a matter of considerable concern and their impact on the group is receiving continuous management attention

High tariff protection in Euromart countries and adverse exchange rate movements inhibited foodcan customers' efforts to export to their normal markets — factors which could endanger the future of the food-canning business so important to the Western Cape

Metal Box still looks for growth

RDM 27/6/81 184 244

By DAVID CARTE
Deputy Financial Editor

AFTER lifting earnings 56% in an exceptional 1981, Metal Box is looking for further growth in the current year, even though the economy is cooling and Metbox's food canning division is ailing.

This emerges from the annual report published today

"The high rate of economic growth achieved in the year under review will not be repeated this year," says the chairman, Mr Charl Cilliers

But he is optimistic for the group despite flood damage to the fruit crop in the Western Cape, "high tariff protection" on canned food in EEC countries and erratic prices and availability of meat

"We are budgeting for increased net operating income in the current financial year but at a lower rate of growth ," says Mr Cilliers

"It is anticipated that a satisfactory rate of incease in the dividend will be achieved "

Losses at Walvis Bay, after the "collapse of the fishing industry" there, will not recur, says Mr Cilliers, as the canning plant has been closed Much of its machinery is now in the Chilean joint venture

The directors say there is little likelihood of significant growth in the export food can market but local demand is expected to grow at "about the same rate as last year"

"The market for beverage cans seems likely to remain a growth area although the current rate of such growth must be expected to abate "

Capacity in beverage cans is being expanded

The diversified packaging division expects sales and profit growth to decelerate

The steel tube division is looking for 6% real growth demand and expects furth benefits from the cost cutting rationalisation and efficienc drive.

Mr Cilliers calls on the business community to support the Prime Minister in anything he does to create a "just and prosperous society" and to be an "exacting monitor of the extent to which that objective is being achieved"

The managing director, Mr Derek Jacobs, told me higher interest rates would not be a large problem for Metal Box After the rights issue which raised nearly R22-million, its cash holdings at the year-end were R27-million

These were further bolstered by the sale of the machinery and engineering division after the year end, for an undisclosed price, to its senior management So higher interest receipts would offset higher interest costs

Mr Jacobs said the huge cash deposits would be invested in expansion and suitable acquisitions when they occurred

Not only does Metal Box have large cash holdings Metbox's borrowing capacity was recently doubled by changed legislation, so the group is well placed to make acquisitions when these become more readily available in a cooler economy

Mr Jacobs did not expect any significant increase in the low tax rate

Even though it was under pressure in a depressed UK economy, Metal Box UK, whose profits were halved in the same trading period, followed its rights in the rights issue, maintaining its holding at 56%

COMMENT. Metal Box has always been highly geared to the economy Its relative liquidity should protect it in the harder times ahead but the yield at 7% is a bit thin in such a tight money situation.

present in perspective this study was undertaken as a preliminary investigation to a more detailed analysis of the current mortality experiences of the various communities in South Africa. The following objectives were defined:

1. To identify sources of data which would reflect the mortality experience of the White, Coloured, Asian and Black population groups in South Africa for the census years between 1921 and 1970 (inclusive).

2. To determine suitable methods of analysing and presenting this mortality data in order to provide a comno... a more detailed analysis of the current mortality experience in South Africa.

Atlantis project opposed

This was the reaction of the ... Union ...

He admitted that the switch to the locally produced engine would ... costly. The price of ... could ... about one third.

POSITIVE ASPECTS

There were, however, some positive aspects. The reduction in the number of models would eventually lead to the reduction of the cost of replacing factory machinery.

South Africa would also be strategically and politically less dependent on foreign supplies.

This paper is essentially an attempt to identify and collate published data relating to the past mortality experiences of the various communities in South Africa. Extensive discussion about the data has been avoided as it is hoped that the Tables and Figures will speak for themselves, and that

they will stimulate though, comment and, where necessary, action.

Sources of Data

From 1926* to 1938 detailed data on deaths in South Africa were published in an annual report on vital statistics[3]. Intermittant reports covered the period 1938 to 1962[4], since which time a regular series has been published[5]. The figures for Whites cover the entire period 1921 - 1970, but those for Coloureds and Asiatics are available only from 1938 onwards. Information about Black deaths occuring in the principal municipalities are available from 1949 onwards, there is still no information on Black deaths outside ... eaths of military personnell outside South Africa have ... separately.[6]

... es were held in South Africa during 1911, 1921, 1936, 1946, ... 970, for Whites only they were also performed in 1918, ..., and 1941. Life tables are available for the complete census years[7].

The causes of death have been classified according to the International Classification of Disease (I.C.D.). There have been many revisions of the I.C.D. during the period of this study, from the third revision which was used in 1922 to the eighth revision which has been used since 1968. Between

* For details of sources of deaths before 1926 see reference 3, volume for 1938, page XVIII.

QUANTITY SURVEYING

(Continued)

Bell-John Prize
For the best all-round student in any year of study.

P C Key

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize
For the student obtaining the highest marks in Professional Practice.

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LTA Prizes
For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

I : N D G Sessions

II : A R Low Keen

III: No award

S A Brick Association Prizes

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URBAN & REGIONAL PLANNING

shown end

RDM 1/3/81

Recruiting drive follows sacking of 800 workers

By STEVEN FRIEDMAN
Labour Reporter

A MAJOR Richards Bay company, Richards Bay Minerals began recruiting a new workforce yesterday after firing 800 strikers

The company's work force stands at around 900 Workers went on strike last Thursday after a recognition dispute between the company and the National Federation of Workers The strike lasted through the weekend

A statement by the company's managing director, Mr B J Grierson, said the workers had been fired after "serious intimidation of many workers and their families, involving damage to property and personal assaults"

Management had decided to fire the 800 workers in view of the "escalating degree of coercion and the continuation of an illegal strike", he said

Workers were dismissed on Monday "without incident" and police stood by "to prevent any violence", the statement said

Mr Grierson said the company had maintained operations through the strike by redeployment of staff and this would continue until enough new workers had been recruited

According to NFW's general secretary, Mr Matthews Oliphant the dispute began when the union requested recognition from the management

The company asked for a list of paid up members of the union to establish its representativeness but the NFW refused

It asked the company for a secret ballot to determine representativeness because workers "feared victimisation", Mr Oliphant said

When the company refused this request, workers "took matters into their own hands"

The NFW is closely associated with the SA Allied Workers Union an unregistered union which has shown rapid growth in the East London area

Unionists report a sharp growth in union membership in Richards Bay

(187)

Richards Bay strikers on rampage

NM 1/7/81

THE company-owned home of a Richards Bay Minerals employee who wanted to go back to work was wrecked

Mercury Reporter

THIRTEEN blacks have been arrested and charged with public violence in the Esikhawini township, near Richards Bay, after striking workers from the Richards Bay Minerals company went on a rampage at the weekend

More than 800 employees of the company were dismissed on Monday morning after downing tools on June 25 following a dispute over trade union representation

In Esikhawini at the weekend where RBM owns more than 300 homes for use by their employees a number of strikers indicated that they would be returning to work on the Monday

Groups of workers who were in favour of continuing the strike then went on the rampage against those who wanted to return A number of workers were beaten-up by strikers and had to be treated in hospital after being rescued by police

Fled

A group of about 25 strikers battered down the front door of the home of an employee who intended returning to work The man fled, but the gang broke all his furniture, burnt carpets, smashed every window, hacked at tiles in the bathroom with iron bars and ripped all his mattresses.

Late yesterday afternoon the residents of the more than 300 homes were given notice of eviction The former employees all have two weeks to vacate the houses

The workers went on strike last week on the advice of the National Federation of Workers who claimed to have the majority of black employees at the company as members

During discussions with RBM management, union officials were asked to produce evidence of such membership

Management also said they would pay for an official audit of the union's membership books in order to confirm the claimed paid-up membership

The union officials refused to make their books available and the strike continued

Early on Monday the entire workforce gathered outside the main gates of RBM and repeated their demands for union representation. However, they also still refused to meet the management requests

Management then told the strikers that because of serious intimidation of many of the workers and their families, and because of the continuation of the strike, they had no choice but to dismiss all the workers

Pay

Although RBM attempted to pay the men, the workers refused to accept the money The former employees were then ordered on to buses which then took them, under police escort to Esikhawini

Yesterday all was calm, but tense, in the township, and police were on constant stand-by

Mr B J Grierson, the managing director yesterday refused to reinstate the 800 workers unconditionally after being asked to by the KwaZulu Minister for the Interior, Dr Frank Mdlalose,

Dr Mdlalose said that Mr Grierson had said the workers could reapply for employment but he reserved the right to employ those he wanted

I asked Mr Grierson to reinstate the workers unconditionally because the workers who are my people fear that some of them will be left out he explained

'All the workers are asking for is the recognition by management of their trade union' he added

Ballot

They have even offered to stage a secret ballot so management can be assured that more than 50 percent of the workers belong to the union

The managing director of RBM Mr B J Grierson says that employment of a new workforce has already started

After another strike more than 300 workers at the Umhlatuzi Valley Sugar company situated between Empangeni and Richards Bay returned to work yesterday morning

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QUANTITY SURVEYING

(Continued)

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P C Key

Poll tests indicate strong union support

RDM 2/7/81 (MAWU) (MTL) (189)

By STEVEN FRIEDMAN
Labour Reporter

TWO EAST Rand factories have recently held referendums in which workers have been able to choose whether they want a trade union to represent them

The union, the Fosatu-affiliated Metal and Allied Workers, won more than 90% of the vote in both referendums and recognition negotiations between it and the companies have begun

Unionists say two similar referendums may be in the offing

The plants at which referendums were held are Vaal Metal Processings, a subsidiary of the Abercom group of companies, and Hendler and Hendler Both are based in Boksburg

At Vaal Metal Processings, the union won 172 votes, with five workers voting against it, informed sources say They add that the company has agreed in principle to deal with Mawu and that talks have begun

An Abercom source yesterday confirmed that the company was talking to the union, but added that official comment would have to come from a company executive, Mr Bob Power, who was unavailable

At Hendler and Hendler, union sources say Mawu won 95% of the vote They add that the company was originally unwilling to negotiate with the union on wages and working conditions but that it agreed after the ballot had been held

Recognition talks with Mawu are under way and the company is negotiating a pay increase with union shop stewards, the sources say

Hendler and Hendler's managing director, Mr Solly Hendler, was also unavailable yesterday.

The two referendums are among the first to be held by employers to determine the support of unions A Uitenhage company, Veldspun, which is a Barlow Rand subsidiary, last year became the first company in recent times to do so

Fosatu's National Union of Textile Workers won the referendum in which workers were asked to choose between it and a rival Tucsa union

Then two East London companies, Chloride and Johnson and Johnson, held referendums before recognising the unregistered SA Allied Workers Union

Unionists say most employers have resisted the idea of referendums, preferring to test union membership by inspecting union membership lists

But this attitude appears to be changing, they added

They said one reason unions favoured referendums was that if they won these convincingly they could demonstrate support and resist the idea that unions should operate side-by-side with non-union works councils

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K Strong

URBAN & REGIONAL PLANNING

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M P Morkel

Star 2/7/81

(189) ~~152~~ ~~139~~ ~~329~~ ~~182~~ ~~193~~

Natal workers arrested after strike

Thirteen workers have been arrested and chaged with public violence in the Esikhawini township near Richards Bay, after the recent strike at the Richards Bay Minerals company

They are alleged to have assaulted would-be strike breakers at the weekend

And Sapa reports that 300 of the 800 workers dismissed after the strike have been given two weeks' notice to quit company homes in the township

The strike, which began on June 21, centred on a dispute over union recognition between management and the National Federation of Workers, which claims majority membership at the plant

The company demanded documentary proof that the union had 50 percent paid up membership at the plant, while union officials held out for a secret ballot as a means of testing membership

FINE ART & ARCHITECTURE

ARCHITECTURE

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P A Rappoport

Molly Gohl Memorial Prize
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Miss C Tredgold

David Haddon Prize
For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.
D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.
S A Read

Steel price rise will spread like a shockwave

Star 3/7/81 ~~244~~ 189

Own Correspondent

A steel price increase of 12 percent in force from today will have a shockwave effect on costs throughout South Africa

Coming at the time of an expected fuel price rise, it will send costs up and seriously hamper the Government's attempts to curb the inflation rate

The 12 percent rise means the official steel price has risen by 38,3 percent since June 1979

The sectors which will be hardest hit by the new price include

- The building industry, which uses vast amounts for reinforcing, and in doorframes and other components,
- The motor industry, which is compelled to use South Afrian steel to push up the local content in car production,
- The farming industry, which uses steel in equipment and implements.

Consumers will also be affected later when the price is passed on by manufacturers of products such as radio and television sets, kitchenware, and electrical appliances such as refrigerators, stoves and freezers

The increase is also likely to affect Escom — which could lead to a rise in electricity charges before long

The new price fixed by the Government and announced in Pretoria, is not considered adequate by steel producers, and is well below the inflation rate

It could therefore be followed by another increase later.

A statement by the Rolled Steel Producers' Co-ordinating Council says the increase has become necessary because of rises in the costs of coal, railage, furnace linings, and salaries and wages.

Margarine is also up

Own Correspondent

Yellow margarine is to cost more.

A notice in the Government Gazette today says that the maximum price of 250 g tubs has been increased to 54c The price of 250 g packs in other containers has [redacted]reased to 50c.

URBAN &
REGION/
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QUANTITY
SURVEYING

(Continued)

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The Committee of the Western Cape Chapter of Quantity Surveyors' Prize
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I : N D G Sessions

II : A R Low Keen

III: No award

S A Brick Association Prizes
For the best student in the subject of Building Construction.

C W von During

NH 3/7/81

Fired workers will not reapply, says union

(189) (189) (189)

Mercury Reporter

FIVE hundred of the workers recently fired by Richards Bay Minerals have decided not to apply for re-employment on management's terms, trade union sources said yesterday

Eight hundred workers of the company downed tools on Thursday last week after a dispute with management over trade union representation

The workers were subsequently fired on Monday, and management, refusing a request by Dr Frank Mdlalose, the KwaZulu Minister for the Interior, that they re-employ the workers unconditionally, insisted that the workers re-apply for employment

Mr Mathews Oliphant, the general secretary of the National Federation of Workers, said 'The workers decided this after Mr B J Grierson, the managing director of the company, had told them that the members of their local union committee would not be re-employed

'They have decided to stick together and fight for unconditional re-employment of all the workers'

Haggie makes a move for half of Chloride in SA

RDM 4/7/81

189

By DAVID CARTE
Deputy Financial Editor

HAGGIE Ltd, the fast-expanding cable, wire, engineering and metals group, is negotiating an equal partnership in Chloride SA with Chloride UK, say Barclays and Standard merchant banks

If a deal is clinched, Haggie and Chloride UK will be 50-50 partners in the country's biggest battery maker and minorities will be taken out, Haggie chief executive, Mr Richard Savage told me yesterday

This means Chloride will disappear from the lists of the JSE

It also means a measure of disinvestment from SA by Chloride UK, whose holding will be reduced from 70% to 50%

Mr Savage said the main attraction for Haggie in Chloride was its involvement in energy and that its problems in recent times have been related to Chloride's involvement in and dependence on lead

Haggie subsidiary, McKechnie, held through Macdem, he said, had experience, expertise and contacts in most metals that would be very useful to Chloride

Another obvious attraction is that Chloride, like Haggie — which is owned 35% each by Anglo and Gencor — does much of its business with the mining industry

Mr Richard Savage
. . . Haggie MD

Mr Savage said Haggie and Chloride UK were basically agreeable to the deal and the major question mark overhanging it now was Reserve Bank permission He said an announcement would be made on Wednesday

Chloride UK would obviously want to remit as much as possible of the proceeds in commercial rands The rule is that it can remit post January 1975 distributable reserves in commerical rands by way of a dividend

Mr Savage said Chloride would not have been suspended but "when we saw the price starting to move, we had to act"

Mr Savage said after four big acquisitions in the past four years, Haggie was unlikely to do more deals in the near future He said the company was not inordinately acquisitive by nature

"In the past four years we have deliberately broadened the base of the company Previously we were too dependent on cables and the mines Samuel Osborn, the C W Wire, Macdem and Chloride acquisitions will change all that

'Once this deal is consummated, we shall settle down and streamline the enlarged organisation "

He said there was "masses of room for development" in Macdem and Chloride

Mr Savage confirmed that Haggie was benefiting not only by its new acquisitions at the moment but particularly by the softer rand

This made its exports more competitive and more profitable and imports were rendered less competitive Engineering subsidiary, Samuel Osborn, he said, was "coming up tops"

COMMENT· The share moved from 455c to 520c in three days before suspension.

This calls for an investigation and some action from the JSE for a change

The company's recent history and a lot of speculation in the share in the past six months make a valuation on fundamentals difficult for an outsider

The suspension price is 9,7 times earnings and gives a dividend yield of 3,6%, so was clearly partly speculative

And last year's figures, depressed by a plunging lead price, are not "typical"

With lead prices hardening, growth expected in the mining and motor markets and a promising new miners' cap battery about to contribute to profits, the company was looking for earnings and dividend growth in the current year

After the 23,5% earnings decline of last year, it would be disappointing if Chloride did not at least equal 1980's earnings of 70,3c in the current year The suspension price is 7,4 times this figure

A graph reflects that Chloride has reached a high of 750c in the past three years but 475c has been roughly a "mean" level

Because all the minorities are sought, a good premium should be paid to minorities One might hope for 600c — a 26% premium on the "normal" price of about 475c

QUANTITY
SURVEYING
(Continued)

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RDM 4/7/81

189

2444

12% steel price rise will not cover costs, say producers

By GERALD REILLY
Pretoria Bureau

AN average increase in the steel price of 12% was announced in Pretoria yesterday by the chairman of the South African Rolled Steel Producers Co-ordinating Council, Mr F P Kotzee.

He said that unfortunatley the price hike was inadequate to off set the rises in the input costs experienced by the industry during the past twelve months

Mr Kotzee said the current 15% inflation rate gave some indication of the way prices in general were increasing

As far as the steel industry was concerned, however, there were — in spite of considerable productivity improvements — a number of factors which caused production costs to rise more steeply than the general rate of inflation, particularly with the ore and coal-based manufacturers

"In addition, there has also been a backlog because of cost increases which could not be met from the previous steel price increase in June 1980 "

Mr Kotzee said these high cost increases were due mainly to uncontrollable rises in the prices of coking coal, railage and refractories, whilst salary and wage adjustments also had to be made for the steel industry to remain competitive in the labour market

The average price of purchased coking coal, of which Iscor at present bought some 4 500 00 tons a year from the private sector and which constituted the most important cost element after salaries and wages, rose by about 24% in the past year There were indications that it may show a similar increase in the coming year

The cost of railage on Iscor's raw materials increased by a an average of 16,2% on April 1, 1981, after it had been raised by 20,8% a year before

Mr Kotzee said these increases were considerably higher than the average rate of inflation and also exceeded the average increases in railway tariffs, since the railways levied above-average increases on the transportation of raw materials in the past few years.

The effect on Iscor's cost structure was evident from the fact that railage at present represented about two-thirds of the delivered cost of Sishen iron ore at the Newcastle works

Labour, railage and coal purchases, together with refractories (18,2% increase), constituted about 50% of Iscor's total input cost

For the other half of the input cost the increases were, on average, in line with the current rate of inflation

"Steel producers are in sympathy with the Government's efforts to fight inflation to which it lends its full support Requests for price increases are consequently kept within responsible limits "

However, the industry was concerned that too low a domestic steel price would have a detrimental effect on its profitability and capital formation, and eventually, therefore on the economy as a whole

The steel industry was constantly trying to offset the effect of cost increases by increased productivity

In Iscor's case the National Productivity Institute found that over the three years from 1976/77 to 1978/79, overall productivity improvements of approximately 5% a year in real terms, had been achieved

URBAN REGION PLANNI

QUANTITY SURVEYING

(Continued)

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S A B... Association Prizes

Haggie negotiating equal share in Chloride

CT 4/7/81 (189)

By DAVID CARTE

JOHANNESBURG — Haggie Ltd, the fast expanding cable, wire, engineering and metals group, is negotiating an equal partnership in Chloride SA with Chloride UK, say Barclays and Standard merchant banks

If a deal is clinched Haggie and Chloride UK will be 50-50 partners in the country's biggest battery maker and minorities will be taken out, Haggie chief executive Mr Richard Savage told me yesterday

This means Chloride will disappear from the lists of the JSE

Mr Savage, said the main attraction for Haggie in Chloride was its involvement in energy and that its problems in recent times have been related to Chloride's involvement in and dependence on lead

Haggie subsidiary, McKechnie, held through Macdem, he said had experience expertise and contacts in most metals that would be very useful to Chloride

Another obvious attraction is that Chloride like Haggie — which is owned 35% each by Anglo and Gencor — does much of its business with the mining industry

Mr Savage said Haggie and Chloride UK were basically agreeable to the deal and the major question mark overhanging it now was Reserve Bank permission He said an announcement would be made on Wednesday

Chloride UK would obviously want to remit as much as possible of the proceeds in commercial rands The rule is that it can remit post January 1975 distributable reserves in commercial rands by way of a dividend

Mr Savage said Chloride would not have been suspended but when we saw the price starting to move we had to act

Mr Savage said after four big acquisitions in the past four years Haggie was unlikely to do more deals in the near future He said the company was not inordinately acquisitive by nature

In the past four years we have deliberately broadened the base of the company Previously we were too dependent on cables and the mines Samuel Osborn the CW Wire Macdem and Chloride acquisitions will change all that

Once this deal is consummated we shall settle down and streamline the enlarged organization '

He said there was 'masses of room for development in Macdem and Chloride '

Mr Savage confirmed that Haggie was benefiting not only by its new acquisitions at the moment but particularly by the softer rand

This made its exports more competitive and more profitable and imports were rendered less competitive Engineering subsidiary, Samuel Osborn, he said, was "coming up tops"

● The share moved from 455c to 520c in three days before suspension This calls for an investigation and some action from the JSE for a change

The company's recent history and a lot of speculation in the share in the past six months make a valuation on fundamentals difficult for an outsider

The suspension price is 9 7 times earnings and gives a dividend yield of 3 6%, so was clearly partly speculative

And last year's figures depressed by a plunging lead price, are not 'typical

With lead prices hardening growth expected in the mining and motor markets and a promising new miners' cap battery about to contribute to profits the company was looking for earnings and dividend growth in the current year

After the 23 5% earnings decline of last year it would be disappointing if Chloride did not at least equal 1980's earnings of 70 3c in the current year The suspension price is 7 4 times this figure

A graph reflects that Chloride has reached a high of 750c in the past three years but 475c has been roughly a mean level

Because all the minorities are sought, a good premium should be paid to minorities One might hope for 600c — a 26% premium on the 'normal" price of about 475c where everybod, 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

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founded in Cape Town in 1913. They were founder members of the W.F.M.H in 1948. The provincial 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 [illegible] mental health services could [illegible] speciality service [illegible] multi-professional teamwork. [illegible] period of rapid gr[illegible] and [illegible] (1967 - 1972).

In 196[illegible] the [illegible] its services, now [illegible] community-orientated [illegible] mental health than just ps[illegible] care as in pr[illegible] rert also [illegible] Psychiatry in [illegible] These steps [illegible] and higher sc[illegible] Mental health [illegible]

Statistics [illegible] of Health for [illegible] available men[illegible] is reflected in [illegible] entire 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 attributed to the expansion of the outpatients services to the extent of 833,9% for the period 19[illegible]-1976

The shortsightedness in early planning of Mental Health Services led to a belated start in the training

Local agents for road machines

S Times 5/7/81 (189)

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 70% of aggregates and bitumen "

Local tubing plant will cut imports

S. Times 5/7/81 ~~34~~ 189

By Andrew McNulty

IMPORTS of stainless-steel tubing costing more than R12-million a year will be replaced completely by a new plant to be established at Krugersdorp by Stewarts and Lloyds and Macdem

A new company, Salmac, has been established for the venture for which capital investment in land, plant and buildings will be R5-million

S & L's group marketing manager, Lars Frantzen, told Business Times that total output will be at a rate of more than 4 000 tons a year when the plant is fully on stream by mid-1982

Establishment of the plant involves imports of machinery from Germany, and relocation of an existing, smaller S & L tube factory at Vereeniging which produces stainless tubing up to 75mm

The new plant will produce in sizes up to 300mm

The expansion has become possible as a result of the local manufacture to start early next year of cold rolled flats by Southern Cross, which will replace imports of the raw material

Mr Frantzen says growing long-term demand for stainless-steel tubing is expected for use in sophisticated new plants in the chemical, synfuel, sugar, motor and fishing industries

Is any change necessary?

Apart from the fact that two new drugs are on the market, is there any need for change?

Points worth considering are:

(i) the escalating costs of hospitalisation;

(ii) shortage and cost of highly trained staff, together with their employment at their highest potential;

(iii) the high cost of disability awards, pensions and unemployment payments (Table 3);

Strip steels rival for Iscor?

STIMES 5/2/81 189

By Andrew McNulty

THE local steel market could be heading for a shake-up with a new R60-million project being planned by Highveld Steel and Vanadium to produce hot strip steels now supplied only by Iscor.

The project was revealed to Business Times by the managing director Leo Boyd who says a decision is likely by the end of 1981.

Highveld is currently in the throes of a R110 million expansion to lift total production capacity to 1.1 million tons of steel a year.

A further R45 million is being spent on an environmental programme for completion by the end of 1981 involving installation of sophisticated equipment to control air pollution at the group's plants.

The new development of a Steckel hot strip mill — if the go-ahead is given — would not be aimed at increasing Highveld's total output capability.

Instead it would broaden Highveld's product range into profitable markets in which Iscor is the only supplier, injecting new competition at the same time.

In Mr Boyd's view there is no doubt that consumers in these markets would be pleased to have a choice of local suppliers and Highveld could expect to achieve a modest share of about 150 000 tons to 200 000 tons a year.

At the current steel price of about R350 a ton this would be worth between R52 million and R70-million annually.

Whether the decision to proceed with the expansion is made in the current year will depend not on the outlook for the market however, but on availability of finance.

As it is Highveld's policy to finance capital investments without dilution of its equity, Mr Boyd says the only factor that could cause a delay would be the inability to finance by cash flow and by short term loans.

The expansion is considered a logical third arm to complement Highveld's existing plate and rolled steel ranges — and as such looks only a matter of time.

duties necessary to a clinic service, unlike a hospital, can receive better attention.

Variables.

When assessing the value of intensive, short-course therapies it would be foolish to be dogmatic at this juncture. All that one can assess is the merit of the I.S-C.Ts as against the older, standard regimens.

Here again it must be emphasised that a comparison of drug, purchase price is a minor factor in the overall picture. (Tables I & 3).

Far more expensive are the salaries and pension contributions of the staff employed, whether by a hospital or a clinic (Table I).

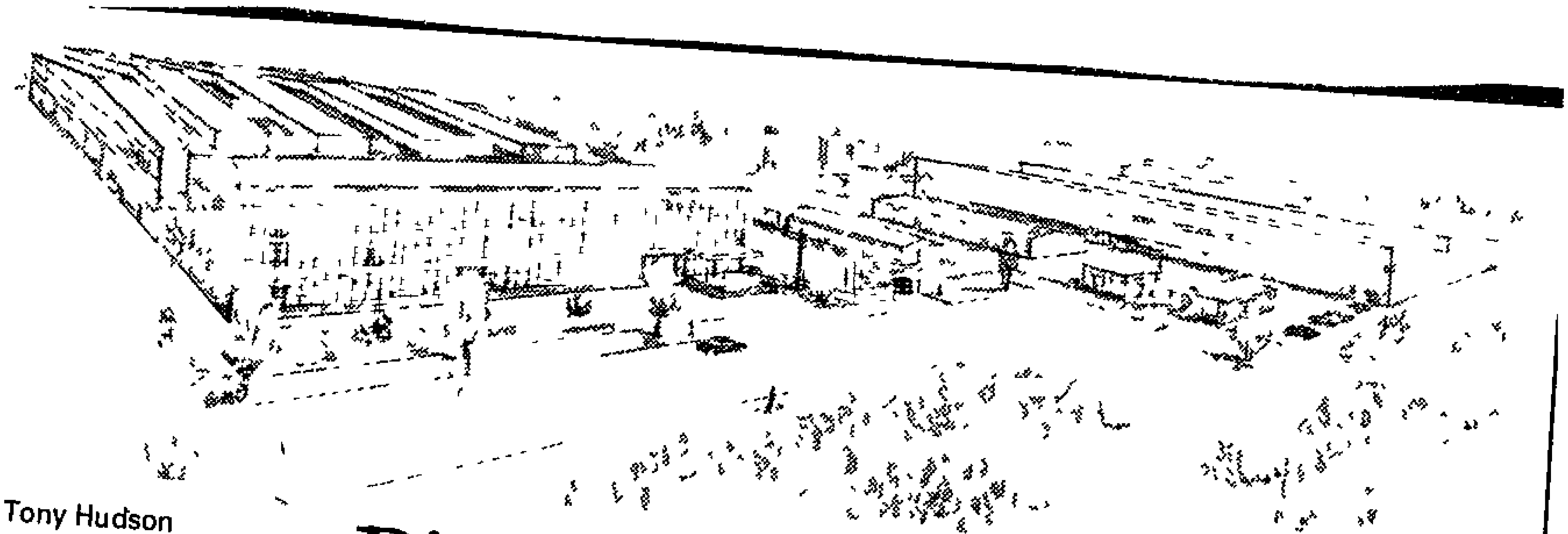
From this it follows that any regimen that cuts down the time and numbers of patients being handled is of inestimable value, but it is difficult to put a figure on

As a result of this, patients can now receive, if necessary, supervised therapy in their homes or at work, and the relapse, re-treatment rate has fallen to the order of around 1%.

Radiographs need be far fewer and in one area they have dropped from 50 000 per annum to 23 000. This, alone, at a cost of, say, R1,00 per film pays for the Rifampicin of 337 patients, 42% of the annual need.

The Financial Status of Tb. patients

As indices could not be obtained from the Labour



By Tony Hudson

Piston makers' R6-m expansion

Times 5/7/81 (189)

ONE of South Africa's biggest piston manufacturers is to spend R6-million in expanding its Alrode plant.

Klaus Daams, joint managing director of Carl Schmidt South Africa, told Business Times this week that the programme should enable the group initially to expand its production capacity by at least 50% and will increase its current turnover of R18-million a year to R30-million by 1985

The plant — shown in an artist's impression above — will initially increase production of aluminium pistons from 1-million a year to 1,5-million.

However, the extension is so designed that capacity can be increased to 2-million a year by installing another production line within the new buildings.

Mr Daams says that initially the plant will be slightly over-capitalised in terms of buildings, but that the cost of building now for future additional production lines is far cheaper than waiting until demand is such that further extensions to existing buildings are required

He says that South Africa is one of the few countries in the world where saturation point in the automotive industry has not yet been reached

Not only is there the rapidly expanding black-consumer market which is now moving towards the purchase of small modern cars instead of large American vehicles, but also the local content programme ensures that the demand for locally made parts will continue to increase.

He says that at present about 55% of models on the market are using engines made locally He points out that manufacturers can follow one of two paths to meet the requirements of the local content programme. by using local engines or locally made bodies

About R4-million has been allocated to the purchase of new plant and machinery and the balance of R2-million will go on new buildings and required infrastructure.

As was the case with many component manufacturers, Carl Schmidt was caught napping in the recent boom in new-car sales.

Africa, we have devoted very inadequate time and attention to the development of a strategy of our own that is in line with the needs of local cultural and value systems. We accepted the unfortunate view that what is good for Europe and America, is good enough for us in Africa. This approach, of course, led to an energetic expansion of our services while we struggled in a heroic fashion to bring these services in line with norms and standards as we knew them from travelling abroad. This approach may be - even if only partly - recommendable and applicable when it comes to those on the Westernised end of the scale in the dichotomy of acculturation, but what does it offer to those who by circumstance or deliberation find themselves at the other end of the scale?

Acceptance of the medical model in mental health services leads us inadvertently to accept a body-mind dichotomy. This dichotomy is already apparent in the meaning of the word disease. The medical doctor's domain is the body, while the mental health team is expected to see to the 'mind problems' of people. This fragmentation is even carried further into the mental health field, where the psychiatrist, the social worker and the pastoral counsellor, all attend to certain needs of the same patient, while they still struggle to find each other so as to be able to work together as an integrated team.

Another innate question-mark in our present system is that the medical model carries with it a rigorous tradition of subjection to proven scientific method. This leads to a negative attitude towards lay workers and especially towards traditional healers, who try to move into the area which medical science claims as its monopoly. Of course, we know of the limitation and the disregard of the traditional medicine systems for the scientific methods and research with its unrelenting

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Bus industry in favour of Atlantis project

S. Times 5/7/81

THE South African bus industry has expressed its full support for the Atlantis Diesel Engine project despite the fact that a large number of bus operators will experience an increase in their operating costs.

Speaking on behalf of the bus industry, Dr Gerrie Prinsloo, executive director of the Southern Africa Bus Operators Association (Saboa), said that the project was of strategic importance to South Africa and therefore the bus industry fully supported it

"Although a large number of bus operators expect an increase in their operating costs due to somewhat more expensive locally sourced engines and components, they still support the ADE project because they realise the importance of local supplies to ensure future stability," he said

Another reason for the support coming from the bus industry was the fact that the industry itself operated on a tight budget and in itself was also of strategic importance to the community

"The reason why support is exercised is that, although crises may occur, the operator is less liable to experience shortages of engines and allied equipment due to the distance between the source of supply and the ultimate user," he said

According to him the question of replacement units must still be solved, but his industry was hopeful that a solution would be negotiated which would benefit all parties concerned

"Saboa will endeavour to keep in touch with ADE, and it is envisaged that the engineering sub-committee of Saboa and Atlantis will meet on a regular basis to ensure feedback from the operational side directly to the manufacturing side

"This will help to solve teething problems as quickly as possible," he said

QUANTITY SURVEYING (Continued)

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III: No award

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For the best student in the subject of Building Construction.

C W von During

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K Strong

URBAN & REGIONAL PLANNING

Student Planners Award
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M P Morkel

RDM 7/7/81

First ADE parts

189

Industrial Reporter

THE FIRST consignment of engine replacement parts from Atlantis Diesel Engines (ADE) has been delivered to Leyland SA

ADE has started parts delivery about six months ahead of the production of engines from its R180-million plant in the Cape.

2 000 furnace men in East Rand strike

RDM 7/7/81

189 ~~182~~ ~~140A~~

By STEVEN FRIEDMAN
Labour Reporter

AN EAST Rand smelting works, Salcast — a subsidiary of the Stewarts and Lloyds group — has been hit by a a strike by about 2 000 workers over pay demands

The strikers agreed to return to work yesterday afternoon after the company agreed to discuss their demands with shop stewards and officials of the Metal and Allied Workers' Union (Mawu)

A Mawu spokesman yesterday said workers had returned after being told they would receive an answer to their demands next Monday "The atmosphere is still tense and a lot will depend on the outcome of the talks," he said

The strike began on Friday in Salcast's foundry after workers rejected increases contained in the metal industries' industrial council agreement, which came into force last week

Friday night's shift did not work and there was no production yesterday morning

The strike is the biggest to hit the East Rand area for some time Unionists say the area could develop into a key centre of worker militancy

A Salcast spokesman confirmed the strike had occurred and that the company was now talking to union shop stewards on the wage issue

He said Salcast had been dealing with Mawu on "domestic issues affecting their members" for about a year There is, however, no formal recognition agreement between Salcast and the union

According to a union source, management agreed to pay strikers for the period they were on strike, but the company spokesman said he was not aware of this agreement

The dispute began when management announced to workers that the new industrial council agreement was coming into force and that workers would be receiving increases

Workers apparently became angry when they learned that, in terms of the agreement, some of them would be receiving 26c an hour more, while others would be getting 14c They demanded that all receive a 26c rise

Mawu has not applied to become a party to the industrial council and was therefore not involved in the negotiations that resulted in the agreement

On Friday morning, foundry workers walked out, leaving hot metal in the furnaces They were later followed by the rest of the workforce

According to Mawu, management was originally unwilling to discuss the issue, arguing that Salcast was bound by the industrial council agreement Later, however, the company agreed to discussions with union representatives

URBAN REGION PLANNI

QUANTITY SURVEYING (Continued)

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K Strong

URBAN & REGIONAL PLANNING

Student Planners Award

For the st...ent who has shown ...mise at the end ... year.

Star 7/7/81 (189)

2 000 quit in Benoni

Labour Reporter

About 2 000 employees of a Benoni smelting firm stopped work yesterday over wage demands with management.

The workers had called for equal wage increases in terms of an Industrial Council raise for the industry which came into effect this month.

Under the Industrial Council agreement some categories of workers would receive 26c an hour increases and others 14c.

Workers had demanded all employees receive the 26c increase and stopped production at the plant yesterday morning.

Sowetan 8/7/81

Springs workers stay out

BY MZIWAKHE DUBAZANA

WORKERS at the Telephone Manufacturers of SA who went on strike on Monday after a production dispute said at a meeting in Kwa-Thema, Springs, that they will not go back to work until their problems have been solved

Disregarding this decision, a management spokesman said yesterday morning that all the workers were back at work as 90 percent of their problems had been solved

Workers at Department 70 of the company downed tools in protest against the "high percentage of work — up to 150 percent per week" — demanded from them by management They demanded that the situation be reversed to a normal 100 percent work production as the 150 percent production was overloading them with work and they could not manage

They also claimed they feared they would be expelled if they did not meet the new 150 percent production demanded from them

At the meeting, which was attended by members of the Metal and Allied Workers Union, a black instructor also came under fire from colleagues who claimed he was reporting them and telling the management that they were lazy

The company's spokesman said there were minor problems which had been ironed out and that the workers were back at work yesterday morning He did not want to comment about the alleged "high percentage production" the workers protested about

TWO Atteridgeville men who spent 154 days in detention under security legislation learned this week that they had been dismissed from their jobs since their day of detention.

The two are Mr Peter Fakude (26) of 31 Mzangomo Street and Mr Matthew Masemola of 13 Chaane Street, Atteridgeville who were picked up on January 30 at Siemens, Koedoespoort, where they worked, by Security Police.

Mr J Troskie, Siemens Personnel Director yesterday confirmed their dismissal and added that work could not be kept for a man who absented himself for about 6 months.

He said his company took its decision to fire the two men following advice from police that they would be kept in police custody for a long time and that they would be eventually charged.

They told SOWETAN they returned to Siemens on Tuesday morning where they were told their services had been terminated on January 31 a day after their arrest.

CHUBB 189

Safe growth

FM 10/7/81

Activities: *Manufactures and supplies safes, locks, alarms, security systems and fire-fighting equipment The UK parent, Chubb, holds 71,7% of the equity*

Chairman: *C A Larke; managing director F G W Sutton*

Capital structure: *4,2m ordinaries of 50c Market capitalisation R10,0m*

Financial *Year to March 31 1981 Borrowings long- and medium-term, R1,5m, net short-term, R1,5m Debt equity ratio 33,4% Current ratio 1,5 Group cash flow R3,0m Capital commitments R684 000*

Share market. *Price 240c (1980-81 high, 285c, low, 150c, trading volume last quarter, 45 700 shares) Yields 19,1% on earnings, 7,5% on dividend Cover 2,0 PE ratio 5,2*

	'78	'79	'80	'81
Return on cap (%)	17,8	15,6	23,6	23,0
Turnover (Rm)	18,4	20,4	24,0	31,0
Pre tax profit (Rm)	1,5	1,2	2,2	3,0
Gross margin (%)	9,8	7,6	10,2	11,0
Earnings (c)	22	17,9	33,5	46,0
Dividends (c)	15	13	18	23
Net asset value (c)	166	172	188	273

In spite of the heavy competition Chubb faces, the group has increased market share and, says chairman Charles Larke, the order book for the current year is "outstanding"

Turnover rose 30% to R31,0m in the year to March 31 1981 and operating margin improved from 10,2% to 11,0% Pre-tax profit increased to R3,0m (R2,2m)

A turnaround was experienced in the Zimbabwe operations, where previously contributions were reduced by deteriorating conditions in that country But, there has been a fall-off in sales in the alarms division since the end of hostilities Contributions represented only 1,5% of pre-tax profits at R196 000 (R234 000)

The local alarms division has also suffered strong competition from "inexperienced newcomers" and a severe shortage of competent electronics technicians However, Larke sees alarm and fire-protection as major growth areas and strategy is directed towards that

The fire division increased turnover "substantially" and profits were satisfactory but tight margins in fire engineering kept profit growth down The contribution to pre-tax profit was static at R364 000 (R363 000)

The physical security division made the biggest contribution to profits, rising 56% to R2,5m (R1,6m) or 22% of pre-tax profit The lock and safe company maintained its dominant position in the heavy security field and increased penetration in the consumer area

The debt equity ratio has dropped from 33,4% to 29,0% Constraints on borrowings due to the foreign control in Chubb SA, has kept debt equity down This could change during the current year as the limit has been raised since the year-end

The tax rate rose 2% to 37% as the group has some tax allowances Provision for tax was reduced by exports and investment and decentralisation allowances

Dividend cover, 2 times, was maintained and the directors plan to continue this policy Earnings could rise 20% to 55c in spite of the economic slowdown and a 27,5c payout would then be on the cards The prospective yield of 11,5% is a reflection of market sentiment and Chubb's fairly erratic earnings record

Cathi Warriner

Star 10/7/81

Metal firm still at odds with staff

The dispute at the Selcast smelting company in Benoni — where about 2 000 workers staged two brief stoppages in the past week — remains unresolved, despite talks between management and the Metal and Allied Workers Union.

The stoppages were sparked by the workers' rejection of the differentiated minimum wage rates in the new metal industry agreement effective from July 1. They wanted the 26 cent increase for higher categories of work extended to all workers.

Selcast management stated today the minimum wage at the company had risen 21 cents an hour since March — an increase of 23 percent — and that further across the board increases were "out of the question."

The demands had been prompted by the promotion of 36 black employees into higher skilled jobs in the past year. "Selcast management feels that employees who have been promoted will get higher rates of pay and consequently higher increases," the firm has stated.

Workers received an attendance bonus which was not a statutory requirement and the company would review the allowance for those on the lowest grades who work "in difficult conditions."

Talks with the union would be resumed.

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Sowetan 14/7/81 (189)

Strikers back at work

By SELLO RABOTHATA

WORKERS at Salcast in Dunswart, Benoni, who went on strike over a dispute over wages have since gone back to work, although their demands have not been met as yet

Talks between the Metal and Allied Workers Union (Mawu) the shop stewards and the Salcast management have not as yet brought a settlement. Management said that it felt the demands were unjustified and unrealistic.

The workers are demanding that the metal industries statutory minimum increase of 14 cents an hour implemented on July 1 should be increased to a minimum of 26 cents an hour.

A statement released by Salcast said that over the past 12 months 36 black employees were promoted to higher skilled jobs and received the higher wage increase of 26 cents an hour which applies to the higher job grade.

Since March the minimum wage has risen a total of 21 cents an hour, an increase of 23 percent. A further across the board increase is out of question.

In addition to the basic wage Salcast management voluntarily pay an attendance allowance of an additional 8 cents an hour over an above the minimum rate.

This is as a result of management policy and is not in any way, a statutory requirement. Salcast are advancing employees of all races as a result of the policy of promotion from within and it follows that employees who have been promoted to higher jobs will get a higher rate of pay, consequently a higher increase.

The work stoppage caused by the loss of one shift on Friday night and half the shift on Monday last week. Management agreed with employees that even though these shifts had not been worked, employees who were at work would be paid.

Some employees complained that the jobs which required them to work in onerous conditions were the lowest paid.

A Mawu spokesman yesterday said talks were still being held with management and the workers believe that their demands were justified and realistic.

At the time of going to Press the meeting was still on and a statement is expected today.

CT 15/7/81 (189)

Strikers back at work

BENONI — The 2 000 smelting factory workers who went on strike last week returned to work on Monday with their wage dispute unresolved

The workers employed at Salcast in Benoni had objected to new Industrial Council wages not being extended equally to all employees

In spite of their return, the workers are still pressing for talks over wage increases However, a spokesman of Salcat said all was well and the dispute was settled — Sapa

Sharp drop for Dunswart

RDM 16/7/81

189

Financial Editor

DUNSWART Iron & Steel suffered a sharp drop in earnings a share for the half-year to June 30, mainly because of the effect of a hefty increase in the number of issued ordinary shares.

The company has, however, maintained the interim dividend at 5c on more than doubled capital

Earnings were down 39,6c to 15,3c a share

Gencor, which has a 71,4% stake in Dunswart, last year exercised options which meant that the issued ordinary shares rose from 4 800 000 to 11-million

On a weighted average basis earnings in 1980 were 69,4c, but based on the yearend issued share position were 41c.

Gross operating income was actually up in the first half of this year from R5 114 000 to R5 380 000.

A much bigger tax slice, however, caused a drop in net taxed profit to R1 668 000 from R1 912 000

The directors say. "A selling price increase of approximately 13,5% on the company's range of products was granted by the Government on July 3

"Local market conditions are expected to deteriorate during the second half of the year

"The markets for steel world wide are still depressed and export selling prices are expected to remain weak for the second half of 1981

"The company will adopt the lifo accounting method for the valuation of raw materials and finished goods at the end of 1981 which will result in a material adjustment to income for the year."

COMMENT Neither the world economy nor the domestic economy look particularly encouraging for Dunswart.

The company will be hard pressed to maintain last year's 15c total dividend on the increased shares.

At a price of 150c, however, a respectable prospective dividend yield is possible for the share even if the payment is slightly reduced.

QUANTITY SURVEYING
(Continued)

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III: No award

S A Brick Association Prizes
For the best student in the subject of Building Construction.

C W von During

For the second best student in the subject of Building Construction.

K Strong

250 strikers return but 1 500 walk out

By STEVEN FRIEDMAN
Labour Reporter

ABOUT 1 500 black workers at Hendler and Hendler, [illegible] went on strike yesterday over a wage demand.

But 250 workers on strike from the [illegible] Colgate Palmolive plant have agreed to return to work today pending further recognition negotiations between the Chemical Industrial Workers Union (CIWU) and management.

The Colgate workers struck on Tuesday, claiming that progress in the negotiations had not been quick enough.

At Hendler and Hendler, workers struck at lunchtime yesterday after a demand for a wage increase [illegible] and above that contained in the [illegible] industrial agreement had been turned down, the company's managing director, Mr [illegible] Hendler, said last night.

Mr Hendler [illegible] workers would return today but this appeared unlikely.

He added that he had told workers he was not prepared to grant an additional increase despite the strike.

The company recently held a referendum to test union support in which the [illegible] affiliated Metal and Allied Workers Union won [illegible] of the vote.

It is understood that management is negotiating with the union's shop stewards.

Colgate said yesterday it had held talks with CIWU and [illegible] [illegible].

A union spokesman [illegible] [illegible] to call off their strike until [illegible] demanded definite progress by Tuesday [illegible] there could be more action.

CIWU and Colgate were recently involved in a bitter union recognition dispute which attracted widespread employer and worker interest.

The union called a consumer boycott of Colgate products and threatened to [illegible] the country's second legal strike by black workers [illegible] did not agree to [illegible] on wages and [illegible].

[illegible] Colgate agreed in principle to [illegible] [illegible] recognition [illegible] would [illegible] the calling off of the boycott and the [illegible] strike and would be [illegible] through a conciliation board.

[illegible] a conciliation board meeting between the two parties failed to produce an agreement.

On Tuesday, Colgate warned that workers who did not return to work today would be fired.

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D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.

S A Read

Osbourn Prize
For the best work in fourth year.

D H Pryce Lewis

John Perry Prize
For the best work in third year.

R A van Rosenveld.

Strike goes on as more join

Labour Reporter

THE strike by workers at Hendler and Hendler in Boksburg is continuing and has spread to the company's night shift — bringing to 1 800 the number on strike

Meanwhile, a stoppage lasting a day-and-a-half by about 500 workers at Buffalo Salt in Industria was settled yesterday as management agreed to pay workers a R10 a week increase after talks with the Fosatu-affiliated Sweet, Food and Allied Workers' Union

And at Colgate's Boksburg plant, the company confirmed that its 250 workers returned to work as expected and said in a statement that negotiations on union recognition would continue through an official conciliation board

Colgate expressed its "regret" that the strike had caused "further delay in the Conciliation Board proceedings"

At Hendler and Hendler a management spokesman said workers were still on strike and confirmed that the night shift had joined the strikers

He estimated that 1 800 workers were on strike and said the company had negotiated with the Metal and Allied Workers' Union on the dispute yesterday

Workers are demanding an increase over and above that granted to them in the metal industries' industrial agreement In lengthy negotiations with MAWU yesterday, the company reiterated its refusal to grant an additional raise

A MAWU spokesman said workers had decided to collect their pay today and to return on Monday They were demanding a 50c an hour rise, but were willing that the company deduct from this the amount it had already paid in in accordance with the industrial council agreement, he said

He said workers would return on Monday and expected to meet the company's board of directors

At Buffalo Salt, a management spokesman said workers who struck on Wednesday agreed to return yesterday after management had agreed to their demand for a R10 a week raise, which he described as "massive"

The cost of this increase would have to be passed on to the companies which Buffalo supplied

He denied reports that the company had called the police and Department of Manpower officials

"I don't know who called them We begged them to leave as their presence could not help a settlement "

Mrs Maggie Magubane, general secretary of the Sweet, Food and Allied Workers' Union, said she had been asked to intervene in the dispute by members at the plant The union represents a small number of Buffalo workers

Management had been prepared to meet her and had been "pleased by our role in the settlement"

She said workers had refused to deal with Manpower officials

QUANTITY SURVEYING

(Continued)

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Only ADE will be accepted

RDM 17/7/81 458 189

Industrial Reporter

TRACTORS fitted with engines not made by Atlantis Diesel Engines (ADE) would definitely not be exempt from protective duty, ADE managing director Mr Hartmut Beckurts said yesterday

Mr Beckurts said Press reports might have given the impression that non-ADE engines could be made in SA and used to power agricultural tractors, and thereby escape duty

The Government has caused an effective monopoly for ADE engines by ruling that only tractors and commercial vehicles fitted with ADE engines will be exempt from a duty to be levied from October 1 this year

The rationale behind the legislation is that it is in the national interest to have a self-sufficient diesel engine project

Speculation in the Press that some categories of non-ADE engines might be exempted from duty centred on the fact that ADE will not immediately be able to supply engines covering the full range of diesel power

But Mr Beckurts said such speculation might have an adverse effect on the attitude of ADE customers

"Such reports are viewed with concern by ADE's customers as they give rise to speculation in the market which may prejudice manufacturers who have given ADE their whole-hearted support," Mr Beckurts said

"I therefore wish to reiterate that the Atlantis Diesel project was launched on the unequivocal decision by the Government that tractors and commercial vehicles will only be exempt from the protective duties to be imposed if they are fitted with engines within the power range manufactured by ADE "

He said the motive behind the Government's duty decision was the elimination of the disadvantages of excessive model ranges by only approving the establishment of a single production facility

"Fragmentation of the market could only lead to increased costs," he said

GIC

189

Under-rated?

FM 17/7/81

Activities: *General engineering group which manufactures and supplies machine tools, engineering equipment and components Holding company is B Elliot (UK), which owns 60%*

Chairman: *F M Russell*

Capital structure· *3,95m ordinaries of 50c Market capitalisation R15,2m*

Financial: *Year to March 31 1981 Borrowings long- and medium-term, R1,7m, net short-term, R491 000 Debt equity ratio 19,3% Current ratio 1,7 Group cash flow R5,3m Capital commitments R2,2m*

Share market *Price 385c (1980-81 high, 400c, low, 160c, trading volume last quarter, 143 000 shares) Yields 32,4% on earnings, 8,3% on dividend Cover 3,9 PE ratio 3,1*

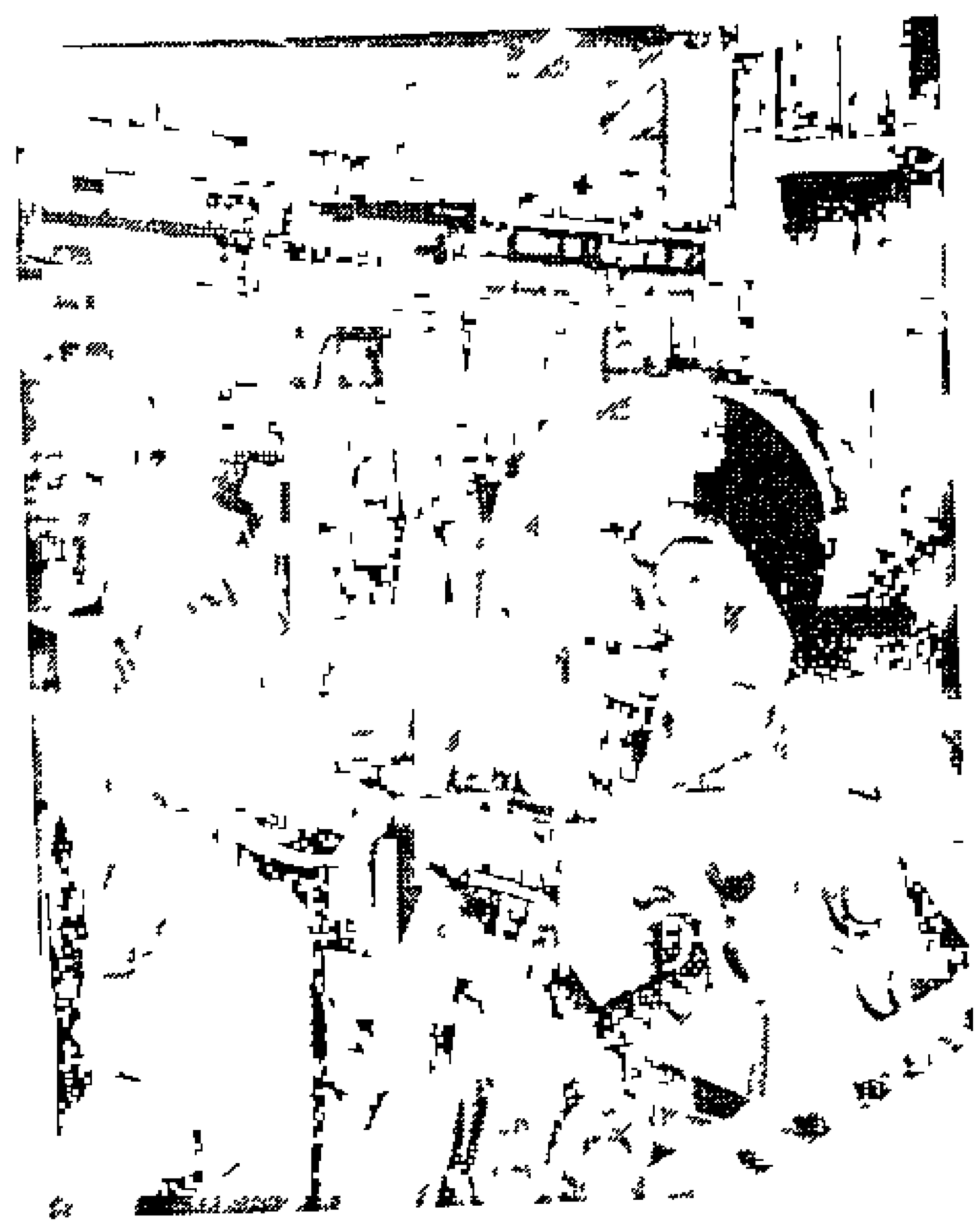
	'78	'79	'80	'81
Return on cap (%)	13,4	35,2	44 0	58 4
Turnover (Rm)	17,6	24,1	35,4	53 6
Pre-tax profit (Rm)	0,6	1,9	4 6	8,4
Gross margin (%)	5,1	9,8	14,6	16,8
Earnings (c)	7,5	41,1	78,1	124 6
Dividends (c)	5	10	17	32
Net asset value (c)	172	204	226	319

Since the 1978 profit slump Goldfields Industrial (GIC) has achieved an annual compound earnings growth of 155% and compound dividend growth of 86% But the market has partially ignored the scope of the group's recovery and still rates the share on a relatively high 8,5% historic dividend yield That reflects the high vulnerability of the machine tool sector to economic cycles

But Diagonal Street may be overlooking the fact that the sectors in which GIC operates are still growing strongly as the economy has moved into a capital investment phase Orders on hand are up on year-ago levels and enquiries remain buoyant, the company reports So the current 385c share price seems an unfair reflection of the earnings and dividend prospects over the next year, despite expected continued weakness in the market tone

In the year to end-March 1981, turnover rose 51,2%, while trading profit advanced 73,6% to R9,1m as operational gearing swelled margins The best performances came from Elga Engineering, which recorded an "outstanding performance" as sales of metal forming machine tools made by the company rose strongly

Elga and fellow manufacturing subsidiary, Strip Steel, are undergoing capacity extensions To finance this, GIC has arranged a R1,6m five-year loan at 7,5% The balance of the R2,1m capex will be funded internally and, given GIC's low gearing and high short-term liquidity, dividend potential should not be impaired



GIC . . . engineering for the future

In fact, given its financial state, there is no reason why GIC should not gear up further and stay within the limits imposed on foreign-controlled companies The debt equity is only 19,3% (26,9%), and even if the R1,6m loan had been taken up last year, gearing would have been only 32% In support of this low gearing in 1981, gross profit covered the annual interest/leasing bill a comfortable 15,3 times

With this financial slack and faster turning stock in 1981 GIC had no problem financing working capital needs Stockturn increased to an average 4,7 (4,5) times, while debtors were collected in about 80 (91) days The result was an unchanged group current ratio of 1,7 times, despite a 34% increase in creditors, a small increase in short-term borrowings and a higher dividend liability

Other than to affirm that GIC has entered 1981 with a larger order book which should produce "another good year," no forecast is offered But even assuming 20% growth in earnings this year, the lower side of market expectations for better companies, GIC could report attributable profit of 150c and a dividend of 38c On this basis the share yields a prospective 9,9% — which has definite medium-term income attractions

Des Kilalea

STEEL (189) FM 17/7/81

Private enterprise vs the

Anglo American's Highveld Steel is hitting state-owned Iscor where it hurts Its policy of entering steel markets, in which Iscor can more than meet local demand, is paying off — at Iscor's expense

Highveld is successfully marketing steel sections and plate — although Iscor has over-capacity to produce these items Its latest challenge to Iscor will be in hot rolled strip steel

Iscor acknowledges the threat, and marketing GM Nols Olivier offers a possible explanation for Highveld's success so far

"Anglo American controls large sectors of the steel consuming market and therefore commands a captive market for Highveld, which is also in the group

"There is every likelihood that Iscor will lose sales to Highveld after the commissioning of its hot strip mill "

Highveld's new mill should start producing between 200 000 t and 400 000 t of steel a year by 1984

Highveld MD Leslie Boyd is confident he will be able to sell it all at a profit, although Iscor says it can supply local demand with "handsome surpluses" for the next decade at least It estimates its own surplus hot strip capacity at 642 000 t a year in 1982/83

Another reason why Iscor could lose sales, says Olivier, is that "there is a tendency for customers not to put all their eggs in one basket if there is more than one supplier "

This must be a powerful factor working in Highveld's favour, because steel merchants and steel users praise Highveld for its ability to supply at relatively short notice

"Iscor is a faceless giant," says one, "and although it undoubtedly has the physical capacity, it loses sales opportunities because orders get tied up in bureaucratic red tape Highveld is more flexible but this could also be partly due to its smaller size "

Olivier says that in times of over-supply, private sector companies concentrate on the more lucrative local market, leaving the burden of exporting at uneconomic prices to Iscor

This does not quite square with the facts In the years since 1976, Highveld's exports have accounted for 49%, 42% 43% 29% and 22% of its total sales In the same period, Iscor's exports accounted for 10%, 30%, 36%, 37% and 32% of its total sales

Highveld seems to be out-marketing Iscor on overseas markets as well Far from complaining about their being uneconomic, Boyd claims that his steel sales abroad have, on average, been profitable

"In some cases we have made even more money on consignments sold overseas than we would have made had they been sold on the local market," he says

"And we also foresee profitable export sales of hot strip "

Highveld's plans to go into hot strip steel were no doubt prompted by the need to take up its extra iron-making capacity which is soon to come on stream

To the 10 pre-reduction kilns and six submerged arc furnaces already in operation, it is adding three more kilns and one larger furnace This should provide enough iron to boost its steel mill production from the present level of 900 000 t a year to 1,1 Mt a year by 1984

Iscor sold 5,5 Mt of steel during 1980 Of this, 3,8 Mt went to the local market which consumed a total of 5,1 Mt, an increase of 15% over 1979.

Iscor expects local demand to drop by 1% to 5,0 Mt this year, and a further 2% to 4,9 Mt next year

But, in spite of this small drop in demand, it is still all systems go for Highveld

BUT STRIKE AT HENDLER GOES ON

Sowetan 17/7/81 (189)

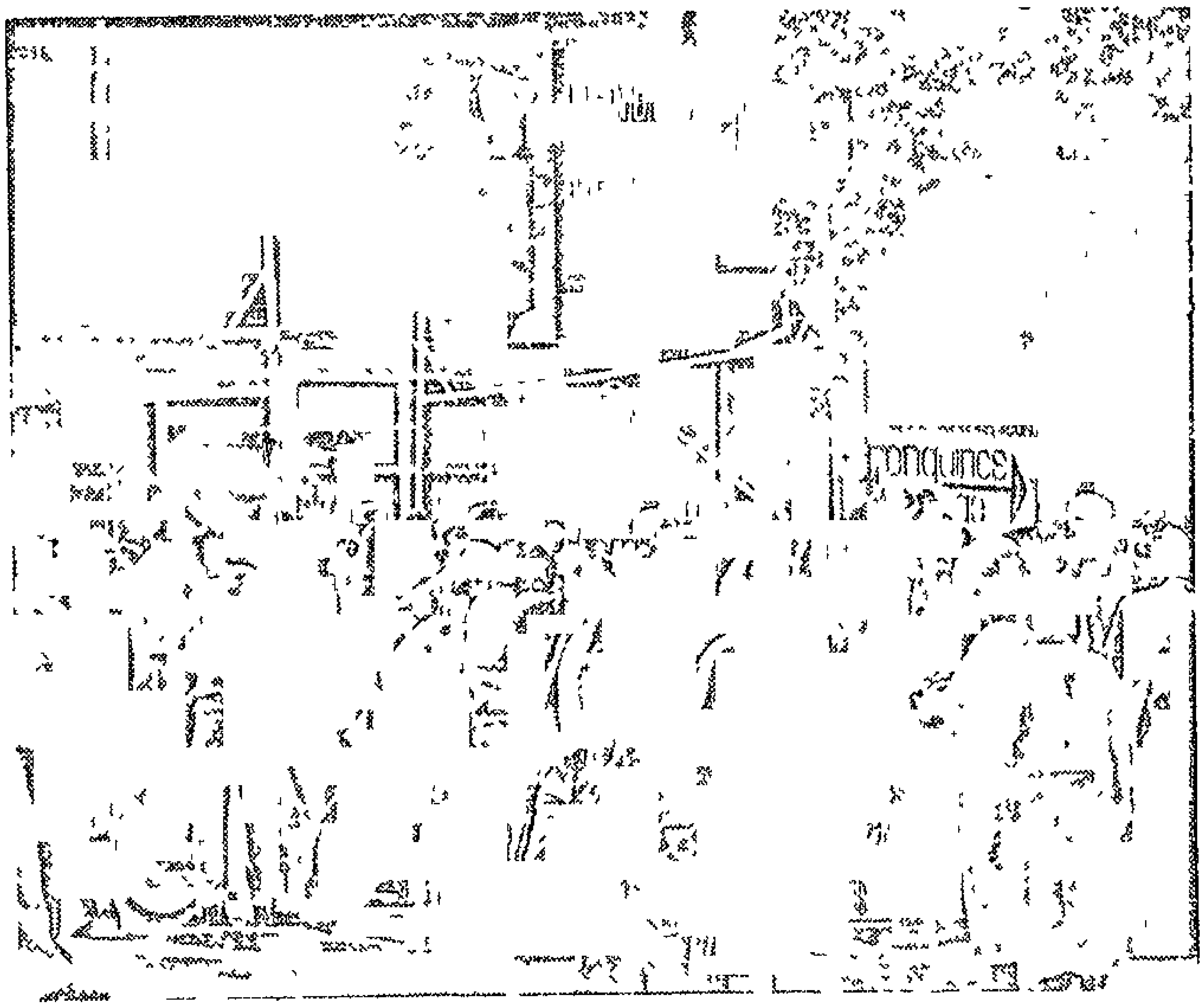
MORE than 2000 workers at Hendler and Hendler in Boksburg, who went on strike on Wednesday over wage demands, have not yet returned to work.

They downed tools on Wednesday after a demand for a wage increase of 50c an hour. The workers are now getting R1,30 per hour.

Yesterday, they refused to go back to work and left the plant, saying they will only return today to collect their wages, and will not work until their demands are met.

About 90 percent of the Hendler workers are members of (HAWU).

Returning strikers won't work overtime



Strikers gather outside Hendler and Hendler in Boksburg, where 1 800 workers have downed tools to collect their pay

RDM 18/7/81

By STEVEN FRIEDMAN
Labour Reporter

AT ONE of the biggest worker meetings held on the East Rand in recent times, strikers at Hendler and Hendler, Boksburg, agreed to return to work on Monday, but to refuse to work overtime until the company met their wage demands

Meanwhile labour unrest continued to grip the East Rand yesterday and, in other developments, about 300 strikers at a Boksburg firm Bisonboard were fired and there were reports of unrest at the EMI factory near Alberton

There have been five stoppages on the East Rand in the past two weeks

At Hendler and Hendler, none of the 1 800 strikers who are demanding a wage increase over and above that granted in the metal industries' industrial council agreement returned to work yesterday, according to a company spokesman

Yesterday, about 1 000 strikers attended a meeting in Benoni and accepted a recommendation from union shop stewards that they return to work on Monday

But the meeting resolved not to work overtime until management granted an additional increase

Later strikers returned to the factory to collect their pay They were handed a company notice which said they were striking "illegally" and added "You have thereby dismissed yourselves from the company's employ "

But it said workers would be given their jobs back if they returned by 7 15 on Monday

At Bisonboard, where workers struck on Wednesday following a dispute over an increase in July, general manager Mr Ron Lucke said the company had terminated the services of the 300-odd workers involved "They dismissed themselves by striking,' he added

At EMI, management refused to comment on reports of a stoppage But a source in the company said "we had some trouble which has been cleared up'

URBAN & REGIONAL PLANNING

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QUANTITY SURVEYING
(Continued)

One strike ends in strife-hit industries

By Drew Forrest

Hundreds of singing, foot-stamping and slogan-chanting metal workers from strike-bound Hendler and Hendler in Boksburg voted at a meeting yesterday for a provisional return to work after the weekend.

But labour unrest is believed to have spread to the nearby Langeberg canning factory — the fourth Boksburg company to be hit by strike action in a week.

Worker sources reported that about 800 day shift workers at Langeberg walked out at lunchtime yesterday over a pay demand. Confirmation could not be obtained from management or the African Food and Canning Workers Union which represents the workers and which is party to a conciliation board agreement with the Langeberg group.

RETURN

The Hendler and Hendler workers decided on a provisional return to work after a four-hour emotion-charged meeting in Actonville with officials of Fositu's Metal and Allied Workers Union (Mawu).

The debate — punctuated by cries of "Amandla" (power) and "Simunye" (Unity) — centred on whether to go back before or after next Tuesday's meeting between Mawu and company directors.

About 2 000 workers struck at the enamelware manufacturing company on Wednesday. Their original demand for a 50 cent an hour increase in addition to the 14 cent minimum wage increase under the industry's industrial agreement has since been reduced to 29 cents.

It was finally agreed to return to work on Monday pending the outcome of negotiations.

SACKED

Meanwhile, at the Bisonbord wood factory — also in Boksburg — about 270 workers who struck on Thursday for a 15 percent pay rise have been fired. The general manager Mr Ron Lucke said they had ignored a return to work deadline and would be paid off next week.

A spokesman for the Fasatu affiliated Paper Wood and Allied Workers Union, said the union had been consistently denied access to the plant, despite having strong support there.

Davy McKee for R800-m project

S Times 19/7/84 (189)

By Stephen Orpen

DAVY McKee of Stockton-on-Tees, a UK-based, Davy Corporation, engineering and construction company, has been appointed to provide the project and construction management services for the mammoth mill to be built for Sappi at Ngodwana in the Eastern Transvaal

Davy McKee will also be responsible for co-ordinating all the engineering of the plant.

The project involves an investment of some R800-million before 1985 and is one of the largest single undertakings by private enterprise in South Africa as well as being the largest single paper industry project currently underway in the world

Davy McKee will act in all phases of the work from initial site clearance to construction and dry commissioning of the complete complex including the provision of all the auxilliary services. The company's responsibilities will include·

- Co-ordination of work by specialist contracts and suppliers.
- Procurement of all plant and equipment including a power station in addition to all the process plant.
- Site management
- Supervision of the dry commissioning of the plant
- Rail and road connections
- Mains water supply system including the construction of a dam
- Construction of houses.
- Administration office blocks.

During the early stages of the contract the Davy McKee project management team will be sited in Johannesburg

Later, it will move to the construction site at Ngodwana

The contract was won in the face of stiff international competition.

Output from the new mill will raise Sappi's overall capacity from 600 000 tons to 860 000 tons of pulp, paper and tissue a year.

The expansion will take place in three phases and the first phase will see the commissioning of a machine to produce 140 000 tons of newsprint annually from mid-1983.

The second phase, the major part of the development, will add 260 000 tons per year to Sappi's capacity for producing unbleached pulp. Of this, 200 000 tons will be converted to bleached pulp.

This will be completed in 1984.

The third and final phase will be completed in 1985, and will add 150 000 tons a year to capacity for kraft liner and fluting.

Largest tipper plant in SA

(189)

FA POOLE, Rosslyn, have purchased a new 4ha factory at Rosslyn at a cost of R2 million The factory working area of 13 000m² is the largest tipper manufacturing plant in the southern hemisphere

The factory was purchased with a view to increasing productivity and to cope with South Africa s increasing industrial requirements for tippers and bodies

To date, after one month s occupation, the plant has already increased productivity by 50% Mr Lubie managing director of FA Poole (Rosslyn), plans an expansion programme unprecedented in the industry Says Mr Lubie "We have already purchased the most modern available fabricating equipment, cutting and bending machines We now have a factory which is able to substantially increase our share of South Africa s tipping market Our export potential is tremendous and we will be looking at South American and Third World countries "

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For the best student of Architecture (or Quantity ... the subject ... ractice.

... tzog Prize - ... 1 year student.

... in fourth

... in

1 200 canning workers strike over pay demands

STAR 20/7/81

Nightshift workers at the Langeberg co-operative canning factory in Boksburg have downed tools and the entire 1 200-strong workforce is now on strike.

About 800 workers on day shift struck on Friday and were told to leave the factory premises after talks between management and a committee of the unregisterd African Food and Canning Workers' Union (AFCWU) had broken down.

The strike was the fourth to hit industry in Boksburg last week and, like the stoppages at nearby Hendler and Hendler and Bisonbord, was sparked by pay demands.

Langeberg is bound by a conciliation board agreement reached with the AFCWU's sister union, the coloured Food and Canning Workers' Union, and extended to black canning workers in Boksburg and other areas. In terms of this workers are to receive a 15 percent increase in October, which will bring the minimum weekly wage at Langeberg from R32 to R36,80

The AFCWU recently approached the company for an interim payrise to counter cost of living increases — and it was this demand that workers took to management on Friday.

Workers have resolved not to work today but will return to the factory to await the outcome of negotiations.

At another East Rand factory, EMI in Steeledale near Alberton, about 60 warehouse workers are reported to have been fired on Friday after a four-day strike

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For the best work in fourth
year.

D H Pryce Lewis

John Perry Pri...
in

Morlite

Financial Reporter

MORLITE, Mr Jimmy Haslam's fast-growing listed engineering group, is negotiating another acquisition and shareholders have been urged to be careful in their dealings.

Mr Haslam said talks were still at the exploratory stage and said he would not like to see shareholders get too excited about the deal as this would be premature

The proposed acquisition was "quite big and radical in principle"

Mr Haslam hoped the companies would be able to make an announcement by the end of the week

MACHINERY

Atlantis engine project queried

STAR 23/7/81

(45) (189)

S.

CHEMICAL

Many calories have been dissipated in heated debate on the Atlantis diesel engine. A prototype could have run for hours on all that energy.

Hannes Ferguson

Farming

As the ADE engine nears full production stage, uncertainties have multiplied. Tractor manufacturers have taken opposing views on costs and prices. Now the farmers, who have to foot the bill, are starting to feel insecure.

Tractors are an important cost item in farming. They are also a factor of some weight in the consumer price of controlled foods. Consumer bodies are now also asking questions about tractors and engines.

Even the policy framework of the ADE engine project has come under a question mark after announcements that apart from ADE engines, tractor firms would have to use locally made gearboxes, differentials and rear axles.

According to Mr H H Beckhurst, managing director of ADE, the project is right on target.

The first cylinder block machining line was in operation, he said. Four of five assembly lines were now coming into production and all 45 engine test cells had been completed and were in use.

Seven types of ADE engines were at present being produced, assembled mainly from "completely knocked down" stocks of parts. Adaptation parts such as newly designed flywheels, flywheel housings, sumps and truck manifolds were being manufactured locally by the component industry.

On budget

The progress of the project as a whole was not only within its original schedule, but ADE had still kept within its 1979 budget, Mr Beckhurst said.

Financing had been mainly done by Bankorp. A financial subsidiary of ADE, Finasco, had concluded arrangements for plant and building finance to the tune of R325-million. Plant leasing contracts were for periods of between 10 and 15 years.

Finasco had already drawn R175-million, once the balance was to be taken up by 1984, when the project was due for completion and the break-even point would be reached.

Machinery would be arriving up to 1984 — all by road. Railway facilities were still under construction.

The Industrial Development Corporation was providing most of the working capital. A total of R30-million of this had already been drawn, the rest would be spent within the next three years.

The work force already numbered 400 whites and 600 coloureds. All locally employed assembly line and test cell operators had passed their theoretical and practical training. They were giving an excellent account of themselves.

At the outset it had been estimated that the ADE engine would cost between 10 and 15 percent more than the equivalent engine imported from overseas. To this had to be added the cost premium for conversion parts made in South Africa to marry the ADE engine to the rest of the tractor and truck.

The protection provided by shipping costs from Britain, Germany or the United States, plus an import tariff of up to 20 percent, would secure the South African market for the ADE engine.

The National Association of Automobile Manufacturers of SA (Naamsa) recently published figures suggesting that the real cost premium of the ADE tractor engine might make tractors up to 30 percent more expensive and increase the price of trucks by up to 45 percent.

The Deputy Minister of Finance, Mr Danie Steyn, at a Press conference in Pretoria, pointed out the strategic and economic advantages of the project, stressing savings by rationalisation of parts and less rapid obsolescence of plant.

Challenged

The Naamsa estimate has now been challenged by Mr Beckhurst. The ADE engine, he insisted, would still cost not more than 15 percent above the price of the overseas produced equivalent engine delivered to the tractor manufacturer's assembly works.

It was true, he said, that tentative quotes by ADE had been raised, but the same applied to the equivalent overseas engines.

ADE could, however, not speak on behalf of any of the firms selling tractors and trucks. They had to negotiate with their parent companies for a "deletion allowance," representing the value of the engine, to be substracted from the "completely knocked down" tractor package sold to their local assemblers.

If the overseas parent company insisted on an unrealistically low figure, its locally assembly tractor or truck would be priced out of the market.

Another cost item on which ADE had no say, was the cost of the assembly facilities local tractor makers had to set up, and the rate at which they charged this investment to the tractors they produced.

Mr Buks Terblanch, tractor division director of Vetsak, which sells Fiat tractors, said he was sure the price premium farmers had to pay for the ADE-powered tractors would be very reasonable.

His company could not yet announce any price, but he expected a very generous deletion allowance from his parent company. Vetsak would also do its best to take the long view on the amortisation of its investment in its local assembly factory.

Mr Bill Pascoe, a senior executive of John Deere (SA) said that he feared the ADE engine would cost double the price of the imported John Deere engine.

Irish American male who, through emigration to the U S A , has lost significantly in social status. In both these cases the personality problems gave rise to a destructive

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Rubber stamps keep PE's repair harbour at bay

S. Express 26/7/81 (189)

CONSTRUCTION of Port Elizabeth's multi-million rand ship repair harbour, which was given the go-ahead by Dr Dawie de Villiers, Minister of Industries, in May, is being delayed "by the lack of a few rubber stamps from Pretoria."

Henry Combe, managing director of the Algoa Bay Dockyard Development Company, which is to develop the dry-docking facility, told the Sunday Express from Port Elizabeth that "nothing more can be done until we get those rubber stamps

"We have to get 800ha of agricultural land rezoned as industrial land

"Until that is done we cannot start final, detailed design of the facility We have to know exactly where it must be sited

"To do that we must do 60 corings out at sea and 120 on land We are not allowed to do coring on agricultural land, and cannot start detailed designs until we know exactly what to expect below the surface

DELAY MEANS HIGHER PRICES

By ARNOLD DAVID

"A mistake of as little as 5m in the position we choose to build the dockyard can be most costly "

Combe said he hoped the "necessary rubber stamps" would be obtained when Parliament meets for its next sitting

After they are obtained it will take another six to eight months before the detailed designs are ready and work can start

Combe, who claims his company has all the necessary backing, was not prepared to say where it is coming from nor was he prepared to discuss the size of the backing

In 1979 prices, the dockyard will cost R230-million, but as Combe points out, prices have risen substantially since then

"To arrive at what it will cost to build now isn't simply a matter of multiplying the 1979 price by a factor We will have to recost the whole operation, but cannot do that until we know precisely when we can start

"If we get permission (those rubber stamps) today, we can start tomorrow "

Combe said the most costly item would be dredging and sea preparaion, but could not put a figure to it

HANGING BY A THREAD

● A four ton truck hangs from a glass fibre thread only 7,5mm thick outside the Bayer Chemicals head office near Cologne, Germany. The new Bayer material is as strong as steel but only a third its weight.

A representative of a European dredging group who inspected the area returned to Europe only last week to work out a quotation

The facility, which will be sited "north of Port Elizabeth," will be able to take 350 000-ton giants in the drydock which will measure 374m by 61m and smaller ships in the other, which will measure 299m by 47m

Because of the "amazing" rate of inflation which has hit all drydock services, Combe predicts a very high turnover for the yard when it comes into operation, which could be as early as 1984

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(3) Motor vehicle accidents

(4) Alcohol programmes and research

(5) Criminal-justice system

(6) Social-welfare system.

No brake on French presence

S Express 26/7/81

(189)

Business Reporter

EDWARD L BATEMAN, one of the leading engineering companies quoted on the JSE, has concluded an agreement with the multi-million rand French Valeo group to market fluid couplings and industrial disc brakes made by one of its subsidiaries, Sime Industrie, in Southern Africa

Sime is not the only large French company to set its sights on expansion and the establishment of a presence in South Africa

As reported in the Sunday Express on July 19, seven French firms will be exhibiting at Itec, the biggest transport exposition yet held in South Africa, which starts at Johannesburg's Milner Park showgrounds tomorrow

Some will be showing their flag in this country for the first time — at a time when some of the hierarchy of the new socialist regime in France is making decidedly anti-South African noises

However, as a French businessman pointed out in the Sunday Express of July 19, President Francois Mitterand needs money to implement his policies and is not too particular where it comes from

He did nothing last week to stop the export of the reactor for the Koeberg nuclear power station in the Cape

Shipping by Bill Gowans

R8-m contract for oil rig support tug

Argus 27/7/81

(189)

Argus Correspondent

DURBAN — Leading shipbuilders Dorbyl Marine have successfully negotiated an R8-million contract with Unicorn Lines (Pty) Limited to build South Africa's first oil rig support vessel for use by Soekor.

The 'most sophisticated anchor-handling tug supply vessel' built here is due for delivery in December 1982. Its activities will include towing rigs to and from drilling locations off the South African coast, handling rigs, anchoring systems and transporting oil field equipment and materials

Executive director of the non-liner division of Unicorn, Mr Michael Meehan, said it was a most significant development in shipbuilding in South Africa.

RECESSION

The contract comes at a time when shipbuilders, in spite of having orders coming in, are still battling to emerge from the recession which struck a few years ago

Although Dorbyl appear to have been forerunners with the contracts for the Sea Fisheries research vessel Africana, being fitted out at present, two I and J fishing trawlers launched recently, an order for a Canadian trawler and the Railways order for four tugs, all being clinched at crucial times for the industry. Executive director Mr Dick Brass has said that the yard would in no way be running to capacity.

The supply vessel/tug will have a stipulated bollard pull of 100 tons.

The specifications of the ship, according to Mr Meehan, were chosen 'to suit Soekor's operating requirements and experience with similar vessels'

He said the latest improvements in technology would be included and the craft is expected to burn 1 500 seconds fuel compared with the higher grade fuels which most supply vessels burn

Twin screws with propellers in fixed nozzles and two engines developing 3 000 bhp each will produce a speed of 14,4 knots

A 200-ton towing winch is to be fitted to the 62 m long 1 050 dwt ship. Beam specs are 13 m and the draught will be five metres.

This is the 11th new building order placed in South Africa by Unicorn, eight of which have gone to Dorbyl Marine.

.n request): R16,oo (plus primary fee applicable to taxpayers).
The fees for semi-private and private wards at own request are fixed tariffs.

TABLE 11

THE PRIMARY FEES PAYABLE FOR IN-PATIENTS ARE THE FOLLOWING:

Single persons without dependents		Married persons and single perso[ns] with dependents.	
R 2	R 2	R 2	R 2
6	9	4	6
8	11	6	9
10	12	10	12

Teaching hospitals include: Groote Schuur hospital, Tyg[
Mowbray Maternity hospital, Red Cross Childrens hospita[
Maternity hospital, Karl Bremer hospital (partly).
Persons whose nett assessed tax per year is le[
are entitled to a rebate on the maximum daily [
on submission of the relevant tax assessment f[
rebate ranges from 95% if the total assessed tax is let[
R15,oo (Daily tariff will then be : teaching hospitals[
teaching hospital : 60c) to 5% in respect of the total[
between R255,oo and R240,oo per year (Daily tariff wil[
hospitals: R13,30 and non-teaching hospitals. R11,[
This way of calculating a rebate takes into account the income of a person as well as the number of dependents he/she has. This is because tax payment decreases with the number of dependents a person has. We therefore see that the less tax the person pays that is the lower his/her income or the greater number of dependents he/she has, the greater the rebate. This rebate will be calculated in the following manner: for e.g Single with one dependent: Monthly income R230,oo, Annual tax (P A.Y E.) R16,10 x 12 = R193,20; percentage rebate 20%.
In-patients are either classified as hospital patients' or as 'private patients'. This is according to the gross monthly income of the family. If a family's income is less than the income ceilings below, the person is classified as a 'hospital patient'.

Monthly income	
R60,oo	single:
R100,oo	Married, single with 1 dependent
R140,oo	Married with 1 dependent; single with 2 dependents.
R185,oo	Married with 2 dependents; single with 3 dependents.
R235,oo	Married with 3 dependents, single with 4 dependents.

X-rays se[

State [s]ervices	Teaching & non-teaching hospitals
Pathological examinations	R5, per examination.
X-ray examination.	R2 per plate

Ambulance fees equal to 1 days stay at the net daily rate (i.e Between R14 and [ ] for teaching hospitals and between R12 and R16 for non-teaching hospitals, if not rebate is given.
Dental clinics exist at Hope Street, and Tygerberg fees 40c - extraction, R2,oo - filling, 50c extraction of tooth for children, Full set of dentures: R40,oo
Optical clinic : at Heideveld, Bishop Lavis and Epping. Testing for spectacles.

LABOUR

Significant pay boosts won at metal firms

Star 28/7/81

189

By Drew Forrest

The wages of about 2 000 black metal workers at Hendler and Hendler in Boksburg have been significantly boosted after the recent industrial dispute at the plant.

The trade union involved, the Fosatu-affiliated Metal and Allied Workers Union (Mawu), has also won increases after plant-level negotiations at two other companies — Vaal Metal Pressings in Boksburg and Tensile Rubber in Wynberg

At Hendler and Hendler, where workers staged a 3-day stoppage a fortnight ago shareholders agreed to an effective 13 cents a nhour increase across the board after a series of meetings last week with Mawu representatives Further wage negotiations are scheduled for November.

At nearby Vaal Metal Pressings, a subsidiary of the powerful Abercom group, negotiations with the union have yielded an hourly increase of 14 cents for about 180 black workers

The increases are in addition to the new statutory levels laid down by the metal industry's industrial council, effective from July 1. Mawu was not party to the industrial council negotiations and has repeatedly stressed the crucial importance of plant-based bargaining

In a statement yesterday, the union praised the three companies for their "realistic attitude in negotiating with their employees at plant-level

"To refuse to negotiate on an issue such as money at this time of rampant inflation would only lead to frustration and decrease the possibility of establishing a credible industrial relations framework for the future," the union added

Steelmen set to forge a bargain

RDM 29/7/81

CONTROVERSIAL labour guidelines drawn up by the giant Steel and Engineering Industries Federation — which affect the bargaining rights of about 400 000 workers — are likely to be revised soon.

Seifsa sources are reluctant to comment on the possibility of revisions, but reliable sources say discussions aimed at producing amended guidelines are under way

BY STEVEN FRIEDMAN

They are expected to be ready in one or two months

The guidelines, released in late 1979, sought to channel bargaining with trade unions through the official industrial council system, and rejected negotiation with unregistered trade unions

They were sharply criticised by some unionists at the time and have been contrasted with guidelines released earlier this year by the Federated Chamber of Industries, which urge employers to adopt a "pragmatic approach" and to deal with representative unions even if they are unregistered

The original guidelines rejected negotiation with unions at plant level, implying that bargaining should be channelled through the councils

Stop orders

They also advised employers not to grant "stop-order" facilities to unregistered unions or to negotiate with them

After discussions between Seifsa and registered trade unions, the guidelines were amended to allow unions whose applications for registration had been gazetted to receive stop-order dues if they agreed to join the industrial council once registered

This exemption applies for a limited period and has been granted to two predominantly-black unions affiliated to the Federation of SA Trade Unions that have not yet joined the metal industry's industrial council

Talks

Informed sources say the process of revising the guidelines is likely to take some time, as it will involve discussions not only with employers affiliated to Seifsa, but with trade unions party to the industry's industrial council and other interested organisations

The amendments are also likely to depend to some extent on labour relations legislation introduced by the Government in the forthcoming parliamentary session

They are, therefore unlikely to be finalised until the Government's intentions are announced

The discussions aimed at reviewing the guidelines come at a time when two East Rand metal firms have faced strikes by workers rejecting wage rates negotiated at the industry's industrial council and demanding additional increases

In addition, unions affiliated to Fosatu have negotiated wage increases outside the industrial council system with two East Rand and one Johannesburg metal company in the past few days

QUANTITY SURVEYING (Continued)

Bell-John Prize

For the best all-round student in any year of study.

P C Key

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize

For the student obtaining the highest marks in Professional Practice.

P R Swift

LTA Prizes

For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

I : N D G Sessions

II : A R Low Keen

Blacks get wage boost after talks

Argus 30/7/81

189

Argus Correspondent

JOHANNESBURG — The wages of about 2 000 black metal workers at Hendler and Hendler in Boksburg have been significantly boosted after the recen industrial dispute at the company

And the workers' trade union, the Fosatu-affiliated Metal and Allied Workers' Union (Mawu), has won increases after plant-level negotiations at two other companies — Vaal Metal Pressings, also in Boksburg, and Tensile Rubber in Wynberg, Johannesburg

At Hendler and Hendler, where workers staged a three day stoppage a fortnight ago, shareholders agreed to an effective 13 cents an hour across the board increase after a series of meetings last week with Mawu representatives

TALKS GO ON

Further wage negotiations are scheduled for November this year

And at nearby Vaal Metal Pressings, a subsidiary of the powerful Abercom group, negotiations with the union have yielded a 14 cents hourly rise for the 180 odd black employees

PRESIDENT CATERING (189)

Contracting profits

FM 31/7/81

Activities: *Manufactures and supplies catering and refrigeration equipment Trade & Industry holds 64% of the equity*

Chairman: *I J Jacobson, managing director J H Jacobson*

Capital structure: *3,4m ordinaries of 7c. Market capitalisation R4,4m*

Financial: *Year to June 30 1981 Borrowings long- and medium-term [illegible] R1,000 net short-term R1,1m Debt equity ratio [illegible] Current ratio [illegible] [illegible] R61 000*

Share market [illegible] 1980-81 [illegible] 10,000 [illegible]

	[illegible]	79	80	81
Return on cap	[illegible]	[illegible]	[illegible]	[illegible]
Turnover (R)	[illegible]	[illegible]	[illegible]	[illegible]
Pre-tax profit (R)	[illegible]	[illegible]	[illegible]	[illegible]
Earnings (c)	[illegible]	[illegible]	[illegible]	[illegible]
Dividend (c)	[illegible]	[illegible]	[illegible]	[illegible]
Net asset value (c)	10[illegible]	[illegible]	[illegible]	[illegible]

16 months † annualised

Since the 1977 profit slump Prescat's earnings have grown at [illegible] compound annually and dividends over 30% For 1982 chairman Ivor Jacobson expects sound growth as the company entered the year with a substantially higher order book and the sectors it serves show no signs of material slowdown

As the largest supplier of catering equipment to hotels restaurants canteens and the government Prescat lifted turnover [illegible] to R14,6m in the year to end June Higher capacity utilisation and control on costs meant pre-tax profit increased 33% to R1,8m (R1,3m) which led to an enhanced 39,6% ([illegible]) return on capital employed

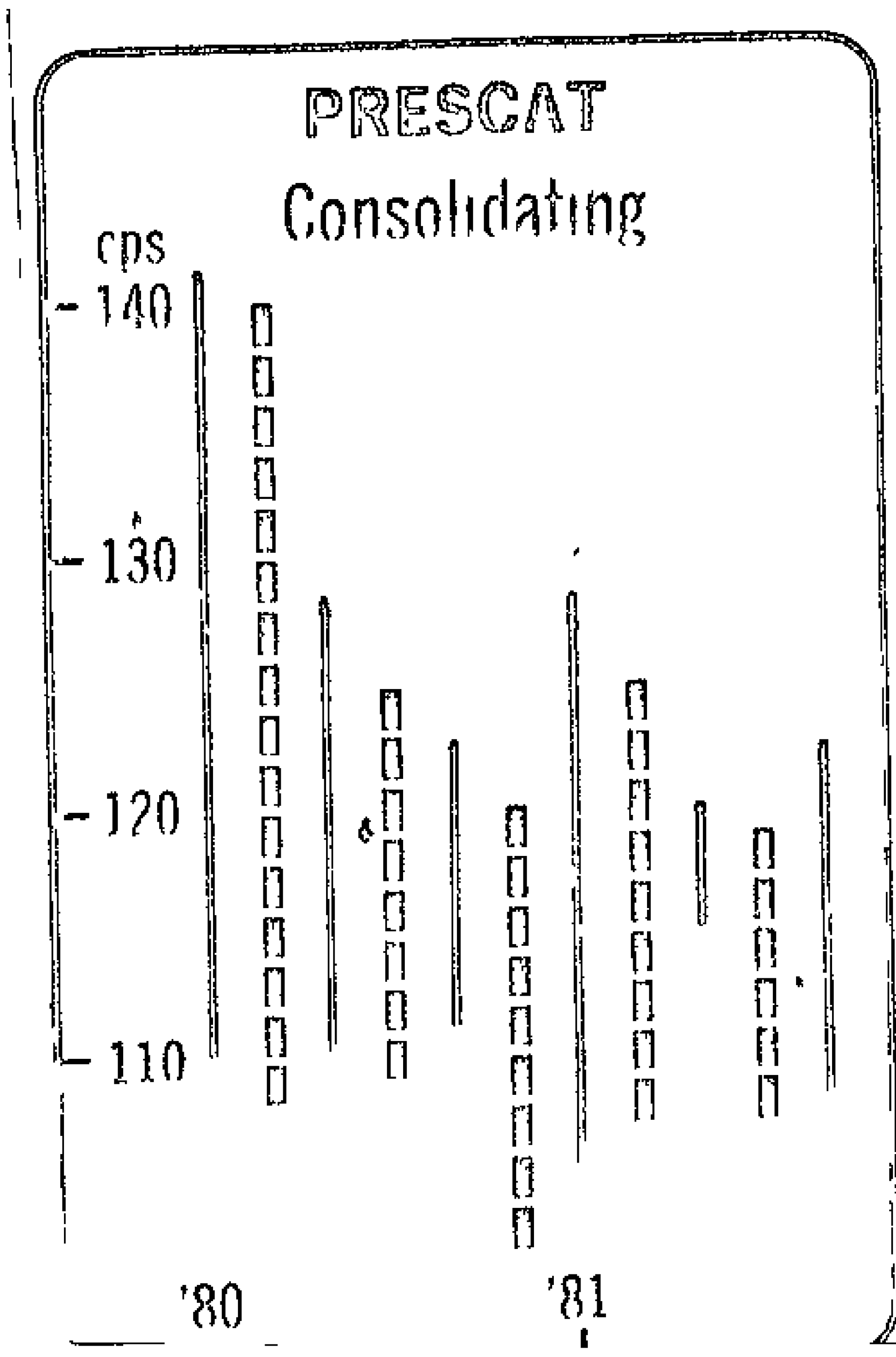
The major contributor to the profit increase remains the contracting division In 1981 the company landed large catering equipment contracts and since the year-end new market areas have been secured Hence Jacobson's forecast that contracting should at least maintain its market share this year

Part of the group's success in the contracting field results from its manufacturing facilities making heavy catering equipment under the [illegible] [illegible] In addition [illegible] on the [illegible] [illegible] [illegible] the [illegible]

[illegible]

[illegible] and [illegible] Large [illegible] a comfortable [illegible] profit

This year the company will benefit from the still fast pace of [illegible] investment new hotels and expansions resulting from the building boom On the basis of 20[illegible] growth in dividends the [illegible] yields a high 1[illegible] which reflects its low marketability



QUANTITY SURVEYING

(Continued)

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For the best all-round student in any year of study.

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I : N D G Sessions

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III: No award

S A Brick Association Prizes
For the best student in the subject of Building Construction.

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URBAN & REGIONAL PLANNING

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Star 31/7/81

Strikers return to work

Labour Reporter

Striking workers at the Henred Fruehauf trailer plant in Wadeville near Germiston returned to work today as management met union officials to discuss the dispute.

About 100 workers downed tools on Wednesday in protest over the dismissal of one of their colleagues who had allegedly struck a white employee.

The company agreed to discuss the dispute as long as workers returned to their jobs.

Talks started again today between management and the Metal and Allied Workers Union, an affiliate of the Federation of South African Trade Unions. Henred Fruehauf — a multinational firm — has been conducting recognition talks with the union.

MANUFACTURING — IRON, Steel & ENGINEERING & Metallurgical Ind.

1 AUGUST 1981 — 31 Dec. 1981

	MONDAY
11 15	8 Introduction … Modern Drama 9 Beckett, Ione… (JB) 12 'Troilus and Criseyde' (N…
2 15	1. William Blake 7 Contemporary American Poe… (JMC)
3 15	

PE plant's R500 000 expansion

E. Post 1/8/81 (189)

By Fred Roffey

Business Editor

PORT ELIZABETH-based Donkin Manufacturing is celebrating its 25th anniversary by completing an expansion programme costing more than R500 000

In addition, extra machinery is being installed as and when required, and this is expected to total eventually more than R250 000

The company's last expansion programme was in 1976, with major extensions costing about R250 000

The office side of the current expansion programme has been completed, and office space has been extended by 50% to 675m²

The factory expansion will be completed next month, when the factory space will be extended by 63% to 7 000m²

All this is from humble beginnings in 1956, with modest premises covering 600m² and a staff of six

The staff complement now totals about 250, and includes a full-scale export department

Its various expansion programmes, plus a vigorous export drive, have made Donkin Manufacturing one of the leading companies in the field of ventilation equipment and sound attenuators in South Africa

It exports a wide range of products to markets such as the Central African countries, the islands around Africa, Britain, the Middle and Far East, South East Asia, Australia and South America

The company has also been a winner in the annual Evening Post Export Awards competition

While it has a growing volume of exports, the imported components of all Donkin products in 1980 was only 1,4% of total turnover

"The company's policy is to achieve a very high percentage of in-house production, utilising materials of 100% local content," said the managing director of Donkin Manufacturing, Mr Brian Carter

"Orders currently being executed include 10 fans valued at about R200 000 for use in shaft-sinking at a new Anglo American gold mine, Erfdeel Dankbaarheid, and 173 fans and motors for Drysys, automotive finishing plant specialists for the Sigma Corporation "

In 1973, franchise agreements for production and sales were established with Joy Manufacturing Company of the US for Conax auto variable pitch axial fans, and in 1978 — the same year in which the company joined the Blue Circle Group in South Africa — the company embarked on the production of a complete new range of heavy axial flow mine fans for underground use

This range was designed, developed and tested by the company's design and development department

With the acquisition of the Westinghouse licence in 1979 for extra-heavy fans, Donkin Manufacturing, which had previously concentrated on the manufacture of light and medium fans, now had a fan supply capacity ranging from 0,1kW to 5 000kW

● August 31 is the deadline for receipt of entries in the 1981 Evening Post Export Awards Competition.

Wadeville strike finishes

Labour Correspondent

THE strike at the Henred Fruehauf trailer plant at Wadeville near Germiston ended yesterday

About 400 workers at the plant downed tools on Thursday after the suspension of a Black worker who allegedly hit a White employee with a spanner

Negotiations followed with officials of the Fosatu affiliated Metal and Allied Workers' Union which represents a majority of workers at the plant, in a bid to settle the dispute

A management spokesman said all workers had returned to their jobs yesterday morning An inquiry would be held

A union spokesman confirmed that workers had returned and negotiations concerning the suspended worker were continuing

Bromain makes major US acquisition

Star 3/8/81

189

A South African company, Bromain Holdings has acquired control of an internationally known company in America.

After six months of hard negotiations it acquired a controlling interest in Salton Inc of the Bronx, New York — the developers and manufacturers of the well-known Salton hotray — for an undisclosed sum

Established in 1948 with this single product, Salton Inc has grown into a major electric housewares company with a turnover of some R12-million a year.

Salton Inc has for the past 18 years been the licensee to the hotray to Bromain's Teltron subsidiary, and for the past five years to Salton Limited, Bromain's UK subsidiary

"Subject to obtaining the necessary approvals, Salton Inc will be merged with Salton Limited of the UK and Bromain will control more than 75 percent of a new holding company, Salton Holdings Inc," said Mr Max Brozin, executive chairman of Bromain.

He added that the new venture would not have any significant effect on either the net asset value or earnings per share of Bromain for the current year, but was expected to make a significant contribution in future years, especially as Bromain planned to launch a major international marketing campaign for Salton products.

The main products of Salton, apart from the well-known hotray, include coffee, yoghurt and icecream makers, an electric carving knife and a toaster — Sapa

not be hit by the section as it was then worded. The 1959 amendments were intended inter alia to bring such transactions within the net of the section and based on the decision in Smith's case (supra) the amendment has achieved this result.

Strike and a walkout

Labour Reporter

Workers at the Auto Industrial firm in Isando went on strike yesterday afternoon over wage demands. The Metal and Allied Workers Union, which represents many of the workers, said it was unable to hold talks with management after union officials were [illegible] the premises.

● A walkout has also been reported at Gundle Plastics in Bedfordview.

RAND DAILY MAIL, Thursday August 6, 1981

More labour trouble on East Rand

By DAAN DE VILLIERS

THREE HUNDRED [illegible] workers [illegible] were told they had lost their jobs and a union organiser was questioned by the [illegible] Police in renewed incidents of labour unrest on the East Rand.

And Dr Bernie Fanaroff, organiser of the [illegible] Metal and Allied Workers' Union (Mawu) claimed yesterday he had been assaulted at one of the strike-hit plants, Auto Industrial in [illegible].

About 100 striking workers at Gundle Plastics, [illegible], lost their jobs yesterday after ignoring a management ultimatum to return to work.

Mawu members have been involved in both stoppages.

Dr Fanaroff said yesterday workers at Auto Industrial had decided to ask for a [illegible] increase of 60c on Tuesday. The managing director, Mr Dean Fragale later addressed workers and told them he was not prepared to discuss wage increases with them.

"He then told them if they did not like their wages, they should leave, which they did," Dr Fanaroff said.

Yesterday morning he and another union organiser were let onto the company's premises while workers were gathered outside. Shortly afterwards, Dr Fanaroff said he was "manhandled and slapped" and also threatened with further physical violence. He is considering laying charges.

Two shop stewards were fired. Other workers were told they could [illegible] [illegible] would be [illegible]

[illegible] said by a union [illegible] [illegible] to [illegible] [illegible]

Dr Fanaroff said he was then [illegible] to the [illegible] Police Station, where he was questioned by Security Police about the [illegible] on the East Rand.

A police spokesman said Dr Fanaroff had been invited to have a discussion with two Security Policemen and he [illegible] had not been detained or arrested.

Spokesmen for Auto Industrial were unavailable for comment.

The management of Gundle Plastics said in a statement a section of the factory's workers walked off the job yesterday morning.

Management was not informed about the reason for the stoppage, and therefore approached the workers and called for spokesmen.

When none came forth after repeated requests, workers were asked to return to work or to leave the premises, in which case they would be terminating their services with the company.

The workers then left the premises and dispersed.

The stoppage did not involve all workers and several departments were still functioning, the statement said.

A union spokesman said it would approach management for talks today.

Workers down tools in E Rand labour unrest

CT 6/5/81

Own Correspondent

JOHANNESBURG — Hundreds of workers have downed tools in renewed incidents of labour unrest on the East Rand.

And yesterday afternoon, Dr Bernie Fanaroff, organizer of the Fosatu-affiliated Metal and Allied Workers Union (Mawu) claimed he had been assaulted in the yard of one of the strike hit plants, Auto Industrial in Isando.

He said he had been "manhandled and slapped and threatened with further physical violence.

"I am considering laying charges following the incident and will take legal advice on the matter," he said.

Dr Fanaroff was also questioned by two security policemen about the current wave of industrial unrest in the area yesterday morning.

About 100 striking workers at Gundle Plastics near Germiston lost their jobs yesterday morning after ignoring a management ultimatum to return to work.

Mawu members have been involved in both stoppages.

Dr Fanaroff said yesterday workers at Auto Industrial had decided to ask for a wage increase of 50 cents an hour during a lunch-hour meeting on Tuesday.

According to Dr Fanaroff the managing director, Mr Dean Fragale, later addressed workers and told them he was not prepared to discuss wage increases with them.

He then told them if they did not like their wages they should leave — which they did, he said.

Dr Fanaroff said he had learned about the strike on Tuesday night. Yesterday morning he and another union organizer were let into the company's premises while workers gathered outside.

Shortly afterwards Dr Fanaroff said he was "manhandled and slapped and also threatened with further physical violence.

Later union shop stewards gathered at the gate were repeatedly told they were "baboons," he said.

Two shop stewards were fired. Other workers were told they could return but would be let in one by one and that only selected workers would be taken back, he said.

Police stood by as union officials reported back to workers gathered outside. The workers then dispersed.

Dr Fanaroff said he was then invited to go to the Kempton Park police station, where he was questioned by security policemen about the current strike wave on the East Rand.

A police spokesman later confirmed that discussions had taken place. He said Dr Fanaroff had been "invited" to have a discussion with two security branch men and he emphasized that he had not been detained or arrested.

Spokesmen for Auto Industrial were not available for comment.

In a statement issued yesterday the management of Gundle Plastics said a section of the factory's workers walked off their jobs yesterday morning.

Management was not informed as to the reason for the stoppage and therefore approached the workers and called for spokesmen.

When none came forth after repeated requests workers were asked to return to work or to leave the premises in which case they would be terminating their services with the company.

The workers then left the premises and dispersed.

The stoppage did not involve all workers and several departments were still functioning the statement said.

A union spokesman said it would approach management for talks today.

Recently workers at Gundle Plastics struck for two days after the dismissal of a worker. The dispute ended when he was taken back.

The union has been negotiating with the firm on recognition.

Meanwhile the management of Henred Fruehauf has agreed to reinstate two workers whose recent suspension led to a strike at the plant, union sources said yesterday.

This came after an inquiry into the circumstances which led to their suspension in terms of an undertaking given to workers at the time of the strike.

(3) Caution must be exercised ... involves the common

(2) Because execution of the statement proceeds in two parts, the same variable may appear in both the logical expression e and the statement s For example

```
      IF (A.GT.B.OR.A.LT.C) A=B+C
```

(1) A logical IF statement cannot refer to itself For example, the following statement is illegal

```
   10 IF (A.AND.B) GO TO 10
```

Rules.

LABOUR

Production hit in wake of strike

Star 1/9/81

Labour Reporter

Production at Gundle Plastics factory in Bedfordview was affected today as a result of about 100 workers "terminating their services" yesterday after a strike apparently over a dispute with a company official.

Police kept a close watch today when more than 120 workers held a meeting about a kilometre from the factory.

There was almost an ugly scene when some wanted to confront the police and demand that they move away. This was averted by some of the leaders.

The factory director, Mr Bill Golden, said today that production was continuing, but under difficult conditions.

No decision had been made yet on whether former workers could reapply for their jobs, he said.

All staff at the Auto Industrial plant in Kempton Park were reported to be at work today after a work stoppage yesterday.

The Metal and Allied Workers Union said the management had refused wage increases demanded by workers.

A company spokesman denied the dispute was over pay. He said it was "political".

The Mawu organiser Dr Bernie Fanaroff claimed he was assaulted yesterday when he went to speak to management about the dispute.

L H MARTHINUSEN (129)

Better prospects

FM 7th Aug 1981

Activities *Repairer of heavy electrical equipment, specialising in emergency breakdown services for the mining industry. Manufactures transformers, rotor coils, insulation and generators. Spenser African Holdings owns 50,3% of the equity. Ultimate holding company is General Electric (UK).*

Chairman *A J Charles; managing director J S Raubenheimer.*

Capital structure *3,1m ordinaries of 10c. Market capitalisation R6,3m.*

Financial *Year to March 31 1981. Borrowings net short-term R579 000. Debt equity ratio 0,3%. Current ratio 2,0. Group cash flow R1,7m. Capital commitment R216 000.*

Share market *Price 200c (1980-81 high, 335c low 200c, trading volume last quarter 18 000 shares). Yields 19,8% on earnings 12,0% on dividend. Cover 1,[illegible]. PE ratio 5,1.*

	'78	'79	'80	'81
Return on cap (%)	25,6	22,7	25,0	22,0
Turnover index*	178	188	208	254
Pre-tax profit (Rm)	1,8	1,8	2,1	2,1
Earnings (c)	31,8	30,8	37,0	39,6
Dividends (c)	20	20	23	24
Net asset value (c)	207	219	247	257

*1974 = 100

Due largely to the receipt of a R95 400 (nil) dividend from its Zimbabwe subsidiary, electrical equipment manufacturer and contractor L H Marthinusen managed a small profit increase in financial 1981. But chairman Tony Charles forecasts that having modernised manufacturing facilities and established training programmes, profit growth should improve this year.

In the year to end-March, LHM was hampered by staff shortages and competition, as well as "sharply" rising costs.

INCOME CONTRIBUTORS

	'80	'81
Repair		
Manufacture		
Manufacture		
Contracting other		
	100	100

Before taking into account the dividend from Zimbabwe, pre-tax profit fell to R2m (R2,1m).

Charles explains that the Welkom branch produced "relatively poor" results largely because of labour problems. Growth and competition in the industry resulted in a shortage of skilled labour. LHM has provided new housing in an effort to stabilise the labour force after suffering high staff turnover in the year.

Labour problems also hit Witbank, though profit there for the year was above budget.

LHM has established training facilities at its Denver, Johannesburg, office and recruited staff from abroad. Charles says 1981 was the watershed for the group, but modernisation of plant and buildings and a more stable workforce will lead to "future growth."

In the past, financial analysts have criticised LHM for not gearing up, but the company did increase borrowings last year. Low returns, however, meant attributable profit was adversely affected. Total borrowings, all of it short-term, rose to R579 000 (R14 700). The increase in borrowings, still a tiny proportion of equity, was in the form of loans from the holding company and fellow subsidiaries. The effective interest rate was only 3,3%.

LHM shares currently yield 12% on dividends. A dividend increase is likely this year, but share marketability is limited and material capital gains are unlikely.

Des Kilalea

Houses of Parliament 7/8/81 Col 33-34

189

Atlantis diesel project

*20. Mr. P. A. MYBURGH asked the Minister of Industries, Commerce and Tourism

(1) Whether the Atlantis diesel project will have an effect on the price of tractors, if so, what is the effect estimated to be,

(2) whether he will make a statement on the matter?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM

(1) It is anticipated that the Atlantis diesel engine project will result in an increase in the price of tractors The extent of the price premium is not yet known It will vary from manufacturer to manufacturer and from model to model and will depend, *inter alia*, on the deletion allowance policy of the overseas tractor manufacturers as well as competition in the market It will also be relatively small for some models and more substantial for others. Indications are at present that the price of tractors will increase by approximately 20% on the average. It is also anticipated that prices will not be increased all at once but only gradually and it is possible that certain manufacturers have already made upward adjustments in prices in anticipation of the local engine programme.

(2) No The ADE project has been undertaken for strategic reasons and this matter has been made known to the press and other bodies on so many occasions that a statement is no longer necessary at this juncture I will deal further with this matter during the debate on my vote.

1602 S

1) a) Existing machine:

	P.V. Factor	
Fixed costs: R19 000 p.a. for 5 years	3,5	66 500
Residual value R1 000 in 5 years	,5	(500)
Profit on units: R2 per unit x 10 000 for 5 years	3,5	(70 000)
Net present value		(R4 000)

b) A machine:

Cost of new machine: R20 000 now	1,0	20 000
10 000 in 1 year	,9	9 000
10 000 in 2 years	,8	8 000
Proceeds on old machine - R40 000	1,0	(40 000)
Fixed costs F...	3,5	84 000
Residual valu...	,5	(1 000)
Profit on uni...	3,5	(84 000)
Net present v...		(R4 000)

c) B machine:

Cost of new m...	1,0	30 000
	,9	13 500
	,8	12 000
Proceeds on ...	1,0	(40 000)
Fixed costs F...	3,5	80 500
Residual valu...	,5	(1 500)
Profit on un...	3,5	(105 000)
Net present v...		(R10 500)

The company shou... ...ll give it the highest net pres...

2) Machine B: net ... (10 500)
Less: contribut... 105 000
R94 500

"Fixed" costs are...

Annual sales re...

= R27 000

.˙. No. of units r... ...breakeven = R27 000 / R3

= 9 000 units

189

R60m lease

A LEASING contract of R60-million between Alusaf and the Standard Bank group was signed in Johannesburg yesterday

This lease forms part of a R250-million expansion programme which is under way at Alusaf's Richards Bay plant

The remaining R1[illegible]-million is to be financed by shareholders, IDC loans, internal cash generation and increased use of banking facilities

Foreign exchange earnings of R100-million a year and additional employment for 950 people will result from the project — Sapa

Union row brews at Motorola factory

4/9/81 1891 Star

A major row is brewing over trade union recognition at the Motorola SA plant in Wynberg, Sandton, a subsidiary of a US multinational company.

The Fosatu-affiliated Metal and Allied Workers Union (Mawu) complained in a statement yesterday that the company's management has refused consistently to meet the union, despite its claim of 90 percent membership at the plant

The statement said the Motorola management was contacted first in May, and responded by asking for a list of union members at the plant and a copy of the Mawu constitution.

But it gave no commitment to talk to the union.

The union claimed that after this contact a personnel specialist was flown to South Africa, and since then wages had been increased, promotions given — and "a great deal of effort spent in explaining to the employees the benefits received"

The union claimed that it had heard from two independent sources that it was Motorola policy worldwide to resist unionisation.

The company's attitude — which Mawu said it had encountered at only two other multi-nationals in the metal industry — was contrary to the Sullivan Code of Conduct and the guidelines of the industry's employer body, Seifsa.

The Mawu statement said Motorola workers would meet at the weekend to decide on further action

Steel producers challenged to step up output

10/8/81 Star 184

By Frank Jeans

With productivity in the steel construction industry sagging behind output levels abroad, the industry must boost volumes and "switch on" to the spread of new technology.

This challenge was handed to steel men by the Minister of Industries, Commerce and Tourism, Dr de Villiers, when he opened the Steel 25 Conference in Johannesburg today.

The Minister, praising the "dynamic role" of the Institute of Steel Construction, organisers of the international conference, said that if the R2 000-million steel construction industry was to meet its furture responsibilities it would have to "pursue its opportunities with vigour and imagination."

"The industry cannot sit waiting for somebody to beg it to produce structures," he said.

And with the number of buildings in South Africa having to be doubled before the end of the century, steel construction men had both an obligation and an opportunity, Dr de Villiers said.

Comparing the advantages of the local industry over the operating losses in other Western countries, Dr de Villiers said South Africa had succeeded in creating conditions under which steel producers could operate profitably with a high degree of stability.

"However," he said, "there is still room for optimisation and cost reduction in all facets of steel-making and steel construction.

not be hit by the section as it was then worded. The 1959 amendments were intended inter alia to bring such transactions within the net of the section and based on the decision in Smith's case (supra) the amendment has achieved this result.

Steel's sad state worries De Villiers

By PAT SIDLEY

THE steel construction industry was reponsible for ensuring that South Africa received the capital goods required for expansion, said the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, when he opened the Steel 25 conference in Johannesburg yesterday

Dr De Villiers said it was common cause that the steel industry of the West was in a "precarious position"

"Operating losses have become the rule, and plant closures have almost ceased to be news

"This is a sad state of affairs which causes me personal concern It cannot be good for the economy of the West if such a vital part of it is unhealthy It is of the utmost importance to the West that the vitality of the steel industry be restored "

The South African steel industry operated profitably with a high degree of stability

Dr De Villiers said the secondary steel industry did not cause too much concern Last year's 8% growth rate and the expected 5% growth rate for the coming year "implies work for the industry"

However the productivity of the South African steel industry compared unfavourably with other developed countries and "warrants improvement"

The inflation rate in the building industry approached [illegible] a year "due largely to a shortage of materials and skilled manpower" This provided opportunities for steel in the building industry he said

There was a vast amount of building to be done in South Africa

Dr De Villiers stressed the strategic nature of the steel-construction industry – the mining industry could not function without steel

"Remove structural steel today and industry will disappear with it

"I would venture to say that among all the metals with which our country was blessed steel is the strategic one

The steel construction industry had an output worth nearly R4 000-million and employed almost 500 000 people It played a significant role in the national economy he said

Noting the shortage of skilled and educated labour in the steel construction industry – "like many of our other industries" – Dr De Villiers stressed the need to train operatives and artisans

Group Five set to beat 20% target

11/8/81

By DAVID CARTE

WITH earnings up 33% in the first six months of its current year, Group Five Engineering says earnings will beat the 20% growth target set in the annual report

The interim dividend has been lifted 29% to 9c (1980 7c).

Pre-tax profit ran ahead of budget, rising 28% to R4 571 000 A slightly higher tax rate and lower earnings of associates were more than offset by lower minorities, so that taxed attributable profit was 33% better at R3 066 000

Earnings a share rose in line to 33,3c (25,1c)

"During the first six months of the year," say the directors, "the group has improved on the profit budget and expects to maintain this improvement in the second six months Accordingly the board is of the opinion that earnings for the year will be in excess of the 20% increase forecast by the chairman in the annual report"

Group Five has capital expenditure plans totalling R4 600 000 after spending R4 500 000 in the first half It says further acquisitions are being investigated and if consummated will be financed from own resources and borrowings

The acquisitions of the minority stake in D Reynolds and 51% of Reliable Productions, makers of industrial fasteners, are expected to add 5c to earnings this year

COMMENT: It seems safe to predict earnings will be 30% ahead by the yearend at 76c. If dividend cover is raised from 3,2 to 3,5, the payout will be something like 22c, a 22% improvement. On that basis, the current share price offers an attractive prospective yield of about 11%.

Hiveld 11% ahead lifts final

Falling rand helps export figures

com 17/8/81 189

Financial Editor

HIGHVELD Steel & Vanadium Corporation increased attributable profit by 11% to R48 704 000 in the year to June 30 compared with R43 898 000 in 1979-80.

The final dividend has been raised from 20c to 22c to give a total of 32c (29c). Earnings a share were 71,6c (64,6c).

The results suggest that Highveld's exports seem to have been helped by the falling foreign exchange value of the rand in the first six months of 1981.

Against that, however, the group's profits will have been held back a little by the slower rate of expansion in the South African economy and by the prospect that this deceleration will be felt more in 1982

Turnover for 1980-81 was R333-million, a marginal R9-million higher than in the previous year

At the halfway mark turnover was down — R153-million to R156-million

The slight improvement in the second half will obviously have been particularly helped by the higher rand earnings from exports

At the interim export revenue was running 27% below that of the comparable period for the year before

Attributable profits were also boosted by an easing in the tax burden from R24 328 000 to R22 849 000

That gave a better look to the net profits against the small rise in the pre-tax level from R70 105 000 to R73 226 000

Even so, the increase in taxed profit of only 11% — less than the rate of inflation on any definition and, therefore, a fall in real terms — is a further reminder that few companies are going to be reporting the kind of profit spectaculars that became taken for granted in 1980 and earlier this year

COMMENT. Highveld produces iron, steel, vanadium slag and pentoxide. It is controlled by Anglo American.

Although it is small in relation to Iscor it is SA's second-largest steel producer.

Highveld has immediate expansion plans of R110-million and an environmental development of R45-million.

South Africa supplies 58% of the West's vanadium, but that market is depressed at the present.

However, Highveld exports about a third of its total sales and they should get the benefit in 1981-82 of the depreciated rand and a mild upturn in the main Western economies

At 510c the share yields, historically, 14% on earnings and 6,3% on dividend.

Highveld half-year earnings up by 11%

184 Star 11/8/81

By Ann Crotty

Highveld Steel and Vanadium Corporation has increased its attributable profit by 11 percent to R48,7-million for the year to June.

Turnover increased by only three percent to R333-million from the previous year's R323,6-million

Pre-tax profit was up to R73,2-million from R70,1-million Earnings increased by 11 percent to 71,6c a share from 64,6c and the final dividend payment was up 2c to 22c a share

The total dividend payment for the year is 32c a share compared with last year's total payment of 29c.

Because of the group's capital expenditure, the tax rate remained low with the tax bill amounting to R22,8-million compared wit the 1980 Bill of R24-million.

The group's results are above the directors' conservative forecast at the time of the interim results

They expected to see earnings maintained during the second half of the year at the same rate as in the first six months when earnings a share were 33,7c.

The final results show earnings a share were 4,2c above the forecast

Highveld benefits from the contra-cyclical relationship between the local and overseas economies as local demand tends to be high when overseas demand is low and vice-versa

This relationship is heightened by the fact that when local demand is high the rand is usually strong and acts as a brake on foreign demand.

On the other hand, weak local demand is generally accompanied by a weak rand which stimulates overseas interest.

In the first six months of the review year, local demand was strong while export demand was low with revenue from this sector down 27 percent on the interim figure for the previous year

Higher rand earnings from exports as forecast at the interim have undoubtedly helped to keep up the second half results

Group Five net income up 33%

11/8/81

Group Five Engineering increased net income by 33 percent to R3-million for the six months to June

In view of the better-than-expected interim results and the belief that the improvement is expected to be maintained in the second six months, the directors have revised their earlier forecast and are now "of the opinion that earnings for the year will be more than 20 percent"

Pre-tax profit was up 27,6 percent to R4,6-million. A reduction in the interest of minorities more than made up for a higher tax rate and lower income from associate companies

Earnings a share were up by 33 percent to 33,3c and the interim dividend payment was 9c a share, 28,6 percent higher than last year's interim of 7c

The results include 100 percent of the profits of D Reynolds, the group's plant-hire subsidiary as Group Five acquired the remaining 35 percent minority interest in this company.

The group also acquired a 51 percent interest in Reliable Production Company which manufactures industrial fasteners, and 51 percent of their profits for the four months beginning March are included in the results.

These acquisitions are expected to contribute 5c a share to earnings for the full financial year but will not materially affect the net asset value a share of the group. — Ann Crotty

Grobbelaar in joint bid for Calan

Financial Editor

A TAKEOVER bid is being made for Calan by a consortium including the chairman and managing director, Mr Peter Grobbelaar

It was also announced last night that the company increased earnings by 37% in the year to June 30

A final dividend for the year has not yet been declared and the payment might form part of the takeover deal, assuming it goes through

The bid is being made by Finansbank, Federated Insurance, Sanlam and a private company owned by Mr Grobbelaar and two of his fellow-directors, Mr Ron Tollemache and Mr Lou Wipplinger

Calan is a manufacturing group with interests in particular in plastics, rubber, lighting and electrical equipment

The pre-tax profit rose by 85% to R20 980 000 from R11 300 000 in the year to June 30

There was, however, a sharp rise in tax — from 28,6% to 35,2% — as capital expenditure eased

The result, after a higher payment to minorities and after a slight increase in the issued ordinary capital, was that earnings a share rose from 100c to 137c

An interim dividend of 13c (11c) has already been declared

Turnover for 1980-81 was R240-million, 31% higher than in the previous year

COMMENT. Calan's shares are spread fairly widely and no group has formal control

However, I believe that among them Finansbank, Federated Insurance, Sanlam and Mr Grobbelaar and his associates hold about 27% of the company

In this context that is probably effective control and it seems certain that the takeover offer will go through.

At this stage though, Mr Grobbelaar will say only, "We expect details of the acquisition to be completed in the next three to four weeks and if a transaction arises from the consortium's approach, shareholders may receive the (final) dividend as part of the proceeds of the sale of their shares "

Calan was priced at 500c on the Johannesburg Stock Exchange yesterday which puts the historic earnings yield at an attractive 27,4%

It is also well up on the group's original forecast.

Mr Grobbelaar cautiously predicted earnings of 115c for last year in the 1980 report

The total dividend in 1979-80 was 40c and if this were pushed up, as it could be, to 50c for 1980-81 the dividend yield would be 10%

Until the details of the takeover offer are made there is nothing shareholders can do but sit and wait.

The suggestion that the final dividend might be incorporated into any offer would have tax advantages

Calan has had a good record over the years although its investment rating seemed to slip a little last year

There will certainly be a lot of interest in discovering just what Mr Grobbelaar and the other members of the consortium have in mind for the group

d) Discussion of the relationship between schooling and the struggle waged by the schoolchildren (in the 70's and 80's) and wider struggles of the same period.

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Alberton workers down tools

Labour Reporter

About 200 workers at the Ansol Metal Co, Alberton, stopped work yesterday over a wage demand for a 60c an hour across the board increase.

Ansol officials met representatives of the Metal and Allied Workers Union (MAWU) on Wednesday to discuss the demand.

MAWU was told that there was already a long-service benefit scheme and that the company was considering the implementation of the Patterson grading system by which individual workers could be paid more than industrial council determinations, depending on their productivity.

3. Signing on (connecting) to the computer

* Turn the POWER switch ON and allow a 30 second warm-up for the blinking cursor to appear.

* Press SHIFT with CAPS to allow upper and lower case characters at the terminal.

* Press CTRL with X to connect the terminal to the computer.

* Enter your USERID/PASSWORD followed by a carriage return:

  eg. >demo/zip

* Enter the @RUN command then RETURN:

  eg. >@run,/n wp,a1300-c400,wp

  where a1300-c400 should be replaced by your own account number.

* Enter the @CTS command:

  >@cts,nq wp.

In both the above comma[...] be replaced by a 1-6 character name of your [...]uent sessions the chosen name must always be use[...]

* If the q option was not [...] command then enter the ASSUME ASCII command [...] and lower case to be transmitted to the compu[...]

  ->assume asci[...]

3.1. Changing a password

Your password is the [...]ng your account against unauthorised use; thus it [...] regularly as follows:

->@@passwd ol[...]

where 'old' is the current [...]w' is what it will be changed to.

Star 14/8/87

Strikers at Gundle are paid off

183 132 189 140A

Labour Reporter

About 100 workers who struck at the Gundle Plastics factory in Bedfordview last week have been paid off.

The entire day shift laid down their tools last week — apparently because of a dispute with a company official. When they refused to return to work they were told they had "terminated their employment."

Gundle's factory director, Mr Bill Golden, said production was well under way again and they were employing new workers. None of the day shift strikers would be rehired and those from the night shift involved in the strike would be rehired selectively.

● At the Auto Industrial firm in Kempton Park, where there was also a dispute last week, a Mawu Union spokesman said about 90 workers had been dismissed. The dispute centred on wage demands.

statement.

5. The line was mist[illegible] sion. Instead of using <BACKSPACE> the whol[illegible] elled with <CAN> and resubmitted. The [illegible] ot be resubmitted since only the user-typed [illegible] s cancelled by <CAN> (compare note 6).

6. The abbreviation [illegible] illegal. The line was resubmitted but the [illegible] ten (here it must be retyped as @CTS h[illegible] compare note 5 above). Finally the line was [illegible] nd accepted by @CTS.

7. To put a comment on [illegible] '%' must precede the comment. The blan[illegible] orgotten, hence the line was rejected and had [illegible]

8. This command lists [illegible] aved in the savefile, TEST*PROGS.

9. Clear the FORTRAN [illegible] if non for text is to be edited).

10. Retrieve the program [illegible] nging and rerunning.

11. Enter new lines into [illegible]

12. Print lines 1 to 10[illegible] is printed, namely the first line of the pr[illegible] number 100).

13. Change all occurrenc[illegible] A to A(J).

14. Resave 'TEST' in th[illegible] *SAVE command cannot be used as there is al[illegible] 'TEST' in the file, which must be replaced by [illegible] 1.

15. Exit from @CTS.

16. Remember to @@TERM

6.2.3. Example 3

A sample of file-tidying [illegible], where full use is made of the conversational a[illegible] ystem. The run is assumed to have taken place at a [illegible] stem was being heavily used and responses to in[illegible] slow.

```
U      U1100/81G01100              <LF>        (note 1
U      U1100/81G  <CR
M      ENTER USERID/P
M/U    >JONES/AFJ
M      *DESTROY USERI
M      *UNIVAC 1100 O               ER.33R1/09 (rsi)*
M/U    >RUN,/N JONES                NUP  <CR>
M/U    >@@CQUE   <CR>                                  (note 2
```

C Herald 15/8/[illegible]

Mine locos for SA

BLUE Circle has formed a company, Traction Technology (Pty) (Tractec), to manufacture and market Goodman electric locomotives for the mining industry

Tractec will be the only company outside the US to manufacture Goodman locomotives, the first range of which was introduced in the South African mining industry in 1923

Tractec will make the locomotives with 97% local content

Huletts gets plant

HULETTS Engineering is to take over Mitchell Cotts Wadeville works next month

This will give Huletts additional workshop space and enable it to manufacture equipment on the Reef. Until now, its equipment for the Transvaal has been made in Durban

The companies say the transaction "will not have a material efect on the earnings or value of assets of either of the two holding companies"

The move will double Huletts Engineering's throughput.

Mitchell Cotts will continue to manufacture at its headquarters in Benoni

No comment on the price of the transaction could be obtained last night

Booming Abercom zooming higher

189

RDM 19/8/81

By DAVID CARTE

ABERCOM, the international engineering group, easily beat its optimistic interim forecast in the year to June

Reporting improved profits in all divisions and earnings 51% higher at 77c (1980 51c), the directors take a bright view of the next five years

The group lifted sales 40% to R229 672 000, pre-tax profit 62% to R21 378 000 and taxed attributable profit 53% to R15 135 000

A final dividend of 17c has been declared, making 31c for the year — a 29% improvement on the 24c paid last year This means dividend cover rose from 2,1 to 2,5

The directors say "Budgets prepared in May indicate further improvement in all areas for the year ahead and little slackening in our markets is yet visible

"Lower rates of growth in the SA economy are forecast for this year and next, however, and this may cause some reduction in our currently high growth rate

"Nevertheless, our view of the five-year future remains optimistic We expect average real GNP growth at 4% to 5% pa over this period and we are continuing to prepare ourselves to supply the expanding markets which will result "

The group is well positioned to take advantage of upturns in the US, Europe and South-East Asia and important orders have been received for fans from Australia

The results were achieved in spite of losses on contracts in Consani and Metter. These could not prevent the heavy engineering division, like all the others, improving profit

The chairman, Mr Peter Herbert, said the losses were not large in group terms and their non-recurrence next year was not significant for earnings prospects

Mr Herbert said the tax rate was bound to rise in 1982 Asked how much, he said "somewhat"

Asked how high dividend cover could go, Mr Herbert said "Our aim is to improve the dividend year by year by more than the inflation rate Within that effort, we will let cover fluctuate according to prospects and the financial situation It would be about 3 at the highest and 2 at the lowest "

Mr Herbert had high hopes for American Davidson, a 30-acre factory acquired recently at the knock-down price of R4 800 000 Davidson Fan, he says, is performing well He is also pleased at Hunslet Taylor's turnaround in a sluggish mining equipment market

The light engineering division also came up with much improved figures with Hubco Metal and Almaks important contributors Abercom Central Africa did well, but Giant Security had another difficult year

The metal component companies were outstanding, almost doubling profits thanks to buoyant demand, increased penetration and better productivity

Capital expenditure last year totalled R15-million, funded out of cash flow of R26-million Capex this year should top R20-million

Asked how vulnerable Abercom was to a takeover attempt in the present acquisitive climate, Mr Herbert said it would be foolish for anyone to make a contested bid as Abercom's strength was its management team If this were upset and the team fell apart, the group would be unlikely to perform again as well

He said Sanlam had a 16% direct and probably a 2% or 3% indirect holding and Gencor had 5% Standard Nominees representing a dozen UK holders had 11% and Volkskas about 4%

COMMENT: Earnings growth will have come as a pleasant surprise to the market Not many companies recently have been further ahead at the year-end than at the interim

Particularly gratifying is that Abercom's post-Herbert revival has been organic not acquisition-based. This suggests sound management and efficiency down the line

The dividend is more or less what the market expected At the current 415c, the shares yield 7,5%, which is attractive considering there is still momentum in engineering and that foreign business — already 20% of sales — is set to improve.

Carmona 60% for Dorbyl

Financial Reporter

DORBYL has bought 60% of Carmona Engineering, and will produce cast alloy motorcar wheels instead of exclusively pressed steel wheels.

Dorbyl will invest R[illegible] on developing the plant and the company has been renamed [illegible] Alloy Wheels.

A spokesman for Dorbyl said [illegible] in excess of R[illegible] was paid for the stake with an option on the balance of the company.

147. Cape Times, 20th June 1925.

148. Cape Standard, 27th February 1945, p.3, cols.1-3.

149. Muslim News, 12th May 1961, p.1.

150. Tatz, C.M. Shadow and Substance, pp.63-64.

151. An oral source who does not wish to be named.

152. Cape Standard, 2nd March 1943, p.9, cols.1 & 2.

153. Cape Standard, 27th April 1943, p.1, cols.1 & 2.

154. Cape Standard, 30th March 1943, p.1.

155. Cape Standard, 3rd January 1945.

156. Cape Standard, 26th January 1943.

157. Cape Standard, 8th May 1945.

158. Davenport, South Africa, p.260. Many people spoken to indicated that Harris was induced by the United Party to take this action.

159. Constitution of the Suid Afrikaanse Koorraad.

160. Muslim News, 31st March 1961.

161. Muslim News, 12th May 1961.

162. Muslim News, 16th June 1961.

163. Muslim News, 16th February 1962.

Star 19/8/81

Huletts in takeover

DURBAN — Huletts Engineering and Mitchell Cotts Engineering have announced that agreement has been reached for Huletts to take over the Wadeville engineering works of Mitchell Cotts with effect from September 1.

Huletts are buying a going concern which will provide them with additional workshop space and the opportunity of rationalising their production by manufacturing equipment.

Huletts will continue with Mitchell Cotts' existing product lines and will add to the range. — Sapa.

House who would be willing to have a Malay or Coloured man seated beside them" in Parliament and added further that Providence did not mean that the races who occupy an inferior position should enjoy the same privileges as the whites.

Achmat Effendi was not deterred by the promulgation of the Constitutional Ordinance Amendment Act or the 'Ticket of Four', four white candidates who pooled their resources to stand against him. His chances were greatly diminished, but he went ahead, suffering heavy defeat. Had the cumulative vote not been abolished, he would have won a seat. This is clearly indicated by the election results.[85] In that case, South African history might have taken a different course.

It was only in 1903 that the first political organisation of the Muslims of Cape Town emerged. Abdol Burns, in 1875, was instrumental in the establishment of the Malay Cemetery Committee; and though it was through this organisation that he maintained

his sustained prot ... own cemeteries,
this body could n ... nisation.
Much of its motiv ... cerned with
just one issue; ... The first po-
litical organisat ... Association,
whose aim was to ... political
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The South African ... istence as
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they did not enjoy ... a pre-

Abercom looking forward to a good year

SLOT 19/8/87

189

By Mervyn Harris

Engineering group Abercom has raised dividends by 29 percent after boosting earnings by 51 percent in the year to June and expects further improvements in all sectors in the year ahead.

Turnover rose by 40 percent to R230-million and tight internal controls enabled operating profit, before interest and tax, to rise by 55 percent to R25,9-million.

Pre-tax earnings increased by 62 percent to R21,4-million and income attributable to ordinary shareholders was up by 53 percent to R15,1-million.

The final dividend has been raised from 13c to 17c, making a total of 31c for the year.

Earnings a share were up from 51c to 77c

The chairman, Mr Peter Herbert, says little slackening is yet visible in the group's markets and budgets Prepared in May, they indicate further improvement in all areas.

"Lower rates of growth in the economy may cause some reductions in Abercom's current high growth rate but our view of the next five years remains optimistic.

"Our important Davidson International Fan division is well placed to take advantage of upturns in overseas markets where we have an established customer and service base

Mr Herbert says the period of sustained growth with the economy expected to grow at a real rate of 4-5 percent during the next five years.

Mawu signs important agreement

By Drew Forrest

The Fosatu affiliated Metal and Allied Workers Union (Mawu) achieved an important break through yesterday with the signing of a comprehensive recognition agreement with the Henred Fruehauf Trailers firm on the East Rand

The agreement, concluded after 12 months' negotiations, provides for bargaining for wages and working conditions at the company's Wadeville and Driehoek plants

It was reached despite fears that the company might withdraw from talks after a strike last month involving 400 of its Wadeville workers

Also provided for in the accord are

- A mutual commitment to industrial peace, and agreed procedures for grievance and dispute resolution
- Recognition of shop stewards to represent the interests of union members

Henred is the third Transvaal company to recognise Mawu and the second on the strike hit East Rand to recognise a largely black union in recent weeks

The East Rand is a Fosatu stronghold An increasing number of firms there are acceding to demands from its affiliates for plant-level recognition

Union status granted

By RIAAN DE VILLIERS

A PROMINENT East Rand firm, Henred Fruehauf, has agreed to recognise the Fosatu-affiliated Metal and Allied Workers' Union

The recognition agreement was signed yesterday after months of negotiations and comes in the wake of a recent strike by workers at the firm's Wadeville plant

In a joint statement, the parties said they regarded the agreement as a "positive step foward" in their industrial relations

The agreement provides for a "mutual commitment to industrial peace", procedures for grievance and dispute resolution, a disciplinary procedure and "joint involvement" in matters affecting health and safety

It also provides for the recognition and accreditation of shop stewards who will be given time off for union business

The union and its shop stewards will be regarded as the sole bargaining agent for union members

The union gains check-off facilities as well as access to company premises and notice boards

Hudaco links with Deutz

By PAT SIDLEY

HUBERT Davies, the engineering subsidiary of Blue Circle, is to form a company with Klockner Humboldt Deutz (KHD) to sell and distribute industrial diesel engines — and is likely to manufacture the engines in Maritzburg.

The company — to be called Deutz Diesel Power — will replace Hubert Davies' company [illegible] Diesels, which sells the engines.

Most Deutz engines sold in South Africa have been assembled for more than [illegible] years in Maritzburg.

The plant, originally owned by KHD, was sold about two years ago to Messina, which still owns it.

Hubert Davies is negotiating with Messina on the plant's future, says Hubert Davies chief executive Dr Bruce McInnes.

It seems probable that the plant — or part of it — will be sold to Hubert Davies and KHD.

The plant has been limited to producing diesel engines for stationary application — mostly for generators.

When the Atlantis plant was established, the Government stipulated that only Atlantis could make engines for vehicles.

Deutz holds more than 20% of the SA diesel market and to increase its share in the industrial market, and compete effectively with Atlantis, about R10-million will be needed in the Maritzburg plant to gear up for local content requirements.

At the time of the Atlantis' birth, Deutz was a hot contender for the contract. As compensation it was allowed to continue manufacturing diesel engines for stationary application.

It is the only company other than Atlantis allowed to manufacture diesel engines.

Other industrial diesel engines being assembled in South Africa include Rolls Royce, General Motors and Ford.

If they wish to continue either importing or assembling, they will have to pay a [illegible] duty on the engines.

Any non-Atlantis diesel engine used in a moving application will incur a duty on the entire article — not only on the engine.

Dr McInnes last night declined to reveal the amount of the German company's investment in Deutz Diesel Power.

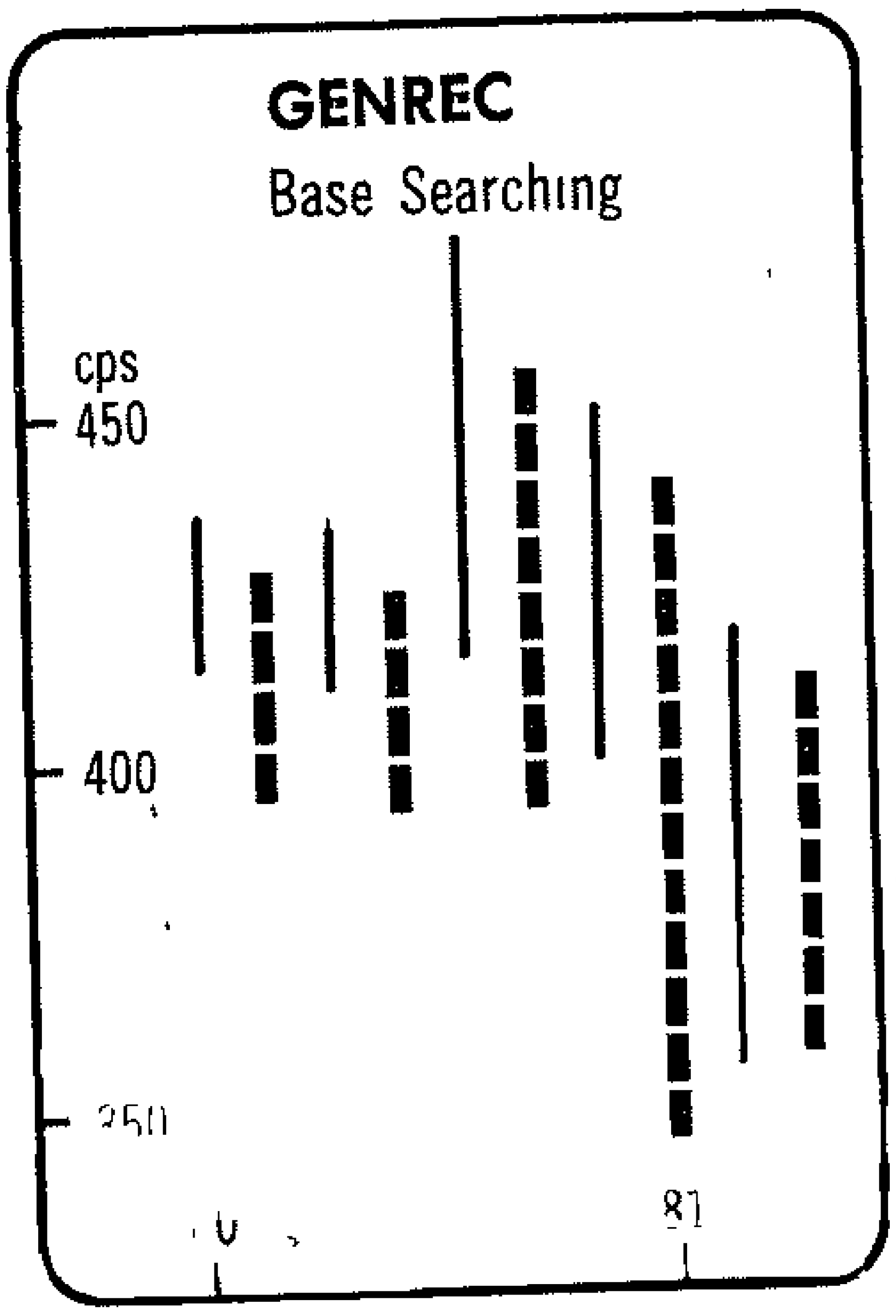
GENREC (189) FM 21/8/81

More consolidation

Activities *Fabrication, construction, electrical and mechanical engineering Directors control 39% (34%) of the equity*
Chairman. *W M Joubert*
Capital structure *4,9m ordinaries of 80c Market capitalisation R16,4m*
Financial *Year to February 28 1981 Borrowings long- and medium-term, R9,7m net short-term, R7,8m Debt equity ratio 79,6% Current ratio 1,2 Net cash flow R6,9m Capital commitments R1,3m*
Share market. *Price 335c (1980-81 high, 470c, low, 335c, trading volume last quarter, 42 000 shares) Yields 28,9% on earnings, 8,4% on dividend Cover 3,5 PE ratio 3,5*

	'78	'79	'80	'81
Return on cap (%)	23 4	18 8	17 8	17 1
Turnover Index*	304	328	386	439
Gross profit (Rm)	4 7	5 6	6,3	7 7
Earnings (c)	69 8	83,6	92 7	96 8
Dividends (c)	17	20	25	28
Net asset value (c)	262	316	379	449

* 1974=100



Considering Genrec's spread of activities in the engineering industry, the shares appear to have been unfairly rated on earnings But the reason for that is the dismal profit record of the group

Since 1978 returns have steadily declined, earnings and dividends have increased by an annual average of only 13% and the reduction in dividend cover has been accompanied by a steady increase in gearing

That all explains the discount to the engineering sector at which Genrec shares trade The average dividend yield in the engineering sector of 6% compares with 7,8% for Genrec and the sectoral average earnings yield of 15,1% compares with 26,9% for Genrec

But Genrec's dismal performance in financial 1981 has done a lot to keep the share price down Chairman Willem Joubert provides no explanation for the low earnings growth achievement other than to say that conditions were "difficult"

According to Joubert, the major problem confronting the group is the lack of skilled personnel But that is an industry-wide problem which Genrec seems to be suffering more than most It seems the group may not have been sufficiently far-sighted in its past labour relations programme to ensure maintaining a sound workforce through thick and thin

The company has realised this and is spending heavily on recruitment During financial 1981, for example, almost R2m, half of net profit was spent on overseas recruitment and training locally And R3m has been spent on "numerous blocks of flats" to assist the recruitment programme

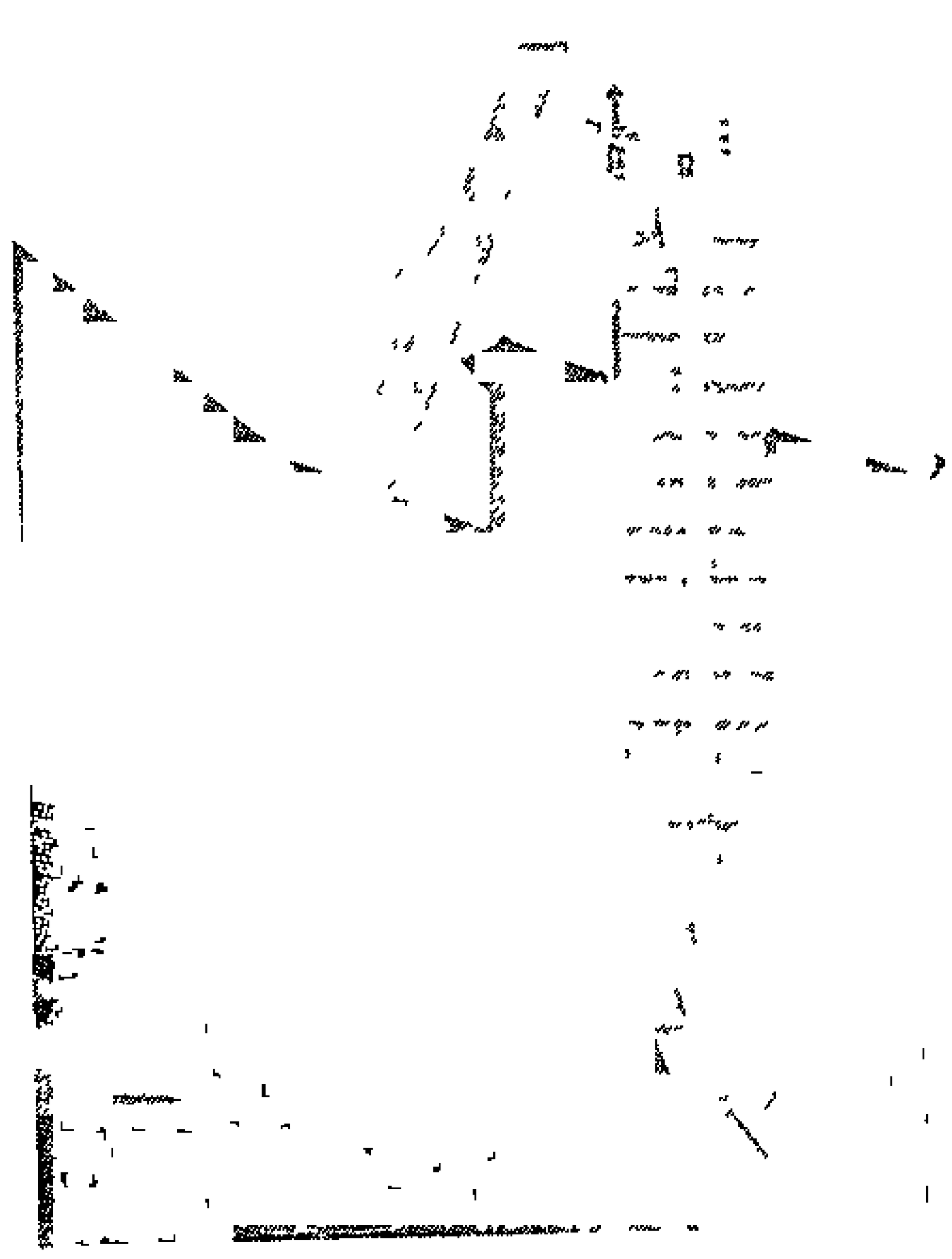
That money has doubtless been well spent, but the pay-off will probably be another two or three years away Joubert, in fact, is gloomy in his forecast for the current year

He says he is "reluctant to predict an increase comparable with that achieved in the years prior to 1980-1981" That suggests an increase of about 10% at best, to give earnings of about 107c a share

Cover will probably increase because of current high gearing and the likelihood that more funds will be pumped into the promising Fluor-Genrec joint company This company has been formed to cater for SA's grass-roots energy projects and should be able to capitalise on Fluor's worldwide experience and Sasol work

Assuming a cover of 3,7 times, Genrec would thus be able to pay no more than 29c this year That is a prospective yield of 8,7%, which is distinctly unattractive

Ian Muir



Genrec . . not much profit lift

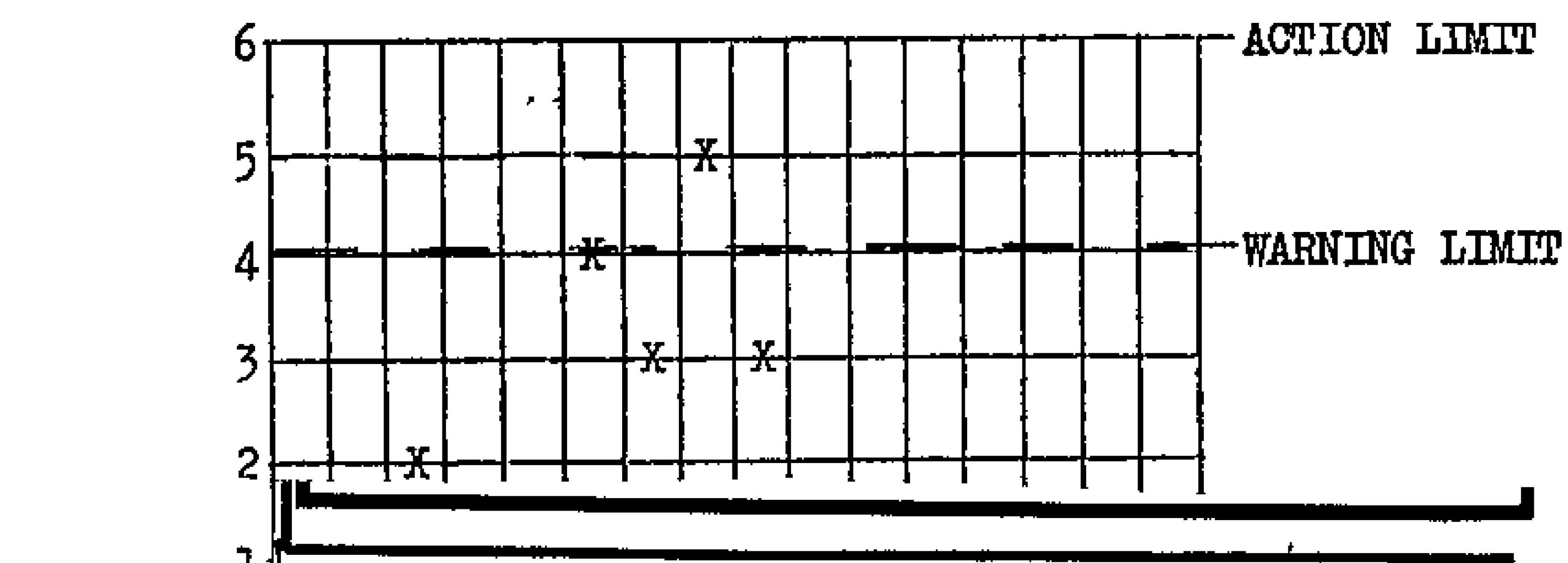
10.8.3 *SIMPLE RULES FOR GUIDANCE IN INTERPRETING AND UTILISING CONTROL CHART DATA*

1 If a point lies on or above the upper action limit, the process has deteriorated. Take *'Technical'* action to improve it. (Action is necessary and the quality control procedures will stand or fall depending on the efficiency of obtaining the appropriate action).

2 If a point lies on the upper warning limit or between it and the upper action limit, take a further sample immediately. If this second sample gives a point on or above the upper warning limit, the process has deteriorated. Take *'Technical'* action to improve it. If this second sample gives a point below the upper warning limit, take a further sample in the routine manner at whatever time it is due.

3 If a point lies between the warning limits, no action is necessary. Take a further sample in the routine manner at whatever time it is due.

As long as technical control of the process remains the same as in the initial period, there is no reason for suspecting a change, and so all variation within the control limits is ignored and the process is assumed to be meeting the quality standard. We should expect 1 in 40 of the plotted points to fall outside the warning limit, and 1 in 1000 of the plotted points to fall outside the action limits. Consequently, once in 1000 samples we should be looking for a process deterioration which does not exist. (Sampling intervals of 20 minutes, 8 hours per day, 5 days per week, this means about once in 2 months). This is generally regarded as a reasonable risk to take and far more sensible than stopping the process when the occasional 3 or 4 defectives occur.



Ferroalloy output drops

ROM 21/8/81 (189)

PRODUCTION of ferroalloys dropped sharply in the first six months of this year from 818 900 tons in the June half of last year to 650 100 tons, according to a report on the iron, steel and allied industries issued by Seifsa

This 20,6% decline reflects the softness in the world steel markets to which South Africa is a major supplier

The output of SA steel mills for the six months to June 1981 was, at 4 400 400 tons, 1% lower than production in the comparable period of last year

There was a 1,6% increase in the production of pig iron which went up to 3 694 500 tons

Foundry output presented a mixed bag While steel castings dropped by 12,6% to 61 600 tons, iron castings and non-ferrous castings improved

Iron castings production rose by 3,5% to 154 800 tons and the non-ferrous went up by 5,5% to 13 587 tons

Diesel entry

PETTERS, the British aluminium diesel manufacturers, is to start manufacturing in SA over the next three years and hopes to push local content in some models up to 52,2% by the end of 1981. [illegible]

The company will invest more than R1 million on establishment of a plant to manufacture its range in the small diesel engine market.

Ebullience from Tedelex board as profits leap

S/a 27/8/81

~~249~~ 189

Television and Electrical Holdings (Tedelex) announce whopping results for the June 30 year — including a 102 percent pre-tax profit leap from R19,1-million to R38,7-million — and ebullient directors forecast further strong growth in the current year.

The company, one of South Africa's biggest TV/audio groups, also report after-tax profit increase of 99 percent to R24,3-million (R12,2-million) and a turnover up 46 percent (from R196-million to R286,5-million). Tax was R14,5-million (R6,96-million).

A final dividend of 27c — in line with previous policy of maintaining a dividend cover of three (this year slightly down, from 3,06 to 3,04) — was declared. Coupled with the 18c interim payout, this brings the firm's annual payout to 45c a share — an increase of 125 percent on 1981's final 20c.

The directors were gratified that their forecast growth for the 1981 financial year materialised. They had "much pleasure" in reporting a "significant" increase of 124 percent in earnings a share, from 61,1c to 136,6c.

"A lower rate of growth in the economy is generally forecast but, in view of anticipated developments affecting the group, the board again feels confident that sales and profits will reflect further growth," the directors said.

The bullish figures are in line with an excellent earnings history. Tedelex has each year significantly improved performance — turnover has grown from R88,2-million in 1977, and pre-tax profit has risen from R8,8-million in that year.

Tedelex's sister company, retailer Ellerine Holdings, had sales of R134,6million (R100.9-million), after tax profit of R12,6-million (R8,5-million) and earnings a share of 182,2c (123,5c) A final dividend of 24c (17c) pushed up total dividend a share from 31c to 45c. — Patrick McLoughlin.

mality could ... admission of
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(supra).
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he must establish positively what the pu... rposes of the
scheme in fact were - see Gallagher's case.
Intention or purpose is a question of fact - Geustyn's case.
It is important to consider the scheme at the time it is entered into and not at the time it is formulated - see Ovenstone's case (supra) in which it was suggested that the taxpayer might in future avoid the application of s103 to a scheme which had been found to be subject thereto on the basis of its timing, if it could be shown when the scheme would, in the normal course of events, have been implemented.

The Commissioner's remedy is to *determine the liablity for .... tax .... as if the transaction .... had not been entered into .. .. or in such manner as .... he deems appropriate for the prevention .... of .... avoidance.* His powers are wide as evidenced

Falling exports limit steel production

Star 27/8/81

~~77~~ 189

By Patrick McLoughlin

Steel output for the first six months of this year fell 1,0 percent compared to the 1980 first half and there has been an easing in sale and production levels with a continuing fall-off in exports, reports the Steel and Engineering Industries Federation of South Africa (Seifsa).

Output for the half year fell to 4,40 million tons (4,44-million tons) and Seifsa said the continuing weak economic performance of major trade partners indicated that no improvement in export sales could be anticipated before mid-1982.

Ferrochrome producers, with recession trends continuing in overseas markets and the tendency for inventory levels to be kept to a minimum, continued to report reduced production.

Ferro manganese production levels were similarly affected

The results of these producers underlined general conditions in the second quarter for the Seifsa group of industries which, the federation reported, "reflected the weakening in overall domestic demand," and confirmed the shifting to a slower real-growth tempo, particularly in base metals and heterogenous engineering.

CREDIT SCARCE

Difficulties also continued to be experienced by Seifsa's export sectors. Consumer-related sectors, in spite of experiencing a recent surge in activity, now anticipate an easing in demand during the third quarter of 1981 arising from the growing scarcity of consumer credit.

Among the brighter areas of the report were those referring to the automotive component industry, building-industry supplies and telecommunications and electronics. All reported satisfactory order books in June comparable with 1980.

Other buoyant industries included the plastic manufacturers, light-metal manufacturers and tubes and pipes

The iron, steel and non-ferrous foundry industry conformed with the general slackening. Despite a reported "mild corrective" during June to the downturn in private-sector performance experienced in the first quarter, factors which continued to cause concern were increasing inflationary pressures and shortages of some categories of skilled and semi-skilled labour at the shop-floor and high-technology levels.

E 4

A possible amendment would be to provide as follows -

For the purposes of this section 'future expenditure' in relation to any year of assessment means an amount of expenditure incurred either prior to or after the end of such year in respect of which the Commissioner is satisfied a deduction or allowance will be granted in terms of this Act after the end of such year -

(c) The reference in s24C(1)(b) to *an asset in respect of which any deduction will be admissable* is wide but could be narrowed down when read with the provision s24C(2) to the effect that the Commissioner must determine the amount of future expenditure which relates to a particular amount of income. An asset acquired more specifically for one contract might be used on several and thus the cost might not all be treated as future expenditure in respect of a particular contract. This could cause a problem as it may well be that an advance payment is in fact negotiated particularly to acquire the plant in question and if any portion of the advance is taxed there could be a problem.

The practise of some contracting firms to acquire all their plant in a separate company and ... he contracting company so as to obtain ... tween contracts could cause problems under this ...

(d) Before any allowance ... must have been received or must have accr...

(e) The section refers ... us is not restricted to long term contracts or ... facts. The initial problem was related to ... and reference was even made to this in the ... m to the Income Tax Bill 1980 however no such ... in the Act.

(f) The Commissioner mu... he income received or accrued from the cont... utilised to meet future expenditure on the ... then allow a provision limited to the loss ... e future expenditure. Note that on this basis ... ision for a loss.

(g) The Commissioner ... ed that the taxpayer will incur the expenditu... performance of his obligation under the con... does not have to impose on obligation in pr... p... expenditure.

(h) An allowance made at ... will be included in

Excellent year for Grinaker

SToT 17/3/81 (69)

Grinaker the construction and electronics group, has reported a 53 percent increase in attributable income to R15? million for the year ended June.

Pre-tax income was up 65 percent to R24 million.

Earnings a share increased by 34 percent to 269c from which a total dividend of 80c will be paid.

During the year the company became a subsidiary of ATI and at the same time acquired ATI's controlling shareholding of National Bolts and Claude Neon.

The results of these two acquisitions are included from January 1.

The directors are optimistic about prospects for the current financial year pointing out the the group is stronger than it was last year. Income is expected to show a satisfactory increase for the new financial year — Ann Crotty

Trencor doubles profit

8lc 27/8/81

189

2/4/8

By Ann Crotty

Demonstrating sharp sensitivity to the economic growth rate, Trencor more than doubled attributable profit to R9,5-million for the year to June.

Eleven divisions performed ahead of the budget, in particular engineering which reported a sharp increase in activity.

Pre-tax profit increased by 159 percent to R14,3-million on a 33 percent increase in turnover to R107-million.

Earnings rose 112 percent to 635c a share.

Total dividend for the year was 130c a share, up from 70c.

Dividend cover was up slightly to 4,9 times (4,3 times).

Director Mr Cecil Jowell said that although an increase in earnings had been expected, the extent of the increase came as a surprise. He described the performance as "abnormal" in the history of the company.

Had there been the necessary capacity the results would have been even stronger.

Mr Jowell said that "the engineering division, spearheaded by trailer manufacturer Henred Fruehauf, could not meet demand because suppliers of certain key components could not keep pace."

Although budgeting for a lower profit this year, the company expects dividends to keep pace with inflation.

Mobile, principal investment 49,3 percent in Trencor — benefited from Trencor's strong performance and increased attributable profit to R4,6-million (R2,2-million.)

Earnings leap 124% to 136c

Spectacular Tedelex sees further growth

By HAROLD FRIDJHON

AFTER a spectacular year to June 30 in which earnings [illegible] soared by 124%, from 61,1c a share to 136c, and dividends [illegible] raised from 28c to 4[illegible] with a final of [illegible] Tedelex is looking to another year of growth.

The chairman, Mr Benny Slome, said yesterday that with the group's diverse range of products the current financial year should produce excellent results. Currently [illegible] [illegible] [illegible] major sutures of [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] able income.

Last year, Tedelex group turnover rose by [illegible] to [illegible] million [illegible] [illegible] tax leapt by [illegible] to [illegible] million.

Asked how profit could increase at this accelerated rate compared with turnover, Mr Slome said the higher turnover was accomplished with a constant base expenditure load. Another factor was that television, which earned little profit in the previous year, became more profitable last year because of bigger demand.

A further factor was that the Tedelex range included a number of exclusive lines which carried high profit margins.

With the tax factor little changed, taxed profit rose from R13 104 000 to R24 275 000. [illegible] profit per share increased by 69,4% — largely reflecting the better performance by Ellerine — so that attributable earnings increased by 123% from just under R8-million to almost R16 million.

The directors say that although a lower growth rate is generally predicted for the South African economy they expect further growth.

Asked where this growth would come from, Mr Slome said that the first growth point would be the inauguration of TV2. He expected a reasonable volume of sales.

The [illegible] colour TV set would be popular.

The big plus factor in the current year would be the electrification of Soweto which would not only benefit Tedelex as a manufacturer wholesaler but would also be beneficial to the Ellerine organisation.

Electrification of Soweto would also mean additional sales of sewing machines and knitting machines through Brother.

Growth in the electronic division of the group had limitless potential. Mr Slome said that the group was in micro-computers, professional use of the science and there were new products from Sony, such as the video game, which held out great promise for a large [illegible] [illegible].

Ellerine 48% up

By HAROLD FRIDJHON

ELLERINE, the furniture group which has achieved a high degree of [illegible] in the [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] with taxed profit [illegible] [illegible] [illegible] [illegible]

The final dividend has been raised from [illegible] a share to [illegible] making a total of [illegible] for the year compared [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

Turnover went up from R101-million to R1[illegible] million.

The company [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] yielded a [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

COMMENT: The Tedelex track record in recent years has been more than satisfactory and this year's profit growth in terms of turnover is impressive and reflects tight managerial control.

At yesterday's market price and on dividends of 45c, the share yields 10,4%. It should prove to be an interesting investment giving a good return with growth prospects.

on reenterin[g] ... D/PASSWD combination you should get ... in a) above and proceed normally.

c) Quota check.

In the even[t] ... [accou]nt not having demand facilities o[r] ... is exhausted you will get the following ... [ent]ering your run statement:

*NO QUO[TA] ... [T]YPE

this means th[at] ... have to ask for a new allocation of ... [u]se batch.

2. Should this messag[e] ... the terminal may still be connected to t[he] ... s the carriage return key <CR>, if the respo[nse] ...

ENTER US[ERID/PASSWD]

the computer is wai[ting] ... [US]ERID/PASSWD combination, enter it and procee[d] ...

3. If there is still n[o] ... [th]e power is turned on then report the malfunct[ion] ...

3.2.2. Uniscope 100

Records set by Quin Corp

28/8/81 189

By Patrick McLoughlin

Directors of the Quin Corporation — formerly Quincor — have announced "record sales and profit "growth" for the 16 months to June 28 with a pre-tax profite of R6,6-million.

The group's results include earnings from two acquisitions — Hendler and Hendler Holdings (which contributed 13 months of its trading) and Duraware (four months)

Quincor's turnover was R49-million, after-tax profit was R4,4-million and attributable earnings totalled R4,1-million

Tax was set at R2,2-million and earnings a share at 34,3c On August 14 an ordinary dividend of 5c was declared.

Comparison with the previous period, the eight months to February 1980, is futile because the company was a cash shell until last December, when it bought Hendlers, with effect from May 1980.

1. To make contact with the computer type in the call sign of the terminal, for example if the call sign is S02U02 type in

S02U02 <CR>

the wait-indicator lights up and the cursor disappears until the computer responds in the normal manner with

ENTER USERID/PASSWD

then continue.

If the computer does not respond within 1 minute, check that the correct site-id was used. If it was wrong, then press the wait-indicator (which is a push-to-make/push-to-break switch) and re-enter the correct site-id between the SOE character and the cursor with no blanks.

Below the screen there is a light marked 'MESSAGE-INCOMPL'. If this is flickering on and off at intervals, it means that the terminal is being polled (serviced) by the central computer. If not then there is some problem, either with the line, the terminal or the computer.

If there is still no response, check that the computer is operating. If the terminal is malfunctioning, report this to Reception, otherwise go to the advisor for help. If none are available/to be found try another user with a sympathetic

Backer says work on the Algoa Bay shipyard may begin within a year

EV Post 28/8/81 189

By LLOYD BODILL

WORK on the proposed multi-million rand Algoa Bay ship repair yard may begin within a year, according to Mr Johan Crouse, MPC, one of the scheme's chief backers

Mr Crouse, who is chairman of the Algoa Bay Dockyard Development Company, reported progress in the plan when he addressed the Port Elizabeth Junior Afrikaanse Sakekamer last night

"When someone tries to do something people say it is a pipe-dream," he said

"We have involved the best construction people in the world Building plans are in the final stages, but we need a year before we can lay the first brick and the project will then be built quicker that originally estimated"

Mr Crouse said last night that jobs for 4 000 people would be created

The only foreigners who would be employed would be executives in key positions Many people would receive skilled training

The cost of the scheme was estimated at about R220 million — less than one quarter of the cost of a similar project in Bahrain, in the Middle East

"A lot of interest has been shown by investors, but we can reveal nothing in this regard at the moment We are a private company"

Port Elizabeth was ideally situated as potential trade from shipping passed the city every hour

"It costs up to a million rand to repair a ship And after leaving the Middle East there is no other dockyard around Africa for this kind of service," he said.

He envisaged that the ship repair yard would have two docks which would be capable of handling ships of up to 350 000 tons and 150 000 tons respectively The docks, which together would have eight repair quays, would be protected from the sea by break walls, which alone would cost R90 million to build

The docks would be able to handle 10 ships at a time A further R60 million rand would be needed for machinery

"Studies have shown that most of the ships serviced will be cargo vessels and not oil tankers," he said

International boycotts would not affect the dockyard

Mr Crouse said Mr Henry Combe, managing director of the Algoa Bay Dockyard Development Company, had been involved extensively in similar projects overseas

On Government participation he said "Studies have shown a government should be indirectly and not directly involved in such schemes Similar schemes in Europe are not profitable because they have been nationalised"

Answering questions from the floor, Mr Crouse said the site of the project was not finalised and could not be made public

28/8/81

STAATSKOERANT
VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

REGULASIEKOERANT No 3278 | REGULATION GAZETTE No 3278

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Vol. 194] PRETORIA, 28 AUGUSTUS / AUGUST 1981 [No 7741

189

PROKLAMASIE

van die Staatspresident van die Republiek van Suid-Afrika

No R 156, 1981

DATUM VAN INWERKINGTREDING VAN DIE WET OP DIE SUID-AFRIKAANSE YSTER EN STAAL INDUSTRIELE KORPORASIE BEPERK, 1979 (WET 119 VAN 1979)

Kragtens die bevoegdheid my verleen by artikel 32 van die Wet op die Suid-Afrikaanse Yster en Staal Industriele Korporasie Beperk, 1979, verklaar ek hierby dat die genoemde Wet op 1 September 1981 in werking tree

Gegee onder my Hand en die Seel van die Republiek van Suid-Afrika te Kaapstad, op hede die Agtiende dag van Augustus Eenduisend Negehonderd Een-en-tagtig

M VILJOEN, Staatspresident

Op las van die Staatspresident-in-rade

D J DE VILLIERS

REGULASIES KRAGTENS ARTIKEL 32 VAN DIE WET OP DIE SUID-AFRIKAANSE YSTER EN STAAL INDUSTRIELE KORPORASIE BEPERK, 1979

Die Minister van Nywerheidswese, Handel en Toerisme, het kragtens artikel 32 van die Wet op die Suid-Afrikaanse Yster en Staal Industriele Korporasie Beperk, 1979 (Wet 119 van 1979), die regulasies uiteengesit in die Bylae hiervan uitgevaardig

BYLAE

1 WOORDOMSKRYWING

In hierdie regulasies het 'n woord waaraan in die Wet op die Suid-Afrikaanse Yster en Staal Industriële Korporasie Beperk, 1979 (Wet 119 van 1979), (hieronder "die Wet" genoem), 'n bepaalde betekenis geheg word, daardie betekenis

PROCLAMATION

by the State President of the Republic of South Africa

No R 156, 1981

DATE OF COMING INTO OPERATION OF THE SOUTH AFRICAN IRON AND STEEL INDUSTRIAL CORPORATION LIMITED ACT, 1979 (ACT 119 OF 1979)

Under and by virtue of the powers vested in me by section 32 of the South African Iron and Steel Industrial Corporation Limited Act, 1979, I hereby declare that the said Act comes into operation on 1 September 1981

Given under my Hand and the Seal of the Republic of South Africa at Cape Town this Eighteenth day of August, One thousand Nine hundred and Eighty-one

M VILJOEN, State President

By Order of the State President-in-Council

D J DE VILLIERS

REGULATIONS IN TERMS OF SECTION 32 OF THE SOUTH AFRICAN IRON AND STEEL INDUSTRIAL CORPORATION LIMITED ACT, 1979

The Minister of Industries, Commerce and Tourism has, in terms of section 32 of the South African Iron and Steel Industrial Corporation Limited Act, 1979 (Act 119 of 1979), promulgated the regulations set out in the Schedule hereto

SCHEDULE

1. DEFINITIONS

In these regulations any word to which a specific meaning has been assigned in the South African Iron and Steel Industrial Corporation Limited Act, 1979 (Act 119 of 1979), (hereinafter referred to as "the Act"), shall have that meaning

LTA, Jacobs spliced

By PAT SIDLEY

LTA, through Mitec, has formally joined forces with Jacobs Engineering Group — a $100-million US engineering construction company, to form Jacobs-LTA Engineering

LTA will have have a 55% interest in the new company, and Jacobs the remaining 45%, but financial details have apparently not yet been made final

Jacobs-LTA will provide turnkey-process engineering services throughout South Africa

Company spokesman at the launch yesterday were reluctant to reveal details of projects, but said the company would operate in the areas around the Kunene and Limpopo rivers, the Indian Ocean "and possibly south of that"

LTA hopes to gain Jacobs expertise in turnkey engineering and Jacobs in turn believes it will will have an entree into mineral-rich Southern Africa through LTA It operates in Venezuela, Europe and the Middle East

The two companies have worked together in South Africa on several projects, including diamond recovery and coal processing

Jacobs employs 2 500 people, had a turnover of more than $323-million last year and taxed profits of $5 444 000

Jacobs is involved in a $424-million Dead Sea potash recovery project in Jordan.

175

95

350

= 675

spected were rejected, the score would be:

-15

and the batch would be rejected. If the first 175 items inspected were accepted, the score would be:

175 + 175 = 350

and the batch would be accepted.

This example shows clearly how sequential sampling cuts down the amount of inspection in the cases of either exceptionally good, or exceptionally bad batches.

Since the calculations required are fairly complicated, some firms have written a simple computer programme which calculates the score. The inspector has simply to record whether the item has been accepted or rejected and the computer tells him either:

1. Accept the batch.
2. Inspect a further item, or
3. Reject the batch.

10.9.7.1 CHOOSING BETWEEN SINGLE, DOUBLE OR MULTIPLE SAMPLE PLANS

The choice between plans will generally be determined by the following factors:

1. Economy in the amount of inspection.
2. Whether or not the plan is acceptable to the producer.
3. Usefulness of the accumulated sample data.
4. Simplicity of procedures and administration.

The comparative virtues of the three types of plans are tabulated below:

SHIPBUILDING FM 28/8/81

In deep water

(189)

The SA shipbuilding industry is drifting into heavy weather and, according to some sources within the industry, is not far from floundering

The main problem is a lack of continuity The two major yards Sandock-Austral and Dorbyl in Durban claim they now have reasonably full order books But will there be enough work once the vessels on which they are working slide down the slipway? That s the main worry

As it stands prospects are not all that promising Dorbyl recently picked up an order for four tugs from the SAR & H worth R15m and a new supply vessel for Unicorn which will cost the client R8m Executive director, Dick Brass estimates that this will keep his yard busy for the next 18 months but there s not much work on the horizon after that he says

Sandock-Austral is in a better position as it benefits almost exclusively from orders placed by the Navy But when it comes to casting around for commercial contracts, they are in the same position as Dorbyl

Sandock's executive director, Helenius de Klerk, says the company does have some defence contracts on the go which he can't discuss because they're classified But as far as other commercial contracts are concerned he says the picture is pretty bleak

De Klerk says Sandock has sought work in the international market without much success The main problems were the keener prices offered by overseas yards and the difficulty in meeting the requirements for foreign loans

The South American market, for one, holds out lots of promise but De Klerk says it's an open secret that South American clients have difficulty supplying the guarantees on the extended credit facilities offered by the IDC as an inducement to foreign investors

Illustrating their difficulties, De Klerk says the company has had an order and a deposit for eight trawlers for a South American customer for the past 18 months but the company still has not been able to supply satisfactory guarantees

Another disappointment for the local shipbuilders is the lack of support from the local shipping industry One glaring example Sea Harvest, a major Cape-based fishing company, recently broke off negotiations with Dorbyl to build a series of standardised trawlers in a joint venture with Irvin & Johnson Instead, two second-hand trawlers were bought from France

Sea Harvest's decision was economically understandable the French Government operates a subsidy scheme which encourages owners to dispose of the aging vessels in their fleet and to replace them from French yards

Even Dorbyl chairman, Doug Ellis, admits that it is possible to "buy very sizeable vessels from France much cheaper than it would be to build them in SA"

But the move is still being interpreted as a slap in the face for the local industry Summing up the industry's attitude, Dick Brass asks "What s the point of having a local shipbuilding industry if it's not supported?"

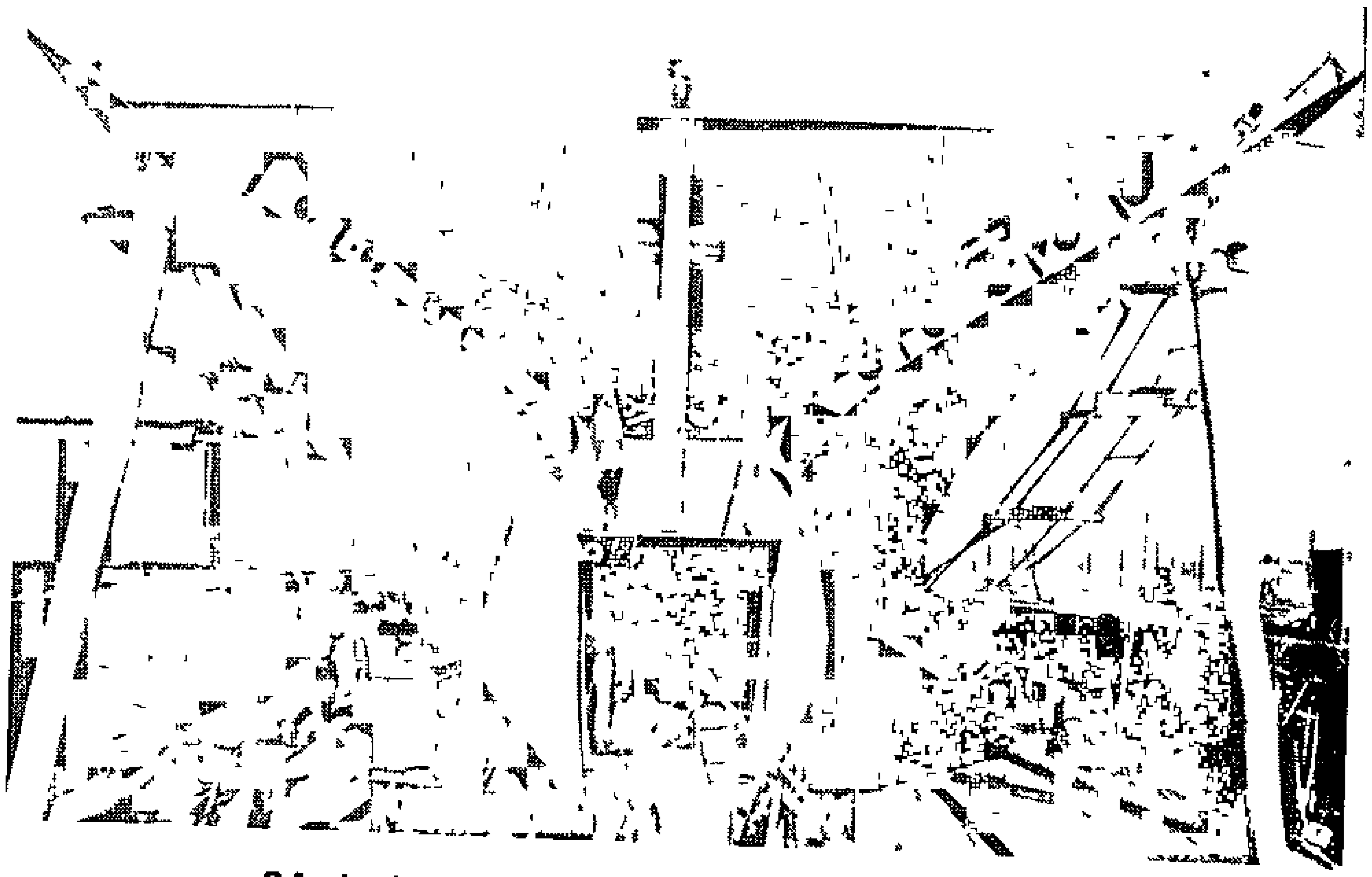
The big question is what effect does the stop-start nature of the work pattern have on the industry? Brass points out that Dorbyl's shipbuilding operations are still running at a profit, but adds "Can companies geared to making a product be expected to make good profits if their capacity is not being fully utilised?"

Looking beyond the immediate problems, Brass says he can see some light at the end of the tunnel He has statistics to prove that Dorbyl has weathered other bad patches The company has built 17 ships ranging from 100 t-10 000 t since November 1977 Help could come soon from another quarter The government is unlikely to allow a R100m-a-year, strategically important industry like shipbuilding to go under

The Board of Trade is currently revising the government subsidy scheme offered to local ship builders and its recommendations — which could give further financial assistance to the industry — are expected to be made known shortly

There are other bullish signs for the industry One is the growing size of Unicorn's fleet which needs two coal-fired coastal container vessels of 10 000 t each

Unicorn's executive director, Mike Meehan, says he's hoping to place the order by the end of the year If the local yards are lucky enough to pick up the order in the face of stiff international competition, it could be just what they need to tide them over



SA shipbuilding . . . enough for the moment only

ENGINEERING FM 28/8/81

Huletts goes north

(189)

To get closer to its markets in the PWV, Huletts Engineering has bought Mitchell Cotts Wadeville engineering works

Huletts take over from September 1 A spokesman explains that the deal will provide the company with additional workshop space Also, goods destined for Transvaal markets will come directly from the Reef rather than from Durban, as at present

Although Huletts Engineering's has concentrated on supply and maintenance of manufacturing equipment for the sugar industry, it has also been a big supplier to the petro-chemical industry — chiefly Sasol

The Reef acquisition is expected to double throughput Huletts will continue with Mitchell Cotts' existing product lines while adding some of its own Mitchell Cotts Engineering plans to continue manufacturing at its headquarters in Benoni, as an operating subsidiary of Mitchell Cotts Ltd Its product range of mining and metallurgical equipment and specialised pumping equipment will remain unchanged

The purchase price of the Wadeville works which stand on 5,5 ha of rail-served land and have 14 500 m² of production space, has not been disclosed The Huletts spokesman says the transaction will not have a material effect on earnings or asset value of the two holding companies

Boksburg dairy halted as 600 back union

Star 28/8/81 (137) (225) (137) (137) (135) (138) (230) (144)

In the second strike to hit the company this year, the entire African workforce at National Co-operative Dairies in Boksburg downed tools yesterday over a demand for union recognition.

The 600 workers returned to their posts at 2 pm after management had agreed to begin negotiating with the Sweet, Food and Allied Workers Union, said the union's general secretary, Mrs Maggie Magubane.

NCD chairman Dr M N Hermann claimed a large number of workers had been intimidated into joining the strike and some had been injured.

In another dispute, workers in at least two departments at Cobra Brassware in Luipaardsvlei on the West Rand downed tools yesterday, allegedly over the dismissal of a colleague.

The company's managing director, Mr Kerry Davidson, said a very small percentage of the workforce had been involved.

A spokesman for the unregistered General and Allied Workers Union — which claims majority membership at the plant — said about 200 workers struck.

They were back at work after three hours but were still demanding reinstatement of their colleague and recognition of the union, she said.

The strike over pensions by 250 workers at Hulett's Mount Edgecombe sugar mill near Durban was unresolved last night.

The workers demanding the immediate liquidation of their pension funds were addressed yesterday by Mr Selby Ntsibande of the Sugar Manufacturing and Refining Employees Union.

Capex on steel and engineering will hit R813-m

Star 1/9/81 (189)

By David Bamber

Capital spending in the steel and engineering sectors in South Africa is expected to reach R813-million this year.

According to the Steel and Engineering Industries Federation of South Africa (Seifsa), the projections for new capital investment were made during the second quarter of this year when utilisation of production capacity in the metal and engineering industries was running at between 85 and 90 percent.

Reports to Seifsa also indicate that the thrust towards increased capacity in the metal fabricating and engineering industries is, at this stage, centred on automotive component manufacture, the machinery, electric machinery and electronic sectors.

HIGHER

According to Seifsa's survey for last year, new capital investment during 1980 totalled R578-million — 35 percent higher than 1979's level of R376-million.

The main component, representing 85,1 percent of total new capital investment, comprised spending on new machinery, plant and equipment to keep up with the rising demand for goods and services, particularly in the mining and electricity generating sectors.

Imported items reflected a substantial increase of 56,8 percent while machinery, plant and equipment manufactured locally rose 30,1 percent over the 1979 level.

Investment in new buildings and other construction increased by 16,2 percent.

The new capital investment in the basic metal industries, comprising the iron and steel industries, basic non-ferrous metals, steel pipe and tube sectors, and the iron and non-ferrous foundries, amounted to R186-million representing an improvement of 35,8 percent on the previous year.

The metal fabricating and engineering industries, comprising the manufacture of fabricated metal products, machinery, electrical machinery and automotive components reported a 34,7 percent improvement on the 1979 levels.

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Afrox sells most of D&D for R20m

RDM 2/9/87

189

By DAVID CARTE

AFROX has sold the mining, railway and engineering contracts divisions of its mining and engineering subsidiary, Dowson & Dobson, to Coalequip for R20-million, their net asset value.

Coalequip is jointly owned by Anglo American's Boart International and Gencor It was set up only a few years ago in competition with D&D and others in the lucrative mining supply market

This is the second time Afrox has withdrawn from an area of activity outside its traditional forte of gas and welding In 1979 it sold its other major non-gas and welding interest, D&D Electronics

For some years, D&D has underperformed the rest of the Afrox group and observers of the group have speculated that D&D would be sold off

The new managing director, Mr Peter Joubert, told Business Mail soon after taking over that if the company could not be made to achieve acceptable returns, it would be sold

Afrox retains D&D's engineering consumables, pipes and irrigation, consumer products and marine electronics activities, but company watchers suggested yesterday these and other non-gas and welding activities would be sold off piecemeal and that from now on Afrox would stick primarily to gas and welding

Mr Joubert said from Port Elizabeth yesterday that most of D&D had been sold as the board had come to the conclusion that "it didn't fit" He said D&D was still making profits when sold but returns were not acceptable The sale, he said, would eventually be good for earnings

Sources close to the company said the price of R20-million to be settled over three years was a "bargain" They said D&D had the potential to earn R6-million before tax

Mr Tony Marshall-Smith financial director of Boart International, said the price was fair, taking into account D&D's recent performance D&D had immense unexploited potential. There was no connection between the slowdown of D&D and the concurrent launch of Coalequip by the two biggest buyers of mining equipment in SA

"There has not been much product overlap between D&D and Coalequip and both Anglo and Gencor were big customers of D&D The mining houses buy equipment on a competitive basis "

A spokesman who knows the companies well said the purchase price was particularly favourable to Coalequip as the takeover removed a major competitor or potential competitor The mining equipment market remained competitive, but Coalequip was becoming increasingly dominant

In 1976 D&D contributed R5 062 000, or 29%, of Afrox's gross profit of R19 484 000 In 1977 gross profit of D&D was R5 323 000, or 27% of the total

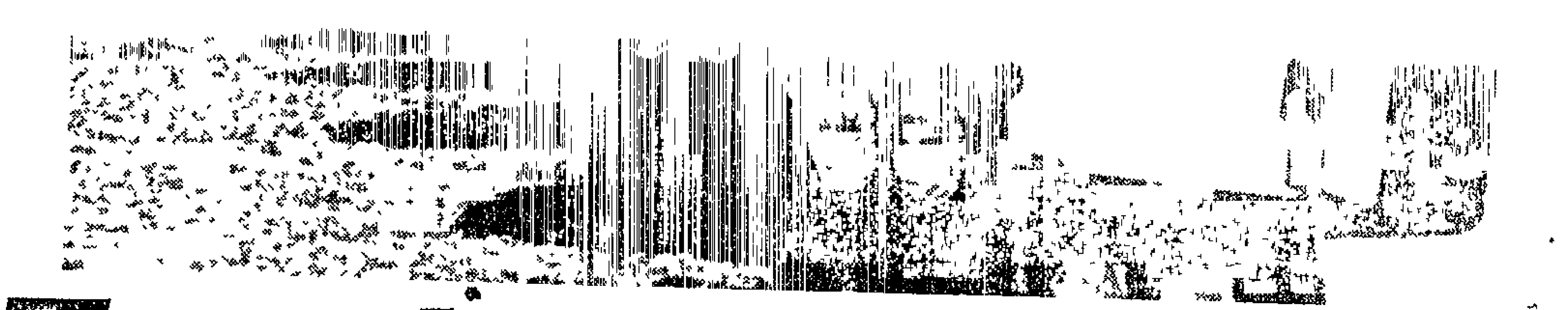
In 1978 its contribution was R5 182 000, or 23%, of the total By 1979 the slowdown became a reverse and D&D made R4 553 000, or 19% of the total In 1980 its contribution had declined to R2 992 000 — only 10,1% of the total.

Mr Joubert said because payment was over three years, Afrox was not confronted with a problem on how to deploy the funds from the sale The current climate was not conducive to acquisitions

Interviewed last year, Mr Joubert said Afrox would consider certain greenfields projects Asked about these yesterday, he said there was no intention to go ahead yet

Afrox observers said that now that D&D had sold its mining equipment division, there would be a rush for some of its overseas franchises, but Mr Marshall-Smith said the important franchises were well and truly tied up

About 900 employees of D&D will transfer to Coalequip as a result of the deal



Truck industry could become stereotyped

Argus 3/9/81

(189) (1982) (495)

Keith Macfarlane

FROM being a commercial vehicle market as diverse as any in the world the heavy diesel-engined vehicles available in South Africa are going to become far more stereotyped with engines, transmissions and rear axles all drawn from the same source.

Before long all the diesel engines heavy vehicles made in South Africa will have motors made by the Atlantis Diesel Engine factory 50 km from Cape Town and in due course they will all have transmissions and rear axles made by a satellite of General Mining in the Transvaal.

Whether this uniformity so beloved by the Official Mind will be a good thing remains to be seen. The primary point in its favour is that South Africa will become strategically far more self-sufficient then she is now, and should not be vulnerable to foreign pressure, economic and otherwise.

The points against are rather more numerous. There is no doubt at all that the ADE engined vehicles will cost more — the truck manufacturers say up to 30 percent or thereabouts, a figure disputed by ADE. The local transmission and gearboxes will put up prices even more, mostly because the production runs will by international terms be short.

EXPERTISE

ADE will be able to draw technical expertise from both its source plants, Daimler-Benz and Perkins; but the country will miss out on all the other technical advancements especially those from Japan until they are adopted by the source plants — if they are.

As a result of the polarising of the manufacture it will be vulnerable to both sabotage and to strikes with the other problem that should the ADE factory suffer a hiatus in its output the manufacturers will be [illegible] until it goes into production again [illegible] their vehicles will have been adapted to take the ADE engines and will no longer be [illegible] for motors from their source plants.

Finally there will be a sameness about all the vehicles produced here and instead of the diverse output from 19 manufacturers we have now there will be the Fordade, the Fiatade, the Datsunade and the others. The only manufacturer who will not be affected initially will be Mercedes.

SERVICE

From what will be affectively badge engineering will develop a new importance on service, as those manufacturers who can provide the most effective service and repair facilities will score in a minimising of down time probably the single most important factor in running a transport fleet.

In the light commercial market, the bakkies are in many cases derived from cars made by the manufacturers with at least 66 percent local content — General Motors Isuzu is one of the few that isn't — and will develop along the same lines as the cars.

However since the tax concessions in the bakkie market fell away, what was an apparent imbalance in sales seems to be righting itself with the bakkie no longer being regarded as a cheap alternative to a car.

Currently Toyota with its bakkies and its Hino heavies is leading the market overall, though Mercedes is the leader in the heavy sector. The top four manufacturers — Toyota, Datsun, Ford and GM have three-quarters of the market between them and when they are joined by Sigma, Volkswagen and Mercedes the share rises to 93 percent which leaves a minimal share for the remaining seven — taking Sigma and Sigma Power as the same manufacturer.

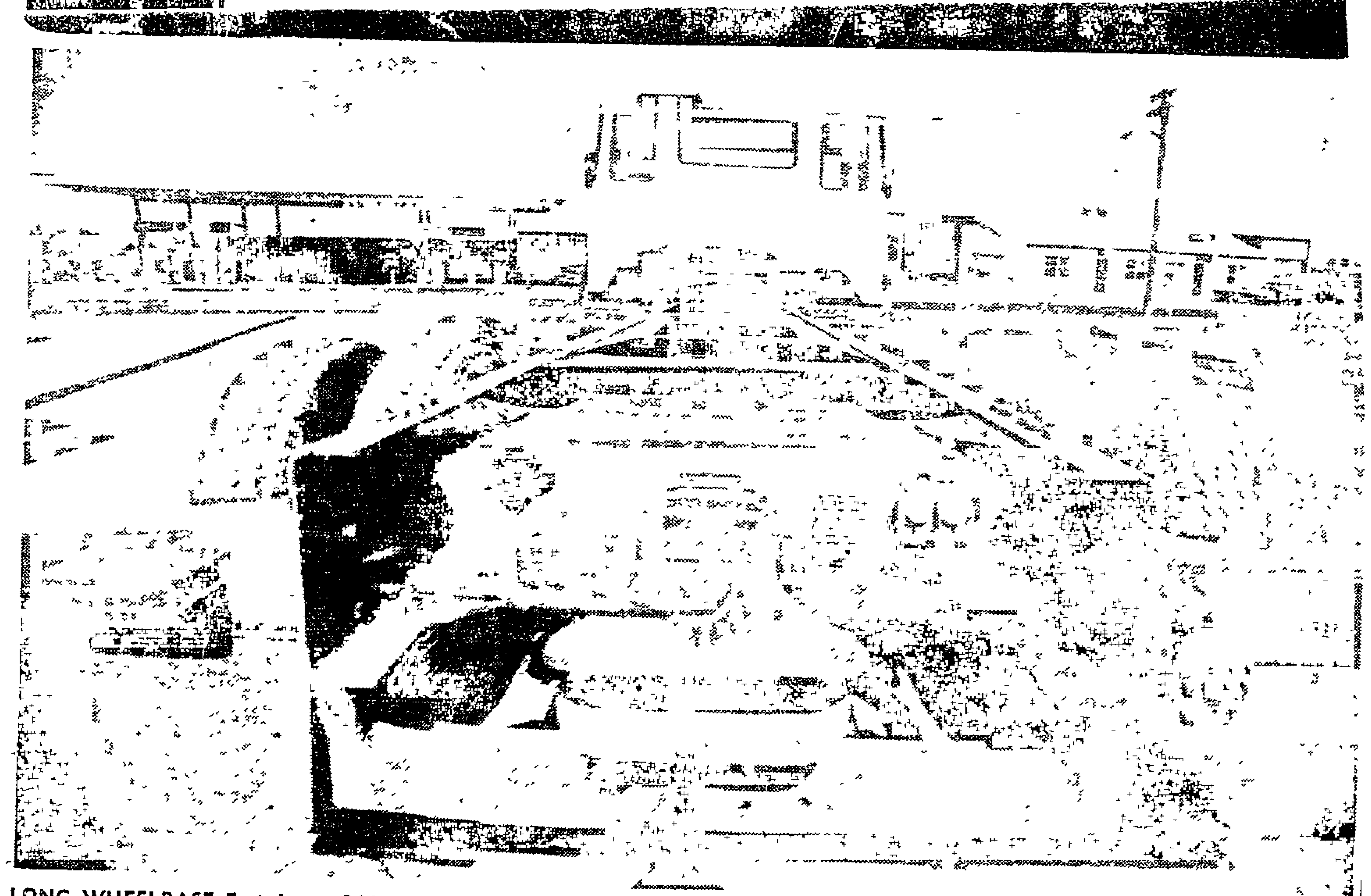
This being so the future of some of the smaller makes — and some don't sell 100 vehicles a year cannot be all that rosy.

TOYOTA TOPS THE LOG

Keith Macfarlane

TOYOTA with almost a third of the sales dominated the commercial vehicle market in South Africa for the first half of the year, due mainly to its success in the bakkie area. Mercedes dominated the heavy market. With total sales of 69 991 — 20 percent up on 1980 — the order was:

1	Toyota	21 621	(30,1 percent)
2	Datsun	15 793	(22,6 percent)
3	Ford	8 462	(12,1 percent)
4	General Motors	8 069	(11,5 percent)
5	Sigma	4 993	(7,0 percent)
6	Volkswagen	3 350	(4,8 percent)
7	Mercedes	2 491	(3,6 percent)
8	Leyland	1 581	(2,3 percent)
9	Sigma Power	1 003	(1,4 percent)
10	Alfa Romeo	881	(1,3 percent)
11	MAN	537	(0,8 percent)
12	International	486	(0,7 percent)
13	Fiat-Iveco	238	(0,3 percent)
14	Oshkosh	168	(0,2 percent)
15	ERF	136	(0,2 percent)
16	Scania	120	(0,2 percent)
17	Fodens	62	(0,1 percent)
18	Magirus Deutz	50	(0,1 percent)
19	Volvo	10	



LONG WHEELBASE Fiat Iveco 300 six-by-four is one of the Italian challengers in the South African heavy truck market.

Star 11/9/81

Workers strike for third time in week

Labour unrest has broken out again at the Cobra brassware company at [illegible] on the West Rand.

In the third strike in a week the entire workforce downed tools yesterday after talks between management and the General and Allied Workers Union broke down.

The union estimates that there are close to 600 workers at the plant.

A management spokesman said "more than 200" were involved in yesterday's stoppage.

Workers are understood to have a range of demands, including a R3 an hour minimum wage.

A spokesman for the Commercial Catering and Allied Workers Union reported that 100 workers at Pick n Pay, Boksburg struck for two hours on Wednesday but returned to their jobs after the reinstatement of a dismissed colleague.

The 10-day dispute at Plant Protection in Brakpan drew to a close yesterday as the 30-odd workers still on strike opted to sign themselves off rather than accept selective re-employment.

RDM 4/9/81 (189)

Cobra strikes for union recognition

Labour Reporter

POLICE stood by yesterday as more than 200 workers at the Cobra Brassware works at Luipaardsvlei on the West Rand downed tools for the second time this week in support of demands for the recognition of the General and Allied Workers Union

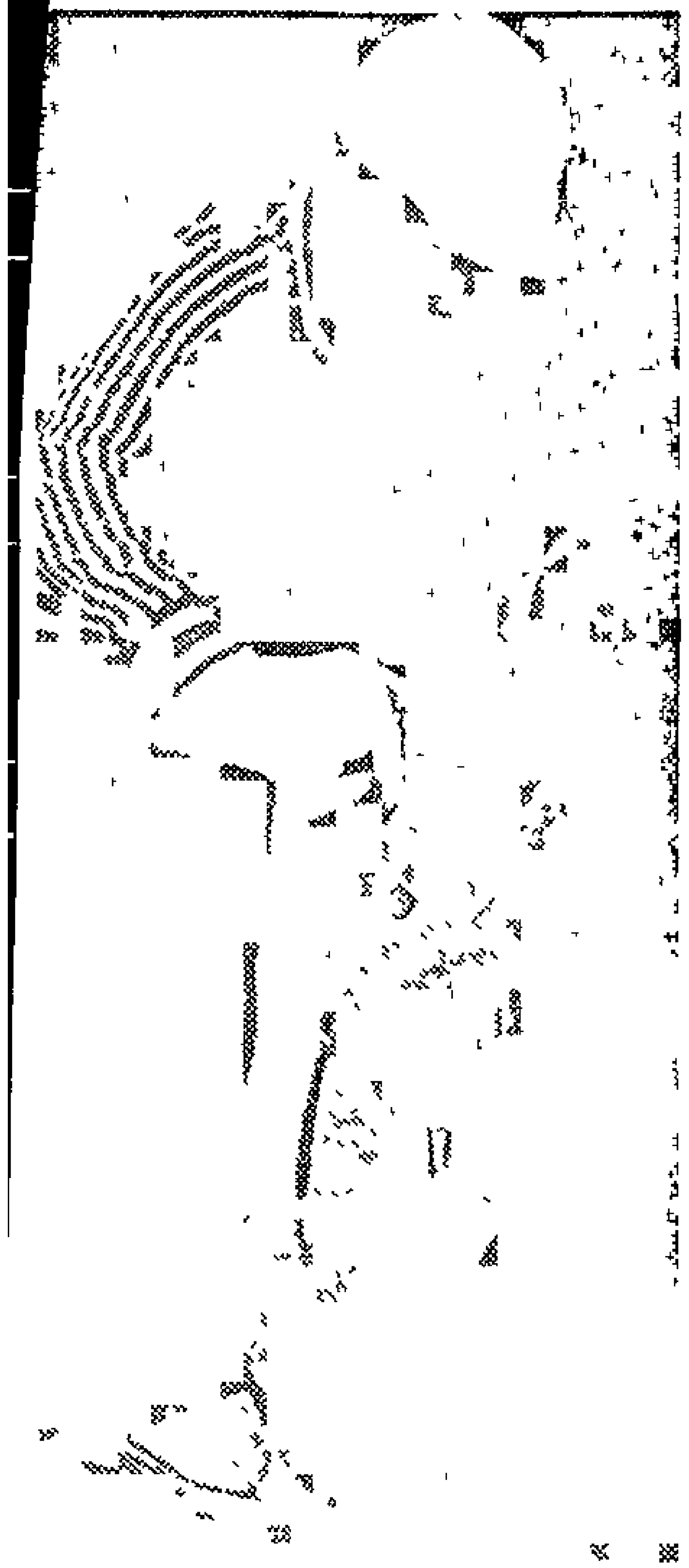
The workers also want a review of wages

By late yesterday, the stoppage had not been settled but a union spokesman, Mr Sydney Mafamudi, said further talks were planned between the company and GAWU representatives

Cobra's managing director, Mr Terry Davidson, confirmed that over 200 workers had stopped work yesterday after a smaller stoppage on Monday He denied that recognition talks had broken down

Apex move to KwaZulu in massive operation

S Tribune 6/9/81 ~~STD~~ ~~42~~ 189



Putting the finishing touches to Apex fifth wheel castings used by the transport industry

By MIKE PEIRSON
Finance Editor

GONE to KwaZulu. That's the sign up at the almost deserted site which used to accommodate one of South Africa's largest foundry and general engineering operations.

In what has been the most gigantic industrial re-siting exercise ever undertaken in this country, Apex Industries, which used to operate totally out of Vereeniging now has a new 28 hectare address — Isithebe, 100 km from Durban

Apex has hit the jackpot with its adventurous gamble less than two years ago to transfer its entire R40-million a year operations, physically down to the last nut and bolt, more than 600 km to Isithebe in KwaZulu — at a cost of R14 million.

Even before the entire plant is back in full swing at its new location, the company has prospects of more work than it can cope with for a long time to come — and that's with 25 percent more capacity available.

Marketing director Johan de Villiers returned from an overseas trip last week, for instance, with potential orders for castings way beyond the plant's total monthly capability of 6 000 tons

From that trip, however, he is hoping to be able to offer about 600 tons of valve castings to Crane Valves in the United States, a month They had asked for 2 000 tons a month

Other export contracts being undertaken include one worth R90 million over a 10-year period from 1979, to supply fifth wheels for the transport industry in the United States.

The group has budgeted for a turnover next year of about R55 million. But with the new valve order this could increase considerably.

Furnaces

The transfer operation has involved foundry units with two 34-ton capacity coreless induction furnaces — the largest in the southern hemisphere — and four satellites which manufacture agricultural implements, small castings for the mines, parts for earth moving equipment and general engineering

It's what assistant to the chief executive Fanie Huyssteen, calls "one-stop service"

In all, 11 furnaces are involved and their molten metal output should be back in full production by March next year when the uprooting project has been completed.

The move has meant the loss of approximately 35 percent in total production, but once all the units are functioning again the company expects to make up the backlog within about eight months.

The logistical complexities of physically moving entire production units so far have been enormous . . . but at the same time overcome successfully, much to the chagrin of many sceptics when the plan was first mooted

It had been the intention at the outset in 1979 to ship the equipment by rail But because of the time factor involved and various other uncertainties, the planners turned to the road

A massive haulage plan was devised on a 33-hour cycle system. Equipment was loaded in Vereeniging, driven the 680 km to Isithebe, offloaded, and the truck driven back to the Transvaal, all in the space of that period.

On completion a total of 500/20-ton loads will have been moved.

The transfer has also meant the training of a completely new labour force for the same plant and the company has been very satisfied with the progress made.

Problem

Supply of gas was a problem but thanks to the co-operation of the Corporation for Economic Development, a producer gas plant was built adjoining the Apex site at a cost of R1,2-million.

Says Apex chairman, Johan de Kok "Over the past 10 years our organisation, which had its origins as a family foundry, experienced a phenomenal growth from an annual turnover of nearly R600 000 in 1971 to our current turnover of R40-million

"While we see the year ahead as a period of consolidation we are looking towards a 10 percent annual growth in turnover, a large slice of which will be generated through our increasing export market."

Huyssteen adds that to keep the mining customers happy in the Transvaal a small operation is remaining at Vereeniging.

● In order to create a better understanding of the existing and planned economic development of the Natal KwaZulu region, the Durban Chamber of Commerce has organised a symposium for October 1. It will be held at the Durban Holiday Inn.

UNIVERSITY OF CAPE TOWN

DEPARTMENT OF ACCOUNTING

TAXATION AND ESTATE DUTY II - 1981

COURSE OUTLINE/READING LIST 3rd & 4th QUARTER

LECTURE DATE	LECTURE NO.	TOPIC	THE INCOME TAX ACT	MEYEROWITZ	ILLUSTRATIVE EXAMPLES	TUTORIALS
10 August	17	Source	s.1 'gross income' definition paras. (gA),(k),(n), s.9, s.10(1)(w),s.22A(2),s.24A(3	Chapter 7	-	10.4 10.6
		Double Tax Agreements	s.108 and peruse double tax agreements noted below with emphasis on articles listed United Kingdom Art.1,3,4,6 9,10,11,14,22. United States Art.IV,V,VI, Germany Art.4,7,8,9,12,20. Switzerland Art.X,XI,XII,X XXII.			
17 August	18	U.P.T. (including foreign companies)	ss.48 - 53, 28bis, 37A			
24 August	19	Tax Planning Foreign Companies/ Foreign Transactions - S.W.A. Income - Walvis Bay Residents - N.R.S.T. - N.R.T.I. - Foreign Exchange - U.K. Imputation System	S.1 definition of 'South A Company''Republic','territory', definition of 'permanent establishment' in various DTA's ; ss.28bis,37A,30,31,24B.	1637, Chapters 25,25A, 548J - K, 847B.	Imputation System	[illegible] 8.9

Star 7/9/81

Union scores two clear victories

189

The Fosatu-affiliated Metal and Allied Workers Union (Mawu) has taken another important step forward by winning clear victories in referendums aimed at testing its support at two East Rand firms.

Of the 324 votes cast by workers at Chloride Batteries in Benoni more than 70 percent favoured representation by the union, according to an Mawu spokesman.

The company had tested the paid-up membership of the union and had agreed to begin recognition talks, he said.

Chloride, a British-based multinational, has already recognised the rival SA Allied Workers Union (Saawu) after referendums at two of its Eastern Cape plants.

And at the Boksburg-based Light Castings 66 out of 88 workers gave their votes to Mawu in a referendum.

SUCCESSES

The union has had a steady run of successes this year on the East Rand, where it boasts half its national membership.

Mawu recently signed a formal recognition agreement with Henred Fruehauf Trailers and has won referendums at three other companies — Hendler and Hendler, Vaal Metal Pressings, both in Boksburg and Stonestreet and Handsen in Elandsfontein.

Hundreds of Reef strikers are fired

S10(7/9/81

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Labour Reporter

Several hundred workers at the Cobra Brassware firm on the West Rand lost their jobs today after refusing to meet management's back-to-work deadline

Workers walked out several times last week after talks between management and the General and Allied Workers Union (Gawu) broke down

Gawu has called for union recognition as well as a minimum R3-an-hour wage.

Cobra's managing director, Mr Terry Davison, said today only about 20 percent of the firm's 540 staff were still at their jobs and that Cobra would start taking on a new work force from Wednesday morning

Former workers could also re apply, he said

Hiveld looks to exports

RDM 8/9/81 (189) ~~2249~~

Western recovery to counter SA slowdown

HIGHVELD Steel & Vanadium Corporation, which reported attributable profit up 11% at R48 704 000 for the year to June, expects profitability to be "at least maintained" in the year to next June.

By ADAM PAYNE

Mr Graham Boustred, the chairman, says in his annual review that the commissioning of Highveld's 10th pre-reduction kiln ahead of schedule in June will lead to an increase in iron, steel and vanadium slag production in the current financial year

"The indications are that a growth in the South African economy will be at a much lower rate in the year ahead and by 1982 there can be a downturn in local steel demand

"On the other hand, the recovery in the North American economy should continue and by 1982 improvements in the European and Japanese economies can be expected

"On the assumption that there will not be a major change in the rand-dollar exchange rate over this period, the group's income from export sales of steel, vanadium and ferro-alloys should show an improvement as the year progresses "

Reviewing the past year, Mr Boustred says that by the year-end the group's capital spending commitment had increased to R116 852 000 freom R50 686 000 in 1980

In November last the board approved R110-million for the expansion of the iron-making capacity

The project, which will be financed from cash flow and SA and overseas loans, will take steel capacity to 1 100 000 tons a year on commissioning in 1983

In the past year, the fourth shaking ladle emplacement was commissioned

A sixth furnace and an oxygen plant will be commissioned at Transalloys in the current year

Mr Boustred says the overseas markets for the group's products were difficult throughout the year because of worldwide recession and because of the stronger rand in the earlier part of the year

Because of this, Transalloys and the vanadium division operated well below capacity for most of the year, steelworks' stocks of steel semis increased and Rand Carbide division's production of metallurgical char and electropaste was adversely affected because of low activity in the Southern African ferro-alloy industry

The group's export earnings at R110 386 000 were well below the previous year's R142 799 000 The domestic market for steel remained strong throughout the year and as a result group turnover increased to R332 967 000 compared with R323 584 000 in the previous year

Mr Boustred, after reporting the 17% decline in US steel consumption last year, says the recovery of the North American economy in the last quarter of 1980 and subsequent growth have been better than expected

"As a result apparent steel consumption in the US is forecast to improve by 6% in 1981 and overall world-wide apparent steel consumption is expected to rise by about 2% over 1980

With a higher dollar price for steel by the financial yearend, Highveld Steel exports showed satisfactory profit margins

"However, because of the intense competition in the international steel market, lastest indications are that dollar prices are again weakening because of a further strengthening of the dollar against most other currencies," he says in his review dated August 10

Highveld's steel sales into the SA market increased by 8,8% over 1980 compared with the 31% increase in the previous year

Highveld steel production showed growth for the 14th consecutive year and at 837 764 tons was 6,5% above the previous year's records

After detailing the cut in vanadium production because of poor demand, Mr Boustred says there are two major pipeline projects being considered which could have a major impact on vanadium demand

One is the Yamburg project, a gas pipeline from Siberia to Western Europe, and the other a joint Canadian-US oil project from Alaska

However, the world vanadium industry has ample reserve capacity to meet this possible increased demand without distortion of the market

COMMENT. Highveld is an exceptionally cost-conscious, well-managed organisation which continues to make profits when other steel producers are in the red.

It is the Western world's top vanadium pentoxide producer.

It is a safe and steady investment that has never failed to increase its dividend since the first 5c in 1973.

With an increase in its production capacity and a probable revival in vanadium demand the company should increase earnings and dividends at a steady rate.

On yesterday's share price of 535c and a dividend of 32c, the historic yield is 6% which is unexciting, but there will certainly be capital growth in the share.

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Trucks – big price rise looms

Sov 8/9/87

The price of trucks could go up by as much as 30 percent from January 1 next year when tough new local content regulations — including a penalty for manufacturers not using the Atlantis diesel engine — are introduced, says a truck industry spokesman

Mr Mervyn Chips, general manager, marketing, of Sigma Power Corporation, said yesterday that under the local content programme truck manufacturers would be penalised by up to 42 percent of the purchase price of their trucks if they did not contain certain locally manufactured key components

The penalties amounted to 30 percent for the engine, six percent for the axle, and six percent for the gearbox

"The position is, however, very confused at present and there are ongoing discussions between the industry and the Government to reach clarity," Mr Chips said

Installing Atlantis diesel engines in existing truck models would mean changes to chassis, engine mountings, clutches, axles and gearboxes, and could push up the cost of trucks by between 18 and 30 percent

function name$(a_1, a_2, \ldots, a_n)$ = *limited arithmetic expression*

where *function name* is a symbolic name identifying the procedure

the *a*'s comprise the list of one or more *dummy arguments*, a list of variables enclosed in parentheses and separated by commas

limited arithmetic expression is similar to an arithmetic expression except that it may not contain an array element as a primary, and it may not reference, in any way, the statement function of which it is a part

the maximum value of *n* is defined for each processor, there is no standard value.

Rules:

(1) An arithmetic statement function reference is a primary in an arithmetic expression The actual arguments are arithmetic expressions and must correspond in number, order, and type with the dummy arguments

For example, the statement function

```
      AVRGE(A,B,C) = (A+B+C)/3.0
```

can be used with the following statement

```
      Z = Y - AVRGE(R,S,T)
```

The value for the actual argument R is substituted for its dummy argument A, S for B, and T for C. A value is returned to the statement function reference so that the arithmetic expression Y – AVRGE(R,S,T) can be evaluated and assigned to Z. The statement function reference

Highveld optimism on future profits

Star 9/9/81 ('89) ~~249~~

By Patrick McLoughlin

Highveld Steel and Vanadium Corporation has warned there will be a downturn in domestic-steel demand in 1982

However, a resurgence in overseas demand should easily counterbalance the local shortfall, Highveld's chairman, Mr Graham Boustred, says in the annual review

The commissioning of the corporation's 10th pre-reduction kiln ahead of schedule in June would lead to an increase in iron, steel and vanadium slag production during the new financial year

8.1.

Mr Boustred commented "The indications are that a growth in the economy will be at a much lower rate in the year ahead and by 1982 there can be a downturn in the local-steel demand"

RECOVERY

On the other hand the recovery in the North American economy should continue, he said, and by 1982 improvements in the European and Japanese economies could be expected

"On the assumption that there will not be a major change in the rand-dollar exchange rate over this period, income from export sales of steel, vanadium and ferro-alloys should show an improvement as the financial year progresses and it is forecast that the group's profits will at least be maintained"

There is no doubt that steel producers in many parts of the world have suffered from the depressed American and European economies, but Highveld has managed to maintain a steady, if unexciting, growth in earnings

Mr Boustred's prediction that profits would be "at least" maintained in the year to June means that this solid performance — last year South Africa's biggest private steel-producer boosted attributable earnings 11 percent to R48,7-million — should continue

Highveld this year announced a final dividend of 22c a share (20c), making an annual total of 32c — 10,3 percent up on the previous year's 29c The group has consistently boosted dividend, which has grown from 12,5c in 1976 The share is currently trading around 535c and has a historic dividend yield of 6 percent

Good record from rolling mills

Highveld boosted production for the 14th consecutive year in the period to June 1981 At 837 764 tons output was 6,5 percent above last year's record, reports the group's chairman, Mr Graham Boustred

"Both rolling mills operated well and the total rolled product at 678 675 tons was also a record with the structural mill exceeding 400 000 tons a year for the first time"

Highveld continued to export steel products in the form of sections and plates to many countries — but at lower levels than last year.

This drop in exports was because of the improvement in local demand — which is forecast to change — and weaker overseas markets Export tonnage represented 22 percent (29 percent) of total steel sales

Mr Boustred said that his group's steel sales into the local market jumped by 8,8 percent — compared with the 31 percent boost in the previous period — illustrating the "levelling-off" in local-steel demand.

Worldwide vanadium consumption in 1980 weakened with the reduction in steel output, he said A decision taken by most steelmakers to reduce inventories during a period of lower consumption accentuated the fall-off in vanadium raw material

Notwithstanding these market conditions, the world's leading vanadium pentoxide producer was able to sell its entire output of vanadium-bearing slag, Mr Boustrde said — Patrick McLoughlin

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Figure 8–2. Out-of-Line Coding of External Procedure Subprograms

Star 9/9/81

189 (120)

Strikers snub offer to stay on

Labour Reporter

Former workers at the Cobra Brassware firm at Luipaardsvlei on the West Rand last night decided to collect their final wages today rather than seek re-employment

More than 300 workers lost their jobs on Monday after refusing to meet a management ultimatum to return to work

The workers, many of whom are represented by the General and Allied Workers' Union, went on strike last week over wage and union recognition demands.

At last night's meeting, organised by Gawu, former workers said they would "continue the struggle" and collect their wages rather than seek re-employment

Cobra Brassware started to take on a new work force this morning and former workers were also allowed to re-apply

11.2

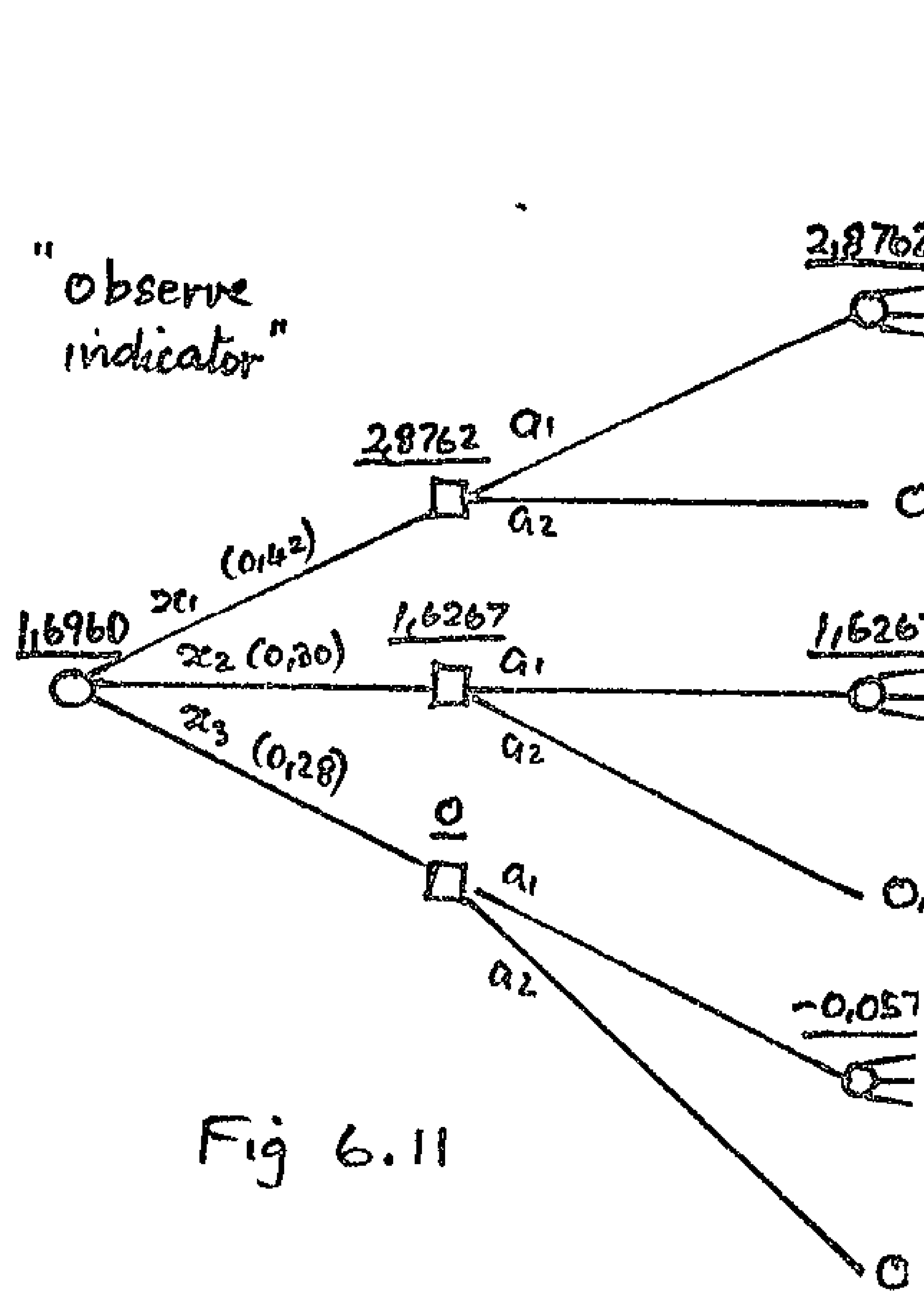


Fig 6.11

Japanese steelmen turn away from SA

By Geoffrey Murray

TOKYO — Japanese stainless and special steel mills have decided their dependence on South African ferrochrome is excessive and that they should look for alternative sources.

Industry sources say the mills are considering India, Brazil and the Philippines.

They report that some stainless steel makers have already begun switching their buying from South Africa to India in a small way.

Behind the move is the recent victory by South African ferroalloy companies in winning a 2,5 cent increase a pound in the price of ferrochrome supplied to major blast furnace mills

It would therefore be wor ... R10 000 for further information.

It is possible to incorporate several stages of decision nodes in a decision tree, using the "rollback" process to arrive at optimal decisions at each stage. The principle (which we have used in Figure 6.11, is to work from right to left on the tree, and as each decision node is reached, choose the action with the highest expected payoff, replacing all branches spreading from this node by this expected payoff. For example, when considering an indication x_1 in Fig 6.11 we note that action a_1 (2,8762) has a higher expected payoff than a_2 (0,0). If x_1 did result in practice we would therefore choose a_1. The decision node at x_1 is then given the expected payoff of 2,8762. The node at x_3 is given the value for action a_2, as its payoff (0,0) is better than that for a_1 (−0,057).

Sal 18/9/81 (189)

Slowdown for African Cables

(2449)

By Mervyn Harris

Earnings of African Cables, the largest local cable maker, slowed to a 28 percent increase in the year to July after a 50 percent jump in the previous financial year.

Strong competition in the industry trimmed the rise in sales to 14 percent from R75,1-million to R85,7-million against an increase of 61 percent in the year to July 1980.

Profit before tax was up from R13,3-million to R17-million and profit after tax and extraordinary item rose from R7,1-million to R9,1-million

The 28 percent rise in taxed profit compares with a 49,3 percent increase in the previous financial year.

The final dividend has been raised from 15c to 20c, boosting the total payout for the year by 27,2 percent from 22c to 28c a share.

Earnings a share were up from 30,54c to 39,17c.

Although the results reflect a slowdown in growth, the dividend payout of 28c a share is an improvement on market forecasts of 25c

At the current price of 425c, a 12-month high, the share produces a prospective yield of 6,6 percent against an average for the electronic sector of 4,7 percent.

ARMSCOR FM 11/9/81 (189)

Behind the secrecy shroud

Government's munitions manufacturer, the Armaments Corporation of South Africa (Armscor) is one of SA's biggest industrial undertakings In terms of asset value (R1 200m) it probably ranks second to Barlow Rand among the country's industrial giants

But the similarity with an ordinary commercial undertaking has some pretty clear limits For example, the arms embargo requires Armscor to operate behind a legislatively enforced veil of secrecy and sometimes to use methods that might seem more appropriate to an intelligence service than an industrial undertaking Even its files at the Companies' Office, together with those of its subsidiaries, are sealed

Such secrecy is seldom desirable, particularly in a government-owned undertaking which spends vast amounts of public money Yet it must be said that Armscor is sensitive to the public right to know what is being done with its cash

In a wide-ranging interview with the *FM*, Armscor executive vice chairman John Maree (who is on secondment to Armscor from Barlow Rand) and members of his management team revealed many details of how Armscor operates Details of arms procurement, predictably, remain secret

When, at the request of the Prime Minister, the late Punch Barlow agreed to second Maree to Armscor in mid-1979, there were rumours all was not well at the arms manufacturer Growing pains (assets had leaped from R200m in 1974 to close on R1 000m in 1979), and uninspired management were perceived as acute problems

Maree, whose appointment was part of PM P W Botha's drive to involve the private sector in attacking government's problems, is not the kind of executive who moves in with an entourage and changes structures from top to bottom

He is, however, an advocate of Barlow Rand's own "teamwork" approach to management One must, he says, recognise and use the talent that lies to hand

Highly goal and communications oriented, he recalls that he spent his first months at Armscor simply finding out what was going on, attending meetings and identifying the important and effective people and looking for the problem areas

He ended up gathering 20 top executives and in a series of working meetings in which they identified the main problems and set priorities "The setting of objectives is the finest way of motivating a team as it introduces a positive approach to problem solving "

He made some changes in the head office structure — particularly to involve personnel matters more closely in top management decisions He also didn't hesitate to borrow outside experts — as, for instance, a top personnel man from a major corporation who now spends one day a week advising Armscor

Maree seems happy with what has been achieved 97% of budgeted output last year, a skilled manpower complement considerably greater than the number of unskilled workers and an accounts system that allows correctly documented invoices to be paid within seven days As important has been the heavy private sector involvement, both at board and production levels, in armaments production

Some of SA's top industrialists serve on various group boards — and the main Armscor board under Piet Marais agricultural co-operative chairman and company director includes people like Chief of the Defence Force General Constand Viljoen (an ex officio member) and Director General of Finance Joep de Loor

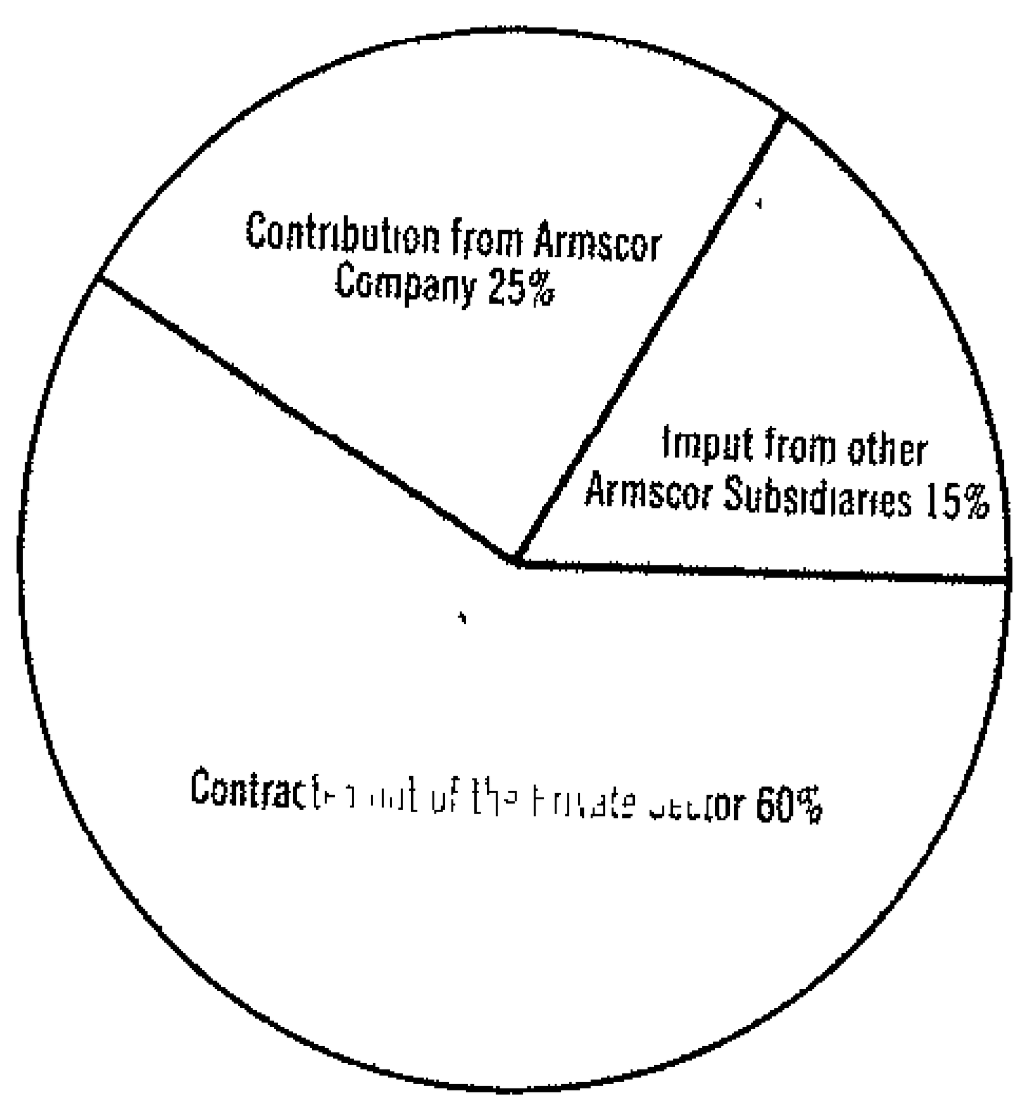
The basic task of Armscor is to manufacture or procure armaments "as economically as possible" to the requirements of the Defence Force

Like the Defence Force itself, Armscor falls directly under the authority of the Minister of Defence, General Magnus Malan, and is linked to the Defence Planning Committee, which helps reconcile arms requirements with the financial, physical and technical possibilities of procurement or manufacture

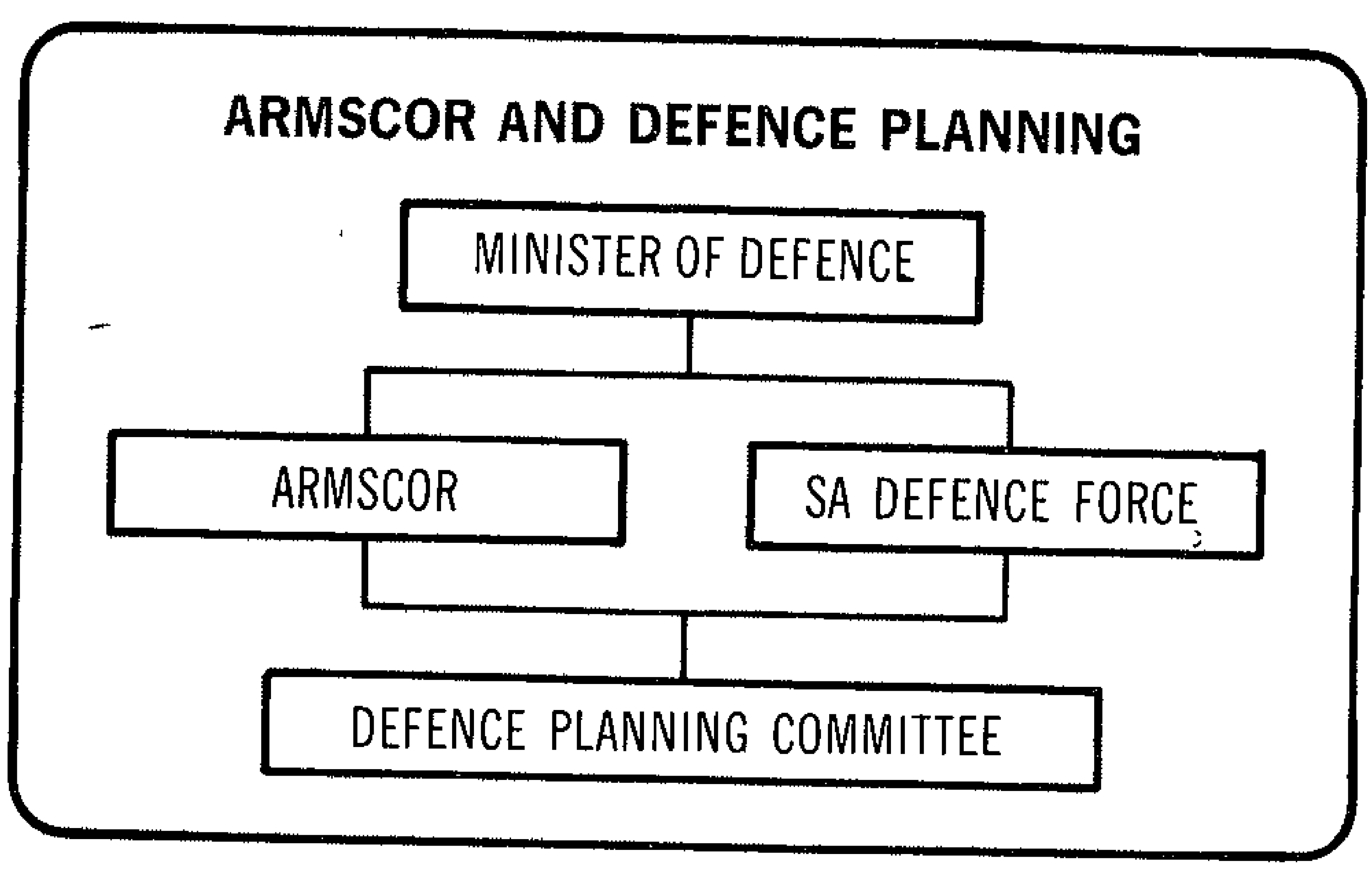
Maree and his team are sensitive to the charge that arms manufacture is nonproductive and an unfortunate necessity He points to the enormous technical and scientific benefits that sprang from America's space programme as an example of what can be achieved through apparently unproductive high technology programmes In the same way, he says, Armscor has helped produce a large pool of manpower skilled in technologies new to the economy

Armscor itself has about 29 000 employees, most of them skilled, while the total arms industry, including the private sector, probably employs about 90 000 — again mostly skilled

Armscor's known production includes the manufacture of advanced combat aircraft, guided missiles, armour, heavy artillery and communications systems with their associated spin-offs into avionics, radar, advanced electronics, guidance systems, steel technology ballistics, computer science and propellants Thus the claim to be in the forefront of the introduction of



Contribution (by cost) to the output of a typical subsidiary



valuable new technology carries weight

Much of the new technology must of course, be imported from wherever it can be obtained About 10% of Atlas Aircraft's staff, for instance were recruited outside SA and they are concentrated in the high technology fields The proportion of imported skills, however, is dropping as intensive formal and on-the-job training of South Africans takes place

By no means all the technology and skills are imported Armscor can boast major achievements in the electronics field and is a major supporter of research — in house, through the CSIR and through universities and private research establishments

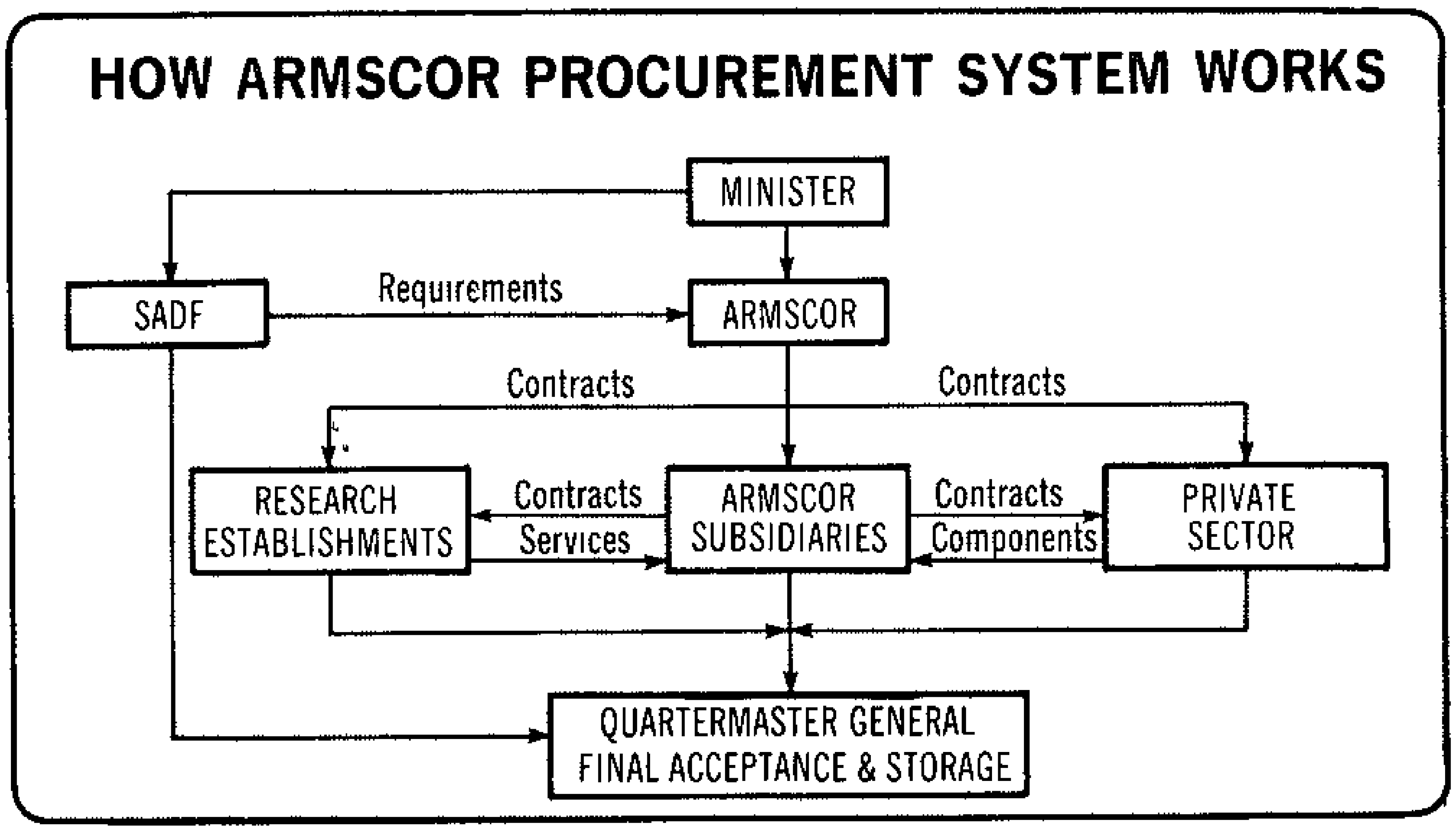
The corporation is also a major trainer of skilled manpower It has about 1 000 apprentices in training plus 250 "no strings attached" bursaries in high technology subjects About 5 000 other workers undergo training courses in any year

An example of what the corporation can achieve came last year when Armscor received the "National Award" for achievement in engineering from the Associated Scientific and Technical Societies The award was for the development of a South African air-to-air guided missile and of a 127mm artillery rocket system developed from but a considerable improvement on, the Russian "Redeye" Stalin Organ

Armscor also contributes to the balance of payments by exporting arms although, like so much of its activity, this aspect is not discussed All the corporation's officials will say is that the export programme is still "small" It is seen as important for the future, as a contribution to costs and to allow for the longest possible production runs (Procurement elsewhere of weapons that cannot be made here is, of course, the most secret of all the corporation s activities)

Maree is particularly proud of the fact that Armscor does not try to duplicate existing private sector production facilities — except on rare occasions when it is required by security considerations

Up to 60% of the corporation's production (much of it in the form of components rather than finished products) is contracted out to the private sector as is much of the research This partnership with private enterprise is seen as crucial to Armscor s efficiency



In SA's circumstances it is probably not possible to have a wholly private armaments industry catering to government's needs Thus the partnership between Armscor and the private sector seems a reasonable compromise

Armscor's period of extremely rapid expansion is almost over Between 1974 and 1981 its assets base grew from R200m to R1 200m and the number of employees from 12 000 to 29 000 — this in a highly capital-intensive field This year it will deliver arms worth R1 400m

As Maree points out the growth was due to the need to install major production facilities to meet growing defence needs while under arms embargo That phase is over The last of the big new facilities are coming into production and further large capital expenditure is not now envisaged

The corporation is entering what it calls "a period of consolidation" But continuous expenditure in research and high technology to keep its products abreast of advances in weapons technology will still be needed Armscor officials are confident this will be available to maintain standards of which they are clearly very proud

Armscor is a creature of the unfortunate need to devote major resources to the production and procurement of weapons of war Within that context, and accepting that any judgment must be limited by the paucity of information available, it seems that Armscor is going about its affairs in an efficient and businesslike way

Obviously, a political solution to the problems which gave birth to Armscor would be preferable That, of course is at this time a remote prospect and it seems fair to suggest that SA is in the arms production business on a more or less permanent basis

The fringe benefits of arms production are not inconsiderable "Spinofts' provide our economy with increased industrial sophistication through the skills and technology Armscor and its suppliers have accumulated That is only to be expected

There are few who don't regret the need for an Armscor and the demands it makes on scarce national resources And a greater effort to take the public into its confidence within limits would be welcome But Armscor is an example of a successful blend of government and business endeavour under difficult circumstances It is one that might be usefully emulated by other public undertakings

9. From your understanding of the process of industrialisation in Europe, explain what insights this offers for a theoretical understanding of the position of women in wage labour.

10. Use one of the case studies below to illustrate the position of women in wage labour in South Africa. Show how this helps you to conceptualise the relationship between class, colour and sex:

  (a) women in the reserves,
  (b) women in domestic service, or
  (c) women factory workers.

11. Discuss in the South African context, what you consider to be the meaning of "women's emancipation".

SECTION D . . . .

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Bateman gets tax prod

By SUSAN DALLAS

LOWER tax helped industrial engineering company E L Bateman to increase its taxed profit and total dividend in the year to June 30 in spite of lower pre-tax profit.

Taxed profit rose 22% to R4 735 000 from 1980's R3 860 000 although pre-tax income fell 21% to R5 143 000 (R6 555 000).

Tax at a rate of 41% last year was reduced to 7,9% after Bateman incurred a loss of R972 000 in the interim period to the end of December by selling its most unprofitable operations. The East Rand Engineering foundry was closed.

Notwithstanding the loss written off against first-half pre-tax profits, these were stronger at R3 235 000 than the R1 908 000 achieved in the second half.

Earnings a share reflected the lighter tax burden and on attributable earnings of R4 624 000 (R3,537 000), rose 26% to 182c (144c).

A final dividend of 27c (24c) brought the total to 40c (35c) raising dividend cover to 4,5 from last year's 4,1

Star 11/9/87 (189)

Cullinan and Blue Circle merge electrical interests

Cullinan Holdings and Blue Circle are to merge their electrical activities, forming one of the country's largest power engineering operations with sales estimated at around R100-million.

Taking effect on December 1, the partnership will be held 70 percent by Cullinan and the balance by Blue Circle.

The merger will represent the pooling of net assets totalling about R35-million, employing 2 800 people at various manufacturing and construction sites and distribution centres across the country

Cullinan director Mr Ray Tayler, who will head the new operation, stresses the strong synergies arising from this merger: "For both groups, this partnership will enable an accelerated advance towards previous separate, long-term targets."

Through the manufacture of both high and low voltage ceramic insulators along with a variety of transmission line components, Cullinan has strong ties to the power transmission operations of Escom, the Post Office and SA Railways.

From the Blue Circle side, the Hudacolec companies — embracing the group's electrical activities — are strong in the fields of electrical contracting including transmission lines, substations and power station cabling, electrical equipment marketing through a country-wide branch network, and electrical equipment manufacture in motors, transformers and switchgear.

Mr Tyler reports that the merger is in line with the growth emphasis Cullinan has programmed for its electrical division.

For Blue Circle, given its philosophy of maintaining investments in significant businesses, this pooling of activities gives the group a meaningful stake in a substantially larger, greater growth potential operation.

UNIVERSITY OF CAPE TOWN

DEPARTMENT OF ACCOUNTING

TAXATION AND ESTATE DUTY II - 1981

COURSE OUTLINE/READING LIST 3rd & 4th QUARTER

LECTURE DATE	LECTURE NO	TOPIC	THE INCOME TAX ACT	MEYEROWITZ	ILLUSTRATIVE EXAMPLES	TUTORIALS
			s.1 'gross income' definition paras. (gA),(k),(n); s.9, s.10(1)(w),s.22A(2),s.24A(3)	Chapter 7	-	10.4 10.6 T.1523
			s.108 and peruse double tax agreements noted below with emphasis on articles listed - United Kingdom Art.1,3,4,6, 9,10,11,14,22. United States Art.IV,V,VI,VIII. Germany Art.4,7,8,9,12,20. Switzerland Art.X,XI,XII,XIV, XXII.	Chapter 27 (skim)	Summarised table on D.T.A.	
		luding ıpanies)	ss.48 - 53, 28bis, 37A	1252 - 1294 1294A	Handout on s.50(d)	8.10 8.11 8.12
		g ıpanies/ ınsactions ıcome ıy Residents - N.R.T.I. - Foreign Exchange - U.K. Imputation System	S.1 definition of 'South African Company''Republic','territory'; definition of 'permanent establishment' in various DTA's ; ss.28bis,37A,30,31,24B.	1294A,864A,193, 1637, Chapters 25,25A, 548J - K, 847B.	Handout on U.K. Imputation System	T.1423 T.1430 8.9

CULLINAN HOLDINGS AND BLUE CIRCLE IN R100M MERGER

S. Tribune 13/9/81

189

Finance Editor

CULLINAN Holdings (the refractories division of which won this year's Sunday Tribune Exporter of the Year award) and Blue Circle are to merge their electrical activities.

The partnership will then be the country's largest power engineering operation with sales estimated at about R100-million.

Cullinan will hold 70 percent of the action in the new deal which will mean the pooling of net assets totalling approximately R35-million. Some 2 800 workers are involved throughout the country.

Cullinan director Ray Tayler, who heads the new operation, says: "For both groups, the partnership will enable an accelerated advance towards previous long-term targets."

Through the manufacture of both high and low voltage ceramic insulators, along with a variety of transmission line components, Cullinan has strong ties to the power transmission operations of Escom, the Post Office and the SAR.

For Blue Circle, given its philosophy of maintaining investments in significant businesses, this pooling of activities, gives the group a meaningful stake in a larger growth area.

Seifsa president warms of difficult times ahead

STAR 14/9/87

BZA

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By David Bamber

Members of the Steel and Engineering Industries Federation will find it increasingly difficult to remain competitive and to provide additional employment for the country's rapidly growing population

Issuing this warning at Seifsa's annual general meeting, the president, Mr L Boyd, said in spite of a lower tempo of growth in South Africa, there were still no signs of any meaningful reduction in inflation which remained the most serious problem currently facing the business community

This led to it becoming harder to structure realistic industrial agreements acceptable to both employers and employees "and at the same time enable our members to remain competitive"

COMPETITION

Mr Boyd noted that Seifsa's companies had faced increased competition from imports at a time when expansion in South African industry was essential to creating additional work opportunities for the large numbers of unemployed.

He said during the 1970s the relationship between contracting and client companies was stabilised by the emergence of contract price adjustments formulae aimed at ensuring healthy competition tendering in inflationary times.

"However, continuing high levels of inflation are now generating doubts on both sides as to the ability of these formulae to meet the needs of the respective parties," he said.

PHENOMENON

Mr Boyd said another phenomenon of the high levels of economic activity had been the mushrooming of labour brokers who competed with established engineering businesses for capital and maintenance work without having to meet the costs involved in operating under the various training and benefit fund agreements in the industry

"While nobody denies the right of labour brokers to exist, their continued operation outside the scope of the Industrial Council can only harm both employers and employees in the industry," Mr Boyd said.

IMPORTANCE

Illustrating the importance of economic growth of the Seifsa group of industries to South Africa's wellbeing, Mr Boyd pointed out that the gross output of this sector was more than R11 000-million, representing some 33 percent of the country's total manufacturing output.

Its workforce of all population groups was now 530 000 representing more than a third of the total manpower engaged in all manufacturing activity.

New capital investment in this group of industries amounted to R2 745-million over the past five years while total crude steel production last year was 9,1-million tons

Steel firm's black workers' village called 'Chromeville'

14/4/81 Cit

(184)

By STAN HLOPHE

THE R12-million housing project for blacks — one of the biggest yet undertaken in an urban area by private enterprise in South Africa — is nearing completion in Mhluzi township, Middleburg.

The project will house more than 3 000 employees of the Barlow Rand subsidiary Middleburg Steel and Alloys (MS&A).

The project, to be followed by an additional R1-million next year for the construction of a shopping complex, recreational and entertainment facilities represents one of the largest single undertakings of its kind in any urban area.

The new village will be called "Chromeville", a name chosen by the employees of MS&A.

Scheduled for completion in December, it will include 220 family houses and single accommodation for 1 600 people.

Family houses have three bedrooms with built-in cupboards, separate lounge and dining rooms, fully equipped kitchen, separate bathrooms and toilets and single carports. Each house costs about R28 000.

A total of 65 units for single people each consists of 12 bedrooms, a large living room, an ablution block and a veranda.

The village is divided into two main areas with recreation space and parks as an integral part of the overall layout.

The heart of the complex comprises the main service facilities (dining hall, laundries, administration block) while pedestrian walkways link the village centre to the houses through the recreation areas.

In addition to the Chromeville development MS&A plans to develop stands adjacent to Mhluzi where homes will be constructed for sale to employees.

Passed by Smuts' Govt in 1924

New urban housing for blacks

By SELLO RABOTHATA

A R12-MILLION housing project, the biggest ever for blacks undertaken in an urban area by a South African private enterprise, to house more than 3000 people, is nearing completion in Middelburg

The project is being developed by Middelburg Steel and Alloys a subsidiary group of Barlow Rand for its married and single employees. The new area is to be known as Chromeville and is situated next to Mhluzi township.

Mr John Hall, managing director of MSA, said that the housing scheme is a fully integrated village employing the latest innovations in design criteria. It sets new standards for this type of housing in the country.

Mr Hall said that his company decided to undertake the project because of an acute shortage of suitable housing for the company's black married employees in Middelburg. Also housing facilities for single workers were not up to the standard demanded by the company.

The R12-million investment is scheduled for completion in December. It will include 220 family houses and single accommodation for 1600. All the houses have three bedrooms with built-in cupboards, separate lounges and dining rooms, fully-equipped kitchens, separate bathrooms, toilets and single carports.

A total of 65 units for single persons will be available each consisting of 12 bedrooms, a large living room, an ablution block and a veranda. Each bedroom can accommodate two people.

The village is divided into two main areas with recreation space and parks as an integral part of the overall layout. In the middle of the complex are dining halls, laundries and an administrative block.

Rental for the married employees' houses is said to be R35 a month including electricity and water while for the single blocks the monthly rental will be R8 a bed.

Mr Hall said that although the company is ultimately going to sell the houses to the employees it would at present be impossible for them to manage the price of R28 000 a house.

On resigning from the company an employee will have to leave the house but on retirement it is hoped the employee will own the house.

Seifsa plea on black unions

RDM 15/9/81

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~~346~~ ~~133~~ ~~134~~

By STEVEN FRIEDMAN

THE president of the giant Steel and Engineering Industries Federation (Seifsa), Mr Leslie Boyd, said yesterday that the official industrial council system would have to be adapted to ensure that black unions took part

He reiterated, however, Seifsa's long-standing support for the system Seifsa is the country's biggest non-mining employer federation and it is a party to the country's biggest industrial council

Mr Boyd's remarks, made in a speech to Seifsa's annual meeting in Johannesburg yesterday, come at a time when it is re-examining its labour guidelines which strongly support the system

Observers believe they herald employer support for changes aimed at making the industries' industrial council, which covers the wages and work conditions of about 500 000 workers, more attractive to black union critics

Mr Boyd said that the industrial council system had been subjected to "much criticism" in the past year

He added "It is evident that adaptations will have to be made to ensure that trade unions catering for black employees can participate in the system with the support of their members"

But Mr Boyd went on to say that "insufficient attention is being given in the debate to the considerable merits of the system"

He said "fragmented bargaining at plant level" would lead to a "leap frogging" of wage rates and "a chaotic situation"

The metal industries' council would have to be strengthened "if our industry is to remain stable, and continue to grow"

Confidence

The existence of established procedures as well as council agents "with important powers of inspection to ensure the correct implementation of agreements by both parties" gave both sides confidence in bargaining as a method of settling disputes

The councils also gave unions and employers an opportunity to co-operate on training, pensions and medical aid

Mr Boyd also warned that the boom of the past 18 months had emphasised "the considerable skills shortage in South Africa", which was hampering capital projects and causing concern about routine maintenance standards

Seifsa had indentured 235 black apprentices this year and had set itself a target of 5 000 apprentices of all races a year

Mr Boyd said, however, that there were still "certain barriers" in the way of recruiting black apprentices

These included inadequacies in schools' maths and science teaching

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Giving South America a go

Star 15/9/81

(189/192) (774)

The Tryholdings Group, local makers, stockists and distributors of Canadian designed Blue Giant pallet trucks, stackers and docking equipment, has embarked on a vigorous export drive. Aimed mainly at Mauritius, Reunion, Zambia and Malawi, Tryholdings' chairman, Mr Andrew Stewart, says he is "also going to give all five countries in South America a go and see if we can also export to Blue Giant in Canada."

Mr Stewart says his seven-year-old company has been exporting for five years

It does regular business with Mozambique — which absorbed its first modest exports — and with Malawi which, on its own in the last few months, has absorbed 12 dock levellers and many pallet trucks, all Blue Giant, and all made by Tryblue Manufacturing division of Tryholdings at its Denver, Johannesburg factory.

Mr Stewart, who has just returned from a business visit to the countries to which he hopes to export, says agents have been established in all of them, as well as in Zimbabwe

Seifsa hammers out new union bargaining deal

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16/9/81

By STEVEN FRIEDMAN

THE giant Steel and Engineering Industries Federation, whose members employ about half-a-million workers, is finalising major changes to its labour policy in an attempt to meet the demands of black unions which have rejected the official bargaining system.

Seifsa has been the staunchest and most important supporter of official industrial councils, and negotiates on the country's biggest council.

However, informed sources say influential Seifsa employers, although they continue to favour industrial councils, also support a "decentralisation" of bargaining with representative unions, as well as some form of direct negotiation with unions on the factory floor

They add that this would imply important adaptations to the metal industries' industrial council, which some employers and unions believe has become too unwieldy and removed from grassroots workers

These sources say the changes in Seifsa policy follow a hotly-debated rethink in the federation on labour relations issues

Criticism

Seifsa's review comes as industrial councils are subjected to mounting criticism from unions demanding direct negotiating rights on the factory floor

A change in its policy could have far-reaching implications for labour relations in other industries

Seifsa's director, Mr Sam van Coller, confirmed yesterday Seifsa was rethinking its labour guidelines, published in 1979, which rejected any negotiation outside the existing industrial council system

He declined to disclose details of the proposals "We will make our stand public at the appropriate time," he said

But on Monday Seifsa's president, Mr Leslie Boyd, while strongly supporting the industrial council system, added that there was a need for adaptation to enable black unions to take part in it "with the support of their members"

Unwieldy

A major metal employer who favours the council system has told the Rand Daily Mail the council will have to be "decentralised" to allow for smaller bargaining entities

"The council is just too large and unwieldy Decentralising it would allow greater worker participation," he said

A source in another large company said he favoured retaining the industrial council "as an umbrella"

But he added "We would like to see decentralised bargaining under that umbrella — bargaining in much smaller units

"It is quite possible for councils to provide for 'house agreements' in which unions can bargain issues with individual employers We would support such a system "

Industry sources say the proposals will be discussed with unions on the council and those off it before the new policy is finalised

Registered unions on the council are known to favour the industrial council system strongly

22. Interview with Mr S
& Sells.

23. FASB 34: Op. cit.,

24. FASB DM: Op. cit.,

25. Arthur Young & Co.:
Memorandum - Accoun

26. Coopers & Lybrand:

27. Ernst & Ernst: Op.

28. FASB ED: "Capitali ... t Cost", December
15, 1978, paragraph

29. Ernst & Whinney: " ... ng Developments :
Capitalisation of I ... nuary 1980, page 13.

30. Martin, D. Edward: ... n Acc
Capitalisation Inte ... Execu
page 26.

31. FASB DM: Op. cit.

32. Ibid, paragraph 62.

33. Ibid, paragraph 63.

34. Ibid, paragraph 64.

35. Ibid, paragraph 65.

36. Deloitte, Haskins & ... n Re
proposed Statement ... ntin
'Capitalisation of ... pril

37. Arthur Young & Co: ... se t
Memorandum - Accoun ... Cost

38. FASB DM: Op. cit,

39. Gray, O. Ronald: " ... FASB
No. 34 : Capitalisa ... Cost", The National
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Housing project for black workers

One of the biggest black housing projects by a private firm in South Africa, a R12 m scheme for 3 000 workers in Middelburg, Transvaal, is expected to be completed within three months

The project, at Mhluzi Township outside Middelburg, includes 220 family homes and single accommodation for 1 600 workers, according to a spokesman for the company, Middelburg Steel and Alloys

Each house will have three bedrooms and modern amenities The single accommodation will consist of 65 units of 12 bedrooms each The bedrooms will house two workers each — a far cry from the older hostels with their rows of dormitories

Next year the company intends spending a further R1-m for a shopping complex and other facilities for the new scheme which is to be called Chromeville

Star 17/9/81

Iscor sacks men for refusing new shift times

Dbo 189 Vau Nuy

A number of workers who refused to work new shift times at Iscor's rod mill in Newcastle have been dismissed, according to the company's general works manager, Mr C J van Vuuren.

"More than a quarter" of the 150 workers in the department were at work yesterday, he said, and the mill was operating at slightly reduced capacity.

Mr van Vuuren said the new four-day, 12-hour shift system which sparked Monday's unrest had been "forced on management by circumstances". The mill's capacity had to be reduced, and the new schedule made this possible without retrenchments.

Iscor plant pays off 150 workers

NM 17/9/81 189

Mercury Reporter

THE S A Iron and Steel Industrial Corporation Ltd in Newcastle has paid off 150 workers following their objection to new working hours according to the president of the Black Allied Workers Union Mr B E Khumalo

Mr H van Vuuren Iscor's general works manager confirmed that workers had been paid off but said that the figure of 150 workers was an exaggeration He said the situation had been brought about by an economic recession which had forced the Newcastle plant's rod mill to decrease its number of shifts from 18 to 12 a week

In terms of the decrease in the number of shifts about one third of the mill's workforce had become redundant he said

Mr van Vuuren said that in the past the mill had run on three eight-hour shifts for six days a week But due to 'economic conditions, the mill would now run on two 12 hour shifts for four days a week

A factor which has brought about the new work roster is the considerable time it takes for the mill to become operational Running the mill for 24 hours at four-day period, is more economically viable Mr van Vuuren said

For the average mill worker this means a four-day week made up of four 12 hour shifts

Mr Khumalo said the workers were not happy with the new work roster Their main objection was that it created transport problems

In some cases when a man finishes work at 7 p m he will have to wait until 10 p m before he can catch a bus This means that he gets home at midnight and has to be up by 4 a m the next morning to be at work at 7 a m

Mr van Vuuren said that Iscor regretted taking this action but the situation had been building up for some time

'We have tried to keep the workers on for as long as possible, but at times we have had to close the mill for up to a week because of the recession

Iscor and the Black Allied Workers Union disagreed over whether the Industrial Council had approved the new work roster

According to Mr Khumalo the Industrial Council had not heard about the new hours But Mr van Vuuren said the Industrial Council had been informed from the start and had accepted the new roster

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because to do so would not be in accordance with GAAP. Anthony feels that this conclusion is unwarranted.[3]

Iscor workers paid off after row over shifts

189

A NUMBER of black workers at an Iscor plant in Newcastle have lost their jobs after a dispute over a new shift system.

By RIAAN DE VILLIERS

According to an Iscor spokesman, 62 workers were paid off yesterday after walking off their jobs and refusing to return.

The Black Allied Workers' Union claims 150 workers are involved, and that the workers were locked out of the factory.

Mr Neels Howard, Iscor's head of industrial relations, said a two-shift system instead of three shifts was introduced at an Iscor plant on Monday. The move had been discussed with the industrial council, unions party to the council and workers

Black workers had raised a number of practical problems, including transport difficulties, but after negotiations with bus companies and changes in their schedules, most black workers supported the system, he said

On Monday the first shift of 31 workers refused to start at the new time but went to their jobs after talks with management

"However, they downed tools at their accustomed time of 3pm instead of 7pm and refused to return, despite a warning that they would "dismiss themselves" if they did not. The night shift acted in the same way

Mr Howard said the workers were paid off He hoped there would be "no further problems".

According to Sapa, a Bawu spokesman claimed about 150 workers had been locked out when they returned on Tuesday and were removed from the premises in the presence of police.

He said the union had held talks with the industrial council, which denied that it had approved the new roster

In this chapter I propose to discuss briefly the Proprietary and Entity theories of Accounting, and then to highlight various of the arguments both for and against capitalising an imputed interest on equity capital. I will conclude by examining some of the major problem areas involved were such a policy to be implemented.

5.1 Proprietary vs Entity Theory

The proprietary theory of accounting views the enterprise as being owned by the proprietor himself. He is the centre of all accounting - all the assets are his, and the liabilities are his obligations, and any excess of assets over

Firm to negotiate with unregistered trade union men

RDM 18/9/81

189 ... 98/81

By STEVEN FRIEDMAN

A SUBSIDIARY of a major company has agreed to bargain with unregistered union representatives outside the official bargaining system in the metal industries — a move which is certain to add fuel to the growing controversy about the system

Trident Marine Services, a subsidiary of the Freight Services Group, on Wednesday recognised a worker committee formed by the unregistered General Workers Union at its Cape Town plant, which employs about 100 workers

Trident will negotiate all work conditions, including wages, with the committee — although it is covered by the Metal Industries' Industrial Council

The move comes when steel and engineering employers are discussing proposals to modify the council, to draw black union critics into it, and registered metal unions have given support to changes while stressing their backing for the councils

A union statement yesterday welcomed Trident's move and said the company's attitude "is to be commended to other employers in the engineering industry"

The General Workers Union had rejected registration in its present form and the company "has found it expedient in the interests of harmonious industrial relations to go outside the official system"

Negotiation

Trident said it had taken this step "in keeping with its stated policy of recognition of the workers' right to representation of their choice".

According to the two statements, the agreement provides for negotiations on wages, conditions of service, productivity improvements and training

It also includes a "mutually accepted" disputes procedure which will work outside the Industrial Conciliation Act and a grievance procedure negotiated between the two parties

The General Workers Union welcomed "the fact that the company has recognised the primary need for plant-level bargaining and the importance of mutually accepted structures at all levels of management-worker relations"

Freight Services, which owns Trident, is a member of the Stevedoring Employer Association which has recognised the General Workers Union at Cape Town, East London and Port Elizabeth harbours

Steel subsidies on the way out

RDM 18/9/81 (189)

By JOHN MULCAHY

WORLD steel prices will have to rise sharply this decade to compensate for a likely reduction in government subsidies, says Dr Tommy Muller, chairman of Iscor.

He told a South African German Chamber of Trade and Industries luncheon in Johannesburg yesterday it had become fashionable to subsidise industries to keep people employed

However, governments and industries had realised that this situation could not endure for much longer, and in Western Europe it had been said that subsidies would be phased out by 1985, which could only be done by putting up prices because costs remained high

Dr Muller said the Western world was in bad economic shape, and the steel industry was in an even worse state than the general economy, with most producers either running at losses or at unfavourable returns for shareholders

He forecast that within the next few years much of the steel-producing equipment now in operation would become obsolete, if only because of the pollution problem, and that the present glut of steel on the world market could become a shortage

South Africa, with its relatively low labour and power costs, and availability of raw materials, would then be in a position to "cash in" on the steel market.

It was exporting 25% to 30% of its steel production into unwilling markets, but the domestic market was growing and demand would eventually catch up with capacity, reducing low-profit exports

There was a gradual shift of steel production from developed countries to developing countries, in which category he included SA

He saw this as a natural development as Western Europe did not have raw materials, labour was expensive, and the concentrated population made pollution a serious problem.

US steel production was declining, and SA was selling "quite a lot" of steel in that country. UK production was also falling and West Germany's production was either static or declining marginally.

The increase in SA steel production over the past 10 years had been rapid, and output from countries such as South Korea, Taiwan, Brazil and Australia was also rising

This tendency was likely to continue, with more and more steel being produced by developing countries.

Engineering technology had become highly sophisticated in recent years, requiring high grades of steel, and producers were forced to improve their products.

He gave as an example the Sishen-Saldanha Bay railway line, where the South African Railways insisted on a particularly sophisticated alloy for the rail which Iscor was unable to produce and had to be imported

Dr Muller said SA was well equipped to deal with any reasonable demand that might arise in the next few years

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Many workless after Iscor labour dispute

Star 18/9/81

144 189 197 258

DURBAN — An undisclosed number of workers at Iscor's Newcastle plant have left their employment after a dispute over working hours

The publicity secretary of the Black Allied Workers Union (Bawu), Mr B E Khumalo, put the figure at 150

He said the workers were paid off because of their strike in protest over the introduction of new shifts

The issue that sparked this week's walkout was the rationalisation of shifts which were reduced from 18 to 12 a week This caused several redundancies

The works manager at Iscor, Mr C J van Vuuren, who disputed the number of workers who walked out, said the steps taken by his corporation were caused by prevailing economic conditions

Mr van Vuuren said that no one had been paid off but 98 had resigned and taken their discharge.

"There is a difference," he said.

"We tried to reallocate labour to other departments but the workers have been given contradictory and misleading statements This led to discontent with the result that the 98 took their discharge," Mr van Vuuren said

The rest of the labour force was continuing to work in the rod mill and in other departments

"There is a worldwide recession in steel The rod mill produces primarily for export but we have not had any orders for two months and we do not think any new orders will be forthcoming," said Mr van Vuuren

The mill had to run 24 hours a day because start-up time was four-and-a-half to five hours which meant that amount of time was lost each start-up day.

The only answer was two 12-hour shifts a day This was accepted by all except the 98 who had quit their jobs, Mr van Vuuren said.

Star 18/9/81

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Muller: Steel will go up

The world price of steel would rise considerably in the foreseeable future and South Africa would benefit from increased exports, Dr Tom Muller, chairman of Iscor said in Johannesburg yesterday

Addressing the South African-German Chamber of Trade and Industry, Dr Muller said

"The steel industry in Europe is in bad shape — even worse than most Western European economies"

The result was that most governments, even the West German Government, had been forced to subsidise national steel industries to ensure continued employment.

"But in due course the governments and the steel companies will conclude that subsidies cannot be paid out for ever

"They will have to put up their prices by considerable margins — and I don't mean by 10 or 15 percent"

Dr Muller said subsidies would probably be phased out by 1985

He also noted that the tendency had been for developing countries to increase steel production and for the older, developed countries to decrease production

In the United Kingdom production had declined from a yearly 23 million tons a few years ago to less than half that tonnage

The same tendency had been experienced in the US, which had increased United States imports from South Africa

"I believe the day will come that the developed countries will buy most of their steel from developing countries," Dr Muller said

MADISON ACADEMIC COMPUTING CENTER PROGRAM ...

THREATENED COMMUNITIES - BASIC HOUSEHOLD TABUL...

TAB 8-2 COLUMNS...CATEGORIES OF SORGHUM

	NONE	SOME	TOTAL	OTHER	MISSING
COUNT	33	101	134	9	314
PCT	24.63	75.37	100.00		

TAB 8-3 COLUMNS...CATEGORIES OF POTATOES

	NONE	SOME	TOTAL	OTHER	MISSING
COUNT	8	292	300	164	53
PCT	2.67	97.33	100.00		

TAB 8-4 COLUMNS...CATEGORIES OF BEANS

	NONE	SOME	TOTAL	OTHER	MISSING
COUNT	31	42	73	[illegible]	362
PCT	42.47	57.53	100.00		

TAB 8-5 COLUMNS...CATEGORIES OF OTHERCR

	NONE	SOME	TOTAL	OTHER	MISSING
COUNT	29	19	48	0	[illegible]
PCT	60.42	39.58	100.00		

LANDLOCK

189

Paying off

FM 18/9/81

Activities. *Industrial holding company with three divisions — product engineering, domestic appliances and wire processing Was listed in January 1981 via Amalgamated Laundries Directors control 49% of the equity*

Chairman: *E Ross*

Capital structure. *3,7m ordinaries of 50c, 300 000 variable conv red prefs of 50c Market capitalisation R13,7m*

Financial *Year to June 30 1981 Borrowings long- and medium-term, R3,3m, net short-term, R1,8m Debt equity ratio 54,6% Current ratio 1,4 Group cash flow R3,5m Capital commitments R39 000*

Share market. *Price 370c (1980-81 high, 430c, low, 73c, trading volume last quarter, 155 000 shares) Yields 22,8% on earnings, 9,5% on dividend Cover 2,4 PE ratio 4,4*

	'81
Return on cap (%)	25 7
Turnover (Rm)	23 6
Pre-tax profit (Rm)	3 5
Gross margin (%)	16 5
Earnings (c)	84 3
Dividends (c)	36
Net asset value (c)	245

The transformation of Amalgamated Laundries into Landlock paid dividends for shareholders And this year, judging by the 50% higher turnover anticipated by chairman Edward Ross, earnings will grow fast and another bumper dividend should be paid

Amalgamated Laundries had a sorry history, missing dividends for five years as earnings followed an erratic path But since July last year the company has been changed into an industrial holding company with three main operating areas producing a return on equity of 34,4% compared with 19% in 1980

The largest contributor to this turnaround is the wire processing division, both Northern Metal and Wireco reported strong earnings growth In addition, the appliances arm has recovered while product engineering operations will be boosted this year by the April 1981 acquisition of Lasch for R3m

In financial 1981 Landlock paid little tax The 12% charge resulted from border area allowances and capex offsets This low rate will not continue for long and Landlock has structured its dividend policy on the assumption of normal tax So the full benefit of the favourable rate has not been passed on to shareholders and the dividend trend will not be subject to sharp swings

Funding of Landlock on the basis of group cash flow forecasts is adequate, says Ross In financial 1981 total borrowings were R5,1m — a debt equity ratio of 55% Cover on financial service costs was a comfortable 9,6 times, which gives plenty of scope for additional borrowings Management's target is that long-term liabilities should be kept within 60% of shareholders' funds Last year the ratio was 36%

This year's turnover estimate would allow earnings to grow at least 30% to 110c without any acquisitions Dividend cover would be reduced as tax rises, so it would not be unrealistic to expect a dividend of at least 48c This places the share, at 370c, on a 12,7% prospective yield, which is a good buy in current market conditions

Des Kilalea

Strikers fired and company 'closes'

A WYNBERG firm Poolquip has fired its entire workforce after a strike and told workers it is closing down, a Fosatu spokesman claimed yesterday. But he said workers doubted this as management had said it would re-hire workers on Monday.

Labour Reporter

A Fosatu workers spokesman said the workers — about 90 — were fired after a stoppage on Tuesday and Wednesday in protest at the retrenchment of workers and disbanding of their works committee.

He claimed that the retrenchments had been carried out in violation of an industrial council agreement and said some of them were members of the project, which aims to organise workers and then channel them to Fosatu unions.

Petition

Attempts to reach the company's managing director for comment were unsuccessful yesterday.

The Fosatu spokesman, Mr Aaron Thlobejane, said Poolquip workers had signed a petition in August asking for the establishment of an official works committee.

He said the company had agreed and a committee had been elected.

However he alleged that when workers asked for additional copies of the committee's constitution, management had refused.

The company had then disbanded the works committee, a move which angered workers.

Last week some of the workers were retrenched.

"The other workers refused to accept this and they were sent home early on Tuesday. But on Wednesday they were told that they were all being fired and that the company was closing.

"We are not sure about the closing down story as management has said that any worker who wants to continue working can claim his job back on Monday," Mr Thlobejane said.

SOWETAN 18/9/81

AN undisclosed number of workers at Iscor's Newcastle plant were yesterday paid off following industrial unrest which had recently swept at least two major Northern Natal industries.

The publicity secretary of the unregistered Black Allied Workers Union (BAWU), Mr B E Khumalo, who put the figure at 150, said the workers were paid off because of their strike action in protest over the introduction of new working hours.

The issue that sparked the walkout this week was said to be the rationalisation of shifts which were reduced from 18 to 12 a week resulting in a number of redundancies.

The works manager at Iscor Mr C J van Vuuren who disputed the number of workers who walked out, describing it as "an exaggeration", said the steps taken by his corporation were necessitated because of the prevailing "economic conditions".

The reason for their going was that working hours on the rod mill had been changed from 18 shifts a week to 12 shifts a week. These were being worked on the basis of two 12-hour shifts a day four days a week, he said.

"We tried to reallocate labour to other departments but the people have been fed contradictory and misleading statements which led to discontent with the result that the 98 took their discharge."

Mr Khumalo said he was not aware of the new arrangement being negotiated with the workers of the Industrial Council, as Iscor claims.

Meanwhile at Dunlop's Ladysmith plant where, according to Bawu's president Mr M K Khumalo, about 200 workers had downed tools in a little more than a week over a pay demands, the dispute remains unresolved.

SM 10/9/87

Boksburg strike is over

183

Eight dismissed workers have been reinstated and their workload reduced after a strike by the 130-strong workforce at Mine Steel Products, Boksburg.

The dispute began when pairs of workers were required to carry 80 kg boxes of sand to the moulding line, instead of the 42 kg boxes previously used, said a spokesman for the Metal and Allied Workers Union (Mawu).

When four workers refused to carry the boxes — saying that extra hands were needed — they were dismissed, the spokesman said. Replacement workers were dismissed in similar circumstances and, on Wednesday morning, the workforce downed tools.

The spokesman said the strike ended four hours after the reinstatement.

Elma is booming on the Natal coast

S Times 20/9/81 189

By Vera Beljakova

A LARGE engineering group is emerging on the Natal coast in the wake of a major expansion in the sugar milling sector

Substantial orders have boosted the turnover of the former Glen Anil Elma Engineering group to at least R3-million.

When the group's office block and machine shop are finished next year it will have assets of some R10-million

Elma, little known outside the construction and sugar industries, is now one of the largest structural steel contractors in Natal — with a large mechanical division

The company's rapid growth reflects the expansion programmes in the sugar industry

It was partly responsible for the construction of five cane diffusion plants, and is presently contracted out for work worth about R2-million on two plants at Sezela

Elma was also recently involved in extensions to the Illovo sugar mill — possibly the most modern in the southern hemisphere — comprising a crystalising plant, juice heaters and conveyance systems, a depithing plant extension and a sugar store at Gledhow

The company is now also involved in the construction of a new Putco bus depot, an Edgar's Stores' factory and warehouse at Tongaat, boiler structures and boiler houses at Noodsberg and Umzimkulu and a grandstand roof at the Clairwood Turf Club's racecourse

Elma has expanded into new workshops covering some 5 500 square metres and is completing a new machine shop and storers

Increase in steel price wanted

S. Express 20/9/81

189

By ARNOLD DAVID

WHILE the public and consumers have been shaken by a series of hefty steel price increases during the past few years, steel producers say inflation is still beating them hands down and they would like another increase this year

Nols Olivier, Iscor's divisional general manager (steel marketing), says the last steel price increase granted was, the producers feel, not nearly enough and was a lot lower than asked for

Olivier points out that steelmakers appreciated the Government's concern and desire to fight inflation, but rapidly soaring costs were proving to be a major headache

'The cost of our inputs has risen by more than the inflation rate in the last years' he says

"Coking coal, which we buy from a private mine, has risen by 24%, rail tariffs on raw materials by 16% following a 21% hike last year; refractory material by 10% and labour by nearly 16%

"Those commodities account for more than half our input costs and on average are 17% more expensive than they were 12 months ago"

Olivier points out that had productivity in the group not grown by 6% a year during the past few years, Iscor could have found itself in serious difficulties

In addition to its concern over price levels, Iscor is also unhappy about the system of allowing one large hike in the steel price around the middle of the year

Olivier says "This system has been used for the past three years and is so predictable that it leads to large purchases in the second quarter by people who want to stock up at the lower prices

"This leads to a 25% drop in demand in the fourth quarter All steel producers are most unhappy about this state of affairs and we would rather have a number of small increases throughout the year This would keep the demand flow constant"

However, despite pricing problems, the local steel market is in reasonable shape

[illegible]

[illegible] walked off the job yesterday.

Management refused to comment but the union spokesman said the strike appeared to be a sequel to a work stoppage in the [illegible] last Friday. This had been sparked by the dismissal of a worker after a fight involving a white foreman.

Management had agreed to review the dismissal and workers had clocked in as usual yesterday. Shortly afterwards, all [illegible]

[illegible] about [illegible]

A company spokesman said the strike had been the result of a "misunderstanding." Talks with worker representatives were under way.

O About [illegible] workers at [illegible] plant in Uitenhage today continued their boycott of the company's canteen as management held further talks with union officials.

The boycott which started last Wednesday, involves Volkswagen's entire black and coloured work force who are dissatisfied with the use of the giant catering firm, Fedics, to operate the canteen.

ADVISORY

Workers apparently fear canteen staff will be laid off and prices for meals will be increased as a result of the catering firm's presence.

But a Volkswagen spokesman told The Star that Fedics was taken on solely in an "advisory" capacity.

He said workers were told that canteen staff would not lose their jobs and rumours that meal prices would increase to 60c a plate were "unfounded."

O The Star's Durban correspondent reports that about 150 workers today downed tools at a Stocaker construction site in Sarnia, in a dispute over wages.

A spokesman for the firm said the dispute was over a wage increase which had been granted last week.

Workers felt that it was unsatisfactory but had not discussed the matter with management since stopping work today.

'Unequal treatment' strike at Anglo plant settled

Star 23/9/87 (18)

The strike by about 2 600 metal workers at Anglo American's Scaw Metals Plant, in Wadeville has been settled

All departments at the factory struck on Monday in protest against what workers saw as "unequal treatment" accorded a black worker who was dismissed last week after a fight with a white colleague

The company agreed to reinstate the dismissed worker, said a spokesman for the Metal and Allied Workers' Union, and the worker force clocked in as usual yesterday morning

At National Spring Manufacturers, also in Wadeville, where more than 300 workers returned to work on Monday after a two-day strike, the workforce has voted to ban all over-time until its demands are met

The workers have asked for the recognition of the Metal and Allied Workers Union and of shop-stewards at the plant, as well as the reinstatement of two colleagues whose dismissal triggered the strike

ADuca NES

1. La ... fo ... ustoms
2. W ... fic ... req ... g cash ... re not
3. Ins ... plu ... value
4. Dis ... showrooms in the zone and have buyers inspect and sample merchandise before purchasing and paying duty.
5. Accept orders for goods in a zone before payment of duty or excise tax, if such tax is applicable.
6. Process, assemble, or otherwise manipulate goods to qualify for lower duty and/or lower freight charges
7. Alter or modify goods on the spot to meet requirements of U S Government or state agencies (rather than at distant foreign manufacturing locations).
8. Relabel or remark merchandise to avoid fines assessed on improperly marked goods reaching customs territory (A firm may withdraw a sample of its goods and submit it to U S Customs to learn how the product will be identified for duty purposes, thus avoiding later differences of opinion)
9. For imported items subject to U S quotas, hold merchandise at no penalty until the next quota period
10. Assemble or process quota-restricted goods into products not subject to quota limitations
11. When manufacturing in an FTZ, choose the most advantageous type of duty or quota limitation
12. Salvage or repair damaged goods duty and quota free
13. Pay no duty on items that have suffered damage
14. Stockpile, free of duty, supplies for use
15. Store goods indefinitely to await the best market conditions
16. If the U S market proves unsuitable or unreceptive to goods, remove them duty free and ship them elsewhere
17. Take advantage of FTZs' round-the-clock security to minimize security costs and concern
18. Transfer certain bonded merchandise to a zone for subsequent export, cancelling the bond or time limit applicable
19. Borrow on goods stored in an FTZ by use of negotiable warehouse receipts
20. Ship merchandise worth under $250 from a zone and pay applicable duty with minimum formalities
21. Avoid posting bond for missing documents by keeping merchandise in a zone while documents are located [11]

Contract for plant

(189)
Star 23/9/87
(42)

D M Weatherly of Atlanta, engineers and builders of process plants serving the fertiliser industry, in conjunction with Mitchell Cotts Projects, a company in the engineering division of Mitchell Cotts, have been awarded a contract by Managed Construction Services for the supply of a granulation plant at Triomf Fertiliser's Richards Bay factory.

The contract is turnkey covering design, engineering, supply, construction and erection, operator training, commissioning and performance testing.

The plant is designed to produce 100 tons an hour of high concentration NPK fertilisers, di-ammonium phosphate and mono-ammonium phosphate.

2 200 (189)

Striking workers return to work

By RIAAN DE VILLIERS

A STRIKE by more than 2 000 black workers at Anglo American's giant Scaw Metals plant in Wadeville has ended following a decision by management to reinstate a black worker who was fired after assaulting a white

A company spokesman said yesterday all 2 200 of the workers returned to work on Monday night The work stoppage started in one department on Friday and spread to the rest of the plant on Monday

It followed an incident in which a black worker assaulted a white worker who had verbally abused him

After an inquiry the white worker was suspended and the black worker dismissed

Biased

The decision was interpreted by the black work force as being racially biased and this led to the stoppage, the spokesman said

After consultations with the workers, management agreed to re employ the black worker and to give him the same punishment as the white

This decision was accepted by the black workers who then returned to work, he said

This was confirmed yesterday by a spokesman for the Metal and Allied Workers Union, who said workers had demanded that the two workers receive the same punishment

The union claims a membership of 1 600 at the plant

He said the union would meet with management soon to discuss demands by the workers that the union be recognised, that the liaison comittee be scrapped and that management should discuss grievances with the union shop stewards' committee instead

Management had indicated it would not recognise the union outside the Industrial Council structure, but it seemed it might be prepared to deal with the shop stewards committee, he added

The company spokesman declined to comment on this

Conditions

The union spokesman also confirmed that all workers had returned to work at National Springs, another Wadeville firm after striking on Friday and Monday

But he said workers had decided not to work overtime until certain conditions had been met

One of them was that the company review the dismissal of two workers which sparked off the strike

A company spokesman said management had had discussions with the union and would have further discussions with it and worker representatives

CHAP

CAPITALISING IMPUTED ... PITAL

Financial accounting is su ... economic
realities of a business.[1] ... measure-
ments cannot be entirely c ... ic princi-
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Anthony feels that this cc ... ed.[3]

In this chapter I propose ... e Proprie-
tary and Entity theories o ... en to high-
light various of the argum ... ainst
capitalising an imputed ir ... ital. I
will conclude by examining ... roblem areas
involved were such a polic ... .

IFM lifts earnings by 89%

RDM 24/9/81

189

Deputy Financial Editor

NUT, bolt, rivet and screw maker, IFM Group, reports an 89% earnings increase in the year to June but, because of a tight balance sheet, only met its pre-listing dividend forecast

IFM lifted sales 39%, pre-tax profit 72% to R4 679 000 and taxed attributable profit 105% to R3 417 000 Earnings a share were 51,1c (27c)

A final dividend of 4c has been declared, making the promised 12c for the year.

In holding the dividend to this level, the group has stepped up dividend cover to 4,25 from 2,25.

The chairman, Mr Max Borkhum, says cover was lifted because the group was overgeared after rapid expansion. He said IFM had achieved a 63% compound growth rate over the six years of its existence.

According to Mr Borkhum, IFM bought equipment for more than R2-million in the last quarter and this pushed the debt:equity ratio to 1,1 to 1 Had the equipment been bought earlier in the financial year, cash flow would have reduced gearing to more acceptable levels.

In the prelisting statement, the group said cover would be held at 2.

Mr Borkhum said business in industrial fasteners was booming He said 63% annual growth could not be maintained but was confident growth would continue to be respectable

A balance sheet will be released in two weeks.

COMMENT: A balance sheet is needed for a proper reaction to the result and increased dividend cover. If shareholders are not to squeal about higher cover, they will want conclusive proof that return on capital exceeds the return they can earn on foregone dividends. One would like to see net cash flow related to net debt and the level of interest cover to assess the liquidity situation.

What's disturbing is that the share price came off to 30c to 250c ahead of these results. At the current price the share yields a rather thin looking 4,8%.

5.1 Proprietary vs Entity Theory

The proprietary theory of accounting views the enterprise as being owned by the proprietor himself. He is the centre of all accounting - all the assets are his, and the liabilities are his obligations, and any excess of assets over

Draft

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Foreign Policy Study Fou ...

THE DEMOGRAPHIC, DEMAND ... TITUTIONAL CONTEXT

OF AFRICAN UNEMPLOYMENT ... 1960 - 1980

Earlier work of mine sou ... extent of unemployment/
underemployment in South ... 1978a) and to investi-
gate the situation of une ... (Simkins, 1978b).
This study seeks to build ... rk by considering
African unemployment in t ... distribution of the
African population and of ... t between the four
region types that go to ma ... a: metropolitan
areas, other towns in 'whi ... 'white' rural areas
and 'homelands'. These c ... of course, con-
ditioned by state policy; ... ched on at several
points in the study and di ... etail when it comes
to the functioning of the ... African labour
market. The study will a ... ef discussion of the
effect of American involve ... African economy on
African unemployment.

The distribution of the Af ... by age, sex and
region-type, 1960, 1970 an ...

I have recently completed ... estimating the
distribution of the Africa ... ge, sex and region-
type (Simkins, 1980). Th ... updated in the light
of forthcoming information ... ant of which is the
1980 Population Census; n ... resent results are

Claude Neon's future glows

Star 25/9/81

189

Claude Neon Lights has started the new financial year with a full order book and prospects for improved profits are good.

Tighter fiscal and monetary policies designed to combat inflation are expected to slow down the general level of activity in the country and therefore the company's profit growth rate is expected to be lower than in the year to June 30 last, the chairman, Mr D Royston tells shareholders in his annual report.

Consolidated operating profit rose to R3 858 000 (R3 198 000) and, after adding other income and deducting expenses, pretax profit was R743 000 higher at R3 802 000 — a 24 percent increase.

After deducting taxation of R1 600 000 (R1 260 000) and unchanged preference dividends of R22 000, attributable profit was R2 180 000 (R1 777 000), equivalent to earnings of 39c (31c) a share.

The company achieved record sales which resulted in its major asset — sign contracts — increasing in value by R1 337 000 to R9 240 000. Cash flow was more than sufficient to finance this growth.

Referring to the serious problem of inflation, Mr Royston points out that it was only because of strict cost control and unit-cost savings flowing from increased production levels that the company's profit was not adversely affected.

He continues: "The shortage of skills and the concomitant rapid wage and salary increases, to which there seem to be no short-term solutions, are particularly worrying." — Sapa

Berzack's profit — 'high cover'

By SUSAN DALLAS

BERZACK Brothers Holdings, the textile machine, plastic and electric cable suppliers attributes its record 94% surge in pre-tax profit in the year to June 1981 to its policy of high dividend cover

Taxed profit was 91% higher at R9 857 000 from R5 156 000 in 1980 while pre-tax profit almost doubled to R16 007 000

On earnings a share of 824,3c (1980 431c), the total dividend payment of 55c (29c) reached an all-time high of 15 after being above 14,7 since 1978

In the annual report, the chairman Mr Maurice Berzack said the board was convinced the "extraordinary growth in the profits, size and asset base of the group, together with its resultant vast untapped borrowing power, would not have been possible without its policy of high dividend cover"

Two properties for use by the plastics division were bought without mortgage finance thanks to the "substantial ploughback of earnings over the past years and the resultant liquidity"

"The board sees scope for further self-financed expansion leading to continued high growth rates and therefore intends to continue with its proven and stated policy of generating growth from internal financing"

According to the report, the group has prepared for a downturn in the economy and expects its profitability will not be affected

A shortage of trained technical staff is said to have hampered the clothing industry from taking full advantage of a flood of orders for machinery

A significant profit is expected from the electric cable division in the current year thanks to a predicted increase in demand

The company repaid mortgage bonds on its property interests rather than face the increase in mortgage interest rates

A confirming house business, Bivec Confirming which was formed towards the end of the financial year, achieved a break-even position despite only trading for three months

FRASER ALEXANDER

189

Broader base

FM 25|9|81

Activities: *Engineering group involved in recovery of tailings from mining and industrial wastes, earthmoving and manufacture of concrete pipes Owns approximately 19% of Marlin*
Chairman. *P B Gain*
Capital structure: *8,5m ordinaries of 1c, 1,5m deferred shares of 1c, 800 000 10% cum red prefs of R1 Market capitalisation R8,8m*
Financial: *Year to May 31 1981 Borrowings long- and medium-term, R510 000 Net cash R693 000 Debt equity ratio 34,1% Current ratio 1,5 Cash flow R2m Capital commitments R1,65m*
Share market: *Price 103c (1980-81 high, 183c, low, 65c, trading volume last quarter, 518 000 shares) Yields 22,4% on earnings, 10,7% on dividend Cover 2,1 PE ratio 4,5*

In the first year of operation since its reconstitution, Fralex has turned in encouraging results, easily beating the 11,7c a share forecast in the transmuted listing statement The group, listed in January this year through the Satmar cash shell, has contracts with mining houses for the design, construction and recovery of slimes dams

	'81
Return on cap (%)	42,6
Turnover (Rm)	16,1
Pre-tax profit (Rm)	3 3
Gross margin (%)	20,4
Earnings (c)	23 1
Dividends (c)	11
Net asset value (c)	53

Taxed profit was almost R2m — ahead of expectations and nearly three times the R695 000 reported for financial 1980 That, however, included a one-off loss incurred on starting up the concrete pipe operation Slimes dams operations contributed R1,1m, or 54%, of overall taxed profit Although this remains the most important area of the company's business — Fralex is the country's largest contractor in this field — the road and earthworks division performed extremely well last year, altering profit split Contributions from this source shot up from 5,3% to 44%

The new concrete division made R33 000 profit after suffering a R303 000 start-up loss the previous year

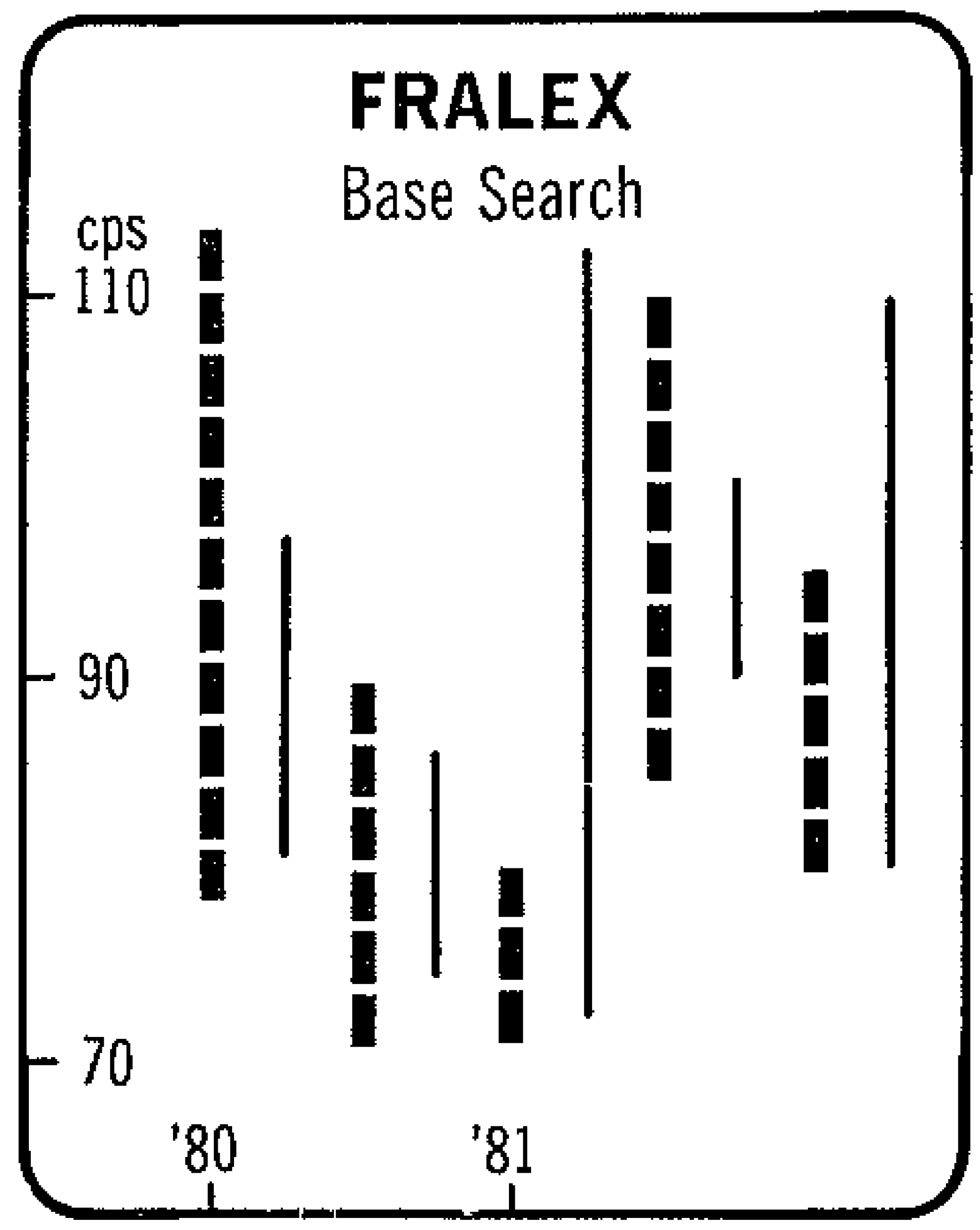
The group performs consultancy work overseas and is known to be interested in tendering for further foreign business If the gold price holds up and if dumps are treated on the company's own account, this could become an important profit source At this stage, however, the possibility seems fairly remote

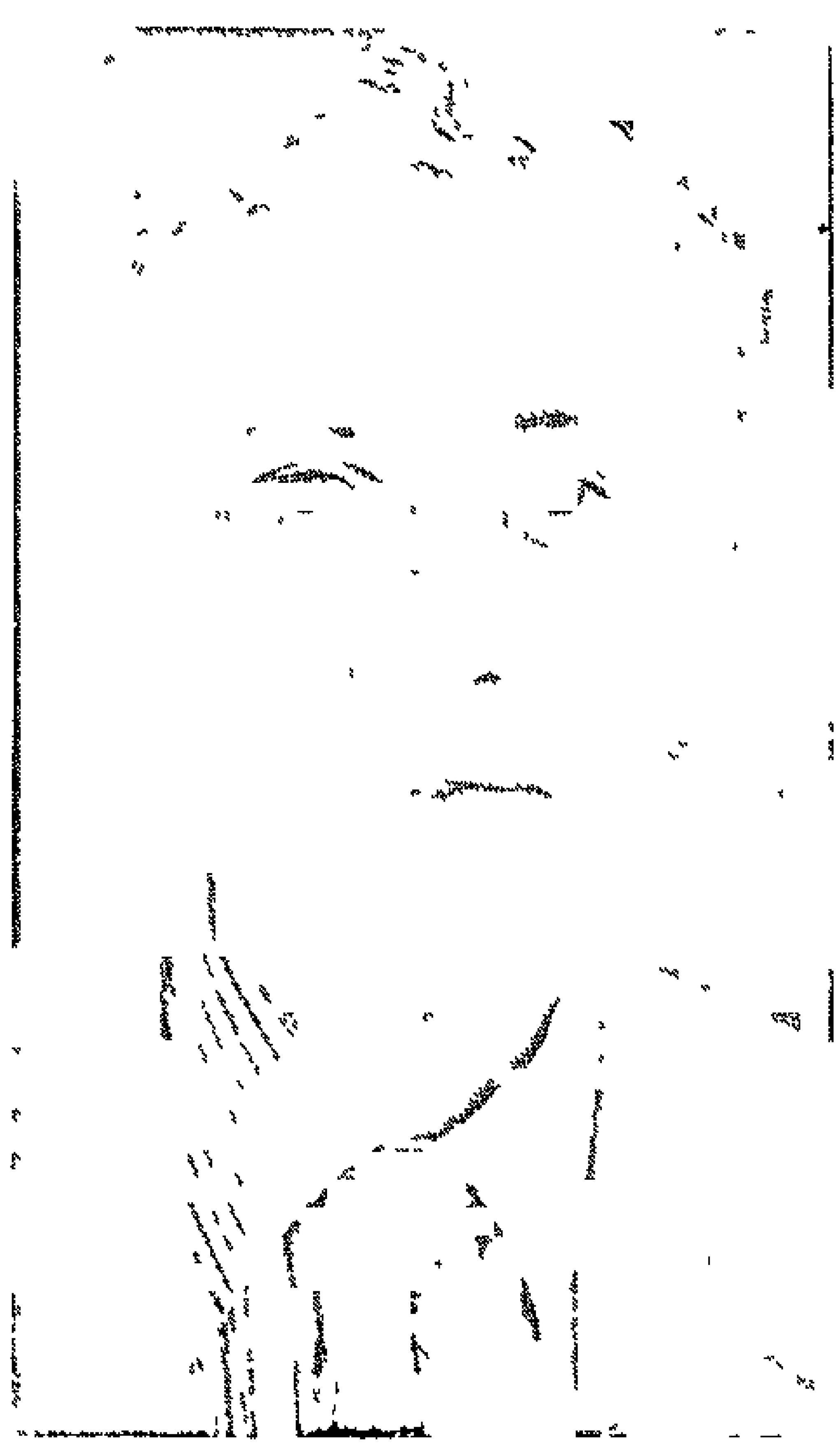
The acquisition of a controlling interest in granite producer Marlin in May this year allowed the company to broaden its operating base and boost earnings and dividends Chairman Peter Gain intends to keep Marlin listed, though I believe Fralex may want to increase its stake to as high as 85%.

Gain says he is confident considerable benefits will flow from synergy between Fralex and Marlin He says it should be possible to maintain the 11c dividend this year, despite the increased share capital and the conversion of the deferred ords, next year

That forecast is probably conservative, as earnings in 1982 could depend on any additional stake Fralex may take in Marlin. Certainly the strategy is to make it a subsidiary The offer is 170 Fralex for 100 Marlin shares or 185c cash for each Marlin share Gain's track record suggests switching into Fralex may be the most inviting option

Chris Wilson





Fralex's Gain ... looking sharply

QUINCOR

(189)

Looking for growth

FM 25/9/81

Activities· *Manufactures metal products including supplies for the building industry, office furniture and cookware Owns Hendler & Hendler Holdings*
Chairman. *H R Meyerson, managing director G J de Jager*
Capital structure. *12m ordinaries of 50c, 2,9m 10% convertible cum red prefs of 50c Market capitalisation R14,6m*
Financial· *16 months to June 28 1981 Borrowings long- and medium-term, R3m, net short-term, R600 000 Debt equity ratio 22,4% Current ratio 2,2 Net cash flow R4,2m Capital commitments R1,7m*
Share market: *Price 122c (1980-81 high, 160c, low, 80c, trading volume last quarter, 634 000 shares) Yields * 23,2% on earnings, * 3,3% on dividend Cover 6,9 PE ratio * 4,3*

	† '80	'81
Return on cap (%)	4,3	* 19 9
Turnover (Rm)	—	47,0
Pre-tax profit (R 000)	77	6 574
Gross margin (%)	—	15,4
Earnings (c)	1,1	34,6
Dividends (c)	—	5
Net asset value (c)	44	134

* Annualised † Eight months

Quincor was converted from a cash shell in December last year so profit figures for previous years are of little value To further cloud the issue, the directors say the results for the 16 months to June 28 are representative of trading for a "normal" financial year

Hendlers has been part of the group since May 25 last year and pot manufacturer Duraware — formerly Domani — was acquired this March Thus, Quincor's results include Hendler's for 13 months and Duraware for only four months Had the accounting period been 12 months and not 16 and had a full year's earnings from both Hendler and Duraware been included, group pre-tax profit would have been close to the R4,3m earned, according to the directors

Duraware has been absorbed into the stainless steel division and profits from this source will in future be separated But Hendler has performed according to the directors' expectations The transmuted listing statement — published earlier in the year — forecast that Hendler would earn at least R4m after tax in the 12 months to May 27 Chairman Hymie Meyerson says the company marginally exceeded this target In addition, the directors say group turnover was increased 35,2% over Hendlers' sales of R34,7m the previous year

Meyerson says, earnings from Duraware — formerly a lossmaker — were in the region of R160 000, while interest on group cash resources boosted overall pre-tax income by roughly R100 000 to a total of almost R6,6m

Profit was helped by a relatively low 33,8% tax rate The directors say the reduced rate reflects the effect of the group's export drive, as well as investment and other allowances The acquisition of Duraware brought with it an assessed tax loss of R4,5m, which means the company will enjoy a favourable tax situation for several years

From earnings of 34,3c a share, the company declared a maiden dividend of 5c, covered an ultra-conservative 6,9 times Capital commitments amount to R1,7m, which the group intends to invest in new plant and fixed property Even so the current high level of cover seems excessive, particularly in view of the strong financial position and low gearing Meyerson says, however, that cover is likely to be cut to "around two times" by the end of the current year

One reason for the high level of retentions may be that the group has further aquisitions in mind. Meyerson is non-commital but there should be no difficulty in financing expansion

At 112c, the share yields an annualised 3,3% on dividend — 3,2 percentage points below the engineering sector average of 6,5% That reflects the market's view on the share's speculative attractions Forecasting for the current year is probably a wasteful exercise as prospects could change radically with further acquisitions

Chris Wilson

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 stationery 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 diesel 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 uncertaintyu about the future of our manufacturing activities" until 1980 when a partical 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

S Times
27/9/81
~~142~~ 189 ~~63~~

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 latest 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 adminstration complex in Elandsfontein, Johannesburg

SUNDAY TRIBUNE, SEPTEMBER 27, 1981

Steel industry is still in good shape

S. Tribune 27/9/81

(189)

FINANCE CORRESPONDENT

SOUTH Africa's steel industry seems to be in pretty good shape, compared with the industry in other parts of the world.

Dr Tommy Muller, chairman of Iscor, says the industry, world-wide, is at such a low ebb in most countries that governments are having to subsidise it.

This is happening even in West Germany, where the government is having to subsidise the local industry "reluctantly," merely to enable it to compete with steel produced in other EEC countries and exported to Germany.

Nols Olivier, Iscor's divisional general manager, steel marketing, says there has been a levelling off of local demand after the euphoric days of fiscal 1980, when steel consumption in South Africa jumped by 25 percent to a record usage of 4,9-million tons

This levelling off process is now ending and there will be a 3,5 percent drop in fiscal 1982

"That won't be serious at all, because we are expecting positive growth again in fiscal 1983," says Olivier.

In 1981 — our financial year ends on June 30 — the consumption of steel in South Africa rose by another 5 percent to bring usage to 5,1-million tons, the highest in history

"The 3,5 percent drop we are expecting will reduce consumption to 4,973-million tons, which is still marginally more than we sold as an industry in South Africa in 1980."

Olivier says that it was originally forecast that there would be a 2,5 percent decrease in consumption, but the high interest rates were not taken into account in that forecast.

They have led to a number of investment programmes in which steel would have been used being deferred

"Even the 3,5 percent decrease is neither here nor there and will do nothing to our model which suggests an average annual increase of 5 percent in steel consumption for the next 10 years," Olivier says.

"We believe there will be real positive growth for the next three or four years after fiscal 1983."

What probably pleases him more than the growth and comparatively healthy state of the local market is that Iscor has maintained its market share of 75 percent of the local market "since 1970."

The mysticism behind that date was that Highveld Steel became a major force on the market in that year.

Iscor, he says, is producing about 3,3 times as much steel as the private sector industry in South Africa. Its growth since its foundation in 1934, measured in raw steel, was 127 000 tons produced that year, 284 000 tons in 1941, 457 000 in 1945, 2-million tons in 1961, 3,48-million a decade later and 6,86-million tons last year.

Olivier says that Iscor exported more steel in the past two years than the private sector industry sold both here and abroad.

"In 1970 we established a new record when we sold 1,7-million tons of Iscor steel abroad That brought R450-million of foreign exchange into the country's coffers," he says

"In fiscal 1981, because of the economic downturn abroad, our exports dropped to 1,2-million tons which erned R320-million in foreign currency

"The weakening of the rand against the dollar has helped us to get business since August. In addition, there are signs of a revival in the economies of some European countries, the US and the Middle East, which means that we are now setting our sights on pushing our exports up to 1,7-million tons again."

Olivier says the strategy is to reduce steel exports to about 10 percent of production — this, to service traditional clients.

Export is at present running at about 30 percent of production. The extra 20 percent is a sort of piggy bank As local demand increases, the amount of steel available for export will decrease.

The corporation has not decreased its production in sympathy with the drop in local and export demand. It is still producing steel and stockpiling the surplus in semi form, to be able to cope with the next upswing in the economy.

analysts who are far l[...] [...]nancial analysis. Furthermore, footnote [...] [...]th Africa would be subject to audit, but [...] [...]losure would not. This approach could cr[...] [...]nvironment which could encourage direct[...] [...] objectives".

Finally, reference to [...] [...]e equity method overseas yields the fo[...]

TABLE 4. ADOPTION OF TH[...]

	COMPANIES WITH ASSOCIATES	ADOPTION OF THE EQUITY METHOD	PERCENTAGE.
UNITED KINGDOM (1978 - 9) (29)	233	198	85
NEW ZEALAND (1980) (30)*	172	99	57
WORLD SURVEY (1980) (31)	113	73	65

*In the New Zealand survey, a number of companies (omitted from Table 4) made no reference to associated companies. It appears from the survey that most of these particular surveyed companies had investments not qualifying as associated companies. There are at present no percentages available in the U.S.A. although

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Monis & Fattis' fatter earnings

RDM 29/9/81

29/9/81

Financial Reporter

MONIS & Fattis Industries, spaghetti makers to the nation, rode the boom to achieve 152% earnings growth in the six months to end July.

The independent pasta maker lifted sales 25% to R20 141 000, pre-tax profit 96,5% to R1 525 000 and taxed attributable profit 152% to R701 000. Earnings a share were 24,9c (1980 9,9c)

The directors says the improvement is largely due to prevailing economic conditions, but the flour milling and bakery divisions showed particular improvement

They say higher interest rates are a problem but expect "satisfactory" results for the second half They remind holders that a larger portion of investment income comes in the second half

Durban strike hits ships

Labour Correspondent

A WILDCAT strike yesterday by stevedores employed by South African Stevedores Company (Sassco) could affect as many as half the vessels shipping and discharging in Durban Harbour

At least one ship has decided to "cut and run" and instead of returning from the container terminal to her berth at Maydon Wharf, the ship was yesterday sailing for Richards Bay

Shipping sources could not confirm the number of stevedores involved nor give details of the strikers' demands

No-one at Sassco was available for comment

Meanwhile, black workers at Power Steel Construction in Wadeville returned to work yesterday afternoon after striking since Friday

The firm is the third metal plant in Wadeville to be hit by strike action within a week.

A spokesman for the Metal and Allied Workers' Union said yesterday the strike was sparked off when a foreman fired a worker after a quarrel last Thursday.

27/9/81

Globe hopes for maintained profit

WORK in progress at Globe Engineering Works is at a high level and this should result in satisfactory operating profits for the first half of the current year, but a slackening in the economy's growth is likely to affect market opportunities

By JOHN MULCAHY

Globe's chairman, Mr R J Hamilton, says in the annual report results for the full year are less clear but dividend income as a result of new investments is expected to be substantially higher and this should ensure the past year's taxed profit is at least maintained

Mr Hamilton says Globe secured a satisfactory share of the marine, industrial and electrical markets in which it operates

The marine market was adversely affected by recessionary conditions overseas, but the industrial and electrical divisions benefited from the buoyant local conditions

Globe's operating profit was adversely affected by two factors, says Mr Hamilton Firstly, the reduced consumption of oil overseas and the deepening of the Suez Canal combined to reduce severely the number of larger tankers undertaking repairs in South African ports

Secondly, a large contract was in progress at the year-end, and turnover and profit on this will only be taken into account when the contract is completed in the current year (It is a major reconstruction contract on the M V Cambridgeshire, which was won against competition against European and Far Eastern yards

Mr Hamilton says there was a decline in work from the mining industry in South West Africa because of the drop in base metal and mineral prices overseas, affecting the profits of Gearing (Pty) in Walvis Bay, but this was counterbalanced by an increase in the profitability of marine activities

400 metal workers strike in Boksburg

Star
29/9/81

189

1/1

52

In the latest outbreak of labour unrest on the East Rand, about 400 metal workers at the Dorbyl Railway Products plant in Boksburg went on strike yesterday

Management could not be contacted, but a spokesman for Fosatu's Metal and Allied Workers Union (Mawu) said the workers were demanding a 60 cents across the board increase in their hourly wage Most workers earned in the region of R1,18, he claimed

The demand was first raised early this month by Mawu shop stewards, but was turned down A brief work-stoppage took place on the issue last Friday.

Workers clocked in as normal yesterday morning, then refused to leave the change-rooms, said the spokesman He added that all the men were back on the job in the afternoon, and that management had agreed to reopen negotiations today with union officials and stewards

The East Rand has been hit by a succession of strikes for wage increases over and above the recent industrial council award

In June, about 1 000 workers at two Dorbyl motor component plants in Uitenhage were fired after striking in support of a R2 minimum wage

Flekser Steel sold

Lucem Holdings has announced that its steel subsidiary, Flekser Steel Holdings, has sold its merchandising operation to Macsteel with a net cash injection into Flekser of R7-million.

"This deal furthers the long-term objective of the Flekser group of concentrating activities more and more on steel servicing and processing and the manufacture of steel products," said a spokesman for Lucem Holdings in a statement released yesterday.

500 workers strike over dismissal

Sowetan 29/9/81

~~152~~ ~~1104~~ 189

MORE than 500 workers went on strike yesterday at Power Steel in Wadeville, Germiston, demanding the reinstatement of a colleague they claim has been unfairly dismissed.

By SELLO RABOTHATA

Mr Moses Mayekiso, organiser of the Metal and Allied Workers' Union (Mawu), of which sixty percent of the workers are members, said the trouble at the factory started on Friday, last week

Mr Mayekiso said: "The employees decided to down tools after the dismissal of a colleague by a foreman who accused him of not greeting him (the foreman) in the morning

"The worker is said not to have greeted the foreman in the morning and when the foreman asked him why he did not greet, the worker apologised and told the foreman that he had not seen him He was later called to the office and told that he was fired," he said

Mr Mayekiso said the other workers had then decided to go on strike demanding the reinstatement of the dismissed worker as they felt that it was unfair to dismiss a worker for not greeting

Mr Mayekiso said MAWU officials were due to meet management later in the afternoon yesterday to settle the dispute

SOWETAN could yesterday not get a comment from management as the spokesman, a Mr Phrolip, was said not to be in

500 workers strike over dismissal

Sowetan 29/9/86

~~152~~ ~~14CA~~ ~~189~~ 189

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Mr Mayekiso said MAWU officials were due to meet management later in the afternoon yesterday to settle the dispute.

SOWETAN could yesterday not get a comment from management as the spokesman, a Mr Philip, was said not to be in.

STAR 30/9/81 (189)

Steelmetals hope to better record profit

Despite several negative economic factors, it is expected that Steelmetals — the Anglovaal group's engineering supplier and contractor, will ". . perform soundly in the current year and that profit will again improve," chairman Mr J C Robbertze states in his review for the year ended June 30.

As at July 1, outstanding orders amounted to R35-million, which was R10-million higher than the figure a year ago while the order intake for July and August was more than R15-million.

The company again benefited from the high level of fixed investment. Demand for both capital and non-capital goods was buoyant and consolidated turnover increased by 25 percent to R61 647 000 (1979/80, R49 200 000).

Profit margins were maintained in the group's principal trading sectors and this led to a record pre-tax profit 41 percent higher at R6 487 000 (R4 586 000).

After allowing for taxation and extraordinary items, the attributable profit rose to R3 776 000 (R1 461 000).

Because of the one-for-two-rights issue, the earnings of 149c (13c) a share have been computed on the basis of the weighted average of shares in issue.

The dividend was increased by 5c to 40c a share and was covered 2,9 (3,2) times by earnings. — Sapa.

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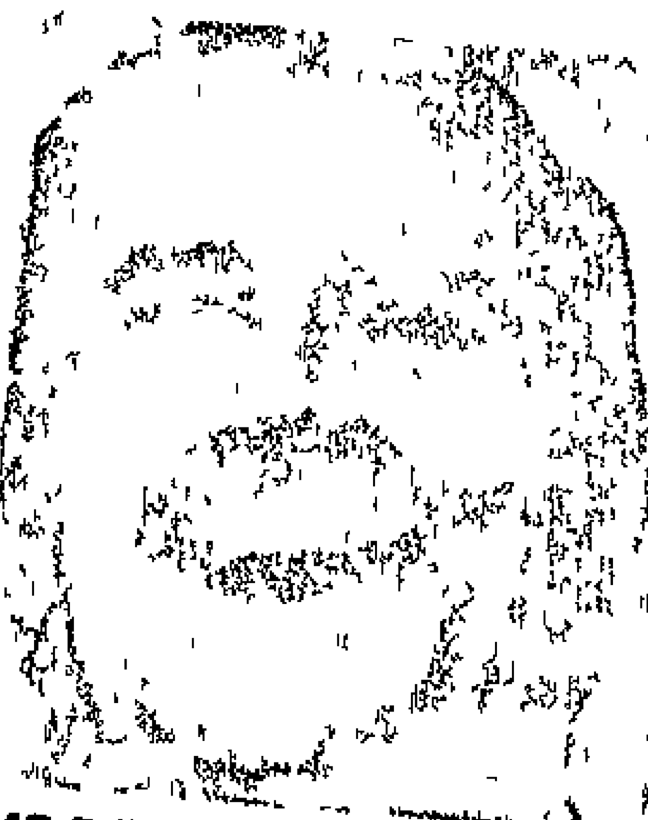

MR R EVANS
R100 winner in birthday game

RDM 30/9/81

Firm hit by wage strike

1404 189 52 300 33 37

By RIAAN DE VILLIERS

IN THE latest incident in a renewed wave of labour unrest on the East Rand, workers have downed tools at a Dorbyl plant in Boksburg in support of wage demands

According to a union spokesman, the black work force of about 400 went on strike last Friday but conditionally returned to work on Monday after management had agreed to negotiate with union shop stewards and officials

However, management turned down the demands yesterday afternoon and workers said they would not work today, he added.

The spokesman for the Fosatu-affiliated Metal and Allied Workers' Union said the demand for an across-the board increase of 60c an hour was first submitted to management last month.

Workers at Power Steel Construction in Wadeville struck on Friday and Monday after a worker had been dismissed.

Stoppages

These strikes have come in the wake of stoppages at two other Wadeville metal plants, Anglo American's Scaw Metals plant and National Spring, an Abercom subsidiary, at the beginning of last week

Meanwhile, several stoppages have occurred in Durban. About 950 black stevedores employed by the SA Stevedores Services Company in Durban reportedly agreed to return to work yesterday after striking on Monday

More than 100 workers are reported to have stopped work at Game discount stores in Durban yesterday, demanding higher wages

According to worker sources, about 50 black workers at Croda in Durban struck yesterday after management demands that they resign and apply for re-employment if they wanted to withdraw their contributions from the company's pension fund

They said the workers returned to work yesterday afternoon

Machel frees 700

RDM 30/9/81 218

LISBON — Admitting his Marxist government "made some mistakes" Mozambique's President Samora Machel has ordered nearly 700 detainees to be freed from "re-education camps".

Quoting unspecified sources in Maputo, the Portuguese national news agency reported Mr Machel had made the decision after reviewing several cases of people detained on a variety of charges

The report said that ...

...fusal to stop the tour contravened the 1977 Gleneagles Agreement, which urged Commonwealth countries to discourage links with South Africa but stopped short of calling for an outright ban on sporting contacts

Mr Muldoon said New Zealand had made it clear when the agreement was signed that it would preserve the right of sportsmen to make the final decision on whether to play against South Africans

Mr Muldoon said it was essential Commonwealth leaders knew precisely what they had agreed to at the exclusive Gleneagles Hotel in Scotland.

"We undertook to try to persuade our sportsmen to stop sporting contacts with ...

Food company workers on strike over sacking

Star 1/10/81 189

By Drew Forrest

Labour unrest has spread to Kempton Park where the entire 550-strong African workforce of H Lewis and Company, a milling and edible oil manufacturing company in the Tongaat group has gone on strike

A spokesman for the unregistered African Food and Canning Workers Union, which claims 70 percent membership at the plant, said the strike was triggered on Tuesday by the dismissal of a union committee member, allegedly for forging a clock-card

Workers decided yesterday not to return to work until management met their demand for his reinstatement, or the dismissal of another worker accused of the same offence but not dismissed he said

The chief executive of Tongaat Foods Mr A G Crosby denied union charges that factory management had refused to deal with an unregistered union and that workers had been told to report for work by 8 am today, or face dismissal

"No decision has yet been taken," he said

"We met the workers' committee today and the members agreed that correct dismissal procedures had been followed,' he said 'It's the union which can't accept this"

Meanwhile, at Dorbyl Railway Products in Boksburg, about 400 workers went on strike yesterday for the third time in a week in support of a demand for a 60c increase in their hourly wage

In a meeting on Tuesday with shop stewards and officials of the Metal and Allied Workers Union, management had made it clear that it could not accede to the demand said Dorbyl's group industrial relations adviser, Mr Mike Beaumont.

In another dispute about 170 black employees at four Game discount stores in Durban have refused to accept their dismissal after a strike yesterday

The workers are demanding the recognition of the Commercial, Catering and Allied Workers Union and a wage of R220 a month

Motor firm hit by all-out strike

RDM 2 10 81

By STEVEN FRIEDMAN

LABOUR unrest escalated in various parts of the country yesterday as all 1 600 workers at an East London motor plant and more than 1 000 workers at three Huletts sugar mills in Natal struck

On the East Rand, police stood by at the strike-hit milling company of H Lewis and management said all 560 striking workers had been fired

In Durban union sources said a strike at Game Discount World had not been resolved

However, all 1 700 strikers at Sappi's paper mill in KwaZulu have returned to work, according to the company, and strikers at Dorbyl Railway Products in Boksburg East returned to work late yesterday after a four-day strike

Thirteen dismissed strikers at Cobra Brassworks in Krugersdorp were arrested yesterday and are expected to appear in court today, charged with "intimidating" workers in an attempt to prevent them from returning to work

Sent home

In East London, all 3 300 workers at the CDA plant, which manufactures Mercedes-Benz cars, struck or were sent home yesterday

A company spokesman said the strike by about 300 workers on Wednesday had spread and all 1 600 black workers had downed tools yesterday afternoon The 1 700 white and coloured workers were sent home

The strike is a protest against the dismissal of a black worker who was involved in an altercation with a white foreman

In a statement yesterday, CDA's managing director, Mr Leo Borman said he hoped the dispute could be "defused" in discussions with the union, scheduled for late yesterday.

In Natal, a Hulett's spokesman, Mr Ron Phillips, said about 1 100 black workers at three mills, Mt Edgcombe, Amatikulu and Darnall had struck yesterday in protest against proposed Government pensions legislation.

At H Lewis, a Tongaat group subsidiary, management said it had fired workers in terms of an ultimatum to return yesterday or be dismissed

"We are already engaging new staff," Mr A G Crosby, chief executive of Tongaat Foods, said yesterday. He said management had been prepared to negotiate with the African Food and Canning Workers Union, but only after strikers returned to work This had been turned down.

An AFCWU spokesmen said, however, that none of the strikers had yet been replaced They still regarded themselves as company employees and refused to collect their pay, he said

Demanding

Workers were still demanding that a fired worker, who they believed had been victimised, be reinstated But the spokesmen said workers decided they would return before raising two other issues — wages and union recognition

At Dorbyl Railway Products, workers returned yesterday after management had refused to accede to their demands for a wage increase over and above that granted in terms of the metal industries' industrial council agreement.

A spokesman for Fosatu's Metal and Allied Workers Union said MAWU attempts to gain access to workers yesterday had been unsuccesful "We believe the strike has once again demonstrated that workers reject industrial councils and other bodies foisted on them by employers," the MAWU spokesman said.

At Sappi's Mandini mill in KwaZulu, all workers returned yesterday, according to Sappi managing director Mr C van As The strike was sparked by the proposed pensions legislation

Star 2/10/81

(437) (189)

Incompetence —

Five workers at the Electric Centre in Doornfontein, Johannesburg were dismissed last week for "incompetence", according to management sources. Ten other workers walked out in sympathy and were subsequently told they had "dismissed themselves". Dismissed workers complained that management arbitrarily hired and fired workers.

5 000 still away from work

Star 2/10/81

~~152~~ ~~186~~ ~~300~~ ~~139~~ 189 13 ~~184~~ ~~140~~ ~~31~~ ~~333~~

Labour Staff

Nearly 10 000 workers have been involved in a wave of strikes this week. More than half of these were still away from work today, either on strike or because factories have been closed.

The centres for the unrest are Natal—where workers at three sugar mills in the Huletts group went on strike yesterday over pension-related demands — East London and the East Rand

The majority of strikes relate to proposed pension legislation affecting contribution payments, retirement and transfer of funds

Workers have demanded immediate pay outs, mistrusting the Government proposals

Other strikes have involved issues of union recognition, worker dismissals and wage demands.

Springs

About 1400 workers at the Telephone Manufacturers of South Africa (Temsa) plant in Springs lost their jobs today as the result of work stoppages over the dismissal of three of their colleagues.

The three were dismissed on Wednesday for playing cards while on duty and yesterday about 500 workers stopped work and called for their reinstatement

They refused to meet management's return-to-work deadline and were told they had dismissed themselves Early today more workers joined the stoppage and were also told to leave the plant.

Temsa's managing director, Mr Fred Williams, said the plant would probably be closed on Monday and re-engage staff on Tuesday He added that about 2 000 workers were still at their jobs

The Huletts walkouts at the Darnall, Amatikulu and Mount Edgecombe mills on the Natal North Coast follow hard on the heels of the pensions-related strike by 1 650 workers at Sappi's Mandini plant which was settled yesterday

Sent home

Other outbreaks of labour unrest in Natal this week include strikes by 950 Sassco workers at the Durban docks and 170 employees at four branches of Game Discount World in Durban

In East London the production of Mercedes Benz vehicles at Car Distributors Assembly (CDA) came to a standstill yesterday as the plant's 1 600 black workers struck and the rest of the 3 300-strong workforce was sent home.

The dispute began on Wednesday when 288 workers in the CDA truck assembly department downed tools in protest against the dismissal of a workmate

A four-hour meeting between management and representatives of Fosatu's National Union of Motor Assembly and Rubber Workers failed to settle the strike and the plant will be closed today

A joint management-union committee has been appointed to investigate the incident which

To Page 3, Col 4

5000 are still away from work

Star 2/10/81

~~31~~ ~~152~~ 189 ~~186~~ ~~139~~ ~~300~~ ~~184~~ ~~140~~ ~~333~~

From page 1

touched off the strike and other union allegations of white worker mistreatment of black staff at the plant

A spokesman for Huletts expressed surprise

"We accept that workers have very real fears about possible pensions legislation," he said, "but they have pre-empted a meeting this afternoon of the industry's industrial council on the pensions issue

"This involves the Sugar Manufacturing and Refining Employees Union which represents them"

On the East Rand most of the 400 workers who struck on Tuesday at Dorbyl Railway Products in Boksburg are back at work

At another East Rand firm, H Lewis and Company in Kempton Park, about 550 food workers who struck on Tuesday in protest against the dismissal of a union committee member have been fired

BD 3/10/81

Strikes spread on Rand

189

JOHANNESBURG — The strike wave this week continued to escalate yesterday as Telephone Manufacturers of SA, (TMSA) the biggest Springs employer outside the mines, closed its 3 400-worker plant after a strike in protest at dismissals

The 1 100 workers at three Huletts sugar mills continued their strike over the government's proposed pension legislation.

At TMSA, the dispute began when three workers were fired for allegedly playing cards during working hours

About 200 workers struck in protest on Thursday and were later fired The strike then spread to most of the company's 1 700 black workers.

A company statement said the decision to close the factory had been taken after the 200 fired workers had refused to leave company premises and workers had become "unruly"

At Huletts, hopes that an industrial council meeting would end the stoppages at the three mills were dashed as the strikes — over proposed government pensions legislation — continued yesterday

The general secretary of the National Union of Sugar Refining and Manufacturing Employees, Mr Selby Ntsibande, said the strikes appeared to have been sparked when pensions contributions were deducted from workers' September pay packets

The strikes are the second on the pensions issue to hit the three Huletts mills — at Amatikulu, Darnall and Mt Edgecombe, in a month.

About 40 of the dismissed workers returned to work at two branches of a discount store in Brickhill Road, Durban

The 140 workers were dismissed when Game management took a hardline following work stoppages on Monday — DDC

CT 3/10/81

Plant closes as strikes in SA escalate

182 189 184 139 180 182

Own Correspondent

JOHANNESBURG — Strikes in the country continued to escalate yesterday as Telephone Manufacturers of SA the biggest Springs employer outside the mines, closed its 3 400 worker plant after a strike in protest at dismissals

Meanwhile, the strike at Mercedes Benz manufacturers CDA in East London continued with management disclosing that 2 600 were on strike

It was announced late yesterday that Fosatu's National Union of Motor Assembly and Rubber Workers was to recommend a return to work after talks with CDA

The 1 100 workers at three Huletts sugar mills continued their strike over the Government's proposed pension legislation

And most of the strikers fired by Durban chainstore Game Discount World were refusing to apply for re employment, although a managament spokesman told Sapa 23 of 141 sacked workers had done so

'Playing cards'

At TMSA, the dispute began when three workers were fired for allegedly playing cards during working hours

A TMSA spokesman confirmed that "most" black workers had refused to work but said managament believed that only the 200 had downed tools voluntarily

A spokesman for the Federation of SA Trade Unions, whose Worker Project claims a membership of 500 at the plant, disputed this account

He said worker representatives had established that the three workers had not been playing cards as alleged and that all departments joined the strike voluntarily

He alleged that workers attempted to return to the plant yesterday morning, but were prevented by company officials, and that three strikers were assaulted in the process

"Workers asked us to negotiate on their behalf but management has refused to speak to us until Monday We will try to talk to them then," he said

TMSA's spokesman denied any knowledge of assaults by company officials on strikers

At CDA in East London, the 2 600 black workers striking in protest at dismissals again refused to return and the 3 300-worker plant remained closed

Mr Leo Borman CDA's managing director, said production would resume on Monday and any worker who did not report for work would have dismissed himself" and would have to apply for re employment

In future, workers engaged in "wildcat strikes" rather in official union-sanctioned disputes, would be fired, he said

Dismissal

Workers struck in protest at a dismissal and the NUMARW has since raised four other sackings with the company The union's decision to recommend a return to work came after management and NUMARW had convened a joint appeals committee to examine the cases of the dismissed workers

Mr Borman announced that he had found that all the dismissals had been 'correctly carried out , but that two workers had been incorrectly disciplined As a result, one worker has been reinstated

The appeals committee was still sitting late yesterday and management was hopeful that workers would heed the union call and return

At Huletts hopes that an industrial council meeting would end the stoppages at the three mills were dashed as the strikes — over proposed Government pensions legislation — continued yesterday

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The strikes .. e the second on the pensions issue to hit the three Huletts Mills — at Amatikulu Darnall and Mount Edgecombe, in a month

Country hit by wave of strikes

Star 3/10/81

138 189

Union leaders have recommended that about 2 600 striking workers in East London should return to work on Monday, according to management spokesmen

The workers were among at least 5 000 who brought production to a halt at six strike-hit factories in various centres of the country yesterday

A statement released last night by the management of Car Distributors Assembly in East London said the Fosatu-affiliated National Union of Motor Assembly and Rubber Workers had recommended a full return to work. Union spokesmen could not be reached for comment on the management statement.

Dismissal

Management announced yesterday that 2 600 workers had brought the plant — which employs 3 300 — to a standstill and that those not back at work on Monday would face dismissal

A joint committee representing management and the NUMRW sat all yesterday to hear appeals against disciplinary measures taken after five recent instances of violence at the plant

At the start of the session, CDA Managing director Mr Leo Borman, announced that after examining the records in the five cases, he had decided to dismiss a white worker originally suspended for attacking a black colleague, and to commute another black worker's dismissal to suspension

And at the Huletts' Amatikulu, Darnall and Mount Edgecombe sugar mills, about 1 100 workers are still on strike in a demand for the immediate return of their pension contributions

After a meeting in Durban yesterday the industrial council for the sugar industry decided to appoint a sub-committee to discuss the dispute on Monday.

Management at Telephone Manufacturers of SA (Temsa) in Springs yesterday reversed an earlier ruling that the 1 400 workers on strike at the plant had "dismissed themselves" by ignoring return-to-work deadlines

A Temsa spokesman said the plant would open on Monday, and that talks would be held with the Electrical and Allied Workers Union, and the Tucsa-affiliated Radio, Television, Electronic and Allied Workers Union

APPEAL

At the H Lewis food company in Kempton Park, where 560 strikers were dismissed on Thursday, the unregistered African Food and Canning Workers Union is still seeking talks with management

Stressing that the workers still considered themselves in the employ of the company, an AFCWU spokesman appealed to management to follow the example of other milling companies by negotiating conditions for a return to work

Thirteen workers dismissed after the recent strike at Cobra Brassware in Luipaardsvlei appeared in the Krugersdorp Magistrate's Court yesterday charged with incitement to strike under the Industrial Conciliation Act

Strikers close down major Reef factory

RDM 3-10 81

By STEVEN FRIEDMAN

THE strike wave gripping the country this week continued to escalate yesterday as Telephone Manufacturers of SA, the biggest Springs employer outside the mines, closed its 3 400-worker plant after a strike in protest at dismissals

Meanwhile, the strike at Mercedes Benz manufacturers CDA in East London continued with management disclosing that 2 600 black workers were on strike It was announced late yesterday that Fosatu's National Union of Motor Assembly and Rubber Workers is to recommend a return to work after talks with CDA

The 1 100 workers at three Huletts sugar mills continued their strike over the Government's proposed pension legislation

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At TMSA, the dispute began when three workers were fired for allegedly playing cards during working hours

About 200 workers struck in protest on Thursday and were later fired The strike then spread to most of the company's 1 700 black workers

A company statement said the decision to close the factory had been taken after the 200 fired workers had refused to leave company premises and workers had become "unruly"

Yesterday morning all but one factory gate was locked and the 200 were "screened out" But they ignored management instructions to collect their pay The factory was then closed for safety reasons", the statement said

A TMSA spokesman confirmed that "most' black workers had refused to work but said managament believed that only the 200 had downed tools voluntarily

According to TMSA, only the

To Page 3

Strike shuts Reef plant

RDM 3 10 87

From Page 1

200 workers have been fired "We will have to see what happens on Monday," its managing director, Mr Fred Williams, said

A spokesman for the Federation of SA Trade Unions, whose Worker Project claims a membership of 500 at the plant, disputed this account

He said worker representatives had established that the three workers had not been playing cards as alleged and that all departments joined the strike voluntarily

He alleged that workers attempted to return to the plant yesterday morning, but were prevented by company officials, and that three strikers were assaulted in the process

"Workers asked us to negotiate on our behalf, but management has refused to speak to us until Monday We will try to talk to them then", he said

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In future, workers engaged in "wildcat strikes" rather in official union-sanctioned disputes, would be fired, he said

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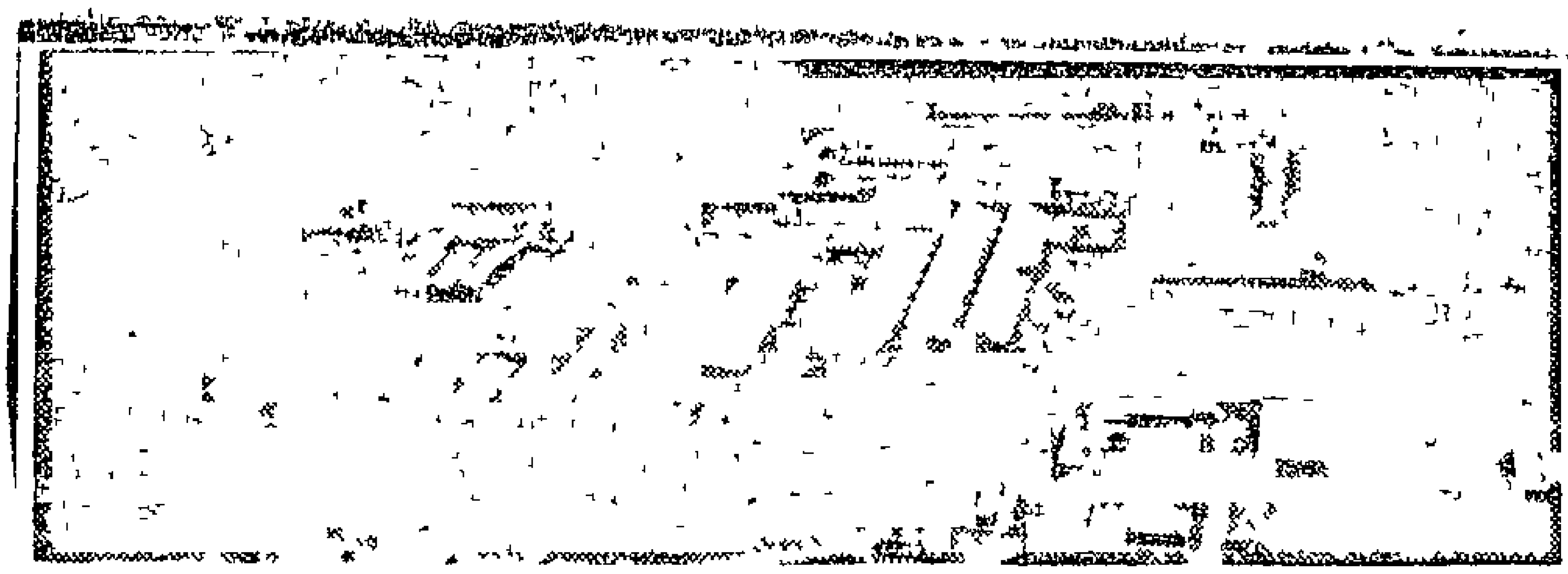


Huletts seek new 'anti-dumping' duties

S. Tribune 4/10/81 (189)

Finance Correspondent

HULETTS aluminium of Pietermaritzburg — whose factory is pictured above — has applied for new import tariffs on a wide range of aluminium products. Huletts is one of the country's two aluminium extruders.

Duties on most items already range between 20 percent and 25 percent, but the application adds an alternative duty, to fall most heavily on low-priced imports. A Huletts spokesman describes them as "anti-dumping" duties.

Mike Howes, the company's administration manager, says that its "complex" case has been fully argued to the Board of Trade and Industries and that "ethics demands of us that we do not comment".

There are plenty of others in the aluminium industry who are happy to give their opinion of Huletts' application.

It is said that Huletts and SA's other aluminium extruder, Aluminium Extrusion Co, are working at between 20 and 30 percent below their plant capacity.

Rumours abound that Israel and to a lesser extent, Taiwan and Japan, are selling aluminium to SA at rock-bottom prices.

Imports of some of the items on which Huletts is asking for extra protection are substantial. Foreign shipments of coated plates and sheets for instance totalled over 0,3-million kg worth R1,5m in the first five months of this year. Imports of one type of aluminium coil reached 3,1 m kg valued at almost R4 m.

Even at the best of times, the cost of locally-produced aluminium is way above world prices. The selling prices of Alusaf, SA's only aluminium producer, are about a third higher than ruling London metal exchange prices.

Wildcat strikes hit car plant

Argus 5/10/81 (1600) (193) (152) (62) (189) (190) (193)

Argus Bureau

PORT ELIZABETH — Wildcat strikes by 330 workers disrupted the troubled plant of Car Distributor Assemblies (CDA) in East London today

Most of the 2 600 workers at the large Mercedes plant, who went on strike last week over staff dismissals, returned today after they had been warned to return to their jobs as management was reviewing the cases and hearing appeals

The Fosatu-affiliated National Union of Motor Assembly and Rubber Workers (Numarwosa) had also called on workers to return to work today

But a spokesman for the company said from Johannesburg that 280 workers of a section of the truck assembly plant gathered in the canteen today after clocking in Another 50 workers in the car body shop were on a 'go slow' strike

The Argus correspondent in Johannesburg reports that at the Telephone Manufacturers of South Africa (Temsa) plant in Springs only about 100 out of 1 400 striking workers had reported for work early this morning

Workers stopped work at the plant late last week in protest against the dismissal of three of their colleagues

At Triomf's Chloorkop fertiliser plant in Kempton about 500 workers went on strike over wage demands on Friday

Star, 5/10/81 (152) (142) (140A) (189) (183) (186) (300) (137)

Strikers back — but not all at work

Labour Reporter

There were two wildcat strikes at Car Distributor Assemblies ~~in East London~~ when workers returned to their jobs after last week's strike

A company spokesman said 280 workers in the truck assembly plant gathered in the canteen today instead of working Another 50 workers in the car body shop were on a "glow slow "

The workers in the canteen were demanding the reinstatement of a man whose dismissal last week led to a strike of 2 600 black workers

Work in the rest of the plant was normal today.

The managing director, Mr Leo Borman, said today disciplinary hearings were suspended pending an official management meeting with the trade union involved, the National Union of Motor Assembly and Rubber Workers

No spokesman for the union could be contacted this morning.

The Mercedes plant strike began last week over staff dismissals. The management warned the strikers to return to work today and the NUMARW also appealed for a return to work

At the Telephone Manufacturers of South Africa (Temsa) plant in Springs, only about 100 out of 1 400 strikers reported for work early this morning The strike began late last week in protest against the dismissal of three workers.

They have been given until the end of today to return to work or they will have been seen to have dismissed themselves, a Temsa spokesman said

Production was still continuing as about 2 000 workers had not gone on strike

At Triomf's Chloorkon fertiliser plant in Kempton Park about 500 workers went on strike over wage demands on Friday

And at four Huletts sugar mills in Natal — Amatikulu, Darnall, Mount Edgecombe and Felixton — about 2 000 workers continued their stayaway over pension demands

Workers claim assault by cops

(184) (158) SOWETAN 5/10/81

Workers from Telephone Manufacturers of South Africa express solidarity at a meeting at the KwaThema Civic Centre, addressed by officials of Mawu.

A NUMBER of workers claimed that they were assaulted by riot police when about 1 000 workers at Telephone Manufacturers of South Africa in Springs went on strike last week.

By SELLO RABOTHATA

The strike started on Thursday at about 5pm after the three workers had been fired for allegedly playing cards. Workers claimed that the three had already knocked off work.

A spokesman for the workers said that at about 4 45pm on Thursday, workers were already getting ready to knock off and the three were just shuffling cards when a foreman called them and told them they were fired.

LOCKED OUT

On Friday morning, workers were allowed into the company premises, but those who worked in departments 26 and 27 were locked out. All workers then refused to work, and gathered outside, singing freedom songs and shouting Amandla".

Riot police were then called in and people started scattering and later converged again. Some of the workers were baton-charged. Mr Nhlanhla Phakathi said that he had asked to talk to management as he was one of the worker representatives, but he was instead taken into an office by the riot police, who assaulted him.

He was bleeding from the head and his hands were bruised. After about two hours, the workers who were in the premises were allowed to go out and join the others. All decided to march to the Kwa-Thema Civic Centre where they held a meeting addressed by officials of the Metal and Allied Workers Union (Mawu).

Mr Monde Cindi, chairman of MAWU, called for unity amongst the workers and asked those who belonged to parallel unions to resign and join MAWU.

He told the workers that management was kidding itself when it threatened to fire the workers. "As long as we are united we shall overcome", he said.

A Temsa spokesman said the plant would open today.

Strikes still hit Natal, East Cape

Argus 6/10/81

Argus Correspondent

JOHANNESBURG — Thousands of workers continued to strike today in Natal and the Eastern Cape and firms on the East Rand took on workers after dismissals of about 2 000 yesterday.

A weeklong strike by more than 2 000 sugar workers at four of Huletts five plants in Natal showed no signs of abating.

Plants at Amatikulu, Darnall, Mount Edgecombe and Felixton were shut as management considered recommendations by the Industrial Council sub-committee on a controversial pension fund scheme.

Amid growing frustration and impatience on both sides the Chamber of Commerce has advocated a delay of at least three years in implementation of draft proposals in the pension scheme.

DOWNED TOOLS

About 200 workers of the SA Bottling Company in Port Elizabeth downed tools today.

They said the company had appointed coloured workers in the place of four blacks dismissed last week during a dispute which led to a work stoppage.

The dispute was about wages and working conditions.

About 600 black and coloured workers at Car Distributors Assembly in East London ignored a union call for a full return to work today, a CDA spokesman said.

WILDCAT

The plant, which employs 3 300, has been hit by wildcat strikes since last week.

The strike by 800 at Johnson Tiles in Olifantsfontein, near Pretoria, continued over a dispute involving worker dismissals.

At the Telephone Manufacturers of South Africa (Temsa) plant in Springs, about 1 000 workers were told they had 'dismissed themselves' by not reporting to work.

Only 140 workers met the deadline and the company today began taking on a new work force.

TRIOMF

Yesterday about 500 workers at Triomf's fertiliser factory in Kempton Park were dismissed after refusing to meet back-to-work deadlines, and the firm was taking on new workers.

Metkor improves by 40%

STAR 6/10/81

189

Metkor Investments, an engineering and allied industries investment and finance company, recorded provisional, unaudited net income of R8 418 000 for the 12 months to September 30, an improvement of 40,3 percent over the annualised 1980 figure.

After deducting preference dividends and transfer to dividend reserve account, income attributable to ordinary shareholders amounted to R5 843 000, a 63,2 percent improvement.

A final dividend of 6,25c a share was declared, compared with 6,6c for the 15 months ended September 30 last year, equal to 5,28c on an annualised basis. This is an 18,4 percent improvement — Sapa.

Steel industry to 'slow gradually'

RDM 6/10/89 (189)

By JOHN MULCAHY

THE South African steel industry is likely ~~to show~~ slower growth next year, but there is little likelihood of a 'nosedive" in demand

Mr Ian Rauch, head of Stewarts and Lloyds trading division, and chairman of Baldwins Steel, said yesterday he agreed with motor industry forecasts of a levelling in consumer offtake, but there was a lot of latent demand, particularly among blacks

The proposed electrification of Soweto would boost demand for white goods and domestic appliances, which together accounted for about 15% of Baldwins turnover

Mr Rauch suggested a reassessment of the Iscor pricing mechanism, as the existing annual price increases were disruptive to the market

In anticipation of an Iscor price hike merchants naturally over-stocked, in the hope of making profits on "pre-price increase" stocks

This put severe pressure on Iscor in the months prior to a price increase, and a sharp fall-off in demand in the months following an increase, hampering productivity as capacity was under-utilised at times

To obviate this, Mr Rauch said there could be some form of index-linked pricing mechanism, so that Iscor could adjust prices more frequently during the year

Baldwins annual turnover is around R100-million, of which 35% is indirectly attributable to the motor industry Stewarts and Lloyds group sales in the current year would be about R430-million, said Mr Rauch

Mr Rauch announced a R2-million expansion of steel processing division Baldwins-Hankey's service centre facilities into the Rosslyn area

The project will involve a new 3 000 m2 building, including two overhead cranes, a large coil store and production area

The new plant was being situated at Rosslyn to handle certain contract customers, mainly automobile press shops, now being serviced by Baldwins East Rand plant in Brakpan

The siting of the plant would reduce problems relating to transit damage of steel sheet, and accelerate deliveries, said Mr Rauch

It would also improve the quality assurance aspects, as inspectors from local plants could be on site at short notice when special qualities or finishes were processed

An existing cut-to-length line, now in storage at Baldwins Prospecton plant, would be installed at Rosslyn, said Mr Rauch, and would be upgraded by the addition of high-speed, roll feed equipment to give accuracy and increased production

It would bring to eight the number of cut-to-length lines operated by the Stewarts and Lloyds group, said Mr Rauch

Nearly 7 000 stop work as strikes increase

CT 6/10/81

~~183~~ 193 ~~143~~ ~~192~~ ~~152~~ ~~186~~ ~~301~~ ~~187~~ ~~164~~ 189

Own Correspondent

JOHANNESBURG — Nearly 7 000 workers were on strike yesterday as the wave of stoppages which hit industry last week continued and, in some cases escalated

A strike at three Huletts mills in Natal spread to a fourth mill and, about 2 000 workers are now on strike, according to the company

At Springs' biggest non-mining employer, Telephone Manufacturers of SA, only 140 of the 1 600 strikers returned yesterday and the rest have been fired

An Olifantsfontein firm, Johnson Tiles, which employs more than 800 workers, was hit by its second strike in a fortnight yesterday, according to union sources, and Triomf Fertilizers fired its entire black workforce of 500 after they ignored a management appeal to return to work

Workers for CDA in East London, the manufacturers of Mercedes Benz, returned in response to a union call but new unrest flared later in the day and between 1 500 and 1 800 workers joined a new strike

At Huletts, the strike at three mills spread to the Felixston mill and only one is now unaffected The strikes have been sparked by proposed legislation to "freeze" employee pension fund contributions until retirement

Talks hope

A company spokesman said hopes for a settlement were pinned on talks at the industry's industrial council between managements and the National Union of Sugar Manufacturing and Refining Employees

At TMSA, which closed its plant on Friday after a strike by about 1 600 black workers over the sacking of three workers, a management statement said about 1 500 workers had been fired after they failed to return Workers who returned this morning would be considered for re-employment

A spokesman for Fosatu's Metal and Allied Workers Union said the company had refused a union request to negotiate on the dispute and that workers were refusing to return until the three were reinstated

"They still regard themselves as company employees and they want Mawu to negotiate on their behalf" he added

Management confirmed it refused to negotiate with Mawu "As these people had already been dismissed for not working, they were no longer employees and had no interest in the matter," the spokesman said

'Anti-union'

At Johnson Tiles the general secretary of the Building, Construction and Allied Workers' Union, Mr Frank Mohlala, said workers had downed tools "because they were angered by consistent dismissals of unions' representatives"

Some management men had adopted a consistently anti-union attitude, threatening union members and sacking worker representatives"

At Triomf's Chloorkop plant, where workers have been on strike since Friday, a company statement said worker representatives were told yesterday morning that management would discuss their grievances if workers returned by 1 o'clock

The company had made transport available for the 500 workers "but they did not react and were discharged

Dispatches to farmers had been resumed with the assistance of "more than 100 white schoolboys" and co-operatives and farmers had also offered help

Sta 6/10/81

Car plant halted by new strike

192 152 139 ~~140~~ ~~182~~ 18.9 ~~186~~ ~~30~~ ~~183~~ 197

Labour Reporter

The big CDA car plant in East London was hit today by yet another wildcat strike which saw close to 3 000 workers downing tools

Production was at a standstill Today's strike was one of a number which started over disputes with management over worker dismissals

The 414 hourly-paid workers at the commercial vehicles plant were told they had been dismissed, and 971 other hourly-paid workers were warned to return to duty tomorrow or face dismissal.

Another 1 100 workers at the passenger plant were told to return by Thursday or face dismissal

The strike scene also spread to Port Elizabeth today where about 200 workers at the SA Bottling Company plant went out on strike over the issue of dismissals

Management would not comment on the unrest which reportedly involved the Macwusa-linked General Workers Union of South Africa

At Boksburg Foundry about 200 workers were still on strike today and have been warned by management to return by the end of the day or be paid off.

At the four Huletts sugar mills in Natal about 2 000 workers were still on strike over pension grievances.

The Telephone Manufacturers of South Africa (Temsa) plant in Springs was taking on a new workforce following yesterday's dismissal of about 1 000 workers for joining in last week's sympathy strike. Only 140 workers were retained from the original workforce

The strike at Johnson Tiles at Olifantsfontein also continued today over the issue of worker dismissals. At Triomf's Chloorkop fertiliser plant at Kempton Park about 500 contract workers were dismissed yesterday after refusing to meet management's return-to-work deadline

The Triomf dispute centred around wage demands

Workers get the sack

Sowetan 6/10/81

189

ONE hundred and forty workers at the Telephone Manufacturers of South Africa (Pty) Limited yesterday returned to work and 1600 were said to have dismissed themselves.

A TMSA spokesman said 140 workers were considered for their jobs as they had voluntarily returned and that of the 1600 strong work-force only those who returned today would be considered for re-employment.

Management is said to have reached an agreement with the white-run Electrical and Allied Workers Union and the Radio and Television Workers Union which most of the workers have denounced in favour of the Metal and Allied Workers' Union (Mawu).

The strike at TMSA started on Thursday last week after three workers were fired for allegedly playing cards during working hours. Workers claimed that the three had already knocked off.

Argus 1/8/91 (159)

CDA workers return, other strikes abate

Argus Correspondent

JOHANNESBURG — The countrywide strikes appeared to be abating today as almost 2 900 workers returned to work at the large CDA motor plant in East London and disputes elsewhere were being resolved.

Management at CDA reversed its decision to dismiss 414 hourly paid workers and its back-to-work deadlines and this morning a majority of workers were reported back at work.

Officials in the Huletts group — whose four Natal sugar mills are closed as a result of strikes by about 2 000 workers over pensions grievances — were hopeful the dispute would be resolved this week.

At Stamcor in Boksburg there was a work stoppage over pay demands but the dispute was settled yesterday.

About 150 workers at L and F Metter also in Boksburg struck briefly, but returned to work when management reinstated a dismissed worker.

About 160 workers at the Boksburg Foundry returned to work today after a dispute centring on the promotion of a shop steward.

2 900 back as EL firm reverses its decision

Star 7/10/81

192 152 1104 300 786 139 173 112 183 184

By Tony Davis
Labour Reporter

Countrywide strikes today appeared to be abating as nearly 2 900 strikers returned to work at the large CDA motor plant in East London and disputes elsewhere were resolved

Management at CDA reversed its decision to dismiss 414 hourly-paid workers and its back-to-work deadlines and this morning most workers were back.

Talks between CDA and the Fosatu-affiliated National Union of Motor Assembly and Rubber Workers were being held to resolve the dispute which arose after several workers were dismissed last week

Officials in the Huletts group, whose four Natal sugar mills are closed by 2 000 workers striking over pension grievances, were hopeful that the dispute would be resolved this week

There were brief flare-up at two Boksburg firms yesterday — Stamcor and L F Metter — involving wages and staff dismissals

At Stamcor a work stoppage over pay demands was settled and management said there had been no dismissals over the issue.

At the metal firm about 150 workers were involved in a brief strike which was resolved when management reinstated a dismissed worker.

About 160 workers at the Boksburg Foundry returned to work today after a dispute over the promotion of a shop steward The worker was allegedly assaulted by four others as a result of his promotion, according to sources

The four were subsequently dismissed.

At Telephone Manufacturers of SA in Springs and at Triomf's Chloorkop fertiliser plant, managements continued to take on new workers following the dismissal of about 2 000 employees at both firms this week.

There was also a brief stoppage at the Johannesburg manufacturing firm of Bowthorpe-Hellermann-Deutsch this morning over the issue of pay increases. Management said the issue had been resolved.

About 200 workers were involved in a dispute over dismissals at the SA Bottling Company plant in Port Elizabeth yesterday.

And at Johnson Tiles in Olifantsfontein several hundred workers were dismissed after striking over "victimisation" of union members.

Star 7/10/81

Labour unrest on East Rand

By Drew Forrest

The Cusa-affiliated SA Chemical Workers Union has entered the fray at the Triomf Fertiliser plant in Chloorkop and is seeking talks with management on the fate of 500 Triomf workers sacked this week after a two-day strike.

More labour unrest has erupted on the East Rand with a strike by about 70 members of the Fosatu Worker Project at Stone Platt Electrical in Boksburg According to a Fosatu spokesman, they are demanding a R14 weekly wage increase

At Boksburg foundry 170 workers have decided to continue their strike until management agrees to take them all back A Metal and Allied Workers Union spokesman said the company had offered to take back all the strikers except four men accused of assaulting a fellow worker

The strike began on Monday

At the Telephone Manufacturers of SA plant in Springs most of the 1 500 workers dismissed on Monday after a three-day strike are still refusing to re-apply for their jobs or collect their pay according to a Fosatu spokesman

Plant at standstill as 2 600 go on strike

RDM 7 10 81

189

MERCEDES Benz manufacturer CDA's East London plant was brought to a virtual standstill yesterday by its third strike in less than a week and management threatened to sack the 2 600 workers if they did not return.

Two new strikes were reported on the East Rand and the strike by 2 000 workers in protest at the Government's proposed pension Bill, which has closed four Huletts sugar mills, continued as labour unrest hit three provinces

Johnson Tiles in Olifantsfontein fired nearly 300 workers as a strike at the plant continued and Triomf's Chloorkop fertiliser plant where 500 strikers were fired on Monday, was still relying on schoolboy help to keep deliveries running and unionists claimed workers were being forced to collect their pay

Springs's biggest non-mining employer, Telephone Manufacturers of SA, which fired 1 500 strikers on Monday yesterday reported only 60 applications for re-employment

A new strike was reported yesterday at Boksburg North electrical company Stone-Stamcor, where about 70 workers downed tools in support of pay demands

And a representative of the Federation of South African Trade Unions said the company's management was refusing to negotiate with Fosatu

A company spokesman confirmed the strike but refused to comment further

By STEVEN FRIEDMAN

And worker sources reported a strike by about 150 at another Boksburg metal factory, L and F Metter, in protest against dismissals

A company spokesman said the strike had lasted "only two hours and had been settled Not all 150 workers were involved, he said

At CDA the plant came to a virtual standstill again as workers who had returned to work yesterday morning in response to a call by Fosatu's National Union of Motor Assembly and Rubber Workers, walked out again before lunchtime

A company statement said workers who did not report today would be replaced by others tomorrow Recruitment of new workers to replace those who did not return would begin on Thursday morning, it said

NUMARW's general secretary, Mr Fred Sauls, said that the union had advised workers to return because only two of the five dismissals which sparked the strikes had not been resolved

'But management has said they will not investigate cases which the police are also investigating and workers are demanding that the fired workers be reinstated before they resume work

'We believe this has nothing to do with it and we call on management to process the dismissals and thus end the dispute"

A company spokesman said that one of the cases was no longer under police investigation and could now be resolved and that CDA had asked police to speed up the other But we cannot preempt a police investigation", he said

At Huletts the National Union of Sugar Refining and Manufacturing Employees was due to report back to workers today on attempts to resolve the dispute at the industry's industrial council

At Triomf a spokesman for the Council of Unions of South Africa's (Cusa) SA Chemical Workers Union which claims majority membership at the plant alleged that company officials were 'forcibly bussing workers to the plant and making them collect their pay"

They will then presumably be sent back to the homelands,' he said

Recruiting

A company spokesman said Triomf was recruiting new labour, but that it was still relying on white schoolboys to help it load fertiliser and expected to do so until the end of the week

At TMSA, a company spokesman said 200 of the company's 1 600 black workers were back and that 60 had asked for re-employment Despite the sackings, it is understood that management is hoping that strikers would seek re-employment

A Fosatu spokesman said workers were still refusing to return until their demand that three sacked colleagues be reinstated was met

At Johnson Tiles, where workers struck in protest at dismissals which they saw as "victimisation" of shop stewards of Cusa's Building, Construction and Allied Workers Union, the strike entered its second day yesterday

Union general-secretary Mr Frank Mohlala said all the nearly 800 black workers were involved and that they were refusing to return until their demands were met that a union shop-steward be reinstated and that two foreman accused of being hostile to the union be sacked

The company's managing director, Mr Keith Dixon, said, however that only about 300 workers were involved and that they had been fired

He denied union allegations that its members were victimised 'Only one man has been dismissed — for reasons unconnected with union work We are not anti-union and will deal with any reasonably representative union he said

While supervisors may have made anti-union statements, these were not company policy, Mr Dixon said

GENERAL NEWS

2 000 Natal sugar workers end strike over pensions

Star 8/10/81

152 186 189 300 192 140A 186 189 183

Labour Reporter

About 2 000 workers ended their strikes at four Huletts sugar mills in Natal today after reaching agreement with management on pension contributions

The workforces at Darnall, Amatikulu, Mount Edgecombe and Felixton went on strike a week ago with workers demanding immediate pension payouts

But in a settlement reached this week management agreed to suspend temporarily any further pension deductions from pay cheques and to continue negotiating worker demands for refunding pension contributions

The Huletts refinery near Durban was hit by a brief work stoppage yesterday also over pension demands

Talks continued today at East London's large CDA car plant where 3 300 workers have been involved in a number of work stoppages

An appeal board, established to discuss worker dismissals which sparked off the strike, yesterday examined several cases. The board was temporarily suspended pending review of two other dismissals

The Epol firm in East London was hit by a one-day pension strike yesterday when about 235 workers downed tools.

Another East London firm, TFM, which handles motor products, had a work stoppage after about 50 workers downed tools in sympathy with seven of their colleagues who had been dismissed, reportedly for being unproductive

At the Telephone Manufacturers of SA (Temsa) in Springs and at Triomf's Kempton Park fertiliser plant, managements continued today to recruit new workforces after more than 2 000 workers had been dismissed

● See Page 9 for more labour news.

Back to work for some but more unrest erupts

CT 8/10/81 ~~192~~ ~~1404~~ 189 ~~193~~ 31
152 ~~300~~ ~~186~~ 134

Own Correspondent

JOHANNESBURG — The current wave of labour unrest which has hit several centres seemed on the wane yesterday as thousands of workers involved in major strikes returned to work or were expected to return either last night or this morning.

However, unrest broke out at another East London plant yesterday and employer sources were apprehensive that it could spread further.

Some 2 600 workers returned to work at CDA, the Mercedes Benz manufacturing plant in East London, and it was hoped that 2 000 striking workers at four Huletts sugar mills in Natal would also return.

But workers at an Epol plant in East London went on strike yesterday following a demand that their pension contributions be paid out to them.

A spokesman for Huletts said yesterday 2 000 workers at its four Natal sugar mills were still on strike in protest against the government's proposed pensions legislation. But proposals decided on at a meeting of a sub committee of the Industrial Council for the sugar industry earlier this week were being communicated to them.

He said the company had agreed temporarily to suspend worker pension contributions while the issue was being investigated further by the industrial council.

Meanwhile, a short stoppage occurred at the Huletts refinery in Rossburgh while worker representatives discussed the pensions issue with management. All 1 100 workers downed tools but returned to work later, the spokesman said.

At CDA, normal production continued throughout the day after a series of strikes over the past week.

A joint union-management committee had completed its investigation into three of the five disputes about disciplinary actions taken before the strikes broke out.

In a fourth case the worker concerned had failed to appear and the fifth was subject to a police investigation following the filing of assault charges.

A spokesman for Telephone Manufacturers of SA in Springs which fired 1 600 strikers on Monday said yesterday about 250 workers had returned.

"Several hundred" prospective new employees had come to the plant and were being interviewed.

He said the company would take back all 1 400 strikers but not 200 workers who were fired after ignoring an ultimatum to return to work last week.

A union spokesman said yesterday nearly 400 workers at Johnson Tiles in Olifantsfontein who were fired after striking were prepared to return to work — provided a union shop steward, whose dismissal sparked off the strike was reinstated.

He claimed the entire work force of nearly 400 had been dismisssed and fewer than 20 workers had returned.

Mrs Emma Mashinini, secretary of the Commercial, Catering and Allied Workers' Union, said yesterday about 150 workers at three Game Stores in Durban who went on strike last week had still not returned.

Strikes at East London firms settled

RDM 9/10/81

EAST LONDON — Managements at both Epol and TFM expressed confidence yesterday that their strike-hit factories would resume production today

Both factories were hit by strikes on Wednesday and were not working yesterday

At the Epol factory, where about 150 workers downed tools in demand of the return of their pension fund contributions, it was agreed to resume work today

The branch manager of the factory, Mr R Kreusch, said that following talks between the management and the African Food and Canning Workers Union (AFCWU) yesterday it was agreed to end the strike

"I think the workers were concerned about their pension fund being transferred automatically to another company if they leave us"

At the TFM motor component factory, where the entire workforce of 55 went on strike over the dismissal of seven workers on Wednesday morning, work is also expected to return to normal today

The managing director of the factory, Mr R Alford, said most of the workers had returned for work yesterday

Mr Alford said on Wednesday that those who had walked out had dismissed themselves, but that he would re-employ those who wanted to return to work

"Almost all the workers came back today and after discussions it was decided there would be no work today and they could come back tomorrow to start work," Mr Alford said

Meanwhile, there was a full workforce turnout at Car Distributors Assembly (CDA) yesterday with all sections of the plant working normally

A spokesman for the company said the only absenteeism from the factory was "the normal dozen or so off work that one can expect in a factory that employs close on 3 000 workers"

Meanwhile, a spokesman for Huletts said all 2 000 workers who had been on strike at four Natal sugar mills in protest against the government's pension legislation had returned to work

This came after the firm had agreed to suspend their pension contributions pending further negotiations over the issue

On the Reef, the dispute between the Building, Construction and Allied Workers' Union and Johnson Tiles, a British multinational, took a new turn when several workers accused the company of sending police, and administration board officials to their hostel to arrest them on Tuesday night

The workers were among those fired on Monday after striking over the dismissal of a union shop steward whom they believe has been victimised

A police spokesman yesterday confirmed that policemen had gone to the hostel to assist board officials in a "general search" of the Johnson workers, but said no attempt had been made to arrest anyone — DDR

NATBOLT (189)

Bolting for cover

FM 9/10/81

Activities: *Manufactures fasteners and allied products Grinaker holds 64%, the ultimate holding company is Anglovaal Holdings*

Chairman: *B E Hersov*

Capital structure: *4,8m ordinaries of 50c, 50 000 6% cum prefs of R2 Market capitalisation: R15,1m*

Financial: *Year to June 30 1981 Borrowings long- and medium-term, R0,9m, net short-term, R8,7m Debt equity ratio 42,1% Current ratio 1,5 Net cash flow R3,9m Capital commitments R3,9m*

Share market: *Price· 315c (1980-81 high, 350c, low, 225c, trading volume last quarter, 7 800 shares) Yields 29,6% on earnings, 10,5% on dividend Cover 2,8 PE ratio 3,4*

	'78	'79	'80	'81
Return on cap (%)	12,1	13,6	22,9	24,4
Turnover (Rm)	30,7	39,4	51,0	62,7
Pre-tax profit (Rm)	1,5	2,2	4,8	6,0
Gross margin (%)	6,5	7,1	10,0	10,8
Earnings (c)	31,9	40,6	71,6	93,3
Dividends (c)	14	16	25	33
Net asset value (c)	245	269	317	380

It is a peculiar situation — though, sadly, not that unusual The company is doing well, increasing profits every year and making a reasonable return on capital But protection is being sought That ever-lurking danger, "cheap imports," is about to pounce and threaten the livelihood of National Bolts' employees

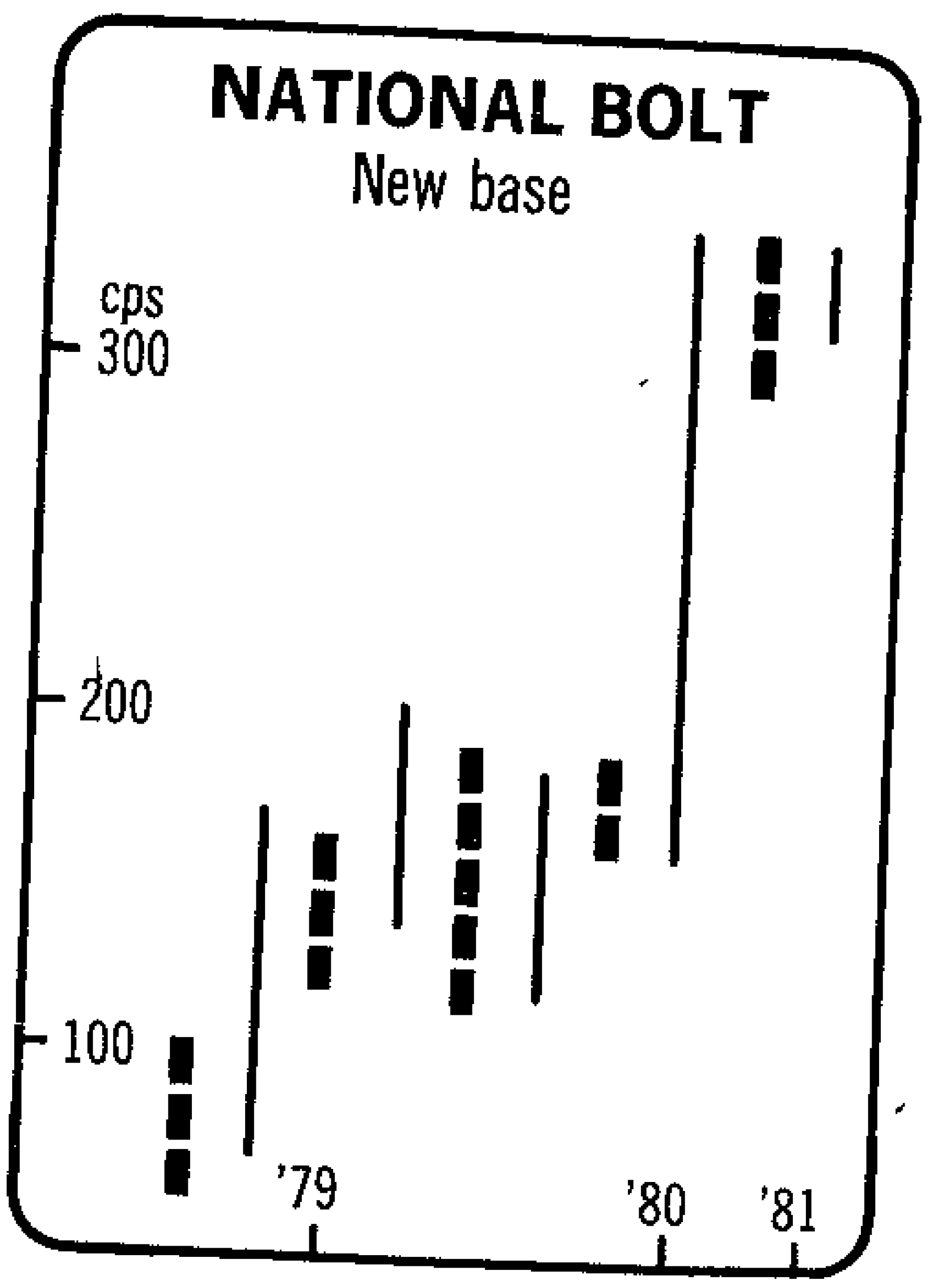
Chairman Basil Hersov bemoans the fact that increased fastener imports are a matter of "considerable concern to some members of the fastener industry who have, in good faith, established manufacturing capacity in SA for all sizes and ranges of fasteners despite the fact that local demand has not justified setting up

"The current widespread allocation of import permits for fasteners is seriously affecting the viability of parts of the SA industry and jeopardising employment opportunities for a large number of people "

But the profit record suggests National Bolts has been doing reasonably well over the past few years. What then is stopping National Bolts from being able to compete with the imports? Short product runs is the age-old argument, but there is no reason why National Bolts should not expand into the export market

It is my opinion that Hersov does the company a disservice by asking for protection Shareholders are being told, in effect, that management fears it cannot maintain market share nor continue utilising its assets as efficiently as before

As it is, the position of the company seems sound Though the market is competitive, and much of that stems from local companies, additional "high-productivity" plant is being commissioned which Hersov believes will "enhance market competitiveness and industry leadership "



Sales will probably not continue growing at the rate seen over the past four years as the high cost of money will result in deferral of a number of capital projects But ongoing demand from the mining and motor industries should be sufficient for National Bolts to maintain profit growth if the aimed-for efficiencies are achieved

The balance sheet is geared to allow capital commitments to be met by cash-flow projections, but also to increase borrowings if further opportunities present themselves

If Hersov gets his protection, the earnings pattern may show some short-term upward hiccup If not, and pressure for operating efficiencies remains, the company should be able to offer earnings and dividend growth over the next four years similar to that already achieved

That is not the finest performance available on the market, but shareholders have a share worth holding on both capital and income grounds

Ian Muil

TEDELEX FM 9/10/81

Growth continues

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Activities. *Manufactures and distributes TV sets, radios, hi-fi, consumer electronics, lighting equipment and sewing machines Owns 50,5% of furniture retailer Ellerine*

Chairman and joint managing director *B Slome, joint managing director J Cohen*

Capital structure· *13,2m ordinaries of 25c, and 9 377 12,5% red prefs of R1 Market capitalisation R71,3m*

Financial. *Year to June 30 1981 Borrowings long- and medium-term, R50,9m, net short-term, R31,4m Debt equity ratio 111,8% Current ratio 2,7 Group cash flow R26,4m Capital commitments R6,4m*

Share market: *Price 540c (1980-81 high, 565c; low, 230c, trading volume last quarter, 733 000 shares) Yields 25,2% on earnings, 8,3% on dividend Cover 3,0 PE ratio 4,0*

Stripping out Ellerine's results, the rest of the Tedelex group produced a three-fold attributable profit increase in the year to end-June Coming after a doubling of profits in 1980 this may seem phenomenal, but to get the complete picture one has to look back five or six years to the boom-and-bust development of the domestic TV industry

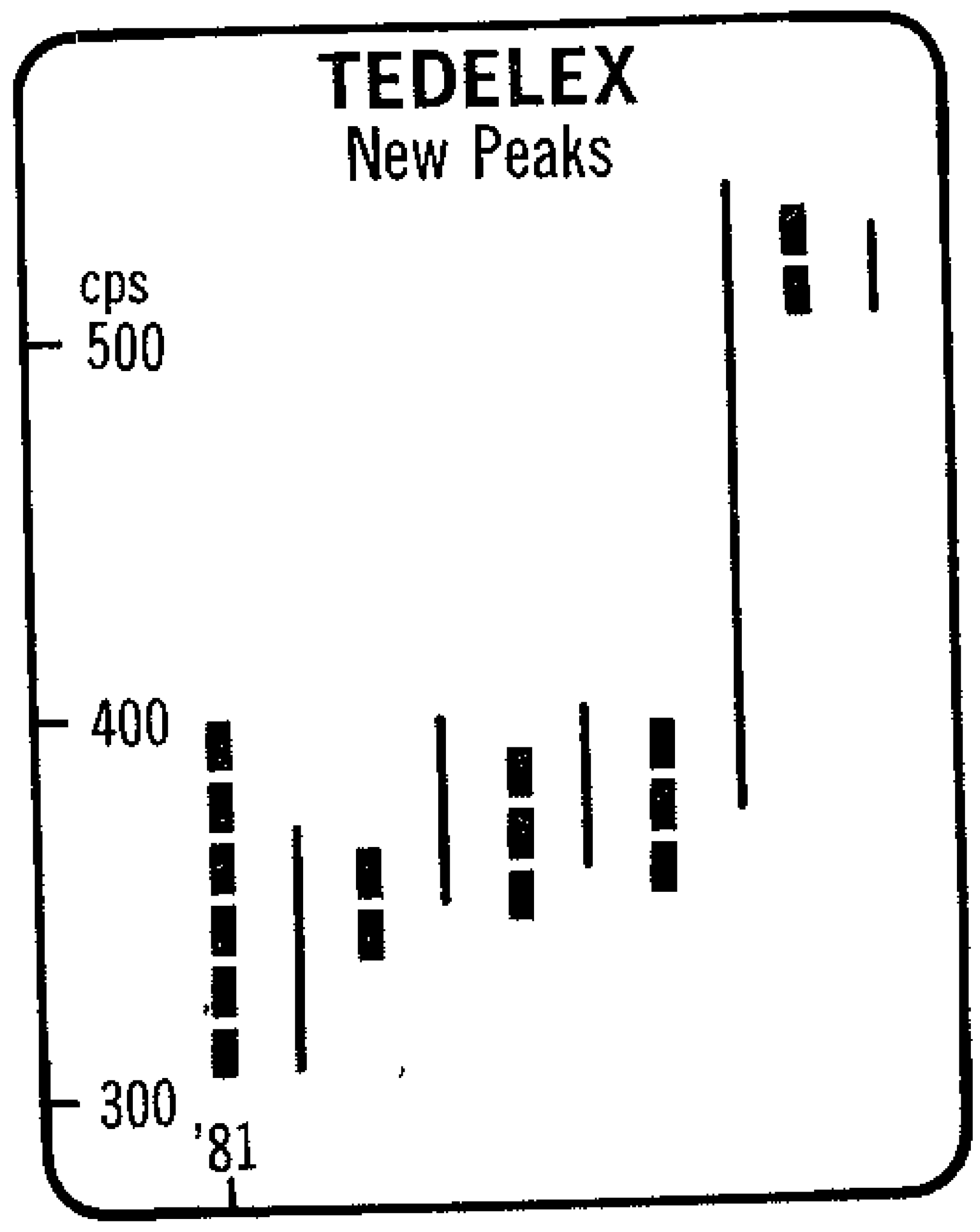
The key point here is that profit growth in recent years (still excluding Ellerine) has been off a very low base Some perspective is gained from the fact that it was only during the 1981 financial year that profits exceeded those of 1975 — the year of the TV boom

	•'78	'79	'80	'81
Return on cap (%)	†14 0	14,8	17 3	26 2
Turnover (Rm)	109	141	196	287
Pre-tax profit (Rm)	14 1	13 8	19 1	38 7
Gross margin (%)	14 1	13 6	12 2	16 2
Earnings (c)	43 9	39 1	60 9	136,0
Dividends (c)	13	13	20	45
Net asset value (c)	206	244	291	377

* 18 months † annualised

After that, with the initial rush to purchase TV receivers over and economic conditions generally poor, profit from Tedelex's traditional activities slumped 82% In 1975 profit was R8,1m, while in the 18-month accounting period to June 1978 only R1,4m was earned on an annualised basis

It is from that low base that the present "profit bonanza" is taking place Looked at another way, the five-year compound profit growth rate, from 1975 to date, is only about 7% for this side of the business



But even that is not the complete picture, because 1975 in itself was an exceptional year profits leapt almost six-fold (from R1,4m), due mainly to the offtake of TV sets From this base, the six-year annual compound growth rate is a much more acceptable 42%

However, a totally accurate growth rate is impossible to calculate because the group gives as a profit break-down only the contributions from Ellerine and "the rest" Over

[illegible]

In general, Slome is looking for another [illegible] with increased contributions from all major divisions While it is improbable that the group as a whole [illegible] anywhere near last year's [illegible] third increase [illegible] might not be too much to expect This would take the payment to [illegible] at the current market price of 540c would put the share on a prospective yield of [illegible]

Financially the group remains highly geared with a debt equity ratio of [illegible] This is, however five percentage points lower than [illegible] and is [illegible] not excessive for the nature of [illegible] With strong profit [illegible] moved up from [illegible]

The balance sheet has gained stability from a restructuring of loans Long-term debt was increased from R[illegible] to R50,9m and now constitutes [illegible] of total borrowings compared with [illegible] a year ago

In all Tedelex remains an attractive share for those who require a high level of income Market rating however will probably remain low until the group can demonstrate that the wild profit swings of the mid Seventies are unlikely to be repeated

[illegible]

ABERCOM (189)

Proving itself

FM 9/10/81

Activities. *Diversified engineering group with heavy engineering, metal component, light engineering and trading divisions Sanlam is the largest single shareholder with 16,3% (12,4%)*

Chairman: *P J T Herbert*

Capital structure *16,8m ordinaries [illegible] Market capitalisation [illegible]*
Financial [illegible] *to June [illegible] [illegible] long-and [illegible] net short-term [illegible] equity [illegible] 59 [illegible] Current [illegible] R13,m Capital [illegible]*
Share market *Price [illegible] 410c [illegible] 50c, [illegible] quarter, 431 000 shares [illegible] 17 [illegible] on earnings 7,2 [illegible] on dividend Cover 2,5 PE ratio 5,6*

	'78	'79	80	'81
Return on cap (%)	11,0	[illegible]	[illegible]	[illegible]
Turnover (Rm)	99,0	[illegible]	161,[illegible]	229,[illegible]
Pre tax profit (Rm)	4,[illegible]	8,[illegible]	15	[illegible]
Gross margin (%)	8,[illegible]	9,[illegible]	10	11,[illegible]
Earnings (c)	6[illegible]	48,0	[illegible]0,7	76,9
Dividends (c)	1[illegible]	20	[illegible]	[illegible]
Net asset value (c)	280	290	3[illegible]	[illegible]

This time last year the *FM* concluded its analysis of Abercom by saying "It is this year (1981) that Herbert will be able to prove himself and earn the institutional favour he so desires" Sanlam's increased shareholding and the company's financial performance show that chairman Peter Herbert has in fact succeeded

Abercom digested as much as possible during the economic up-turn of the past few years and Herbert now warns that an earnings growth slowdown can be expected

He lays stress, however, on the intention to maintain "a steady and controlled pattern of dividend growth" This will be achieved, says Herbert, by flexibility in dividend cover

This could imply that more attention is being given to market rating than is warranted rating should be a function of corporate performance and not an objective

Be that as it may, performance over the past year, indeed the past four years has been commendable Every year since 1978 margins have been improved and though the base was low the 11,2% achieved in financial 1981 is more than satisfactory by engineering standards So on a turnover increase of 40%, operating profit was pushed up 55% and earnings a share by 51%

The balance sheet remains sound and liquidity is high though debtor financing accounted for a large part of the current asset increase The higher earnings figure was sufficient to allow a 30% increase in dividend while cover was pushed up to 2,5 (2,1) times

Had growth kept up the pace of the past two years Abercom may have started straining its liquidity ratio and Herbert is thus relieved to see "a pause which this slowdown in growth rate will bring about"

During the second half of 1981 the lower gold price softened the market for mining equipment Building material demand is also weaker but the heavy fabrication, fan equipment and motor and other component markets remain strong

Herbert sees the softer local markets as cyclical patterns however, "and it is our intention to continue investing at a high rate in new plant and equipment, in preparation for the increased [illegible] upturn [illegible]"

[illegible] expansion [illegible] profit [illegible] the [illegible] breakdown [illegible] weighted towards SA and [illegible] outlook for the UK, European and [illegible] economies does not promise [illegible] around

Abercom has the appearance of being a far more coherent group than ever before "The next few years will make the difference" [illegible] competitive pressure on margins and [illegible] rise in debt equity could be dangerous The pay-off from the international dispersal of funds could start in the next two years, when the domestic market should also start showing signs of strengthening

On that projection the current 7,2% yield is attractive and it would not be surprising to see Sanlam's stake even higher by the end of this year

[illegible]

Meeting will decide response to sacking

Sowetan 9/10/81

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SOWETAN Reporter

SPRINGS workers have called for a general meeting tomorrow to plan a response to the sacking of 1 600 Telephone Manufacturers of SA (TMSA).

In a statement issued by Fosatu yesterday, the Springs local chairman Mr Chris Dlamini, said the TMSA dispute revealed the ugly side of labour relations in South Africa

"TMSA's management has itself acknowledged to workers that the dismissals which started the stoppage were not in accordance with the companies grievance procedure, yet they still refused to take them back," he said

"The company is falling into the trap of thinking it can use the old white registered unions like the Radio and TV Workers Union and the Electrical Workers Union to control African workers "

Mr David Sibabe, Mawu's general secretary who was mandated by 1 600 council workers to negotiate with the company confirms the attitude of TMSA in the statement

"The company refused earlier to meet with Mawu because the union wanted worker representatives to attend Instead it insisted on negotiating with unions which had been rejected by TMSA's black workers

"The only message the unions gave TMSA workers was they had been dismissed and their money would be paid into the industrial council," Mr Sibabe said

At the Fosatu meeting in Springs, where the call for a general meeting was made, workers denounced TMSA's attitude

"Their attitude could do nothing but damage to labour relations in the whole of Springs We appeal to other companies to intervene," Mr Dlamini said in the statement

Star 9/10/81

Springs bans meetings

East Rand Bureau

In a bid to curb labour unrest, Mr P L le Roux, chief magistrate of Springs, has banned all meetings — other than sports and religious meetings — from 11 am tomorrow until midnight on Sunday.

At least 10 people are believed to have been arrested for alleged assault and intimidation of workers at Telephone Manufacturers of SA (TMSA) in Springs.

Colonel J van Niekerk, head of the Security Police on the East Rand, said that police were still investigating allegations of assault and intimidation of TMSA workers who had been going to work despite strike calls by sacked colleagues.

Colonel van Niekerk said "The banning order applies to all public meetings with the exception of sports and religion meetings."

SA labour disputes slowly subside

RDM 11/6/81

By RIAAN DE VILLIERS

THE strike wave which has hit several parts of the country subsided further yesterday as 2 000 workers at four Huletts sugar mills in Natal and 283 workers at Epol in East London returned to work

But disputes arising out of dismissals of striking workers are continuing at several plants

Workers fired by Johnson Tiles, a British multinational, after striking earlier this week yesterday accused the firm of sending police and East Rand Administration Board officials to arrest them in their hostel in Tembisa township on Wednesday night They said they were released after other workers demanded to be arrested with them

Workers claimed army troops were present — but a police spokesman denied this, saying a few black constables might have been in camouflage uniforms

Pensions

The spokesman confirmed that police had accompanied board officials on a "general search" of Johnson workers but denied any attempts had been made to arrest workers

Johnson Tiles spokesmen were not available for comment

A spokesman for Huletts said all 2 000 workers who had been on strike at four Natal sugar mills in protest against the Government's pension legislation had returned to work after the firm had agreed to suspend their pension contributions pending further negotiations on the issue

Mr A Hambly, operations director of Epol, said 283 black workers who had gone on strike at its East London plant in support of a demand that their pension contributions be paid out to them had agreed to return to work today

This came after negotiations with elected worker representatives and officials of the African Food and Canning Workers' Union

The spokesman said the firm had agreed the contributions could be paid out if the workers still wanted this in a week's time

Resign

Workers would have to resign and would have to be re-employed in the process, which meant they would forfeit their service benefits but the company was investigating ways of preserving their benefits he said

About 800 former workers at Telephone Manufacturers of SA in Springs yesterday decided at a meeting not to return until the firm negotiated with their trade union about the reinstatement of three workers whose dismissal sparked off their strike

A spokesman for the Metal and Allied Workers' Union said the dispute was deadlocked as management was unwilling to meet with the union

A spokesman for TMSA said 400 of the 1 600 workers fired after the strike had returned by yesterday and 100 new workers had been taken on

DD 10/10/81

Strikes over at EL plants

EAST LONDON — Production at two recently strike-hit factories, Epol and TFM, was back to normal yesterday

Both factories were hit by strikes on Wednesday and on Thursday managements of both Epol and TFM expressed confidence that production would be resumed yesterday.

The managing director of the TFM motor component factory, Mr R Alford, said "As far as production is concerned everything is going ahead full scale"

Mr Alford said 80 per cent of the workforce of 55 who went on strike on Wednesday over the dismissal of seven workers were back at work yesterday.

It was back to full production at the Epol factory where about 150 workers downed tools in demand of the return of their pension fund contributions

"All is back to normal today, with the normal percentage of absenteeism," said the branch manager of the factory, Mr R Kreusch — DDR

Weekend meetings ban in strike-hit Springs

RDM 17/10/81 (160) (151) (137) (327)

Mail Reporters

ALL public meetings, except sport and religious gatherings, in the Springs magisterial area have been banned this weekend after more than a week of labour unrest in the town

At least five black workers were arrested in connection with a strike at Telephone Manufacturers of South Africa (TMSA)

A security police spokesman said yesterday the arrests had been made in connection with "serious cases of assault and intimidation" which had apparently resulted from the strike

Injuries

He said two men were in hospital with serious injuries At least five men had been arrested and more arrests were expected

The ban on meetings, issued by the Chief Magistrate of Springs, prohibits all public gatherings other than sports and religious events in the Springs magisterial district The order, made in terms of the Riotous Assemblies Act, came into effect at 11am yesterday and will be effective until Monday morning

It follows a series of meetings in the Kwa-Thema township by TMSA workers A security police spokesman said the ban was decided upon because of fears of violence at meetings

'Interference'

The ban affects a mass meeting called by the Federation of South African Trade Unions (Fosatu) this afternoon to discuss "solidarity action" arising from the strike

A Fosatu spokesman said last night the ban was clearly aimed at preventing the meeting and countering the "increasing solidarity of Fosatu unions in Springs" He condemned the move as "direct interference by the State in the resolution of labour disputes through workers discussing their problems' and called on the State to keep out of labour disputes

Cards

The unrest at TMSA, the biggest non-mining employer in Springs, started last week after three workers were fired for allegedly playing cards during working hours

About 200 workers in the same department went on strike and were dismissed after ignoring an ultimatum to return to work More workers joined the strike until all 1 600 black workers had downed tools

The rest of the work-force was fired on Monday Since then, the company has been attempting to re-employ all but the 200 initial strikers but the bulk of the workers have pledged not to return until all fired workers are reinstated

A spokesman for the Fosatu-affiliated Metal and Allied Workers' Union said yesterday friction had started among workers on Thursday and it was understood that violent incidents had taken place

In addition to the ban on meetings, he said the chairman of Fosatu's Transvaal Region, Mr Chris Dlamini, had been served with a special order instructing him not to attend any gatherings over the weekend

No confirmation of this could be obtained from the police

THE STRIKE SITUATION

Strike fortnight leaves its mark on SA industry

EXPRESS 1 10 8

By CHARLOTTE BAUER

IN THE last two weeks more than 20 strikes have swept across South Africa and this week alone, 2 000 of 7 000 workers involved in work stoppages were sacked

In an escalating wave of strike action that has gripped the country, the East London plant of Mercedes Benz Manufacturer Car Distributors' Assembly, was brought to a virtual standstill on Tuesday by its third strike in less than a week

And three of the biggest sugar mills in Natal and Zululand, owned by the Huletts group, were forced to close for a day

Since mid-September, a battery of country-wide strikes has been reported

O On September 22 more than 2 000 Black workers at Anglo-American's Scaw Metal's plant in Wadeville went on strike

The strike ended after management re-instated a Black worker who was fired after assaulting a White

O Following a wage dispute about 150 workers downed tools at a Grinaker construction site in Sarnia, Natal

O On September 23, 10 striking workers at a Captain Dorego fish and chips outlet in Johannesburg returned to work after they were promised R5-a week bonuses

O Five days later more than 100 workers stopped work at Game discount stores in Durban, demanding higher wages This resulted in the dismissal of 141 striking workers

O On the same day about 400 metal workers at the Dorbyl Railway Products plant in Boksburg went on strike for an across-the-board increase

They conditionally returned to work two days later

O Striking stevedores employed by the South African Stevedores Services Company in Durban agreed to return to work after a shutdown at the docks

The decision by the 950-strong workforce to return to work was conditional upon management meeting their liason committee to discuss grievances

O 230 workers at the SA Bottling Company in Port Elizabeth agreed to return to work after a walk-out over higher wage demands

O More than 500 workers went on strike at Power Steel in Wadeville, Germiston, demanding the re-instatement of a colleague they claim was unfairly dismissed

They later returned to work

O Workers at the Dorbyl plant in Boksburg downed tools for the second time in a week after their demands for an across-the-board increase were refused by management

O On October 1 about 800 workers employed by the Sappi Paper Mill in Enstra land refused to go on duty for the morning shift because they were dissatisfied with the new pension scheme

O At the milling firm, E Lewis and Company, a Tongaat group subsidiary in Kempton Park, about 500 workers, most of them members of the African Food and Canning Workers' Union, downed tools in protest at the dismissal of a colleague All were fired

O On the same day 700 workers quit the Car Distributors' Assembly plant in East London

The action followed the dismissal of a fellow worker.

O In Natal 800 Hulett's workers downed tools The strike was sparked by protracted disputes involving pending pension fund legislation

O Striking workers at Telephone Manufacturers of SA in Springs caused the factory to be closed The company sacked about 1 500 men

Black unions — spearhead of change

JOHN KANE-[illegible] REVIEWS WORKER PO[illegible] — AND THE CHANGING ATTITUDES OF MA[illegible]

JUST two-thirds of the way through, 1981 is already well on the way to being another "year of the worker" — like 1980

There have been at least 115 reported strikes by Black workers while Black unions report that new members are flooding in faster than ever before

At the same time, rivalry between Black unions is hotting up, with militant new groups poaching members from moderate unions

More and more union leaders are talking of the need to become involved in broader community — as opposed to strictly factory — issues, while some even joined in public political protests against the Republic Day "festivities"

Not only are Black workers becoming increasingly conscious of their potential power as workers, employers are also now more sharply aware of it than ever before

The hardline anti-union stance of the vast majority of employers so evident only a year ago is slowly beginning to be eroded by worker power

Unions are finding access to factories easier than in the past, while the number of companies that have signed recognition agreements with Black unions has jumped from only two in 1979 to about 70

Also significant is the fact that managements are becoming steadily less willing to toe the Government's line in handling Black unions

At least one company ignored a specific urgent request by the Minister of Manpower Mr Fanie Botha, not to recognise an unregistered Black union

There is a growing trend among managements to regard a union's standing on the factory floor as the main criterion in deciding whether or not to recognise it, not whether it has official approval from Pretoria

Growing numbers of employers seem to feel they simply cannot wait while Pretoria tries to sort out the mess it has made of the post-Wiehahn industrial law

But although there is a new realism abroad among some employers they are also profoundly worried that Blacks, denied political but now granted economic rights, will use trade unions as political instruments

As Brian Matthew, executive director of the Midlands Chamber of Industries in strike-prone Port Elizabeth puts it 'A wall has been built across the river We've opened one sluice gate to reduce some of the pressure, but kept all the others closed So it's inevitable that all the pressure will now come through this one opening

What Black unions have achieved they have won against tremendous odds

Recently for instance the Chemical Workers Industrial Union has been squaring up for a battle against Colgate-Palmolive in Boksburg

The union which is affiliated to the non-racial Federation of Soth African Trade Unions (Fosatu), had been trying for a year to be recognised by Colgate

But the company would not agree to bargain about wages at plant level arguing that this must take place in the industrial council for the chemical industry

The company finally acceded to the union's demands after an overwhelming vote by the workers to strike in their support

The significance of this was that the company capitulated to the threat of a strike before the union had to call a strike to demonstrate its strength

Before a strike was due to start, a nation-wide boycott of Colgate products had been set in motion by Fosatu to back the union's demands, and thousands of "boycott Colgate-Palmolive" stickers were distributed with lists of the company's products

Acting Transvaal branch secretary of the union, Chris Bonner, said Colgate could be highly vulnerable to the boycott since it was operating in an intensively competitive market

And the union had decided on a strike levy on its 3 000 members across the country to help its Colgate members during the strike

Officials and shop stewards of other Fosatu unions on the increasingly-militant East Rand reported at the time that their members were wearing boycott stickers on their overalls in other factories — sparking, they claimed, fears among other companies that a Colgate strike could spill into their own factories

Solidarity across factories is one of the significant new trends among Black workers Last year, a sympathy strike — the first ever in South Africa — spread right across the meat industry in Cape Town in support of worker demands in one factory

The recent strike in the motor industry in Port Elizabeth was another step down this road for workers at General Motors and Ford downed tools in support of workers at Firestone having earlier refused to handle Firestone tyres in the motor assembly plants

Consumer boycotts also have precedents the most successful being the boycott of Fattis and Monis products to back the Food and Canning Workers Union's demand in 1979

The company gave in after the boycott — which had backing among Black organisations all over the country, including Chief Gatsha Buthelezi's Inkatha movement — began to affect its share price adversely

Success breeds success in the union movement

Mrs Maggie Magubane, whose Fosatu-affiliated Sweet, Food, and Allied Workers' Union recently signed a historic agreement with Kellogg in Springs in terms of which the union will in future be consulted over retrenchments, says "Workers and my township neighbours read or hear about our agreement and then come and ask us to help them organise a union that works like our union"

The two main exponents of "community linked unionism" are outside the main groupings

They are the Motor Assembly Components Workers' Union of SA (Macwusa), which is based in Port Elizabeth but now expanding to the Sigma motor plant in Pretoria and the SA Allied Workers Union (Saawu) whose power-base is East London

Both say factory issues cannot be divorced from community issues

Illustrating what "community-linked unionism" implies, Macwusa's Sipho Pityana says that if slum and disease conditions in the townships make a worker ill so that he takes sick leave, the employer must be aware of these community problems

Both Saawu and Macwusa suffer severe harassment with more than 200 — mainly Saawu — members or officials having been detained without trial at one or other time this year

Even so, they are growing

O Last year's municipal workers strike brought the issue of industrial unrest into every White home in Johannesburg This year the number of strikes has increased as workers realised their potential for change

Workers claim assault by police

Sowetan 12/10/81

A NUMBER of workers have claimed they were assaulted by riot police when about 1 000 workers at the Telephone Manufacturers of South Africa in Springs went on strike in solidarity with three of their colleagues who were fired

The strike started on Thursday at about 5 pm after the three workers had allegedly been fired for playing cards, although workers claim the three had already knocked off

On Friday morning, all the other workers were allowed into the company premises, but those who worked in departments 26 and 27 were locked out The others who were allowed in also refused to work and gathered outside and began singing freedom songs and shouting "Amandla" Riot police were called in and people started scattering and later converged again

Mr Nhlanhla Phakathi, said he had asked to talk to management but was instead taken into an office by the riot police who allegedly assaulted him

Business Mercury

Botha's Hill firm has jobs for 85

N.M. 13/10/81

(184)

Financial Editor

EIGHTY-FIVE jobs are being provided in a Botha's Hill clothing factory which it is expected will double capacity and jobs within the next few months.

Although productivity and quality are not yet at the same standards as trained workers, the factory owner intends to bring all the workers onto the industry pay scales once they have reached acceptable standards

Mr Ben Jonsson, owner of the Jonsson Group of clothing companies, celebrates his 25 years in business with a function in Durban this evening

He said 'We bought the Botha's Hill company some months ago and are very pleased with the workers' response Our factory at Umbilo is crowded and this factory was a good opportunity to expand and to take the work to the workers'

Mr Jonsson explained that because the factory fell in a reserve there was no wage determination

He was negotiating with the Valley Trust to lay on water to the factory so that the workers would have a supply of clean water which they could take home Many of the workers were young mothers and if he could not get the water a creche would be started

Mr Jonsson said the factories were now producing 5 500 overalls a day and output would rise in the next few months to keep up with demand

Recently a new section had been opened which was headed by Mr Christopher Raleigh to produce boys' casual wear, jeans and boxer shorts

Mr Jonsson started in business in 1956 when he handled a number of agencies In 1968 he established his overall business, contracting to have them made by an outside firm

In 1973 he took the factory over and they moved to their present site in Rossburgh three years ago

FM 13/11/81

SEIFSA'S GUIDELINES

Preparing to talk

The revised labour guidelines released by the Steel and Engineering Industries Federation (Seifsa) may not satisfy some unregistered black unions, but are far more flexible than those issued two years ago

Furthermore, Seifsa will engage in discussions with both registered and unregistered unions to "discover differences and common ground"

The new guidelines have been formulated to equip Seifsa's 3 500 members (with a combined workforce of over 300 000 people) to deal with the rapidly evolving labour scene

A major problem employers face is the refusal of unregistered black unions to bargain at industrial council (IC) level (see previous story) Seifsa has reiterated its opposition to bargaining on pay and working conditions outside the council system However, it has adopted a new strategy aimed at attracting unregistered black unions into the ICs

Information exchange

The federation says that in dealing with an unregistered union, or one which does not support the IC system, employers should consider an exchange of information A company should try to obtain from a union its constitution, the benefits it provides to members, its attitude to existing in-company employee representation mechanisms, and the names of other companies where the union has established a relationship with management In return, employers should be willing to give the union information about the size and composition of its workforce and the nature of its activities

Proof of union membership is important Seifsa believes that in no circumstances should managements agree to a referendum, but the union should show written proof of active, signed-up members who have paid their dues

Management should study the union's constitution, investigate whether other employers have recognised the union, whether it has any record of industrial unrest in related situations, and whether there is potential for conflict between the union and other unions operating in the company

In a significant departure from previous policy, Seifsa says that although a union not represented on an IC should not automatically get facilities granted to unions on the council, these facilities could be "points for negotiation"

The new guidelines also provide procedures for industrial relations at company level in which unions have a role These include principles involved in the selection of shop stewards, grievance, disciplinary, consultation and communication procedures

Unregistered black unions are reluctant to comment fully on the new guidelines Some union leaders say that to do so might prejudice the discussions that Seifsa wishes to have with them However, unionists point out that Seifsa is still strongly opposed to plant-level bargaining on wages Seifsa, they say, is willing to discuss changes with them, except the one they want most

Seifsa director Sam van Coller, however, emphasises that employers are keen to achieve a common industrial relations system in the metal industries This is the prime objective of the discussions which are taking place he says

STEEL TECHNOLOGY

FM 13/11/81

Iscor breaks through

Environmentalists relax. Iscor is no longer eyeing the coking coal deposits under the Kruger National Park as hungrily as before — thanks to a new steel-making process which could ultimately lessen its dependence on the country's scarce coking coal reserves.

In a few weeks the Iscor board will award the main contract for a R1 [illegible]m direct reduction facility at its Vanderbijlpark works. Designed to produce between 600 000 t and 720 000 t/year of sponge iron, it will be the world's biggest by far.

It represents a bold commitment to a new technology which has gone through many costly teething problems in much smaller plants around the world.

If it performs to specification, the days of producing iron and steel from conventional blast furnaces could be numbered in SA. This also applies to many other countries short of coking coal.

Steelmakers the world over will thus watch the performance of the new plant with great interest. As one enthusiastic engineer put it: "SA could one day become a Mecca in steel production."

The direct reduction process involves burning middle-grade coal in the presence of raw iron ore in a giant rotating kiln or tube, 80 m long and 5 m round. The iron ore emerges from the kiln as lumps of porous sponge iron which is 97% pure.

This can then be loaded directly into electric arc furnaces for conversion into high grade steel.

To make an equivalent product by traditional methods, a highly-polluting blast furnace employing scarce coking coal, and an oxygen furnace are required.

Capital cost for the direct reduction process is lower than for the traditional process, but it is more energy-intensive.

But energy from the middle grade coal is cheap and plentiful in SA and end production costs should be marginally lower.

Iscor will optimise energy use by generating steam in a waste gas boiler with by-product gases which the process gives off. It will be the first time this has ever been attempted.

Iscor was originally pushed into its pioneering project by the national shortage of high grade scrap used in its electric arc furnaces at Vanderbijlpark. Scrap will be supplemented by the sponge iron produced by direct reduction.

Without the new plant they would have been threatened with periodic closure through lack of suitable charge material.

However, if all goes well the benefits of lower costs, no reliance on coking coal and low pollution will be much more important.

Another advantage is that direct reduction kilns do not have to be big to be economical. Minimum size for a blast furnace is around 1 Mt/year capacity.

Iscor's plant will consist of four independent units with a capacity of between 150 000 t and 180 000 t each. This means that it can enlarge its capacity by more comfortable smaller steps.

Iscor's blast furnaces in Pretoria are old-fashioned and highly polluting. Some time ago it was prevented by a court injunction from adding more for reasons of environmental control. Now direct reduction kilns could enlarge the capacity of these works without undue pollution.

The breakthrough puts a new complexion on the economics of Iscor's coal mine at Ellisras.

Exploited primarily as a source of coking coal, the corporation was obliged to find a market for the large quantities of accompanying lower grade steam coal to help cover its mining costs.

This led to Escom's giant Matimba power station project nearby.

The coal committed to Escom, which was once of no use to Iscor, could now be used in its direct reduction process.

Four international tenderers are competing for the direct reduction plant contract. They are Krupp, Lurgi, a consortium Davy-McKee and Direct Reduction Corporation, and Allis Chalmers.

Lurgi appears to be the frontrunner as it has the most experience in the field. It also has big contracts on other projects with Escom and Sasol.

ISCOR'S RESULTS

Declining exports of iron ore and steel due to depressed world markets were the main reason for Iscor's profit drop to R6[illegible]m (R77.5m) this year, says Chairman Dr Tommy Muller in the Corporation's annual report.

However, the corporation again showed a strong positive cash flow amounting to R[illegible]2m (R3[illegible]m). There was also an improvement in the debt ratio which now amounts to [illegible] ([illegible]).

Total steel sales dropped to 5.1 Mt (5.5 Mt) and iron ore sales to 11.7 Mt (14.5 Mt). Export sales of steel declined to R3[illegible]m (R1[illegible]4m) and iron ore sales to R204m (R221m).

The big decline in iron ore export tonnage was partly offset by a higher dollar price attained. This represented an additional R1 20[illegible].

"Considerably higher ore prices are needed and this can only be achieved if international steel prices are increased," says Muller.

Domestic steel sales rose to 3.86 Mt ([illegible] Mt) and total turnover of R1 918m (R1 798m) nearly touched R2 billion. Liquid steel production was 7[illegible] Mt ([illegible] Mt).

It is expected that the slowdown and even reduction in steel demand, which has been experienced in the consumer goods industry, will continue, says Muller. "It should, however, be counteracted to some extent by an expected steady demand for steel in the construction industry and for infrastructural purposes."

A range of low alloy steel products called Supraform and Supraform TM was launched. They are highly formable products suitable for complicated pressings and are relatively strong.

This year installation of in-pit crushers and electric trolley systems for rear dump trucks at Sishen and Grootegeluk mines will save about 24m litres of fuel a year.

The decommissioning of diesel driven power stations at Uis and Rosh Pinah mines will save 10 Ml of fuel a year. They now draw from the Swawek grid.

AFRICAN CABLES (189) FM 13|11|81

Competitive edge

Activities: *Manufacturer of electric cables Owns Alucab, which has an aluminium conductor factory at Dundee, Natal Various UK cable companies own 60% of the equity*
Chairman· *W M Randell*
Capital structure· *23,4m ordinaries of 25c Market capitalisation R91,3m*
Financial. *Year to July 31 1981 Borrowings long- and medium-term, R862 000, Net cash R4,8m Debt equity ratio 1,4% Current ratio 2,4 Net cash flow R6,6m Capital commitments R8,2m*
Share market: *Price 390c (1980-81 high, 425c, low, 275c, trading volume last quarter, 17 400 shares) Yields 10,2% on earnings, 7,2% on dividend Cover 1,4 PE ratio 9,8*

	'78	'79	'80	'81
Return on cap (%)	14 7	15 9	23 9	27,2
Turnover (Rm)	44,4	46 7	75,1	85,8
Pre-tax profit (Rm)	7 1	8,3	13,4	17 0
Gross margin (%)	16 9	18 7	18 2	20,0
Earnings (c)*	19 3	20 9	31 2	39 7
Dividends (c)*	12	14,25	22	28
Net asset value (c)*	192	217	238	266

* Adjusted for 4-way share split in December 1979

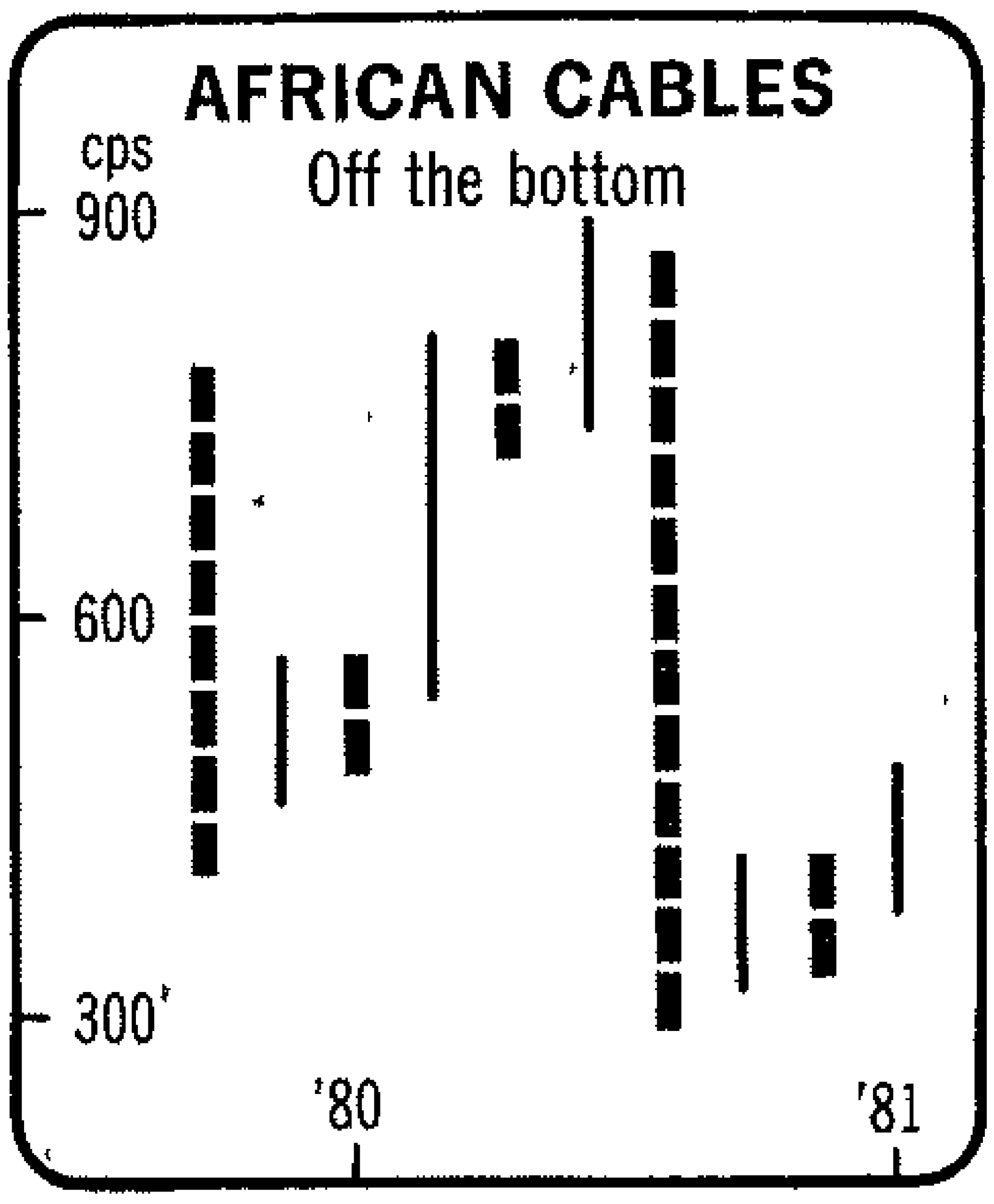
African Cables' market rating has slipped from a PE ratio of 12 this time last year to the current 9,8 But that is due to the changed outlook for equities generally rather than any altered outlook for this company, which remains a leader in the country's power cable industry

The strong cash flow projection, the under-geared but exceptionally strong and liquid balance sheet and the significant improvement in return on capital employed

African Cables . profit keeps rolling along

should ensure that the market continues rating the group on a PE some points above the market average

In fact, the immediate outlook suggests the share may be a useful addition to portfolios requiring some bolstering with potential market beaters



Though a higher turnover volume in 1981 was the main factor contributing to the improved earnings, there was some improvement in margins and this gave considerable leverage to the pre-tax profit increase Also, it is of more consequence when looking at the next few years

The lack of balance sheet gearing, together with the projected continuation of high cash flow, means the company is in a strong position to finance its planned expansion programme

A capex budget of R12,5m for the next two years has been approved One of the more exciting of the immediate projects is the broadening of the product range of manufactured cables It is this development, says chairman Bill Randell, which will allow "modest growth" in the current year

The expansion programme has resulted in additions to the manufacturing facilities which will give the group an edge over competitors A number of plants have been installed which will allow the production of cable not yet manufactured in this country

And if the industry's expected growth rate of between 8% and 10% is sustained, the maintenance of high volume traditional lines should allow the group to introduce the new products with few pricing problems

The infrastructural needs of the country are still not fully being met It is unlikely that the next two years will see any significantly increased state spending but, over the medium term, the electrical cable industry must rank in the top category for growth

African Cables has a strong market presence likely to be even further strengthened during this consolidation period by the group's ability to increase gearing if liquidity is squeezed

The shares are not easily dislodged, but they are worth injecting into capital growth portfolios *Ian Muil*

189

13/10/81

More out in dispute over pension refunds

Mail Correspondent

THE Allied Workers' Union yesterday confirmed that workers at a Durban stevedoring firm and a Cato Manor quarry had gone on strike over pension refunds and wage increases

Union secretary Mr S K B Kikine said hundreds of workers at the Maydon Wharf and Point Road branches of the stevedoring firm struck early yesterday after demanding pension refunds

The quarrymen claimed promised wage increases had not been paid and the company refused to let them join the Building and Allied Workers' Union, apparently because it was not registered

A number of Indian employees joined the quarry strike because they did not want to be intimidated

Quarry manager Mr S Strydom said workers had been warned that they faced dismissal if they did not return to work They had had a pay rise last month he added

Police watched the quarry while management discussed the grievances

Mr F K W Ross, director of manpower at Grinrod Cotts stevedoring, said Maydon Wharf and Point Road workers were not on strike but had been delayed because of negotiations with management over pension refunds

About 700 workers at the two branches had requested unconditional pension refunds

"Management had heard their grievances and it was agreed that an answer be given today," he said yesterday

The proposed pension legislation, which led to labour trouble at Huletts sugar mills on the North Coast, spread to Maritzburg yesterday where 80 workers left Huletts Aluminium

A company spokesman said they had been expressing concern over the proposed legislation for two weeks

About 120 hourly-paid employees at the plant had approached the company's personnel officers with the request that their pension contributions be repaid, the spokesman said

"The proposed pension legislation was again clarified and they were told their contributions would only be returned if they resigned," the spokesman said

"As a result, some 40 employees returned to work and the remaining 80 resigned

"Those who resigned were given cheques for their pension contributions and will receive their outstanding pay tomorrow "

More than 1 800 people are employed in the plant

CT 13/10/81

Artisan scheme 'a step forward'

(189) ~~(175)~~ ~~(176)~~

Own Correspondent

JOHANNESBURG — Employers and registered trade unions in the giant metal industries are to meet today to ratify a new artisan training scheme for the industry which employers see as "a step forward"

The scheme sets out standards by which workers can become artisans without becoming apprentices first — the first such scheme to be negotiated since blacks became eligible for artisan work

Unlike previous similar schemes, the plan lays down educational and training standards for workers who wish to become artisans through this route They must also be older than candidates previously had to be

This has led to charges that the criteria have been toughened in order to "keep blacks out" The scheme is likely to affect blacks in particular as most black workers missed the opportunity to become apprentices

But the director of the Confederation of Metal and Building Unions, Mr Ben Nicholson, confirmed that the unions had asked for more rigorous educational and training standards before non-apprentices could become artisans

But he strongly denied this was an attempt to control the influx of black artisans

'Step forward'

An employer source said the plan was a "step forward" He said it was planned to gazette the agreement, which meant it would be legally binding throughout the metal industries

"Obviously, artisan unions are concerned that standards in skilled jobs are maintained But we believe the agreement will provide an acceptable formula for training skilled workers of all races The fact that it will be gazetted means it will be easier to enforce"

Star 13/10/81

BW

Nine in court for assault

Labour Reporter

Nine people appeared in the KwaThema Magistrate's Court yesterday on charges of assault with intent to do grievous bodily harm following a strike at the Telephone Manufacturers of South Africa firm in Springs this month

The case wast postponed until next Monday and a spokesman for the Fosatu-affiliated Metal and Allied Workers Union which raised bail for the nine said dismissed TMSA workers and the union still sought negotiations with management

About 1 600 workers were told they had "dismissed themselves" after workers conducted a sympathy strike in support of three dismissed colleagues

TMSA has been taking on a new work force and more than 500 were taken on after a week's rehiring

Last weekend the Springs Chief Magistrate, Mr P L Le Roux, banned meetings in the Springs area — a move which was seen as an attempt to stop former TMSA workers from meeting on Saturday

189

Sa 13/10/81

Firms hit as labour unrest continues

Labour Reporter

About 100 workers at the Uitenhage motor components firm, Motoravia, went on strike yesterday over wage demands and union recognition

A spokesman for the Fosatu-affiliated Transport and General Workers Union said the union had a majority representation at the plant Workers also demanded better wages, he said

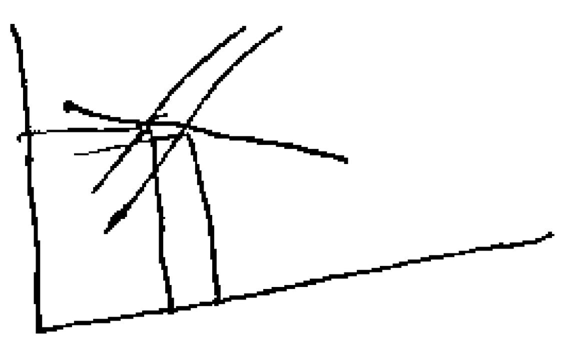
The SA Bottling Company plant in nearby Port Elizabeth continued today to take on a new workforce after the dismissal last week of about 250 workers

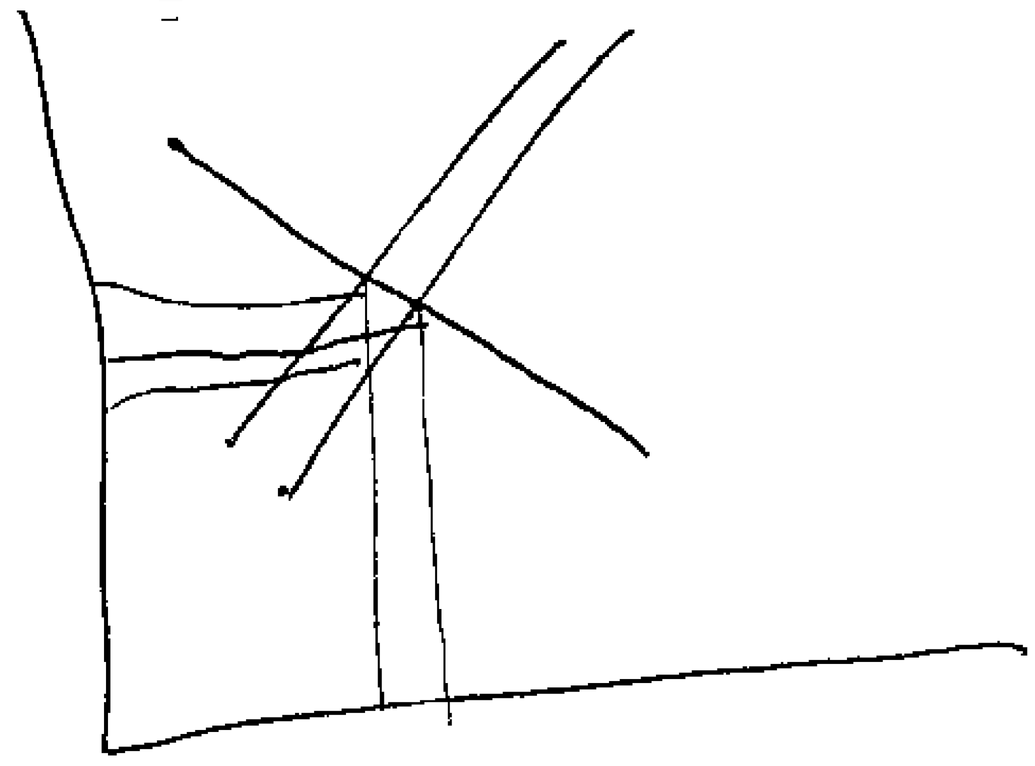
A worker delegation was expected to meet management at Johnson Tiles in Olifantsfontein after dismissal of about 600 workers earlier this month

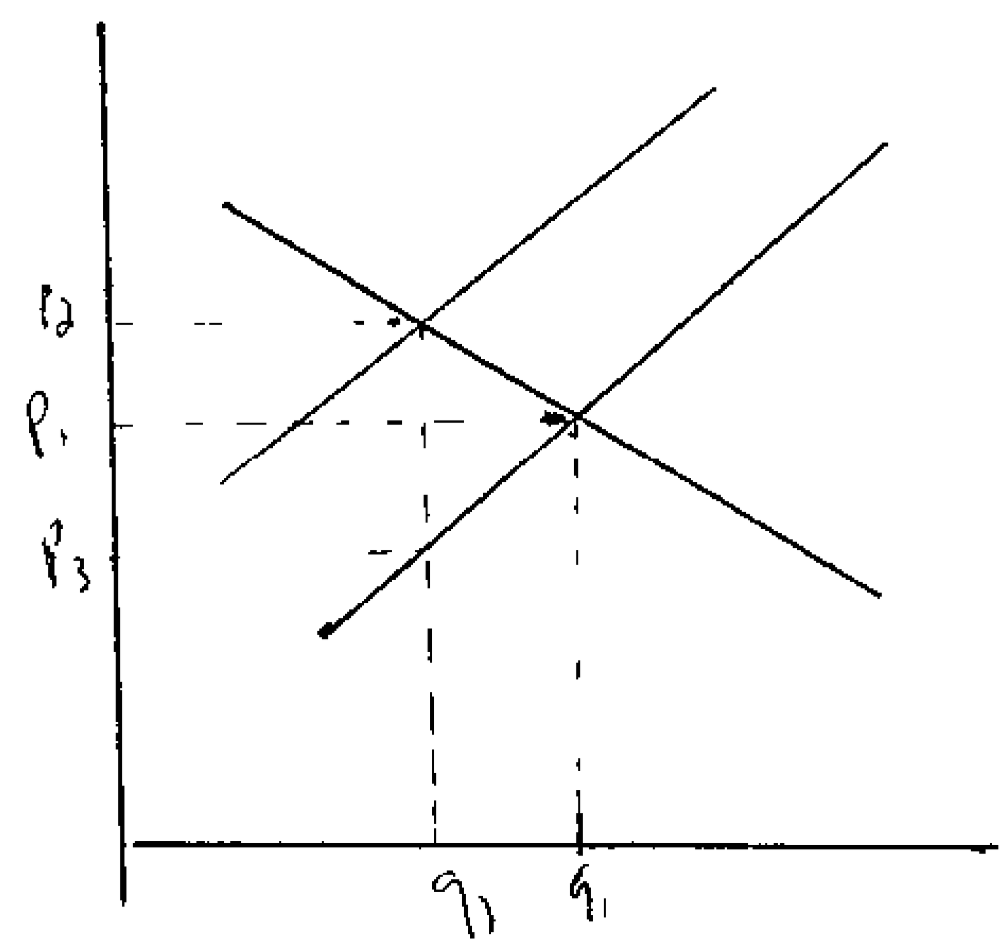
A union spokesman said workers hoped to return to work tomorrow if the dismissed employees were taken on again

About 1 000 black employees of the Natal Tanning Extract Company at Melmoth were on strike today over proposed pensions legislation

And in Maritzburg, 120 Huletts Aluminium workers struck for some hours yesterday, also over the pensions issue







RDM 15.10.81

Springs strike: hundreds re-apply after unrest

(189) (147) (333) (217) (152) (UDF) (154) (SFT) (TUSA)

Labour Reporter

ABOUT half the 1 600 workers fired after a strike at Telephone Manufacturers of SA (TMSA) at Springs ten days ago have applied for re-employment, a management spokesman said yesterday

The strike led to a ban on meetings in Springs over the weekend and the arrest of nine workers, allegedly as a result of violent incidents in KwaThema township A spokesman for the Federation of SA Trade Unions said Fosatu unionists were attempting to secure bail for the arrested workers

Meanwhile, two more brief work stoppages were reported from Durban and a union spokesman said the 150 workers fired after striking at Game Discount World in that city two weeks ago were still refusing to return to work

And our Port Elizabeth correspondent reports that about 180 workers at Motor Via, a components firm which supplies the Volkswagen plant, struck yesterday in support of demands for recognition of Fosatu's Transport and General Workers Union.

This is the third strike concerning recognition in Port Elizabeth in the past eight days

A TMSA spokesman said yesterday that about 900 black workers were now working at the company Just under 800 of them were fired strikers who had applied for re-employment.

He claimed that there had been about 1 000 workers outside the factory gate yesterday morning seeking employment

The spokesman added, however, that "the situation is dynamic and it is not possible to predict how things will look tomorrow"

In Durban, about 200 workers at stevedoring company Grindrod Cotts stopped work to discuss their demand that their pension money be refunded to them and the general secretary of the SA Allied Workers' Union (Saawu), Mr Sam Kikine, said they had struck in support of this demand

But the company's managing director, Mr F Ross, said workers had not gone on strike but had stopped work in order to continue discussions with management on their pension demands They had returned to work during the morning

"We have been discussing the pension issue with our works council and will continue to hold talks," Mr Ross said

A second firm, Pinetown-based Ridgeview Quarries, was hit by a strike by about 100 workers yesterday

Mr Kikine said the workers were striking because they had not received a promised wage increase and to back a demand for the firm to recognise Saawu

A management spokesman said late yesterday that the strike had been resolved

New scheme eases way for artisans

~~178~~ ~~176~~ ~~177~~ RDM 13·10 81 ~~183~~ ~~53~~ ~~179~~

EMPLOYERS and registered trade unions in the giant metal industries are to meet today to ratify a new artisan training scheme for the industry which employers see as "a step forward"

By STEVEN FRIEDMAN

The scheme sets out standards by which workers can become artisans without becoming apprentices first — the first such scheme to be negotiated since blacks became eligible for artisan work.

Unlike previous schemes, the plan lays down educational and training standards for workers who wish to become artisans through this route. They must also be older than candidates previously had to be.

This has led to charges — in an anynomous letter to the Rand Daily Mail — that the criteria have been toughened in order to "keep blacks out" The scheme is likely to affect blacks in particular as most black workers missed the opportunity to become apprentices.

The director of the Confederation of Metal and Building Unions, Mr Ben Nicholson, confirmed that the unions had asked for more rigorous educational and training standards before non-apprentices could become artisans

But he strongly denied that this was an attempt to control the influx of black artisans.

"We were pushing for this long before blacks became eligible. If anything, we're protecting them by ensuring that they get adequate training and a qualification which will be accepted anywhere in the industry," he said.

Binding

An employer source said the plan was a "step forward". He said it was planned to gazette the agreement, which meant it would be legally binding

"Obviously, artisan unions are concerned that standards in skilled jobs are maintained But we believe the agreement will provide an acceptable formula for training skilled workers of all races," he said.

The new scheme combines features of the journeyman recognition scheme, which has expired, and a separate artisan training agreement

Both enabled workers who had missed the chance to become apprentices, to become artisans.

Both were negotiated at a time when blacks had no access to artisan jobs

The new scheme lays down that workers must be at least 25 years old to qualify and that they must have attained an educational level which will be decided by the industrial council.

Employers must now train these workers and test them at each stage of their training

According to Mr Nicholson, the educational level required will differ from trade to trade. But in no trade will prospective artisans need a higher education level than that required of apprentices — usually Standard 7

Star 14/10/81

MAWU speaks up for 1 500 strikers

By Drew Forrest

The giant International Metalworkers Federation has been consulted by one of its affiliates over the dispute at Telephone Manufacturers of SA in Springs where about 1 500 striking workers were dismissed last week.

In a statement the Metal and Allied Workers Union said Temsa management's refusal to deal with the union officials and committee members "could only poison industrial relations in the Springs area."

The union said it had called on the International Metalworkers' Federation to draw Temsa's behaviour to the attention of its British parent companies, Plessey and GEC.

It also said two Temsa workers were arrested yesterday at the Magistrate's Court in kwaThema, where nine colleagues charged with assault were applying for bail.

Bail was granted at R50 each for four women, and R100 each for the men.

In response to union charges a Temsa spokesman said managment was not prepared to deal with "a union which has come forward for the first time in a troubled situation."

Talks would be held this week with the Electrical and Allied Workers' Union and the Tucsa-affiliated Radio, Television Electronic and Allied Workers' Union, which the company recognises.

Management was continuing to interview workers who had turned up at the factory gates. Nearly 1 000 workers — of whom 100 were new recruits — were back at work, he said.

P.T.O

RDM 5/10/81

Unions appeal for foreign aid over disputes

TWO local black unions have sought the help of powerful overseas labour organisations in an attempt to resolve disputes arising out of recent strikes on the Witwatersrand.

Labour Correspondent

The Building, Construction and Allied Workers' Union has appealed to the British Trade Union Council to approach the British parent company of Johnson Tiles at Olifantsfontein, where workers were fired after a recent strike

A union spokesman said this week the TUC had secured an agreement from Johnson Tiles' parent company that workers would be reinstated and that the firm will meet the union

However, he claimed local management wanted to re-employ selected workers only — which the British unions "totally rejected" He also claimed the firm had told fired contract workers to vacate their hostel in Tembisa township by Monday afternoon

Company spokesmen could not be reached for comment

Meanwhile, the Metal and Allied Workers' Union has called on the International Metalworkers' Federation to intervene in its dispute with Telephone Manufacturers of SA (TMSA) in Springs

TMSA is a subsidiary of General Electric Company and the union has asked the IMF to approach GEC in an attempt to bring the local management to the bargaining table

The union wants to meet the company to discuss the re-instatement of workers fired after the entire black work-force of 1 600 went on strike recently

Up to now, TMSA has refused to meet the union

Nine people appeared in the Kwa-Thema Magistrates' Court on Monday on charges of assault following the unrest They were released on bail, paid by the union, and the case was postponed to next Monday

A spokesman for TMSA said yesterday almost 1 000 of the 1 600 dismissed workers had been re-employed, and about 100 new workers had been taken on

Star 15/10/81

Workers refuse to join union and lose jobs

189

Labour Reporter

Twenty-six workers at the United Tobacco Company in Industria, Johannesburg, lost their jobs today for refusing to join a union.

Because of a closed shop agreement in the tobacco industry, workers are required to belong to a trade union and, in the case of UTC, this is the Tucsa-affiliated African Tobacco Workers Union.

A company spokesman said today that 22 workers were considered to have "dismissed themselves" for not joining the union, one worker was of pensionable age and allowed to collect his pension and two had not yet turned up to collect their pay.

Only one of the 27 workers who faced dismissal relented and joined the union yesterday.

The workers had told The Star they did not want to belong to the union because they had never met its officials and felt it had no effect at UTC.

At the Huletts Aluminium plant in Maritzburg a strike by about 800 workers continued early today while management held talks with the Fosatu-affiliated Metal and Allied Workers Union.

Work was only going on in a few areas of the plant, a Huletts spokesman said. Workers have demanded the reinstatement of 130 workers who resigned on Monday in order to receive their pension contributions.

At the Motorvia Components firm in Uitenhage, about 100 drivers were still out on strike over issues of wages and recognition of the Fosatu-affiliated Transport and General Workers Union.

The union was holding a report back to workers today on yesterday's talks with management.

The workforce at Natal Tanning in Melmoth was reported to be returning to work following a wage dispute by 800 workers this week.

A spokesman for the Motor Assembly and Components Workers' Union in Port Elizabeth said today they had no reports of any further Security Police detentions of members since yesterday's dawn arrest of about 18 workers, including a union organiser Mr Themba Duze.

SECTION 9.(b) ICS.

Council fails to settle Iscor dispute

Star 15/10/87

(189) ~~144~~ ~~(248)~~ ~~(157)~~ ~~(182)~~

Labour Reporter

An industrial council for the steel industry sitting in Johannesburg this week failed to resolve a dispute between Iscor and the Black Allied Workers' Union.

Tuesday's sitting followed a dispute at the Iscor plant in Newcastle, Natal, last month when the union accused Iscor of a lock-out.

The dispute started after Iscor had introduced a new two-shift system at the plant in place of a three-shift system.

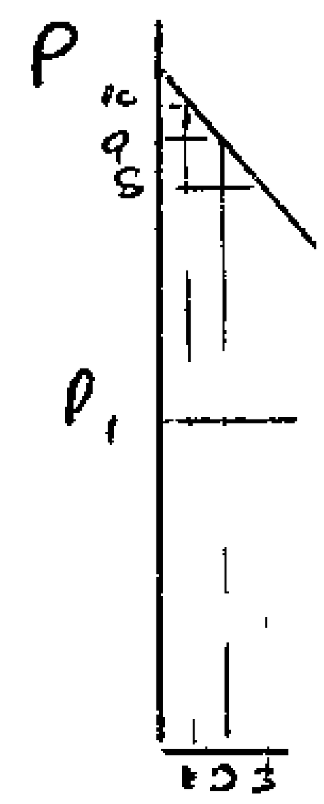
Several shifts subsequently downed tools and were later warned they would "dismiss" themselves if they did not return to work.

At the industrial council for the Iron, Steel, Engineering and Metallurgical Industry this week, the union called for reinstatement with full pay of the 78 former Iscor workers it represented.

But Iscor said it was willing to re-engage workers on merit.

"As far as we are concerned nothing was decided," a union official said.

A spokesman for the industrial council said that progress had been made at the talks but the dispute was not resolved and the council was now considering bringing the issue to the attention of the Minister of Manpower.



we have a only situation of equilibrium B is where an output q_1 is being prod. produced at price p_1 the total revenue $p_1 \times q_1$. Price discrimination is defined as the selling a commodity to two or more buyers at varying ... we see from the diagram the advantages of doing this at pt B with revenue of $p_1 \times q_1$ we see that if we started at p then could sell it at a far higher price say ' p10 at 10 2 products ∴ at q9 and so on thus making a far greater profit increasing and total revenue. Price discrimination attempts to capture the whole of the consumer surplus which is defined the price people are prepared to pay for the product over and above equilibrium price. However certain conditions have

Star 15/10/81

Striking workers arrested in East Cape

Labour Reporter

Production stopped yesterday morning at Huletts Aluminium plant in ~~Maritzburg~~ when about 200 early-shift workers downed tools

The workers, who were demanding that management pay them out their pension contributions, stayed on the premises

Officials of the Fosatu-affiliated Metal and Allied Workers' Union went to the factory to discuss the dispute with the workers

Huletts Aluminium was also hit by a work stoppage over pensions on Monday and 80 workers resigned to receive their contributions Later they were joined by another 130 workers

Four Huletts sugar mills in Natal, as well as Huletts Refinery near Durban, were hit by pension unrest earlier this month

About 800 workers at Natal Tanning in Melmoth started returning to work yesterday after striking last Friday over wage demands. Several were charged by police and later fined for conducting an illegal meeting

In the Motorvia dispute at Uitenhage officials of the Fosatu-affiliated Transport and General Workers' Union talked to about 100 drivers about their grievances

And, yesterday, in Port Elizabeth at least 18 workers were detained by Security Police, apparently for "intimidating" other workers

Police confirmed the arrest of Mr Themba Duze, an organiser of the Motor Assembly ~~Components~~ Workers' Union in connection with recent strikes at two Post Office branches and the SA Bottling Company

A strike by about 300 workers at Imperial Cold Storage, Addo, over wage demands was also reported yesterday

At Johnson Tiles, in Olifantsfontein, former workers started streaming back to the plant on Tuesday afternoon to re-apply for their old jobs after a strike on October 5 over union recognition

A company spokesman said many of the 260 workers were taken on again but some were not because vacancies had already been filled by newly recruited labour

Mr J Joubert, Personnel manager at Johnson Tiles, said the firm was not anti-union but would deal only with unions that were representative of the workforce

RDM 16/10/87

International Fastener

189

Financial Reporter

INTERNATIONAL Fastener Manufacturers increased taxed profit by 86,5% in the year to June to R3 081 000 from R1 652 000 on turnover which increased by 39%

The chairman of the unlisted group, Mr Max Borkum, said a R3 800 000 expansion programme completed recently would show benefits in increased earnings in the current financial year

Fast growth and the expansion had contributed to an unhealthy high gearing and low liquidity position, but the board had taken action to restore these to acceptable levels

Earnings a share rose 88% to 51c (27c) and the total annual dividend was maintained at 12c

Sacking sparks strike at EL firm

17-10-81

Labour Reporter

ABOUT 600 workers at the East London factory of Johnson and Johnson, one of the city's major employers, went on strike yesterday over an alleged "unfair dismissal"

The company is one of the few in East London to recognise the unregistered SA Allied Workers Union and the strike has prompted intense interest in the area By late yesterday, no immediate end to the dispute seemed likely

Meanwhile, in Durban the strike by about 200 workers at Huletts Aluminium — one of several to hit Natal employers this week — has entered its third day Workers are demanding that their pension contributions be refunded

The strike at Johnson and Johnson was sparked by the dismissal of a woman worker

Agreement

Management alleges she stole toilet rolls from the company The worker denies the charge and workers see the sacking as an "unfair dismissal"

The company's industrial relations director, Mr Wayne Munro, said yesterday that the company had told workers it would negotiate with Saawu on the dismissal — but only after the strikers returned to work

This, he said, was provided for in the recognition agreement between the company and Saawu

Mr Munro also said Johnson and Johnson had attempted to persuade workers to make use of the appeal and grievances procedures provided for in the agreement, rather than resorting to strike action, but that this had been unsuccessful

Saawu's vice-president, Mr Sisa Njikelana, said workers were refusing to return to work until the fired worker was reinstated

A report-back meeting would be held over the weekend to tell strikers of management's offer to negotiate once they returned, "but I am pessimistic about the outcome"

Procedures

Mr Njikelana confirmed that there were grievance procedures in the agreement which had not been followed. "Workers accept these procedures and are prepared to stand by them", he said

But he alleged that management had not followed procedures laid down in the agreement by not informing workers of its own disciplinary code

"This is the fifth time a worker has been fired without the union committee being informed. The committee warned management that this was creating tension," Mr Njikelana said

Union men freed in crackdown on strikes

Star 17/10/81

105 ~~329~~ ~~MASA~~ ~~331~~ 189 ~~152~~ MPA 102 ~~139~~

By Drew Forrest

The Ciskeian authorities have withdrawn charges against 59 members of the SA Allied Workers Union (SAAWU) in two separate hearings in the Mdantsane district court this week

But in the countrywide crackdown on illegal strikes, more than 30 workers have appeared in court this week either to be charged or for remand, and another 23 are expected to face charges shortly

On Monday, the Ciskeians dropped charges of public violence against 24 SAAWU members who were among the 500 workers dismissed after the February Wilson-Rowntree strike in East London The 24 were held for two months under Ciskeian security laws

And yesterday, charges of attending an illegal gathering against another 35 SAAWU members were dropped They were arrested in May after attending an East London court case involving a colleague

On the East Rand two more former employees of Telephone Manufacturers of SA in Springs appeared in the KwaThema magistrate's court on Wednesday on assault charges

Nine former Temsa employees were charged with assault on Monday after the recent strike at the plant, which resulted in the dismissal of 1 600 black workers All the cases were postponed

Our Port Elizabeth correspondent reports security police as saying that 15 of the 180 workers dismissed after last week's strike at two post office yards would appear in court shortly together with eight of the 250 workers who struck recently at SA Bottling

And according to Sapa, the Port Elizabeth chief magistrate has imposed a weekend ban on meetings of the General Workers Union of SA and the Motor Assemblers and Components Workers Union (Macwusa)

Meanwhile, after last month's strike at Cobra Brassware in Luipaardsvlei, on the West Rand, 13 workers appeared in the Krugersdorp magistrate' court for formal remand yesterday.

Work force is replaced

SEW 17/10/8[illegible] 302 ~~333~~ 189 1404

The Telephone Manufacturers of SA plant in Springs has taken on 1 250 workers after the recent strike by its African workforce and has now stopped recruiting a management spokesman says

The spokesman says the company's management has decided to stabilise the African work force at 1 250 for business reasons '

Meanwhile the partial work stoppage at Huletts Aluminium in Pietermaritzburg continued yesterday The workers are demanding the reinstatment of 130 colleagues who resigned on Monday and claimed pension contributions They have not been rehired

Hulett's publicity manager, Mr Frank Ferguson, said the company had no objection to reinstating those who had resigned on condition they repaid their pension contributions He said many workers had been prevented from going to work by 'severe intimidation and coercion "

In Wadeville on the East Rand 70 members of Fosatu's Transport and General Workers Union have been dismissed after a dispute over leave pay with the management of Viljoen's Transport

The workers who claim they have not had paid leave for 12 years, stopped work on Tuesday

A TGWU spokesman said the workers were fired yesterday after protesting at the alleged victimisation of one of their number following the strike Management could not be reached for comment last night

New labour unrest flares on East Rand

By STEVEN FRIEDMAN

LABOUR unrest continued on the East Rand yesterday, with two new strikes reported in the Kempton Park area and the stoppage at Dorbyl Railway Products flaring again after workers had returned to work on Monday.

East Rand industries have experienced more than 20 strikes so far this year

Yesterday at milling firm H Lewis and Company, a Tongaat group subsidiary in Kempton Park, about 560 workers, most of them members of the African Food and Canning Workers' Union, downed tools in protest at the dismissal of a colleague, according to an AFCWU spokesman.

The spokesman said workers believed union members had been victimised by the company and had downed tools after a member of the union committee at the plant had been fired

Management had refused to negotiate with an unregistered union, but yesterday afternoon, a Tongaat group executive agreed to hold talks with the union and worker representatives if the workers returned, the spokesman said.

'Threats'

"Workers have refused and want their demands met before they return The company has now threatened to fire them, send migrant workers back to the homelands and call in police," the spokesman said

Company spokesmen could not be reached for comment

At SA Breweries' Isando plant, a management source confirmed drivers had struck briefly on Tuesday, but added "The problem has been sorted out"

At Dorbyl Railway Products' plant in Boksburg East, the 400 workers downed tools yesterday in support of demands for a 60c-an-hour increase

They had struck in support of this demand on Friday and part of Monday, but returned after management agreed to negotiate with shop stewards and officials of the Metal and Allied Workers' Union

Then negotiations broke down and workers downed tools again yesterday

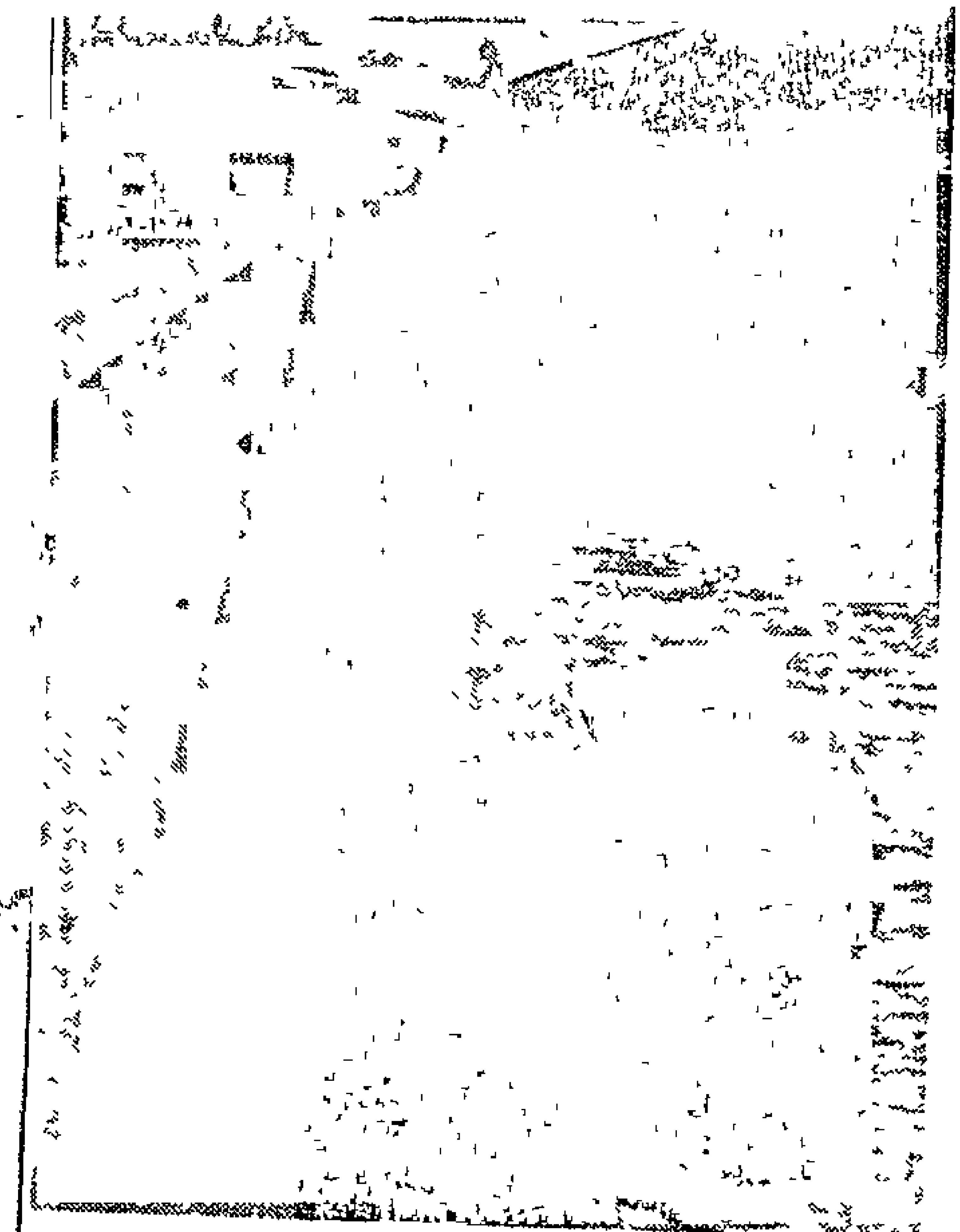
Dorbyl's group industrial relations manager, Mr M S Beaumont, would not comment on yesterday's stoppage, although he confirmed it had occurred

But Mr Beaumont added Dorbyl had not been prepared to accede to demands for an increase He said the company had already granted workers 15%-22% increases in July in terms of the metal industrial council agreement

Training

"We pay above the statutory minimum In addition, the company provides extensive on-site training facilities, and this year more than 80 workers have won promotion and increased earnings from this scheme We have therefore not acceded to the request for an increase," he said

A MAWU spokesman said last night that management was to address striking workers today and the union would ask that its officials be allowed to address workers, who are remaining on company property



Iscor's new incentives for the steel products export scheme could herald a rosier future for local steel product manufacturers

Iscor steps up assistance to exporters

S. Times 18/10/81

189

ISCOR is increasing by 30% the rate of assistance payable to exporters under its steel export promotion scheme for all export shipments undertaken on or after October 1

Iscor's new largesse is seen as yet another move to aid the local steel product manufacturers in their export drive

"Our steel products mark-up is very low, profits are marginal and we labour under the disadvantage of having to compete at exceptionally low prices internationally," says Hymie Flekser, managing director of L Flekser Steel, which exports primarily structural sections to the US, Africa and Indian Ocean islands.

"Any aid and incentives from Iscor will only help us get our products to the market at lower and therefore more competitive prices," says Mr Flekser, whose group steel merchandising arm was sold for R6-million last month to Macsteel

By Vera Beljakova

"The new incentives will help especially those manufacturers whose steel content in products is very high," explains Eric Samson, chairman of Macsteel, the country's largest privately owned steel merchant, whose turnover reached R250-million this year

Iscor's current rate of assistance of 12,5% for steel products and 4% for tinplate products will now be increased to 16,25% and 5,2% respectively

"Provided the qualifying percentage added value is attained," explains Iscor, "maximum assistance paid for exporting steel products will increase from R100 to R130 a ton of net steel content

"This will be paid when the average net FOB price a ton of exports per consignment exceeds R800

"For fabricated tinplate products, the maximum amount of assistance will be increased from R20 to R26 a ton of net steel content, and will be payable when the average net FOB price a ton of exports per consignment exceeds R500"

Unions appeal to overseas labour bodies

CT 19/10/81

Own Correspondent

JOHANNESBURG — Two local black unions have sought the help of powerful overseas labour organizations in an attempt to resolve disputes arising out of recent strikes on the Rand

The Building, Construction and Allied Workers' Union has appealed to the British Trade Union Council to approach the British parent company of Johnson Tiles at Olifantsfontein where workers were fired after a recent strike

A union spokesman said the TUC had secured an agreement from the parent company that workers would be reinstated and that the firm should meet with the union

However, he claimed local management wanted to re-employ selected workers only — which the British unions "totally rejected" He also claimed the firm had told fired contract workers to vacate their hostel in Tembisa township

It was not known whether the workers were actually evicted but the union was seeking an urgent meeing with management, he added

Company spokesmen could not be reached for comment

Meanwhile, the Metal and Allied Workers Union has called on the International Metalworkers' Federation to intervene in its dispute with the Telephone Manufacturers of SA (TMSA) in Springs

TMSA is a subsidiary of the General Electric Company and the Fosatu-affiliated union has asked the IMF to approach GEC in an attempt to bring the local management to the bargaining table

The union wants to meet with the company to discuss reinstatement of workers fired after the whole black workforce of 1 600 went on strike recently

Up to now, TMSA has refused to meet with the union

Nine people appeared in the Kwathema Magistrates' Court last Monday on charges of assault following the unrest They were released on bail, paid by the union, and the case was postponed

A police spokesman said another two people had been arrested in connection with alleged cases of assault and another arrest would be made

A union spokesman condemned the involvement of the police in the dispute.

He added "It seems TMSA management is using the police to weaken the resolve of the workers"

He said the company was still refusing to talk to union officials, which was 'damaging to worker-management relations'

A spokesman for TMSA said almost 1 000 of the 1 600 dismissed workers had been re-employed, and about 100 new workers had been taken on

He reiterated that the firm would not take back 200 workers who were fired first after starting the strike

Star 19/10/81

600 stay out in sacked-woman row

183 ~~150~~ 189 ~~300~~ ~~140~~

By Drew Forrest

The strike by nearly 600 workers at the large East London plant of Johnson and Johnson went into its third day today as representatives of the unregistered SA Allied Workers' Union met management in another bid to break the deadlock.

The company is one of only two in East London to have signed a formal recognition agreement with SAAWU, and the strike is seen as a key test of its labour relations policies

At a meeting in East London yesterday, the strikers decided not to go back until management reinstated a woman worker whose dismissal for theft sparked the stoppage last week

The company has offered to negotiate with SAAWU on the dismissal, but has said that in terms of the agreement it will only do so after a general return to work

In Maritzburg some of the 200 workers who struck last Wednesday at the Huletts Aluminium plant were back on shift this morning in response to a management return-to-work deadline

The workers are demanding repayment of their pension fund contributions and the reinstatement of 130 colleagues who resigned last week to reclaim their pension money, and have not been taken back.

A company spokesman said half the morning shift of 300 were at work, and other workers were meeting in the car park with officials of the Metal and Allied Workers' Union to decide on a course of action

Atlantis Diesel will employ 2 000 workers

Star 19/10/81 189

The Atlantis Diesel Engine factory would eventually employ 2 000 people and save the country about R260-million a year, the Minister of Transport, Mr Hendrik Schoeman, said at Jan Smuts airport.

FROM JAPAN

He was speaking at a function to mark the introduction of ADE engines into Datsun - Nissan heavy vehicles

Among those attending were Datsun-Nissan officials — some from Japan

Mr Schoeman said that Datsun's light - commercial vehicles already had local content above Government requirements and the company had become a leader in the field.

"We appreciate that the establishment of a local - content programme costs money — as again seen here in the Atlantis Diesel Engine programme.

STRATEGIC

"Sales are relatively small and unit costs will therefore be higher," Mr Schoeman said "It is unfortunately a price we have to pay."

The payment was not only for the strategic importance of being independent but there were greater benefits such as the creation of equal employment opportunities. — Sapa.

Doubts about new deal for blacks

RDM 20 10 81

By STEVEN FRIEDMAN

A NEW artisan training agreement in the metal industries may effectively block opportunities for some black workers to become artisans, some employers fear

But while acknowledging that the agreement has tightened criteria for workers to become artisans without first becoming apprentices, both the Steel and Engineering Industries Federation and registered unions in the industries reject suggestions that it will keep blacks out of skilled jobs

Last week Seifsa and the unions ratified the new agreement, which sets out new criteria for non-apprentices to become artisans

Criteria

The new agreement replaces the journeyman recognition scheme which allowed non-apprentices to become artisans and was negotiated before blacks were permitted to do skilled work

Unlike the old agreement, it now requires applicants to have an agreed educational level and to pass trade tests before they can become artisans

These criteria were inserted after demands by the unions for criteria aimed at "preserving artisan standards"

Minutes of a Seifsa board meeting sent to the Rand Daily Mail indicate some concern that the new criteria will block artisan status for many blacks

The minutes note "that to meet the educational requirements, certificated evidence would be necessary"

Impetus

It was felt that this would "constitute, unfortunately, an effective block to the entrance of many black workers under the agreement"

The minutes express the fear that, because of deficiencies in black education, many workers might be unable to qualify

However, Seifsa's board had decided to accept the agreement but also to "give further impetus to the introduction of institutionalised training on a nonracial basis"

The director of Seifsa, Mr Sam van Coller, said Seifsa was "happy" with the new agreement

"The old agreement was a relic of a different era and we are pleased that the unions have agreed that the educational standards will not be higher than those which apply to apprentices and that, in some trades, the education criteria will be lowered", he said

Protect

The director of the Confederation of Metal and Building Unions, Mr Ben Nicholson, has insisted that the new criteria will protect black artisans

Because they will now have to undergo trade tests, they will have "a qualification which will be valid throughout the industry, rather than with one employer only", he said

Metal workers fired

Sowetan 20/10/87

189

By SELLO RABOTHATA

MORE than 140 workers, including 13 committee members, were fired at Electrolitec Metal Corporation in the West Rand after they had downed tools in protest against the Government's Pension Bill.

Mr Andrew Motingwe, one of the fired committee members, said the workers decided they did not like the new pension scheme and when this was told to the company's management they were told their wages would be increased.

Workers demanded a minimum increment of R1 an hour but management felt that this was too high They were told to return to work else there would be no money and they decided that if there was no money there would be no work

On Friday last week, the workers came to work and were asked to decide whether they wanted to work or go on strike Some decided to work and others to strike. When they came to work the following day they found the cards they used to get into the company premises had been changed and those who had gone on strike could not get in

All those who had not been permitted to get in were again asked whether they were on strike or not Some decided to return to work and about 140 who did not were told they were fired

When Mr Motingwe asked why he had been fired as he was a worker representative he was told that it was a reduction of staff

The SOWETAN could yesterday not get a comment from the company's management

300 Iscor workers sacked

Sowetan 20/10/87 752 260 189

BY JOSHUA RABOROKO

ABOUT 296 black Iscor workers were dismissed from their duties after a two-day pay strike last week, the company's industrial relations manager, Mr H Liebenberg, said yesterday.

Speaking from Vereeniging Mr Liebenberg said the workers — mostly employed as shunters — were dismissed after several warnings that they go back to work and to negotiate with the management from within.

He said despite these warnings the workers "chose to stay away from work and the management decided to do away with them." They were paid all their remaining salaries and other benefits.

Most of the workers came from the homelands such as Transkei, Ciskei, KwaZulu and other areas and did not belong to any trade union which could have voiced their grievances, according to informed sources.

But, Mr Liebenberg said the workers were fully represented by their departmental heads.

The workers stayed away from work last Tuesday after they had made several representations to the establishment.

"We told them that at no stage will they receive a further salary increase this year. They were also told they will get their next pay rise next July but they would not listen.

"We warned them that if they did not go back to work then they should consider themselves dismissed from their employment. Despite this warning the workers did not listen," he said.

The dismissal of the workers from the company means they will have to vacate their rooms at the Iscor Hostel near Sebokeng township because in terms of regulations only Iscor workers might stay at the hostel.

However most of the dismissed workers have already gone back "home" after receiving their salaries and other benefits. Some of those who are remaining are expected to leave the hostel soon.

Star 20/10/81

500 [illegible]

About 500 workers in Maritzburg lost their jobs yesterday after a four-day strike over the pension issue at Huletts Aluminium.

A company spokesman said only about 200 workers had heeded a management return to work deadline. The others had 'elected to resign in order to withdraw their pension contributions' and the company was restaffing.

At another Huletts subsidiary, the Darnall Sugar Mill, about 500 workers who struck on Friday were back at work today after a management ultimatum.

Mr Ron Phillips, a spokesman for the group, said the workers had demanded the dismissal of two security guards who did not take part in the recent pensions strike at the mill.

Commenting on yesterday's events at Huletts Aluminium, an organiser for Fosatu's Metal and Allied Workers Union said the company "had set a sad precedent" in Maritzburg by not allowing workers to withdraw their pension money.

He said that workers would continue to fight for their jobs.

"They have rejected management's offer of selective and individual re-employment," he said, "and have decided to organise the community to prevent scabbing."

In East London, the four day strike by more than 600 workers at Johnson and Johnson seemed no nearer settlement after talks between management and SA Allied Workers' Union officials broke down yesterday.

According to a SAAWU spokesman, workers were still rejecting a company offer to consider the reinstatement of a dismissed colleague after a general return to work.

Johnson and Johnson is one of two East London companies to have formally recognised SAAWU and its managing director, Mr [illegible] Cook, expressed disappointment that the recognition agreement had been disregarded.

Improvair play it cool

DD 20/10/81

189

A significant number of changes have taken place at Improvair in the past year These changes have occurred due to the expansion of work obtained in the air conditioning and sprinkler fields

Due to the increased turnover it became necessary to increase the office accommodation and as a result the office accommodation was increased by approximately 50 per cent That was completed in December, 1980

In addition, rest room facilities and ablution facilities for the black staff was increased

A number of internal changes also were effected, including

1 The appointment of additional directors to the local board of Improvair in East London,

2 The appointment of a service manager,

3. The appointment of additional supervisory staff to cope with an increased work load in the field,

4 An increase in office personnel to cope with a larger work load

The changes brought about by the management of the company will improve the overall efficiency of the operation

In addition, greater emphasis has been placed on the training and retraining of staff and as a result equipment to the value of R7 500 was acquired during the past financial year to assist training

These training aids comprise a carrier cycle trainer, fault simulator and audio visual programmes

The policy of the company has been to try and recruit local people where possible, but in view of the shortage of skilled labour, a certain amount of recruitment has been undertaken overseas

To date an additional five office and workshop staff have been recruited from the United Kingdom

During the past six months there has been a significant increase in the number of air conditioning and fire protection contracts

Recently Improvair secured a contract to the value of R127 000 for the automatic sprinkler installation at Consolidated Textile Mills

A contract to the value of approximately R80 000 for the sprinkler protection at the new shopping complex at Mdantsane also has been secured

A multi-service contract for the installation of air conditioning, vacuum services, de-ionized water, gas installation, water pressurisation, water treatment, refrigeration cold room installation and steam installation was recently awarded to the company at an approximate amount of R970 000

This is the first complete multi-service project of this nature awarded to Improvair

The contract is for the University of Fort Hare and in addition to this multi-service contract, an additional contract to the value of R81 000 for the supply and installation of central systems for the two women's hostels at Fort Hare University was also awarded to the company

At present Improvair is in the process of completing the air conditioning and sprinkler installation for the arts block at the University of Fort Hare

In line with the policy of diversification, a recent contract completed for King Tanning was the supply and installation of a 10-zone drying oven worth approximately R100 000

In addition, a smaller four-zone drying oven was built simultaneously

More recently Improvair secured a contract for air conditioning of the Checkers complex at Mdantsane, which has an approximate value of R200 000

The overall project must be completed by November Due to the extremely tight programme it was decided to utilise a new method of joining ducting together on site and this new method has contributed to an overall saving in time on site

Smaller contracts such as the air conditioning of Dyers Self Service Store, SATV office block and the air conditioning of the new Eastern Province Building Society offices in East London have been awarded to the company in recent months

Work has also been undertaken in Bloemfontein, Kimberley and Kuruman on behalf of the Improvair offices in Bloemfontein and further work has been completed recently at Noupoort and Graaff-Reinet on behalf of the Port Elizabeth offices

While the Improvair office in East London has been accustomed to working in the country, it has seldom been necessary for Improvair to work as far afield as the sites mentioned here

The increase in work load has been brought about primarily due to the upturn in the economy and is an indication of the company's ability to meet an increased work load without undue strain being placed on the organisation

An aspect of the organisation which continuous to receive much attention from management is the service and aftersales aspect and as a result two new positions have recently been created to improve the overall efficiency in this department

All plants installed by the company are serviced and maintained at no extra charge to the customer for a period of one year from date of hand over

Thereafter all customers are notified of the expiry date of the free service and a service contract is offered to ensure optimum utilisation

Much emphasis is being put on the aspect of correct maintenance and we believe that the contribution to the company's image will be enhanced greatly by our after sales service

LABOUR

660 out in new worker unrest

Star 21/10/81 ~~152~~ ~~300~~ ~~183~~ ~~401~~ ~~139~~ 189 ~~782~~

By Drew Forrest

In the latest outbreak of pensions-related labour unrest more than 600 workers at factories in Port Elizabeth and Durban were on strike yesterday

Management at Henkel (SA) in Prospecton, outside Durban, has warned 260 strikers who have demanded the immediate repayment of their pension contributions that unless they are back at work today they face dismissal

The strike at the detergent company began on Monday Management has been dealing with Fosatu's Chemical Workers' Industrial Union which is informally recognised at the plant

At the Port Elizabeth plant of Feltex Foam and Automotive Products the 400 workers who downed tools yesterday in a pensions dispute returned to work this morning pending talks between management and the Motor Assemblers and Component Workers Union (Macwusa)

More labour unrest has been reported from the East Rand where the Boksburg based General Tire subsidiary, Pigott, Maskew and Company is restaffing after last Friday's strike over wages by its entire 450 strong black workforce

The company recently recognised the Chemical Workers' Industrial Union The managing director, Mr Vic Pretorius accused union members of "striking during negotiations, and in breach of the recognised agreement"

He said the workers had "resigned" by failing to meet a management return-to-work deadline

According to a CWIU spokeman, the workers struck in rejection of management's final offer of a productivity bonus They wanted a 50c an hour flat rate wage increase, she said

Our Cape Town correspondent reports that about 200 workers at the Appletiser factory near Grabouw, in the western Cape, have been on strike since Friday

The workers, represented by the Food and Canning Workers' Union, are demanding a minimum hourly wage of R1 50

Hundreds sacked at Huletts

ABOUT 500 Huletts Aluminium workers were paid off yesterday after they insisted on having their pension fund contributions refunded to them.

Sowetan 21/10/81

And in Durban more than 200 workers at the Henkel Chemical works at Prospecton have gone out on strike in support of pay demands and pension negotiations.

The events at Huletts followed the issuing of an ultimatum by the company on Friday, in which 300 workers were told they were on an "illegal strike" and that they should either return to work at 6 am on Monday, or lose their jobs.

Workers at Henkel Chemical Works said they had downed tools during the morning tea break on Monday because discussions about wage increases and the possibility of paying out pension scheme contributions had been under way with representatives of management and the chemical workers' industrial union for some months without resolving anything.

They were subsequently told in writing that the strike was illegal

Meanwhile negotiations aimed at settling a wage dispute at the Appletiser factory near Grabouw continued yesterday between management and representatives of the workers and the Food and Canning Workers' Union

Workers at the factory have been on strike since Friday, demanding a minimum of R1,50 an hour as opposed to 96 cents

LABOUR BEAT

offered by management.

In East London the dispute leading to a strike of 600 workers of Johnson and Johnson plant is also still deadlocked. The South African Allied Workers' Union reported to the striking workers yesterday that the management still refuses to re-instate a Mrs Eunice Tempi whose dismissal led to the walkout on Thursday

A spokesman for the union said that management had offered to institute an appeal committee to investigate the dismissal provided the workers returned, but such a committee was not acceptable to the union or the workers as it would be biased.

In Port Elizabeth 59 workers appeared in the Magistrate's Court on Monday under the Riotous Assemblies Act following strikes at two post office yards and at the SA Bottling Company. All were remanded until October 29.

Another 24 also arrested last week appeared at the end of last week under the same Act.

In both disputes workers were dismissed — 180 at the post office and 250 at SA Bottling

The 83 men were arrested for alleged intimidation of workers during the strikes.

DO

21/10/87

189

500 workers paid off

PIETERMARITZBURG — About 500 Huletts aluminium workers have been ~~paid off after~~ they insisted on having their pension fund contributions refunded to them

The workers resolved to "fight for the right to get their jobs back", and not to accept re-employment unless "all the workers are reinstated"

They also resolved to prevent other people from filling what they still regard as their rightful positions

Meanwhile, more than 200 workers at the ~~Henkel~~ chemical works at Prospecton have gone out on strike in support of pay demands and pension negotiations

Management staff were not available for comment, but workers said production was virtually at a halt despite white staff operating the plant on a reduced level

In Grabouw about 200 workers at the Appletiser factory are ~~said to be~~ on strike over a wage dispute, but factory management is keeping silent on the issue

According to the food and canning workers' union, worker representatives met management on Monday but no agreement over new wage rates was reached

A Port Elizabeth correspondent reports that 400 workers, almost the entire workforce, downed tools at the ~~Feltex foam rubber~~ factory in Korsten yesterday morning after demanding their pension contributions

Workers interviewed said they wanted to resign from the pension scheme, but said they were told by management yesterday that they would have to resign before the money would be paid out

At about 1 pm workers left the factory's premises after an ultimatum from management to resume work in five minutes, or leave

At that stage an official of the Motor Assemblers' and Components Workers' Union was still negotiating with management on the workers' demands — SAPA

RDM 21.10.81

Hundreds of strikers paid off at Huletts

ABOUT 500 Huletts Aluminium workers were paid off in Maritzburg yesterday after they insisted on having their pension fund contributions refunded to them

The workers resolved yesterday afternoon to fight for the right to get their jobs back' and not to accept re-employment unless "all the workers are reinstated" They also resolved to prevent any "scabbing'

A negotiating committee consisting of 10 workers' representatives and officials of the Metal and Allied Workers union was elected to negotiate the reinstatement of all the workers

The company was approached later in the day to meet this committee but refused saying "workers could apply individually to be re-employed"

Yesterday s events follow the issuing of an ultimatum by the company on Friday, when 300 workers were told they were on an 'illegal strike' and they should either return to work at 6am on Monday or lose their jobs

According to the company, "several hundred" workers reported for duty on Monday and production returned to normal levels'

This has been denied by worker representatives and trade union organisers, one of whom said only 30 of the striking workers returned to their jobs They also claimed production "could not possibly be at normal levels" — Sapa

Star 23/10/81 (189)

600 EL workers suspend their strike

By Drew Forrest

More than 600 workers at Johnson and Johnson in East London agreed yesterday to suspend their week long strike pending negotiations between management and the SA Allied Workers Union.

But the mass of workers were still meeting with SAAWU officials outside the plant today.

They were deciding whether to meet a management deadline for a return to work today or to go back only after the weekend.

The strike was sparked off last week by the dismissal of a cleaner, Miss Eunice Nonceba Tempi, allegedly for stealing two toilet rolls.

Workers refused to return before her reinstatement.

The company refused to re-examine her case until the workers went back.

Sapa reports that at yesterday's mass meeting SAAWU officials, including its president, Mr Thozamile Gqweta, recommended a return to work.

Sandock Austral, a Durban ship building firm was hit by a one day pensions-related strike on Wednesday.

The Star's Durban Correspondent estimates that between 700 and 900 workers struck in demand for the repayment of pension contributions.

● A dispute at the Appletiser plant in Grabouw ended on Wednesday with a wage increase.

Boom goes on for heavy engineering

RDM 23/10/81

(189)

Deputy Financial Editor

THE heavy engineering industry faced continued growth, Mr K N Jackson, managing director of Dorbyl Heavy Engineering, told the NDMF conference yesterday.

According to Mr Jackson, his firm is budgeting for a 15% sales increase "in real terms" next year and plans to spend R37-million on expansion

He said the recent boom had given impetus to SA's heavy engineering industry — already the biggest in the southern hemisphere — and had enhanced the ability of engineers to tackle bigger and bigger jobs

"Whereas only 10 years ago, we were proud of our capability to manufacture 4 8-metre DD winders we are today manufacturing winders of 6-metre diameter The industry has already invested in machining capacity that will allow machining of huge workpieces with diameters of up to 10 metres Equipment due next year will cater for up to 14 metres in diameters and masses of up to 300 tons in a single workpiece"

Improved capacity augured well for the ability of the industry to meet the future

"The fast developing coal and other minerals export market brings with it a further need for capital equipment The minerals industry, for example, will undertake a capital investment programme of R12 000-million over the next five years.

Mr Jackson said SA content in giant 3 500-ton draglines for the coal industry had improved from 65% to 95% in the past four years

The industry had entered the high-technology field of high-pressure turbine manufacture for power stations and would be able to attain 100% SA content on stationary components

Mr Jackson said the support of organisations like Iscor, the mines, Escom and the SAR had contributed to a stable heavy engineering industry But there were still some organisations which "have the short-sighted policy of procuring their capital equipment needs wherever they are the cheapest"

Certain European countries could buy steel at 1973 prices and enjoyed financial assistance from their governments for export and to create employment

In addition, cycles in heavy engineering had long lead times and the SA industry was often out of phase with the economy

"This out of phase situation enables overseas competitors to submit more competitive tenders due to their economic situation (They can) price marginally and with the additional help of government export subsidies are able to sell at a price that could easily be described as being at dumping level or very near"

Litemaster sacks 22 employees

Sowetan 27/10/87

By SELLO RABOTHATA

TWENTY two workers were fired at Litemaster (Pty) Ltd in Wadeville, Germiston, for refusing a 10 cents increment in favour of a R2 an hour minimum wage.

According to a Metal and Allied Workers' Union (MAWU) spokesman discontent at the factory started on Monday last week when more than [illegible] employees demanded a minimum of R2 an hour across the board but management refused to meet the demand.

The spokesman said: "Management offered to increase the [illegible] from 25 cents [illegible] but they refused and stuck to their original demand. They were then offered eight cents more across the board and later 10 cents but still they refused.

"Management then told the workers that if they do not agree with their offer they would be dismissed. On Wednesday the workers were told that they were fired but they refused to leave the premises and went back to their machines and proceeded working. At knock-off time police were called in but the workers still refused to take their pay. Instead they left as usual."

He said the night shift workers were also told they had been fired but they also [illegible] to take their pay and [illegible] some [illegible] to be [illegible] other [illegible].

On Friday last week, all workers were paid their wages in the normal way but 22 of them were told to collect theirs from the office. At the office they were told that they had been fired and no reasons were given for their dismissal.

The Union official said: "Management failed to reach an agreement with the shop stewards and did not call union officials to discuss the issue. This is a violation of our agreement with them. After firing the workers they employed about 20 coloureds to replace them and told other work-seekers to come on Wednesday."

The SOWETAN could yesterday not get the company's officials for a comment.

STAR 27/10/81

~~632~~ ~~[illegible]~~ ~~151~~ 189 ~~150~~

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 IG 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 lock-out. 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."

Samstel pays 5c final as profit leaps 75%

RDM 27/10/81

Financial Editor

SAM STEELE Holdings increased attributable profit by 75% to R2 338 000 in the year to August 31 from R1 335 000 in 1979-80. The final dividend has been raised from 3,5c to 5c to make a total of 8,5c (6c).

Earnings a share were 21,5c against 12,3c in the previous year

Sam Steele is an investment and finance company, with interests primarily in the manufacturing and retailing of furniture It owns 100% of Steel & Barnett

In the past year turnover was up by 54% to R35 122 000 from R22 740 000

The chairman, Mr H A McNeil, says "The substantial increase in profits resulted from an overall increase in group turnover due to considerable expansion in the retail division, having regard to our firm financial base, management structure and inherent growth potential"

He also tells shareholders "Further significant improvement in turnover and profitability are anticipated in the current financial year"

Pre-tax profit in the past year rose from R2 370 000 to R4 108 000

COMMENT Sam Steele's directors will be understandably especially pleased with their results coming right on top of the much less buoyant ones from Amrel

A statement accompanying the results says. "Samstel and its subsidiaries have traditionally worked on the basis of 10% deposits and the recent introduction of the 10% requirement has, therefore, not had any marked effect on the company's business.

"It should also be noted that the results have been registered notwithstanding the prevailing high interest rate factors which have naturally had to be taken into account in the current profit achievement"

Both these points have been made with Amrel in mind since Amrel referred to the effect they had had on its interim figures to September.

Samstel certainly did well in the second half of its financial year when business conditions were becoming less buoyant than in the previous months

The fact that taxed profit for the year was up by 75% against 80% at the halfway mark indicates a strong and continuing momentum

However, companies do not all bloom at identical times and although Samstel has performed excellently over the past three years — dividends rose from 3,5c in 1976-77 to 6c in 1979-80 — it was actually outrun by Amrel over that time

But Mr McNeil's forecast of a "significant" rise in profits this year is most cheerfully bullish because of the generally more sombre tone coming from company chairmen

At 85c the share yields a handsome 10% dividend yield with an earnings cover up from 2,1 to 2,5.

Factory workers walk out

Post Reporter

ABOUT 150 workers at the Aberdare Cable factory in [illegible] Township stopped work yesterday after a man was paid off.

It is understood that after the man was dismissed the workers downed tools and held meetings in the canteen yesterday.

The Evening Post was told that none of the workers arrived at the factory today as strikers had refused to go back to work until their colleague was reinstated.

A spokesman for Aberdare Cables said the management had no comment.

A General Workers Union organiser, Mr Themba Duze, said he would be meeting the workers shortly.

Best-ever year for Sam Steele

By Patrick McLoughlin

Sam Steele Holdings has boosted dividends following a 75 percent increase in taxed attributable profits — to a record R2,35-million (previously R1,355-million) — for the year to August 31

The directors, who lifted the final dividend to 5c (3,5c), making the total annual payout 8,5c (6c), are now looking to more big rises in profits and turnover in the current financial year

Sales jumped 54 percent, from R22,7-million to R35,1-million, and pre-tax profit was R4,1-million (R2,4-million)

Earnings a share also jumped 75 percent to 21,5c (12,3c), dividends a share was 8,5c (6c) and the dividend cover was raised from 2,1 times to 2,5

The dividend offers a yield of 10 percent on the current share price of 85c and this compares with the JSE average for the furniture and household sector of 7,4 percent

Commenting on prospective earnings, the chairman, Mr A H McNeil, said "After increased earnings of 75 percent . further significant improvements in turnover and profitability are anticipated"

The investment and finance group with subsidiaries in retailing furniture and manufacturing (it owns 100 percent of Steel and Barnett), had "reaped the benefits of the recent modernisation and updating of manufacturing equipment."

A spokesman said the increased profits occurred against a general trend of declining activity in this JSE market sector and despite prevailing high interest rates

Wadeville firm in big row with union

RDM 27.7.81

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"

Cable factory deadlock goes on

Argus 28/10/81

(152) (300) (145) (183) (191) (165A) (189)

Argus Bureau

PORT ELIZABETH — The deadlock between management and workers at the Aberdare Cable Factory, where about 150 workers have been on strike, is continuing.

The workers, who downed tools late on Monday, are refusing to work because of the dismissal of a colleague, it is believed.

A spokesman for the General Workers' Union, to which workers are affiliated said they would meet today to discuss the issue

A spokesman for Aberdare Cables said management would not comment on the strike

PENSIONS

In East London, Dunlop Flooring today began recruiting staff to replace 500 workers who dismissed themselves last week when they struck after demanding that their pensions contributions be paid out.

The dismissed workers, who are represented by the South Africa Allied Workers' Union, met today to discuss the issue, but there was no decision on what action they would take.

The general manager of the company, Mr N Yeadon, had told the workers it was company policy that all workers belong to the pension scheme

WELL KNOWN

"The only way an employee can obtain a refund is to resign This our employees know,' he said

A spokesman for the company confirmed that new labour was being hired

Meanwhile, negotiations are continuing between SAAWU and Johnson and Johnson management over the dismissal of a cleaner who allegedly stole toilet rolls

RE-EXAMINED

Mr Wayne Munro personnel director of the company, said negotiations were continuing

About 650 workers went on strike last week in sympathy with the cleaner They suspended the strike on Friday after an agreement with management that the cleaner's case would be re-examined

PE strike not yet settled

Post Reporter

THE management of the Aberdare Cable plant in Markman Township where an undisclosed number of workers walked out on Monday have again refused to make any comment.

The workers left the plant after demanding the reinstatement of a man dismissed the previous week.

A spokesman for the General Workers Union of South Africa (Gawusa) said today it was claimed the man had been made to sign a form admitting he had left the plant early one day last week. The man denied the charge and was dismissed.

The Gawusa spokesman said the striking workers met today to discuss the matter.

A spokesman for Aberdare Cable said the personnel officer, Mr B Goldenhuys, was not available and that the company had no comment to make.

RDM 23 10 81

Unrest at Durban firm over pensions

By STEVEN FRIEDMAN

THE large Durban plant of home appliance manufacturers, Defy Industries, yesterday faced unrest from its 1 000 black workers on the pensions issue, which has sparked a wave of strikes

Union sources said workers were on strike, demanding the refund of pension money A source close to the company said that workers had gathered in the canteen and that they were discussing demands with management

But he added "There is no strike yet None of the workers have left the premises The purpose of the discussions is to forestall a strike "

No refund

It is understood that management has said it cannot refund pension money

The reason, they say, is that Defy is covered by the metal industries' industrial council agreement, which does not allow individual companies to refund workers' pension money

Industrial council agreements, which lay down that workers cannot withdraw pension contributions, has been a source of unrest in other industries Recently the Transvaal clothing industry amended its industrial agreement to allow workers to withdraw provident fund contributions without losing their jobs

Firm and 'illegal' union sign accord

CT 28/10/81 (189)

Staff Reporter

A MAJOR Cape engineering firm has signed an agreement with a worker's committee elected outside the framework of State labour legislation

The agreement signed on Monday, is the second signed between an engineering firm and a workers committee under the auspices of the independent General Workers' Union in the past two months, the first being that with Trident Marine in September

The agreement falls outside the framework of the Industrial Conciliation Act

In a statement yesterday, the GWU praised the "progressive attitude" of the Consani management

"The agreement extends to the committee full rights of negotiation over wages and conditions of service A dispute procedure has been agreed and negotiations for a disciplinary and grievance procedure are well advanced

"The GWU participated in the negotiations and have been extended similar rights of negotiation in all future negotiations" according to the statement

The managing director of Consani Mr R Aubin said that although the company supported the concept of a central bargaining system, "it must also take cognisance of the expressed wishes of workers for effective representation in a system of their choice

To this end, management has concluded an agreement on in plant bargaining with an elected workers' committee"

New deal cuts out industrial council

RDM 23 10 81

(HS) (387) (HS) (189)

A MAJOR Cape engineering firm has agreed to negotiate wages and work conditions with a worker committee that is attached to an unregistered union outside the metal industries' official bargaining system

By STEVEN FRIEDMAN

The firm is Consani Engineering, which employs about 600 It becomes the second Cape Town firm covered by the metal industries' industrial council to agree to bargain with the unregistered General Workers' Union outside the official system

The agreement is seen by unionists as another advance for their view that employers should negotiate directly with them, rather than through industrial councils

It comes at a time when a small, but growing, number of employers are deciding to negotiate directly with unions outside the industrial council system

The giant Steel and Engineering Industries Federation, a staunch supporter of industrial councils, is due to announce its revised policy towards councils early next week

A statement issued by Consani's managing director, Mr Dick Aubin, said yesterday that the company supported "the concept of a central bargaining system at industrial level"

But it added that the company "must also take cognisance of the express wish of our workers for effective representation in a system of their choice"

"To this end management has concluded an agreement on in-plant bargaining with an elected workers' committee which acted with the guidance of the General Workers' Union We believe this decision to be in the best interests of our company for sound industrial relations in the long term"

Disputes

A GWU statement said the agreement gave the committee "full rights to negotiate over wages and conditions of service" A disputes procedure had already been negotiated and talks on a grievance and disciplinary procedure were "well advanced"

The statement added that the union had taken part in the negotiations and that it had been 'extended similar rights of participation in future negotiations"

The GWU said " The progressive attitude of Consani management is to be commended and is a worthy example to other employers in the industry "

Another pension strike in Durban

27 11 84

Labour Reporter

A STRIKE by 1 000 workers at Defy's Durban plant who are demanding the refund of their pension money entered its second day yesterday — and another pension strike in the city has been reported

The chief stumbling block in attempts to settle the Defy strike is the metal industries' pension fund, whose rules do not allow workers to withdraw contributions until they die or retire

Unionists say that this stipulation has been a key factor in other disputes around the country

Defy's general manager in the major appliances section, Mr R B Collie, said late yesterday that the company was continuing to meet workers in an attempt to settle the dispute

Sapa reports that Defy also held discussions with the Department of Manpower on ways of settling the dispute

SAAWU

Mr Collie also said management was last night due to meet Mr Sam Kikine, general secretary of the SA Allied Workers' Union (SAAWU), which claims to represent Defy workers "We are prepared to hear what he has to say," he said

According to Mr Collie, management cannot accede to workers' demands for a refund because the metal industries fund, started in 1978, does not allow it

"The only condition under which employees can withdraw contributions from that fund is if they resign or die It is an industry-wide fund administered by a management board and it not under our control," he said

Meanwhile, Sapa reports that about 40 workers at Ensor Plastics at Prospecton, an industrial area of Durban, struck yesterday over similar pensions demands

A spokesman for the firm, Mr C L Woods, said it was very unlikely that the striking workers would be paid out the pension contributions they were demanding

LABOUR

Pensions strikes: another 1000 out

Star 29/10/87

189

By Tony Davis
Labour Reporter

Pension unrest erupted again this week in Durban as about 1 000 workers at the Defy plant in Jacobs downed tools and demanded immediate payment of their pension contributions.

The work stoppage at Defy began on Tuesday when both shifts refused to work and management tried to reassure workers about the pension scheme

Talks among management, the black works committee and Manpower Department officials were held yesterday

Workers were warned that in terms of the metal industry's pension fund they were not entitled to payouts of their contributions even if they resigned

The general secretary of the South African Allied Workers' Union (Saawu), Mr Sam Kikine, said the workers were unwilling to alter their demands on the pension issue Saawu officials visited the plant on Tuesday to discuss the dispute with management

At the Ensor Plastics factory in Durban, about 140 workers went on strike on Tuesday, demanding payouts

They were warned by management to return to work yesterday morning but refused to do so and were dismissed

Ensor's personnel manager, Mr Geoff Woods, said workers would be selectively rehired from today

At four Game furniture stores in Durban about 170 workers were still out on strike after a dispute earlier this month over union recognition of the Commercial, Catering and Allied Workers' Union

The workers were demanding reinstatement as well as a commitment from management to negotiate Only about 15 of the original workforce had returned to work, a union spokesman said

The workforce of about 400 at Aberdare Cables in Port Elizabeth continued its strike this week in protest over the dismissal of a colleague, Workers walked out on Tuesday and at a meeting yesterday said they would stay out until their colleague was unconditionally reinstated according to a spokesman for the Motor Assembly and Component Workers' Union

At Dunlop Flooring in East London, where about 500 workers went on strike over pension demands, management yesterday began recruiting a new workforce The workers were represented by Saawu

Pensions strikes: another 1000 out

Star 29/10/81 (300) (752) (789) (183) (1454) (139) (189) (37)

By Tony Davis
Labour Reporter

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Star 29/10/81 (1404) (145) (151) (177) (189)

Two unions bypass council

Two more breakthroughs have been achieved in the black trade union offensive on South Africa's industrial council system — one in the texile and the other in the engineering industry

According to the latest Fosatu Worker News, a textile industry employer body has conceded wage negotiating rights outside the industrial council to Fosatu's National Union of Textile Workers

After three-months of negotiations, the Textile and Yarn Fabric Manufacturers' Association (TYFMA) has conceded these rights at both plant and industry levels, Fosatu says.

However, TYFMA was still insiting that the union accept the council as "an ultimate objective." This had been refused, and negotiations were continuing

And in a second important breakthrough, a committee elected under the auspices of the unregistered General Workers Union has won direct wage negotiating rights from an engineering firm in the Abercom group In terms of the agreement, Consani's Engineering in the Cape Peninsula recognises the right of the committee to bargain on behalf of its 600 employees

Consani's thus joins a small band of metal companies which have defied the guidelines of the powerful Steel and Engineering Industries Federation of SA (Seifsa) by agreeing to negotiate wages outside the metal industries' industrial council

Star 29/10/81 (1404) (143) (157) (137) 189

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Sowetan 29/5/87

Protest at Defy

WORKERS at the Defy plant in Jacobs, Durban, today enter their third day of protest in support of demands for a refund of their pension fund contributions.

Strikers want worker reinstated

29.10.87

(187) ~~(152)~~ ~~(139)~~

Post Reporter

STRIKING workers at the Aberdare Cable plant in Markman Township decided at meetings yesterday not to return to work until a dismissed worker was reinstated.

About 400 workers left the plant on Monday after demanding the reinstatement of a Mr Dana.

A spokesman for the General Workers' Union of South Africa (Gwusa) said it was claimed the man had been made to sign a form admitting he had left the plant early on one day last week.

Mr Dana denied the charge and was dismissed

The Gwusa spokesman said the striking workers had met at the Holy Spirit Hall in Kwazakele yesterday morning, and at the Centenary Hall in New Brighton last night

The spokesman said he had contacted company representatives to arrange a meeting with union organisers and had been told to call back later today

The company's group personnel manager, Mr Derrick Geldenhuys, had no comment

Strike in PE goes on

Sowetan 29/10/87

189

THE deadlock between management and workers at the Aberdare Cable factory in Port Elizabeth, where about 150 workers have been on strike, continues.

The workers, who downed tools on Monday, apparently refused to work because one of their colleagues was dismissed

A spokesman for the General Workers' Union, to which workers are affiliated, said the workers were to hold a meeting yesterday to discuss the issue

A spokesman for Aberdare Cables' said management continued to have no comment on the strike

CT 29/10/81

We're not illegal trade union

(189)

Staff Reporter

THE Cape-based General Workers' Union has objected strongly to a misleading headline in yesterday's Cape Times which read "Firm and 'illegal' union sign accord."

The headline appeared above a report detailing an agreement signed between Consani Engineering and the workers' committee at Consani elected under the auspices of the GWU.

A GWU spokesman said yesterday that the union was in no way an "illegal" body, but was an unregistered and independent trade union.

The full text of the GWU's statement on the headline reads as follows:

"We are in no sense an illegal organization. On the contrary, we are an open and entirely legitimate trade union under the strict and democratic control of our members. We have refused to register and instead opted to remain an unregistered trade union.

"We believe that registration removes the democratic control of the union from the hands of the workers, and vests it in the power of the registrar. We have therefore elected to remain outside the statutory framework of industrial relations created by the State.

"The fact that the Consani management has recognized the right of our workers' committee to negotiate any matters affecting them is therefore a tribute to the organization of those workers, and a vindication of our stand on democratic principles."

In a separate statement issued on Tuesday, the chairman of the Consani workers' committee, Mr Johnson Mpukumpu, congratulated the Consani management on their "willingness to reach an agreement with a democratic workers' committee, especially in the present situation of hostility to the workers' movement".

NM 30/10/81

(189)

Firm 'unable to meet workers' demands'

Mercury Reporter

PRODUCTION at the Defy Industries plant at Jacobs was at a standstill for the second day yesterday Management and workers fought to break a three-day deadlock over disputes surrounding the refund of pension fund contributions

Mr Ron Collie, general manager of the major appliances division, said the company was facing a dilemma of not being able to meet the workers' demands which were first stated on Tuesday

Defy is one of about 8 000 employers belonging to the Steel and Engineering Industries Federation of South Africa

It has no power to alter the regulations governing pension refunds

Requested

'At our talks yesterday a representative of the association made himself available to answer questions from workers,' said Mr Collie

'Workers have requested that unions become involved, and we have allowed this '

Mr Collie said management's policy was to maintain dialogue and avoid confrontation

Ensor Plastics at Prospecton yesterday re-employed 35 of the 150 workers who had downed tools on Tuesday after making similar demands

Mr G L Woods, administration manager at the factory said workers were given until Wednesday morning to return to work

'We said if they did not return, we would take it as their resignation '

Mr Woods anticipated that 'a lot more' workers would be back by Monday

About 400 workers at the Reckitt and Colman factory in Mobeni were also demanding pension refunds, a spokesman said yesterday

IFM FM 30|10|81

Better base

(189)

Activities: *Investment holding company with subsidiaries engaged in the manufacture and distribution of industrial fasteners owns 50,1% of Charles Richards Fasteners (UK) Directors control 26,5% (44,9%) of the equity*
Chairman· *M M Borkum*
Capital structure: *6m ordinaries of 50c, and 125 000 6% cum prefs of R2 Market capitalisation R13 5m*
Financial: *Year to June 30 1981 Borrowings long- and medium-term, R3,4m, net short-term, R3,5m Debt equity ratio 111,3% Current ratio 1,5 Group cash flow R3,6m Capital commitments R788 000*
Share market: *Price' 225c (1980-81 high, 280c, low 105c, trading volume last quarter, 244 000 shares) Yields 22,8% on earnings, 5,3% on dividend Cover 4,4% PE ratio 4,3*

	'78	'79	'80	'81
Return on cap (%)	—	—	32 0	31 8
Turnover (index)*	121	142	251	348
Pre-tax profit (Rm)	1 0	1 1	2 7	4 7
Earnings (c)	—	—	14 3†	51 2
Dividends (c)	—	—	6†	12
Net asset value (c)	—	—	79	124

* Base 1977 = 100 † = 6 Months June 30

The strength of demand for IFM's products clearly caught management by surprise to some extent last year, causing gearing and liquidity problems

Steps have already been taken to bring debt equity down from 111% to the targeted 70%, but dividend cover is likely to remain at around last year's conservative 4,3 times so the company can get on top of the debt position, according to deputy MD Bokkie Diamond This must be disappointing to shareholders, in view of the prospectus forecast, repeated in the 1980 financial statements, that cover would be around two times

Diamond says the brakes have been put on new borrowings and short-term liabilities — which increased rapidly last year from R1,9m to R5,1m — have been cut back quite considerably Long-term debt rose a more reasonable 75% from R2m to R3,4m

IFM . . . gearing problems could restrain payout

The company should be better placed this year, even though Diamond expects to see some slowdown in demand growth The new factory which opened late last year will contribute for the full year, enhancing profitability and giving the company greater flexibility to increase market share

Chairman Max Borkum says orders worth several million rands have given the group an entry into some new sectors of the market, including railways and agriculture Rationalisation within the group's subsidiaries should further boost profitability

The group also has an export order worth around R1m for nuts and bolts to the US and exports to Europe were maintained last year Tax allowances from export operations will hopefully continue this year, Borkum says, compensating to some extent for the rise in the local steel price which would otherwise trim margins

Capital commitments are down from R3,5m in 1980 to R1,5m this year, consisting largely of new machinery

Stocks, especially of raw materials, built up sharply last year to cater for the new factory and machinery coming on stream, but the rate of growth should slow to some extent this year, further cutting back on finance requirements

Borkum says new UK subsidiary Charles Richards Fasteners will not effect earnings this year, but will add to the group's pool of expertise and enlarge productive capacity

But the new factory in SA should be fully-utilised this year, he adds, so further earnings growth can be expected

The share price of 225c reflects the market's expectation that gearing and liquidity problems will not be a drag this year

Scott Hunker

Slump for world ferroalloys, riches for SA

RDM 30/10/84

(189)

By JOHN MULCAHY

TWO South African ferroalloy producers have predicted a decline in much of the world's ferroalloy industry, but the SA industry is expected to increase in prosperity.

Mr Leslie Boyd, managing director of Highveld Steel & Vanadium Corporation, in a speech in the US foresaw the closure of US and other Western vanadium producers

Mr Piet Streicher, managing director of Samancor, predicted in Cologne and in the US a similar fate for those countries' ferrochrome producers

Mr Boyd and Mr Streicher believed alloy prices would remain at uneconomic levels for the continued operation of the mature industrialised countries older and less-efficient ferroalloy plants

Because of low uranium prices, Mr Boyd foresaw the closure of Union Carbide's Colorado Basin uranium-vanadium operations soon

The uranium would be left in the ground as a strategic resource, and the shutdown of Union Carbide's Uravan and Rifle operations would reduce the group's annual vanadium pentoxide production by 17-million pounds

Union Carbide is apparently unwilling to write off its Colorado operations, stating that the Uravan plant has been operating normally since February after a six-month shutdown

The group has reduced output this year at Hot Springs, Arkansas, and Bon Accord in South Africa

Operations at Mustavaara in Finland — estimated at 7 500 000 lb a year — and Svelgen in Norway (2-million lb a year) were also uneconomic and were likely to shut down within two years, said Mr Boyd

He estimated this year's Western world vanadium pentoxide consumption at more than 85-million lb with production likely to exceed 89-million lb Present capacity exceeded demand by almost 38-million lb

Estimates for China — regarded as the wild card in vanadium supply — were for potential supplies of 18-million lb pentoxide equivalent in either slag or pentoxide

Mr Boyd expected China to export between 5-million tons and 10-million tons of pentoxide to the Western world this year, but China's future as a long-term supplier was uncertain because of poor infrastructure and transport problems

Mr Streicher forecast that the number of ferrochrome producers would fall to 20 by 1990 from 24 this year and 41 in 1970, with the US losing its only ferrochrome producer, Western Europe losing two out of three producers and Japan losing two out of four producers

He foresaw two additional Philippines ferrochrome producers, but left a question mark over the expansion of the South African and Zimbabwean industries

Manganese also faced a bleak future, said Mr Streicher, for industrial nations with no ore reserves and for many of the smaller producers

The 34 manganese ore-producing nations would be reduced to 18 by 1990 and to eight by the turn of the century

Mr Streicher predicted that SA would take up most of the slack in ore productionm, eventually supplying half the West's manganese requirements

RAND DAILY MAIL, Friday, O

Pension rows keep two Natal strikes going

RDM 30/10/81

189

THE Defy Industries plant near Durban remained shut for the third day yesterday as 900 striking workers remained deadlocked with management over disputes on the refund of pension contributions

And at the nearby Reckitt and Colman factory in Mobeni, about 400 workers struck for a second day in support of demands for a refund on their pension contribution, sources said

While the new wave of strikes over the controversial pensions issue again threatens to endanger labour relations in Natal, there was however, no sign of unrest at either plant

Mr Ron Collie, general manager of major appliances at Defy, said the factory remained at a standstill during negotiations with worker representatives

"We have no power to change the provisions laid down in the regulations governing pension funds, nor do we have the option of transferring these contributions to a trust fund, as was the case at some other factories," Mr Collie said

"The SA Allied Workers' Union (Saawu) has approached us and talks are continuing Our policy is to maintain dialogue and to avoid confrontation," Mr Collie said

Sources at Reckitts said about 400 workers who downed tools on Wednesday continued strike action yesterday in support of demands for a refund of pension contributions

At Ensor Plastics in Prospecton, police were called to disperse about 150 striking workers protesting over pension refunds

The firm's accountant, Mr C L Woods, said the workers were asked to collect their pay and if they had not returned to work by yesterday they would have to consider themselves dismissed

"Workers are coming in dribs and drabs, and so far we have re-employed about 35,' Mr Woods said — Sapa

LABOUR

Star 30/10/81

Firm hit by pension row

By Tony Davis
Labour Reporter

There was no production again yesterday at the Defy Industries plant in Durban as about 1 000 workers continued their pension strike

The black workforce downed tools on Tuesday, demanding pay-out of pension contributions They were told that under pension fund conditions their contributions would be held until they turned 65

There is a possibility that management may negotiatie with the Fosatu-affiliated Metal and Allied Workers Union and the South African Allied Workers Union (Saawu)

Talks have been held with a works committee, and Defy's managing director, Mr Ron Collie, said there might be future meetings with the unions to resolve the dispute

Talks were held again yesterday at the Johnson and Johnson plant in East London where workers are demanding reinstatement of a sacked colleague,

The pension unrest had also spread to another Durban firm — Reckitt and Colman, where 400 were reportedly on strike

Ensor Plastics in Durban started to engage a new workforce after about 140 workers were dismissed after refusing to work until they received their pension contributions

At the Aberdare Cable plant in Port Elizabeth about 400 workers were warned to return to work or face dismissal They are demanding that a recently dismissed colleague be reinstated

Also in Port Elizabeth yesterday the case against 59 former workers was postponed until next month They were appearing in court a second time under the Riotous Assemblies Act.

SDV 31/10/81

1400 get 'work or sack' ultimatum

By Tony Davis
Labour Reporter

Monday is "D-Day" for about 1 400 workers at two factories in Durban — unless they return to work they will be dismissed.

The black workforce of 1 000 at the Defy plant in Jacobs, Durban, stopped work earlier this week after demanding the return of their pension contributions.

But after three lost days of production Defy has warned them to return to their jobs on Monday or face dismissal.

Defy's general manager, Mr Ron Collie, said pension fund contributions were preserved until 65.

HALTED

He said talks were being held with unions, and representations would be made to Seifsa about the workers' demands.

Production of goods such as airconditioning units, electric stoves and ovens has been halted by the pension dispute.

Reckitt and Colman's eight factories at Mobeni were hit on Wednesday by work stoppages by about 400 workers who have also demanded pension pay-outs.

Managing director Mr D Dunsire, said the workers mistrusted pending Government pension legislation and under pension fund rules they could only obtain their contributions by resigning.

ARRESTS

Less than half the workforce were still at their jobs yesterday, and police had arrested some "intimidators," Mr Dunsire said. Workers had been given until Monday to return.

There apparently is no major union presence at the complex, although the South African Allied Workers Union (Saawu) has some members.

Johnson and Johnson management in East London is meeting Saawu officials in a dispute over a worker's dismissal. Workers involved in a pension dispute at Huletts Aluminium in Maritzburg are reported to have been dismissed.

Defy workers have till Monday to return

S.P. 31 31/10/87

(189)

Post Correspondent

DURBAN — Monday is "D-Day" for about 1 400 workers at two factories in Durban — unless they return to work they will be sacked.

The black workforce of 1 000 at the Defy plant in Jacobs, Durban, stopped work earlier this week after demanding the return of their pension contributions.

But after three lost days of production Defy has warned them to return to their jobs on Monday or face dismissal.

Reckitt and Colman's eight factories at Mobeni were hit on Wednesday by work stoppages by about 400 workers who have also demanded pension pay-outs.

Less than half the workforce were still at their jobs yesterday and police arrested some "intimidators". The workers have been given until Monday to return.

Officials at both companies say that workers mistrusted pending Government pension legislation and under pension fund rules they could only obtain their contributions by resigning.

Labour row as 217 are fired

RDM 31/10/81

Labour Reporter

AT LEAST 217 of the 650 workers at Huletts Aluminium in Natal, who went on strike recently over pension demands, were fired this week after a company "screening process", the Metal and Allied Workers Union alleged yesterday

The union said it was taking legal advice on the issue and had also asked the International Metalworkers Federation for help It said it was investigating whether a Canadian firm had a stake in the company and would ask the IMF to take the issue up if it did

Comment from Huletts Aluminium could not be obtained yesterday Mr Ron Phillips, a spokesman for the parent company, Huletts, referred queries to Huletts Aluminium's publicity manager, who was unavailable

About 650 of the 925 Huletts Aluminium workers recently struck in support of demands that their pension money be refunded

Resigned

All 650 resigned as this was the only way they could obtain a refund of their pension contributions, and then re-applied for their jobs

According to MAWU, the company then said it would institute a "screening process' to determine which of the workers would be re-hired

"Yesterday we discovered that at least 217 have been told there are no vacancies and have been refused their jobs They include virtually all of the 30 members of the steering committee"

He also claimed that attempts to negotiate on the 217 with Huletts Aluminium had been unsuccessful because the company had said their decision was "non-negotiable"

"They appear to have replaced our members chiefly with Asian workers they have recruited," he added

The spokesman said the union had decided on a programme of action in support of the men

This would include seeking legal advice, assistance from other Fosatu unions and the IMF, making contact with the parent company as well as other shareholders, and establishing whether there was a Canadian holding in the firm

"The company has clearly embarked on a process of victimisation and rationalisation which is reminiscent of nineteenth century labour practices", MAWU said

Defy issues ultimatum on pension strike

Labour Reporter

THE 1 000 striking workers at Defy's Durban plant have been given an ultimatum to return to work on Monday morning or lose their jobs.

But at the same time, Defy has said it will take up their demand for the withdrawal of their pension contributions with the Steel and Engineering Industries Federation

It will suggest the fund's rules be changed to allow withdrawals by workers

The workers have been on strike since early this week.

Yesterday informed sources suggested that the impasse at the company would prompt employers like Defy to press for a change in the fund's rules, which allow withdrawal of workers' contributions only on their death or retirement

They argue that the fund's rules make it impossible for disputes with individual companies on the pension issue to be settled and that, until the rules are changed, worker demands to withdraw money are destined to end in deadlock — and to prove costly to both sides

A Defy spokesman said yesterday the dispute was "non-negotiable"

"We are prevented by the fund's rules from meeting the workers' request and there is therefore nothing to negotiate"

He said workers had been told that, if they did not return by Monday, they would have "dismissed themselves"

The spokesman said, however, that Defy had undertaken to "make representations" to Seifsa in an attempt to win a change in the rules which would enable their request to withdraw contributions to be met

It is likely that suggestions for a change in the rules will enjoy the support of other metal industry firms

PE firm takes on ~~152~~ 189 former ~~39~~ workers

Ev Post 2/11/87

Post Reporter

ABERDARE CABLES, where about 400 workers went on strike last week, started re-employing workers today

The strike started when the men demanded the reinstatement of a worker they claimed had been dismissed unfairly

The company's group personnel manager, Mr Derrick Geldenhuys, said today those who wanted their jobs back were being re-employed

The workers were viewed as having "dismissed themselves" when most ignored a management ultimatum to return to work last Thursday

Mr Geldenhuys said an inquiry had been held into the matter before the dismissal which sparked the strike, and that no further investigation would be made

Asked whether Aberdare Cables would be involved in negotiations with the General Workers' Union of South Africa (Gwusa), Mr Geldenhuys said "The union isn't involved as far as we are concerned"

1200 workers fired

Company invites dismissed strikers to reapply

Natal Mercury 3/11/81

~~1104~~ 189 ~~752~~ ~~300~~

Mercury Reporter

ABOUT 1 200 workers at the Defy Industries plant in Jacobs were dismissed yesterday when they refused to go back to work on the fourth day of a pensions dispute

Mr Ron Collie, general manager of the Defy major appliances division, said notices had been issued to workers on Friday telling them that if they had not returned to work by Monday they should consider themselves 'voluntarily dismissed

He said workers had come to the plant yesterday but did not return to work

'At the close of the last shift we told workers to come to collect their pay,' he said, 'which they did not do '

Mr Collie said they would be hiring new workers today but 'we would like to re-engage as many workers who have had previous service with Defy as possible, this includes the striking workers'

He said it was impossible for them to accede to workers demands because they were powerless to alter the regulations governing pension funds

'But we have approached executives of the Steel and Engineering Industries Federation of South Africa, where the workers pensions are paid in, and they are trying to resolve the worries of our labour force '

The entire workforce, involving about 30 men, of Croda S A at Prospecton near Durban downed tools yesterday after the management refused to accede to their demand for their pension funds

The managing director of Croda, Mr M P Horsell said 'I don't understand it

'We have our own pension fund and the workers especially those who have been with us a long time, stand to lose hundreds of rands by this move '

Meanwhile, at the Reckitt and Coleman factory at Mobeni in Durban everything was back to normal yesterday after about 700 workers had downed tools last week after a dispute with management over pension funds

Screening of dismissed workers continued yesterday at Huletts Aluminium in Pietermaritzburg where two weeks ago 650 workers were dismissed after a pension fund strike

Mr Frank Fergusson, the publicity manager of Huletts Aluminium, said they had rehired 33 workers yesterday, which brought the total up to 355 workers who had been re-employed

He was not able to give any idea of the number of workers who had been refused re-employment

Mr Jeff Schreiner, the branch secretary of Metal Allied Workers' Union, said he had been approached by 218 workers who had been screened and refused re-employment.

Second cable plant hit by strike

Ev Post 3/11/81

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Post Reporter

WORKERS at the second Aberdare Cable plant in Port Elizabeth walked out yesterday and the entire black workforce at African Hide Trading Corporation in Deal Party downed tools in an attempt to have their union recognised

About 400 workers at the Aberdare Cable plant in Markman Township went on strike last week because they felt a colleague had been unfairly dismissed

At meetings, they resolved not to return until the dismissed man, a Mr Dana was reinstated

The company's management delivered an ultimatum that striking workers would be regarded as having dismissed themselves if they did not return to work last Thursday The strikers ignored the ultimatum

Yesterday workers at the Aberdare Cables plant in Stanford Road joined the strike

The company's group personnel manager, Mr Derrick Geldenhuys, said yesterday that workers who wished to return were being re-employed

The entire black workforce of about 100 at African Hide Trading Corporation walked out yesterday after the company refused to recognise the General Workers Union of South Africa (Gwusa)

A Gwusa official said today members of the workers' committee had told him the company had said it would not recognise Gwusa and encouraged the workers to join another union operating in the leather industry

The official did not know which union it was

The striking workers had resolved not to return until the company recognised Gwusa

Management spokesmen were not available for comment

RDM 3/11/81

We'll sack strikers, says Defy

MORE than 1 300 black workers at the Defy plant in Durban were threatened with dismissal yesterday unless they resumed work.

Mr Ron Collie, general manager of the Defy major appliance division, said yesterday the workers had entered the fourth day of production stoppage and would be paid off if they did not go back to work.

He said the company had cancelled a meeting yesterday with the unregistered South African Allied Workers Union (Saawu) which is representing the workers.

'We are too busy with our problems here,' he said.

Mr Collie said Defy would be taking on new workers from today.

'We have no power to meet the workers' demands to alter the regulations governing pension funds,' he said.

Meanwhile, the entire black labour force at Croda SA in Prospecton, near Durban, downed tools because of dissatisfaction with their pension fund.

Saawu members were to meet Croda management yesterday to discuss the demands of about 30 workers. — Sapa

Police disperse 1 300 strikers

Argus 29/11/81 (181) (191)

Argus Correspondent

DURBAN — Police, including a riot squad and dog handlers, ordered about 1 300 workers dismissed yesterday after four days of striking from the Defy plant and surrounding area here today.

The workers were dismissed at close of shift yesterday after they failed to return to work.

The general manager of the Defy major appliances division, Mr Ron Collie, said that no workers had come forward to receive money due to them.

'We advised them yesterday that their pay for last week, accumulated holiday pay and accumulated holiday bonus was available at our pay office.

RESTRAINT

Mr Collie said he believed the police had acted with the greatest restraint.

'They did not resort to violence and were dispersing the workers only because it was illegal for them to be gathered there,' he said.

Police with loud hailers told the workers they had five minutes to disperse. When they failed to do so the dog-handlers moved in.

Workers scattered and assembled in small groups about half a kilometre from the Defy plant.

Mr Collie said the recruitment offices would be opened from this afternoon and priority would be given to workers with experience with Defy.

BROKE DOWN

Mr Sam Kikine, general secretary of the South African Allied Workers Union (SAAWU), said talks with Defy management had broken down yesterday when they refused to guarantee the workers' pension fund money would be returned.

'All of the workers will refuse the money due to them until management agrees to their demand. The pension money is theirs and they are entitled to it,' he said.

● From Port Elizabeth The Argus Bureau reports that the strike at Aberdare Cables spread yesterday while the entire work force at another company — Hide Trading Corporation — also downed tools.

Argus 3/11/81

189

October 'one of the worst months' in labour field

Argus Correspondent

JOHANNESBURG. — October was one of the worst months for labour relations in South Africa in many years. More than 20 000 workers were involved in disputes affecting over 40 firms and hundreds of workers were taken to court.

Hardest hit by the unrest was Durban with more than a dozen disputes and the East Rand, Port Elizabeth and East London were also hit.

There was no one cause for the strikes and work stoppages, though worker agitation against new pension legislation next year sparked many of the disputes in the Eastern Cape and Natal.

Workers fear that Government pension fund legislation will effectively freeze their contributions and mistrust any official dealings with the funds.

Union officials deny management claims that workers do not understand pension funds. "They do understand them and they don't want any part of it," one official said.

There are several other factors contributing to the unrest. These include:

- Worker dismissals such as that at the CDA car assembly plant in East London, where there were several closures when workers protested against a number of disciplinary actions taken by management.
- The mass of new labour legislation, much of it from the Wiehahn Commission reports and accompanying government White papers.
- Workers 'flexing their muscles' and realising the strength of trade unionism — only allowed to black workers in 1979.
- Workers often demand the immediate reinstatement of dismissed colleagues and in cases where both unions and managements have sat down to form appeal boards there have been settlements.

Labour experts say managements are at fault for neglecting to inform union representatives in the plant of disciplinary action in advance.

MASS DISMISSALS

A number of the disputes on the East Rand saw mass worker dismissals, although managements sometimes state workers have "dismissed themselves" by refusing to work. But unionists say that workers have a right to withhold their labour and accuse companies of lock-outs.

At the Telephone Manufacturers of SA in Springs, 1 600 workers lost their jobs — and at Triomf in Kempton Park 500. Similar dismissals were also made in the Eastern Cape.

Manpower officials blame workers for being too willing at times to resort to the 'strike weapon' when there are grievances.

PROCEDURES

Managements have accused unions of having failed to follow recognised procedures for disputes.

Several hundred workers have appeared in courts for their alleged roles in disputes.

Unrest at the SA Bottling Company plant and the post office in Port Elizabeth resulted in a number of workers being charged under the Riotous Assemblies Act.

And in the Ciskei where 183 workers were arrested by the homeland's security police, their court appearance was postponed until later this month.

MILITANCY

One union spokesman said much of the militancy during labour unrest came directly from the work place where workers were unhappy about conditions.

The union was then often called in after the strike or work stoppage had already taken place, he said.

During October a number of companies were hit by repeated closures.

In the case of the Huletts group in Natal, four of their sugar factories were shut in September because of pension unrest, but they were hit again last month when about 2 000 workers at Darnall, Mount Edgecombe, Felixton and Amatikulu downed tools.

Darnall workers even went out a second time last month.

Huletts Refineries and Huletts Aluminium were also hit in Natal.

Management in cases of pension unrest have told workers they must resign to collect their contributions and in firms covered by the Metal Industry Pension Fund the contributions are preserved until the age of 65.

Seifsa releases guide on unions

RDM 3/4/81

189

By STEVEN FRIEDMAN

NEW labour guidelines have been released by the giant Steel and Engineering Industries Federation (Seifsa)

The federation, which employs about 450 000 people, has also reaffirmed its opposition to negotiating with unions not on an industrial council

The guidelines also advise employers to grant facilities more readily to unions which join councils At the same time, however, the federation still wants changes in the council system and is opening talks with both sets of unions

The new guidelines soften controversial ones released in 1979 by opening the way for employers to grant some facilities to unregistered unions and to recognise shop stewards

The moves were announced yesterday at a Johannesburg Press conference by federation director Mr Sam van Coller and leading metal industry employers.

The 1979 guidelines rejected employer facilities for unregistered unions and any union recognition in individual companies. They also wanted all bargaining to go through industrial councils

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APPLIED MATH ... LF COURSE

(Replaces part of CAS ...

Applied Mathematics ... Applied Computing.

1st year half ... r

4th period, Mo...

Practical classes ... day 2 - 4 p.m.

This course gives a... hematical modelling methods and to use of the c... is applied to understanding such features as in... and to determining optimal strategies in vario...

Syllabus:

Flow through ne... igest paths, transportation problems.

Linear programm... oach, simplex algorithm in special cases), games theor... r programming).

Introduction to BASIC, and applications to problem solving.

Meaning and applications of exponential growth, elements of compound interest and implications of inflation, logistic growth.

Modelling - basic ideas of input/output models, simple 1st order difference equations models, some Markov chain models.

Use of program packages on the computer.

Credit cannot be given for this course and for AM104.

Note: The time proposed is not yet final.

Steel industry won't change pensions rules

RDM 8/11/81 (189) ~~152~~ ~~300~~

By STEVEN FRIEDMAN

THE Steel and Engineering Industries Federation will resist changes to the rules of the metal industry pension fund — one of the country's biggest funds — which has been a key factor in several outbreaks of unrest over pensions.

Seifsa's stand, spelled out at a Press conference in Johannesburg this week, comes after calls from employers for changes to the fund's rules.

Like the pension system envisaged in the Government's draft pension Bill, the metal industries' fund does not allow workers to withdraw their pension contributions when they change jobs.

The contribution is 'preserved' and workers or their families receive their pension pay outs when workers retire or die.

This stipulation has been a factor in recent demonstrations of unhappiness over pensions and the Defy Corporation, which is presently experiencing a pension strike, has said it will make representations to Seifsa requesting a change to the fund's rules.

Some employers [illegible] that the rules of the fund place them in an impossible position.

"Our workers strike and then refuse to return until they get their pension contributions. But we are powerless to return it because of the rules of the fund," one said.

But Seifsa officials have said there are no plans to change the fund's rules.

"We support preservation. We believe it is in the interests of workers and that [illegible] unrest [illegible] has been the result of misunderstandings [illegible]," Seifsa [illegible] Mr [illegible] Bou[illegible] of [illegible] Steel Corporation, said.

Mr Bou[illegible] and other senior Seifsa [illegible] said they believed the answer to [illegible] unrest did not lie in a change to the rules.

Closed shop

It [illegible] efforts by Seifsa to explain to workers the benefits they can receive from the present system.

In another development, Seifsa spokesman said they saw no reason to renegotiate the industry's closed shop agreement, which means that workers in skilled and some semi-skilled jobs must join one of the unions which are members of the industrial councils.

"We support the current arrangement and we do not believe it is causing serious problems. If we did believe that, we would obviously seek to change it," Seifsa's director, Mr Sam [illegible] Coller, said.

Seifsa's assistant director, Mr Derek Harris, denied reports that many exemptions to the closed shop had been granted, but other employers said they believed the closed shop in the industry was being honoured in the breach.

Senior Seifsa representatives said they did not believe the existing closed shop [illegible] threat to [illegible] in the industry.

Sacked men to continue with demand for payouts

24/11/81

Mercury Reporter

WORKERS from the Defy Industries plant in Jacobs, who were dismissed on Monday, resolved yesterday not to collect their pay and to continue demands for their pension fund money

This was decided at a meeting in Durban attended by most of the 1 200 workers involved in the dispute

The Mercury was told by workers that they did not consider themselves 'on strike' and said they were willing to return to work as soon as the management had paid out their pension money

The workers were dismissed after an ultimatum had been issued by the management on Friday telling them that if they had not returned to work by Monday they should consider themselves 'voluntarily dismissed

The workers described how they had arrived at work just before 8 a m yesterday to be confronted by riot police with dogs.

They said they had then been told by the management that they must collect their pay and then leave the area.

The workers who were gathered across the road from the factory in a parking lot, decided not to collect their pay

'We were then given five minutes by police to disperse,' one worker said

After that they were chased away by police using dogs

Mr Ron Collie general manager of the Defy major appliances division, said the personnel offices had been open all afternoon for workers to collect their pay

He said 'Quite a few workers came to collect their pay and we had various inquiries from them about re-employment

Factory

At the Pinetown textile factory of Ninian and Lester 500 workers downed tools yesterday over a wage increase demand, according to Mr Obed Zuma, the general secretary of the National Union of Textile Workers

Mr Zuma said the workers had agreed to return to work today after the management had agreed to negotiate a wage increase with the union

Mr D Drysdale, the managing director of Ninian and Lester, said only the night shift was involved — about 300 workers

'We have been holding discussions with the union prior to this and have agreed to negotiate a recognition agreement with them

'Once that has concluded we will then discuss wages with them,' he said

About 160 workers at Chicks Scrap Metals at Mobeni in Durban were involved in a dispute with their management yesterday over union representation and pension funds, according to union sources

Dismissed

Mr Sam Kikine, the general secretary of South African Allied Workers Union, said the workers had stopped work after the management had dismissed the union's representative at the factory

He said although the management had agreed to pay out workers pension contributions they had still to discuss union representation

The management at Chicks Scrap Metals could not be contacted yesterday

Workers at Croda S A at Prospecton near Durban who had downed tools on Monday following a pension fund dispute, returned to work yesterday

The management had agreed to pay out workers' pension contributions pending negotiations with Southern Life

RDM 4/11/81 189

Unions wary of Seifsa's labour guides

By STEVEN FRIEDMAN

NEW labour guidelines announced this week by the Steel and Engineering Industries Federation showed a change in "style, not substance", unions who have refused to join industrial councils said yesterday.

None of the unions who have refused to join the councils would comment officially on the new guidelines yesterday. They said they wanted to study them and refer them back to their members before commenting publicly.

However one prominent unionist said that at first glance, the new guidelines seemed to be an indication that Seifsa had "changed its tone in dealing with unions who refuse to go on to councils".

He added "This will obviously help. But the substance — Seifsa's insistence on the council system — remains unchanged."

Another unionist also acknowledged that the guidelines represented a shift but said "The real issue is our demand to bargain on wages and work conditions outside the council system and Seifsa has not changed its stand on that."

Both said they did not believe the new guidelines would persuade unions to change their minds about serving on the councils, but said they could assist in creating "a more open labour atmosphere" in the metal industries.

The new guidelines reaffirm Seifsa's opposition to any bargaining on wages and work conditions outside the official industrial council system.

Facilities

They also recommend that employers grant facilities to unions who serve on councils more easily than to those who don't.

However, Seifsa has restated its commitment to changes in the industrial council system, and is to hold talks on possible changes both with those unions who serve on councils and those who have refused.

The new guidelines also recommend changes in attitude to those unions who refuse to serve on industrial councils.

Employers are advised to hold talks with these unions and establish whether they are representative (although not by means of a referendum, which Seifsa says is "not a test of representativeness").

If they are, the possibility is left open that employers will negotiate with these unions on the granting of some of the facilities which will be extended to unions who serve on councils.

The guidelines also alter Seifsa policy in recommending that employers recognise and deal with the shop stewards of unions who are on the councils — although not that they negotiate with them on pay and work conditions.

Ev Post 4/11/81 (752) (189) (190) (139)

Striking workers reject sacking

STRIKING workers at African Hide Trading Corporation who were reported to have been sacked yesterday, have refused to accept their dismissal

The entire workforce of more than 100 downed tools on Monday in an attempt to have their union recognised

The company has refused to recognise the unregistered General Workers' Union of South Africa (Gwusa) and a union official said management had encouraged the workers to join another trade union operating in the leather industry

The company's managing director Mr O R Townsley, could not be contacted for comment today as he was at a meeting

Meanwhile re-employment of striking workers at Aberdare Cable, and the recruitment of additional employees to fill vacancies was continuing today

Workers at the company's plant in Markman Township went on strike last week after what they termed the "unfair" dismissal of a colleague

They resolved not to return until the dismissed man was reinstated

On Monday workers at the Stanford Road plant walked out in solidarity with their striking colleagues

Management delivered an ultimatum that striking workers who had not returned by last Thursday would have dismissed themselves

44 Natal strikers arrested

Argus 4/11/81

184

Argus Correspondent

DURBAN — Police yesterday arrested 44 workers who went on strike on Saturday at the Zinkwazi Caravan Park near Darnall on the Natal North Coast.

The workers who were dismissed on Monday after they failed to return to work, were arrested for trespassing.

Mr T S Kumalo, general secretary of the African Allied Workers' Union said today the workers went out on strike over the dismissal of two colleagues.

'We will bail out all the workers today,' he said.

The general manager of the caravan park, Mr H G O Achtzehn, was not available for comment.

BACK TO WORK

Meanwhile 500 of the 1 200 workers dismissed yesterday by Defy Industries in Jacobs have returned to work, management has claimed.

Mr Ron Collie, the general manager of the major appliances division said the workers started returning early today.

'We have told them that if they returned to work promptly they would not lose any benefits, and their employment would be treated as if it were uninterrupted,' he added.

More workers paid off after pension disputes

N MERCURY 5/11/81

Mercury Reporter

ABOUT 120 workers from Chicks Scrap Metals at Mobeni in Durban were paid off yesterday after a dispute with management over union representation and pension funds

The workers downed tools on Tuesday after the management had dismissed the South African Allied Workers' Union's representative at the factory

According to the general secretary of the union Mr Sam Kikine workers demanded the reinstatement of the representative union recognition and immediate repayment of their pension fund money

Mr A K Sayer, managing director of Chicks Scrap Metals spoke to workers yesterday morning and told them 'that the skills they have are important to our business and would be hard to replace'

Dismissed

But he told them 'those of the workers who had not started work by 8 a m would have to be considered by management to have voluntarily dismissed themselves'

Mr Sayer said 'Unfortunately the workers decided not to commence work and 90 percent of the workforce accepted their wage envelopes'

He said the employment office had been opened yesterday afternoon and 'it would appear that a great majority of our previous employees will be re engaged

Forty-four workers from the Zinkwazi Caravan Park near Stanger who went on strike after the management fired two workers on Saturday, appeared in a Stanger Court yesterday on charges of trespassing

Mr H Q Achtzehn, the general manager of the caravan park, said he had discharged all the striking workers on Saturday but they had refused to leave the premises

Deadline

I called the police in who issued a final deadline to the workers that if they had not left the premises by Tuesday they would be arrested for trespassing

'The workers still would not leave so they were taken into police custody where they remained until [illegible] appeared in court yesterday, he said

The S[illegible] public prosecutor Mrs N[illegible]tthis said [illegible] 44 workers had appeared briefly in court when their trial was postponed until November 20

They were remanded on a warning and released from custody,' she said

Meanwhile at Jacobs in Durban yesterday, the Defy Industries plant was still closed six days after 1 200 workers downed tools after a dispute with the management over pension funds

Registered

Mr Ron Collie, general manager of the Defy major appliances division, said yesterday 500 of the workers who had been dismissed on Monday had registered for re-employment

He said if the company re-employed 100 200 workers in the next few days they would be able to re-open the plant, but this depended on the exact composition of the workforce.

The re-employment of 500 workers was dismissed by Mr Kikine as 'propaganda'.

He said he had been out to the factory and the only workers there were the 40 he had sent to see what was happening om 'happy workforce'

Back
k to normal

N. MERCURY 6/11/81

Mercury Reporter

DURBAN returned to normal yesterday after a week's spate of work stoppages involving more than 2 500 workers

At Chicks Scrap Metals in Mobeni, Mr A K Sayer said the company had re-employed about 90 percent of the 120 workers who had been paid off on Thursday

He said he had gone down to the factory during the day and the workers were 'full of smiles and waves so we seem to have a happy workforce'

The workers downed tools on Tuesday after they claimed the management had dismissed unfairly their union representative

They had also demanded immediate repayment of their pension money

Mr Sayer said he had informed the workers that it was company policy to make sure their pension money was not misused and had guaranteed that should anyone resign they would be paid out

Although recruiting of workers who had been dismissed on Monday continued at Defy Industries plant in Jacobs, Mr Ron Collie general manager of the major appliances division, said it was going fairly slowly

'Quite a lot of our previous workers have re-applied and the total number of people at the factory including the small number who did not participate in the strike is 600 he said

Pension fund strikers slowly return to their jobs

The plant has been closed since Wednesday last week when about 1 200 workers downed tools after a dispute with management over pension funds

Mr Collie said there was a small amount of operating going on in the plant but it would not be able to re open fully yet as the workforce was not enough to operate all sections

He reiterated that it was impossible for the company to pay out the workers pension contributions as these were controlled by the Steel and Engineering Industries Federation of South Africa

'One of our senior executives has discussed the workers' concern with federation executives and there has been a lot of concern about the pension fund expressed by other members ' Mr Collie said

The 700 workers from Reckitt and Colman at Mobeni returned to work on Monday after they had been involved in a dispute with management over pension funds

The entire workforce of Croda S A at Prospecton — about 30 men — who downed tools on Monday after management refused to pay out their pension money returned to work the next day

At the Pinetown textile factory of Ninian Lester near Pinetown about 500 workers returned to work on Tuesday after a one day stoppage when management refused their demands for a wage increase


GOING BACK: Some of the workers.

Pipekor strike off

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By SELLO RABOTHATA

THE 300 employees at Pipekor (Pty) Ltd near Krugersdorp who went on strike yesterday over the Government's Pension Bill will be going back to work today.

Sowetan 6/11/81

A member of the workers' liaison committee said the workers had instructed the committee to talk to management about the proposed bill, which aims at making employees receive their pension contributions on retirement and not each time they change jobs

The worker said "We have been talking to management for the past five weeks and we have still not received a satisfactory answer "

The workers decided to down tools until they received a satisfactory answer from management

The personnel manager was unavailable for comment

Later yesterday, the worker representatives contacted The SOWETAN to say a meeting between management and the Industrial Council was over and that the workers would be going back to work today He said management had nothing to do with the grievance but they would take the matter up with the Industrial Council

ATTITUDE OF CONFRONTATION MAJOR PROBLEM

Argus 7/11/81 By DEVAN MAISTRY AA/189

MANAGEMENTS' automatic acceptance of a confrontation situation when negotiating with labour is a major problem in South African industrial relations, says Mr Otto Scholtz, a director of Atlantis Diesel Engines.

He told a meeting of the country branch of the Cape Chamber of Industries at Dutoitskloof this week that while both management and labour would have to change their attitudes towards each other, the most traumatic change would have to come from management.

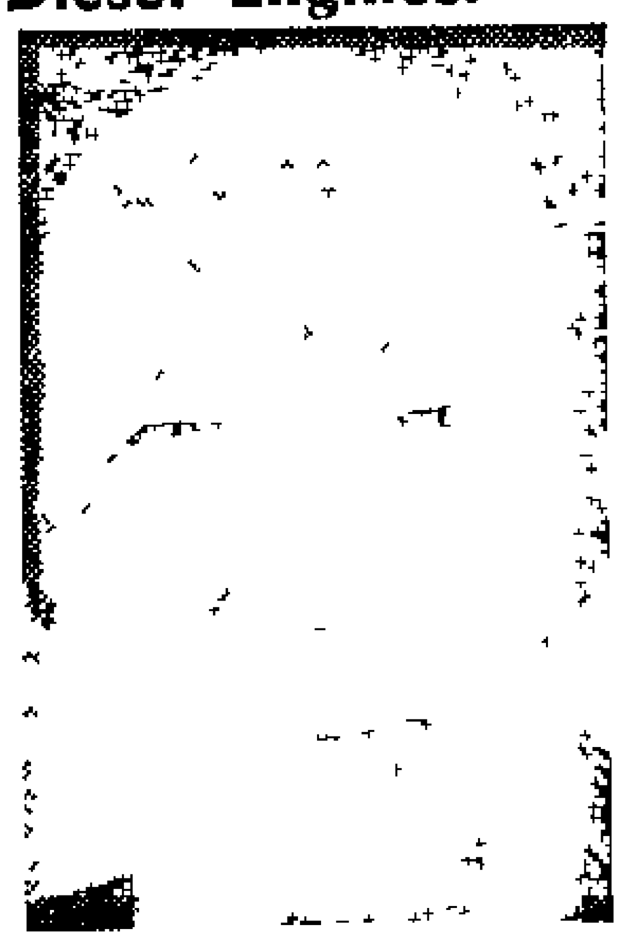
He said: 'Many of our ideas about other races are only because we grew up with certain prejudices and for reasons which no longer exist, or no longer exist to any greater extent than they do in other population groups.

GROWING GAP

'These prejudices cause a growing gap between those who do not want to accept change and those who are more closely associated with the problems involved and realise that management material must be drawn from all the race groups and used to create job opportunities for the total population.'

Labour and industrial relations were going to become progressively more complicated. Unions were now free to accept members from all population groups.

While the growing power of the unions would be used by certain labour organisations to achieve



Mr Otto Scholtz

political objectives, which unions would retain their power and which would negotiate with management remained an open question at this stage.

Management and labour were jointly responsible for good industrial relations and both sides would have to change their attitudes.

'I am not proposing that management must not have the final decision but why does management unnecessarily issue instructions or take decisions that automatically create opposition when they could consult workers and obtain their co-operation?'

At ADE there was no job discrimination, there was the same pay for the same job and all facilities were shared.

'If we want to develop industries in the context of new labour, economic, political and social developments and if we want to manage those industries successfully, then we will have to scrap our prejudices and sincerely enforce the required changes.'

Afrox plans vast R120-m expansion

S. Times (B.T) 8/11/81

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By Andrew McNulty

AFROX plans new capital expenditure programmes totalling at least R120-million by 1986.

This will follow a huge leap in spending by the gases and welding giant, resulting in capital expenditure of R100-million in a three-year programme to 1982

This was disclosed on Friday by the managing director, Peter Joubert

He was commenting as the group announced year-end results for the year to September 30

A year of "cleaning-up" has resulted in only lukewarm profits growth for Afrox in the past year — Mr Joubert's first since he took over as chief executive last October after a scintillating record on a two-year secondment as head of the parent British Oxygen International

But the year leaves the R230 million group strongly placed to outperform the industry in the next few years

The results include

- Turnover of R230-million compared with the previous year's R179-million — an increase of 29%
- Trading profits rose by 18% from R29 6-million to R34,9-million
- After-tax profit rose by 11% to R19,6-million from R17,6-million

This year's after-tax profits were thumped by a 26% rise in taxation from R9,6-million to R12,1-million

The results were also weakened by inflation accounting, which resulted in depreciation of R3,8-million being charged against pretax profit

- Earnings a share — higher by 11% at 65,16c against 58,88c — were also reduced by inflation accounting On a historical basis, the eps would have been 78c
- A final dividend of 19c has been declared, a rise of 12% on last year's final of 17c, resulting in a total dividend of 33c (29c) and a dividend yield of 5,8% on Friday's share price of 570c

At a time when most company results are expected to slide with the looming economic downturn, Mr Joubert says that he expects next year's results to be 'better than 1981 and better than the industry"

A major part of the clean-up in Afrox over the past year was the sale of the loss-making manufacturing (mainly mining equipment) operations of Dowson & Dobson — which accounted for 10% of the group's net assets — for a total R24-million to be paid over three years

A once-off drag on the past year's earnings was an extraordinary loss of R3,5-million from D & D, based mostly on estimates of what would have been earned on the purchase price if extended payment terms were not granted to the buyers

"This step will improve all our ratios and increases availability of cash," Mr Joubert says

Apart from divestment of loss-making operations, the year has seen a hefty reorganisation and expansion of the gases and welding divisions

"A year ago, plans called for a total expenditure of R22-million during 1981 in these areas, but the group found itself in a favourable enough position to nearly double its 1981 investments," Mr Joubert says

Three new plants in the gas division at Maritzburg, Middelburg and Kuils River provide new capacity equivalent to more than 50% of the present production of Afrox's supplies to the "merchant" or delivered gas market

Together, these plants, of which one is already on stream and two will contribute to earnings early in the current year, represent an investment comparable with the total assets of Afrox's nearest rivals in the gases market.

They should enable improved market shares and lower distribution costs

Expanded markets are also expected to flow from new products in the welding division from 1982 onwards

Mr Joubert adds that the shake-out just completed is expected to be followed by continued expansion of operations, which could consist of investment in new projects or acquisitions — although companies are likely to remain generally overpriced and therefore poor acquisition prospects for about the next 12 months

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580 workers are back on the job

STAR 10/11/81

Own Correspondent

EAST LONDON — The 580 workers who downed tools at Western Province Preserving here yesterday returned to their jobs today.

They struck to protest a managment decision that not all employees would receive bonuses this year.

Yesterday's strike was the third in less than a week in the factory.

Workers struck for a few hours on Thursday and Friday last week and were persuaded by officials of the African Food and Canning Workers Union (AFCWU to return to their jobs.

A director of the company, Mr B Hanly, said staff had returned to work this morning and the factory was running normally.

They had made demands which management had considered but rejected as they were contrary to the agreement with AFCWU.

Mr Hanly refused to disclose what the demands were.

Miss D Komose, the secretary of AFSWU said management had told workers that only those who had been most productive would receive bonuses.

Mr Hanly told the workers he had been informed by the managing director, Dr G Marr, who is overseas at present, that bonuses would be negotiated in January along with a new wage agreement, Miss Komose said.

- At the two Aberdare Cables plants in Port Elizabeth which were hit by labour unrest last week, management was taking on new workers today to replace those who were dismissed for striking over the dismissal of a fellow-worker.

STAR 10/11/81

~~1006A~~ 189 ~~151~~ ~~148~~

Reef workers try official channel

By Drew Forrest

The Metal and Allied Workers' Union has taken the first step on the road to industrial court action in its dispute with Litemaster Products in Wadeville.

Mawu and the 22 Litemaster employees dismissed on October 23 have referred the dispute to the metal industries industrial council. If it cannot be resolved at this level, the council will refer it to the Industrial Court.

It is understood that the union and the workers have made wide-ranging allegations of unfair labour practices at Litemaster, arising out of the dismissals and the company's code of employment practice.

'WARNINGS'

When the dispute first erupted the union claimed workers had been dismissed "in doubtful circumstances which suggested victimisation" after refusing a management offer of a 10c hourly wage increase. They were demanding a 50c rise and a R2 minimum wage.

According to management the workers were fired after repeated warnings and "for very specific reasons."

Observers consider it important that, despite the volatile labour climate on the East Rand, workers have been prepared to take the dispute through the official channels.

Black unions have attacked both the official disputes procedures and the Industrial Court as being too cumbersome to deal adequately with the grievances of black workers.

Sowetan 11/11/81 (184)

No action against man after alleged shooting

A KAGISO, Krugersdorp, man yesterday said nothing had been done by the local police about the white foreman he has laid charges against for allegedly shooting him in the hip

By SELLO RABOTHATA

Mr Bekumuzi Masoka of Room 64 Kagiso Hostel, told The SOWETAN how a white foreman, under whom he worked, at the Electrolitical Manufacturers Company (EMCO) in Krugersdorp had, on finding him seated on a drum, allegedly shot him in the hip The bullet went right through him

He said "On September 25, this year, at about 2 pm I was seated on a drum fixing my overalls when the foreman appeared and without even talking to me he pulled out a gun and shot me I don't know what it is I did that caused him to shoot me

"I spent five days in hospital and the police who were dressed in plain clothes, came to take a statement from me After I was discharged from hospital I went back to work On seeing that days were passing without hearing from the police I went to inquire At the police station I was told that the company s personnel manager had taken the statement with him and that I should make another one," he said

Mr Masoka said he refused to make another statement as he could not understand why the first one was given to the company s personnel manager And now since the beginning of October he has heard nothing from the police and no action has been taken at the factory either

A spokesman at the Krugersdorp Police Station yesterday said Mr Masoka had laid a charge and that the police investigated and sent the docket to the Attorney-General who declined to prosecute

The company's personnel manager, Mr Mike Saunderlin, said he could not comment on the allegation, but that he would investigate

69 strike at City factory

Cape Times 12/11/81 ~~33~~ ~~189~~ 189

By TONY WEAVER

SIXTY-NINE workers at the Paarden Eiland Cape Foundries factory went on strike yesterday afternoon in protest against the dismissal of one of their colleagues.

The worker arrived 15 minutes late for work. He was said to have explained that he lived in Atlantis and was late because his bus had had a puncture and he had to change to another vehicle.

The workers — all members of the unregistered and independent General Workers' Union (GWU) - appointed an *ad hoc* committee of six to negotiate with the general manager of the plant, Mr Brian Rosenbloom.

They wanted to know why their colleague — a GWU member - was fired while two men who were members of the management-sanctioned Tucsa affiliated Engineering Workers' Union were not fired for arriving even later than the GWU member.

Mr Rosenbloom refused to speak to them and told them they had five minutes to get back to work or else leave the premises, the GWU said yesterday.

When the workers walked out, Mr Rosenbloom threatened to call the police if they attempted to return to work today, it was claimed.

Warned

Mr Rosenbloom said last night the worker concerned had a consistent record of being late and had been warned on numerous occasions in the past.

It was untrue to say he victimized members of the GWU as he did not know "who is a member of what".

He denied production had stopped, saying losses were "minimal". He also denied threatening to call the police.

Only 69 workers out of a total of 184 had downed tools and this demonstrated the GWU did not have majority support among the workers.

Labour guidelines fall short, says black union

STAR 12/11/81

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By Drew Forrest

The new labour relations guidelines of the giant Steel and Engineering Industries Federation of SA have drawn both praise and sharp criticism from South Africa's fastest growing black metal union

The Metal and Allied Workers Union rejects the metal industries' industrial council — which is strongly supported by Seifsa — and the union's response to the guidelines has been eagerly awaited

In a statement yesterday, Mawu said Seifsa had shown "a new realism" and 'a new willingness to negotiate with representative unions, whether or not they are party to the industrial council"

In certain crucial respects, however, the guidelines "fell far short of what is required by workers"

Mawu takes issue with a Seifsa recommendation that certain in-company facilities — including recruiting access and access for union officials to shop stewards — should be readily granted to unions party to the industrial council, while remaining "points for negotiation" for those outside it.

The second major shortcoming of the guidelines, Mawu says, is the failure to recognise the need for in-plant bargaining on wages and working conditions — a "central demand of workers"

Key union rejects Seifsa's guidelines

By STEVEN FRIEDMAN

MAJOR new labour guidelines issued by the powerful Steel and Engineering Industries Federation (Seifsa) were "unacceptable" because of their emphasis on bargaining through the industrial council system, a key unregistered union said yesterday

In a statement issued yesterday, the General Workers Union (GWU) became the first union in the metal industry operating outside the industrial council system to comment formally on the new guidelines

The GWU occupies a unique position in the metal industries because it is the only union to have signed formal recognition agreements with metal employers which provide for bargaining, wages and work conditions outside the council system

Changes

Seifsa recently announced guidelines to make it easier for employers to deal with unions not on industrial councils and to consult with unions at factory level

But the guidelines repeat Seifsa's view that wages and work conditions should be bargained at industrial councils only Seifsa has, however, committed itself to changes in the metal industrial council in consultation with unions

The guidelines cover 8 500 employers and 440 000 workers

In its statement, the GWU said it welcomed "the conciliatory tone of the new guidelines and Seifsa's new-found commitment to freedom of association"

Talks

But it said it had "frequently underlined our commitment to shop-floor negotiation"

The new guidelines' "allegiance to national industry-wide bargaining in the steel industry is unacceptable to this union"

The GWU said it was "not in principle opposed to multi-plant bargaining as long as it facilitated a process of direct negotiation between elected worker representatives and management"

But the union said it believed "bargaining in the steel industrial council hinders this direct participation in the bargaining process by virtue of the size of the council and its highly bureaucratic structures"

Seifsa is scheduled to meet the GWU to discuss its attitudes to industrial councils as part of a programme of talks with all unions operating in the metal industry

RDM 12/11/81

189.

Argus 13/11/81 (157) (184) (445)

Striking foundry workers to be paid off

Labour Reporter

STRIKING workers at the Paarden Eiland factory of Cape Foundries Holdings, who stopped work yesterday in support of a dismissed colleague, have been told they will be paid off today

However a spokesman for the General Workers' Union said the workers were not prepared to collect their money

The were willing to return to work if their colleague was reinstated

The union claims that 80 workers are on strike, but management says 69 of its 184 workers are involved and the factory was running with minimal loss of production

Mr Brian Rosenbloom, general manager of the factory said the worker dismissed had a clear record of coming late to work

The union claims the dismissal was part of a 'war of attrition' against the union and its members

Management it said had attempted to foist on the workers the Tucsa affiliated Engineering Industrial Workers' Union

Mr Rosenbloom said Cape Foundries management believed in the principle of freedom of association but the company would not recognise the General Workers' Union unless it was registered

Renegotiate agreements call by union

N. Mercury 12/11/81

'Significant' management-labour talks

Mercury Reporter

THE pension agreement of the Steel and Engineering Industries Federation had been made with [illegible] trade unions and would have to be renegotiated the South African Allied Workers Union's general secretary Mr Sam Kikine, told the federation's director Mr Sam van Coller.

Mr van Coller said yesterday that he and Mr Kikine had had a constructive meeting in Durban.

Mr van Coller flew down from Johannesburg for the meeting after Mr Kikine responded to Seifsa's request for all trade unions involved in their industries to meet them.

It was a step regarded by union officials as a significant breakthrough in worker management relations.

The meeting followed a 10 day stoppage by 1 200 workers from the Defy Industries plant at Jacobs in Durban over the preservation clause in Seifsa's pension scheme agreement.

The workers had demanded repayment of their pension contributions. The management had repeatedly said it was impossible for them to pay out the pension money as they were tied by their membership to Seifsa.

Workers returned to work on Friday last week after the management had arranged for the union, who represent the workers, to commence discussions directly with Seifsa.

Mr van Coller said 'We were perfectly happy to listen to what Mr Kikine had to say about the pension fund.

He said during the Defy Industries strike he had spoken to Mr Kikine and that the meeting could be seen partially as an outcome of the agreement reached between Defy management and the union.

'We also listened to complaints Mr Kikine had about certain member companies.

'But I am not able to initiate any changes as I am only a director of Seifsa. Changes to the pensions fund can only take place after a decision by the board' he said.

Mr Kikine claimed that during the meeting Mr van Coller had agreed to change the preservation clause but would not commit himself to a date for that change as it would be subject to a report back to the Seifsa board.

Mr Kikine said they had discussed police intervention at work stoppages which Mr van Coller had agreed to discuss with member companies.

Strikers told: Quit hostel

Argus 13/11/81

~~126~~ 126

~~201~~ 159

Labour Reporter

CONTRACT workers among the 80 striking workers at Cape Foundries in Paarden Eiland have been given notice by the company to vacate its Langa hostel by Sunday.

The General Workers' Union, to which the workers belong, has accused Cape Foundries and its parent company Murray and Roberts of hiding behind the contract labour law.

'They are using the laws against workers who have no option about where to stay,' a union spokesman said.

'It doesn't help for top management to talk about reform if middle management carry on like this.'

Mr Brian Rosenbloom, general manager of Cape Foundries Holdings, said he thought about 31 contract workers had been given notice to leave the company's hostel.

PROSECUTION

'They are not employed by us any more. As far as I know, they have to vacate within 72 hours or we might be prosecuted for breaking the law.'

Mr Barry Beckley, group human resources manager of Murray and Roberts in Johannesburg, said questions on the dispute should be referred to Mr Rosenbloom.

Asked whether Murray and Roberts was prepared to take responsibility for what happened at one of its factories, Mr Beckley said the company was concerned about anything that affects our workforce, at any of our subsidiaries.'

Workers at Cape Foundries downed tools on Wednesday after a union member was dismissed for arriving late at work.

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Industrial unrest flares in Cape factories

THE Western Province Preserving Company factory was closed yesterday following clashes between workers of the plant.

(186) (132)

About 500 workers at the company downed tools on three occasions recently in protest against a management decision not to pay yearly bonuses to all employees.

(134)

Mr E Hanley, a director of the company, said charges of assault had been laid against five workers by other workers but Major V. Ervin police public relations officer, could not confirm this.

Trouble at the factory occurred at the first tea-break yesterday according to spokesmen for both the African Food and Canning Workers' Union and the management.

Mr Hanley said work was normal up to the first break and at 10.15 am the workers started to move in an orderly manner.

"There was a sudden commotion and it was noted that the ingoing workers were being assaulted by those who did not wish to go (189) (C)

Several of the dissenters were later arrested for assault and charges were laid against them by returning workers. At this stage in order to prevent further altercations we instructed all workers that the factory was closing and they should leave the premises."

13/11/81

The branch secretary of the African Food and Canning Workers' Union said the workers' committee had persuaded the workers to go back to their jobs after the strike on Monday.

She said they had been back at work until yesterday when they refused to return saying they were still dissatisfied that bonuses were not to be paid.

A few workers chose to go back to work and some of those who did not go back tried to force others to join them. There was some pushing and slapping but no serious clashes.

"Then management called the police and pointed out those who they thought should be arrested. Five workers were taken away by police.

The union said after all workers had walked out they had held a meeting at a city cinema.

Workers had decided to go back to work today but not start working until management had agreed to pay them all bonuses and the five arrested workers were released, according to the union.

Meanwhile at the Paarden Eiland Cape Foundries Factory between 70 and 80 workers went on strike yesterday in protest against the dismissal of one of their colleagues for arriving 15 minutes late for work.

The worker concerned had evidently explained that he lived in Atlantis and was late because his bus had developed a puncture and he had had to change to another vehicle.

The workers — all members of the unregistered and independent General Workers' Union (GWU) — had earlier appointed an "ad hoc" committee of six to negotiate with the general manager of the plant Mr Brian Rosenbloom.

They wanted to know why their colleague — a GWU member — was fired, while two men who were members of the management-sanctioned, TUCSA-affiliated Engineering Workers' Union were not fired for arriving even later than the GWU member.

He refused to speak to them and told them they had five minutes to get back to work or else leave the premises, the GWU said yesterday.

When the workers subsequently walked out, Mr Rosenbloom threatened to call the police if they atempted to return to work the next day, and referred to the workers as "riff-raff," it is claimed.

Production at the plant is reported to have come to a standstill as most of the workers on strike are highly skilled, and cannot be replaced by 'scab' labour.

Following a meeting with the striking workers, the GWU said last night that conditions at the factory were "appalling" and the workers were treated with open contempt by management.

Workers were not issued with any form of protective clothing despite working in "extremely dangerous conditions."

"Since organisation of the workers began by the GWU, management had waged a complete war of attrition against the union and its members in the factory," claimed the union.

Mr Rosenbloom said the worker concerned had a consistent record of being late and had been warned on 'numerous occasions in the past." He said it was untrue to say he victimised members of the GWU as he did not know 'who is a member of what."

He denied production was at a standstill saying losses were 'minimal" and that workers registerd on their files would be offered employment, starting today. He also denied threatening to call the police because it is company policy at all stages to avoid calling the police" and said that "no worker is treated with contempt."

Only 69 workers out of a total of 184 had "downed tools after issuing management with an ultimatum," and these figures "clearly demonstrated" the GWU did not have the majority support among the workers.

He believed in the 'principle of free association" and would negotiate with the GWU if they registered in terms of government labour legislation.

The GWU said 80 workers attended their meeting yesterday afternoon and the 80 had said that "not more than 50 remained at work.

Tax fillip as S&L earnings jump 42%, payout 25%

RDM (B.M.) 13/11/81

THE Receiver of Revenue gave Stewarts & Lloyds its biggest fillip in the year to September, slashing his cut of group pre-tax profit to 20% (1980: 32%).

189 249

By DAVID CARTE

This was an important factor in a 42% earnings and 25% dividend increase for the engineering manufacturing group.

Sales rose 20,9% to R432 681 000, pre-tax profit 17% to R22 947 000 and — thanks to the Receiver — taxed attributable profit 42% to R16 895 000.

Earnings a share rose in line to 74,1c (1980 52,1c). A final dividend of 22,5c has been declared, making 35c (28c) for the year — a 25% rise.

The directors say the rise in sales reflects buoyant trading conditions. Inflationary pressures on expenses were severe, particularly salaries and wages, power and transport.

They expect higher earnings in the current year. However, there is likely to be a slackening in demand because of forecast lower growth rates.

The big tax cut was due to capital investment totalling R36-million last year. Apparently no less than 14% of the tax bill was deferred. The group expects the tax rate to rise next year, but not dramatically.

Profit is stated after provision for the conservative lifo method of stock valuation. This reduced pre-tax profit by more than R10 479 000 (R10 155 000), which means growth in fifo-based pre-tax profit was 12,5%.

Lifo was also an important tax-saver and the lifo reserve stands at more than R20-million, says the chairman, Mr Henri Kuiper.

"It's hard to understand how any company cannot be on lifo at the moment," he said yesterday.

The tempo of growth at the top line appears to have slowed considerably in the second half. While pre-tax profit was 28% ahead at the interim, in the second half growth was only 7,4%. Pre-tax margins slimmed to 5,3% (5,5%).

Because the big tax cut was not fully anticipated at the interim, bottom line growth actually accelerated in the second half, with earnings a share 50% better against 33% at the interim.

Mr Kuiper said the rise in dividend cover to 2,1 (1,9) did not reflect a change in dividend policy. Stewarts & Lloyds hoped to give shareholders at least the rate of inflation plus real growth in its sector.

Even though the tax rate was due to rise, he would be "extremely upset" at earnings growth of 15% in the current year.

Mr Kuiper said S&L would spend R22-million on capital expansion this year. The main area of investment last year was the R8-million galvanising mill at Tosa and an R18-million foundry at Salcast, Benoni. Capex next year would be spread across the group in smaller amounts.

Mr Kuiper said the sale by British Steel of its stake in Ipsa had made S&L 100% SA-owned. This meant the company could increase its borrowings. Considering how undergreared the company was, this should be good for long-term growth.

S&L retained its technical links with former parent, British Steel.

S&L had long been on the look-out for acquisitions, but had not made one for some time for lack of anything suitable. S&L nevertheless remained interested in acquistions.

COMMENT: The fairly dramatic second-half pre-tax slowdown has not yet been adequately explained.

But with a tax bonanza of this size, it would have made sense for S&L to tuck away a couple of bob for a rainy day. The loss of Sasol as a big buyer might have hampered the group in the short term, but private and public sector fixed investment has immense momentum behind it. In addition, the recent investments in increased capacity and higher gearing should ensure good growth in the medium term.

At 480c, the share yields 7,3% and stands on a PE of 6,5, which, with 20% earnings growth in prospect, looks fair.

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no 1974 when was just coming out in which the money increased substantial. This ... the money supply during 1976 is only according to the Stand Bank Survey showing it sharp edges now. The uncertainty of 76 is now passing and investment is once again on the up. This is evident from the fact that property market is back on its feet, possibly

Union rejects council system

Cape Times 14/11/8

(189)

Staff Reporter

BARGAINING through the State industrial council system has once again been rejected by a key unregistered union, the General Workers' Union (GWU)

The GWU was replying to the new labour guidelines issued recently by the powerful Steel and Engineering Industries Federation (Seifsa) which covers 8 500 employers and 440 000 workers

The GWU occupies a unique position in the metal industry as the only union outside the industrial council system to have signed formal agreements with employers on bargaining, wage and work conditions

Seifsa recently announced guidelines to make it easier for employers to deal with unions not on industrial councils

But the guidelines repeat Seifsa's view that wages and work conditions should be bargained at industrial council level only

The GWU — which is now in a deadlock with a local steel firm — said in Cape Town yesterday that they welcomed the "conciliatory tone of the new guidelines and Seifsa's new-found commitment to freedom of association"

But the GWU had frequently underlined its "commitment to shop floor negotiations and in spite of Seifsa's tone, "their continued allegiance to national bargaining in the steel industry is unacceptable to this union"

Eviction: GWU takes legal advice

CAPE TIMES 14/11/81

(165) (157) (189) (174) (201)

By TONY WEAVER

THE General Workers' Union (GWU) has taken urgent legal advice on the 34 eviction notices served by the management of Cape Foundries Holdings on striking contract workers currently living in the company's Langa Hostel

The workers — part of 80 GWU members currently on strike at Cape Foundries' Paarden Eiland factory — were told yesterday they had to vacate their rooms by Sunday

The orders were unsigned but were accompanied by a slip which read "with compliments — Cape Foundries Holdings"

The general manager of the factory, Mr Brian Rosenbloom, said yesterday that whatever questions were asked of him, the reply would be "no comment"

A spokesman for Cape Foundries' parent company, Murray and Roberts, said from Johannesburg that while M&R was "naturally concerned about its corporate image", the strike was being viewed as an internal matter at the Paarden Eiland factory

All M&R subsidiaries had full autonomy and internal disputes were dealt with by local management, he said

Test case

A spokesman for the unregistered, independent General Workers' Union said yesterday that the 34 workers had paid their rent at the hostel until the end of the month, and union lawyers were also examining the judgment of a recent "test case" where striking workers had won their right of hostel occupancy

Although Cape Foundries said the workers had "dismissed themselves", they had not collected their outstanding wages or dismissal notices and had not been provided with train fares to their point of recruitment

They refused to collect the wages and were thus still on the company's pay-roll, she said

The union said yesterday that "in the present political and labour situation, it is really quite appalling that Cape Foundries, a Murray and Roberts subsidiary, should hide behind the contract labour laws

"They are using the hostel eviction threat when there is no alternative accommodation for the workers"

'Foisted'

Meanwhile, the general secretary of the Tucsa-affiliated Engineering Industrial Workers Union (EIWU) has objected strongly to a GWU statement that his union was 'foisted' on the workers by management in an attempt to break the strength of the GWU

Mr Archie Poole said yesterday that "about 60 workers at Cape Foundries have voluntarily signed stop orders and EIWU membership forms

RETAIL CHIEF HITS AT LATE DELIVERIES

Argus 14/11/81

By TOM HOOD ~~187~~ (189) ~~192~~

TOP executives of garment, textile and footwear manufacturing companies were given a tongue-lashing by Mr Adrian Bellamy, managing director of the giant Edgars Stores group, in Cape Town this week.

He came to present awards to some of the 19 suppliers who gave Edgars distinguished service' in the past year.

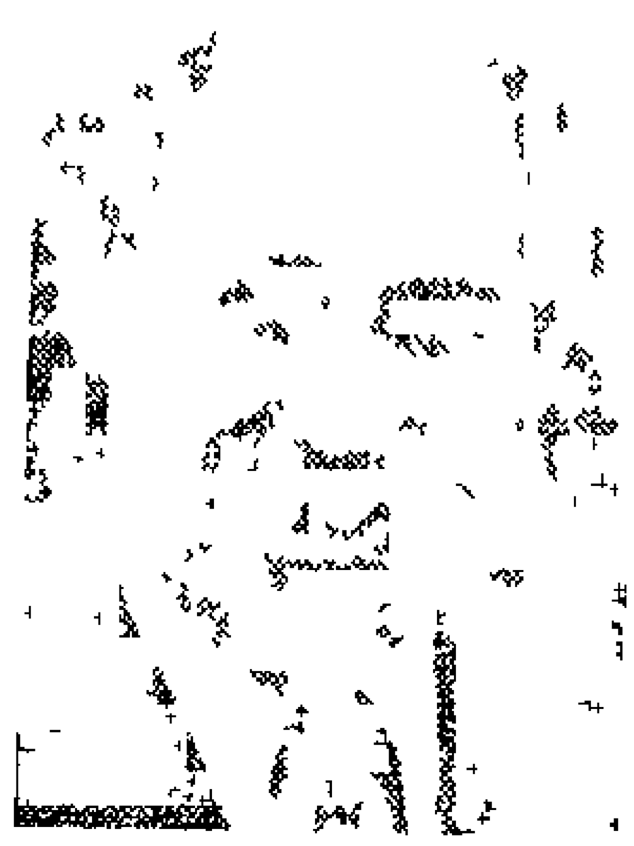
But he also complained of late deliveries of merchandise. On average one out of every three orders was seriously late he said.

I am a frequent visitor to America and Europe and I can categorically say that the delivery performance we have been forced to accept over the past 18 to 24 months is seriously deficient by international standards.'

HIGH LEVELS

He accepted that the clothing, footwear and textile industries faced exceptionally high levels of demand. But so had many other sections of the economy and they had generally responded well to that challenge.

'We must share some of the blame for the problem. There are however a sufficient number of firms that are performing in an exemplary fashion with deliveries that I must suggest those with a tarnished record should first look at the quality of their own management for a solution.



MR A D P BELLAMY managing director of Edgars Stores

He said Edgars was essentially in partnership with its suppliers. The group's professional divisions could help suppliers in matters such as quality assurance, industrial relations, data processing and organisation structure.

FOREIGN MARKETS

Edgars policy was always to buy South African except where South Africa could not provide.

'Over the past 18 months we have been forced into foreign markets because of the non availability of local merchandise. Frankly, faced with your delivery record we had no alternative.

'The solution to our future success in textiles, clothing, footwear and the associated retailing is effective management, not import permits or draconian duties.

'It is indefensible for any industry with such a record to be simultaneously launching a public programme for protection. How much more satisfactory surely to put these enormous efforts into an improved performance.'

● Complaints like Mr Bellamy's will be discussed next week at the National Clothing Federation convention in Sun City, the president, Mr Simon Jocum, said in Cape Town.

'Retailers and many others will attend and we want to investigate the extent of these delays.

'South Africa has 1 150 clothing factories and each one claims his deliveries were on time. Obviously some are better than others and we are concerned at statements like this.'

Isithebe factory fires most of its workers after strike

N Mercury 18/11/81

~~A8~~ ~~152~~ 18

Mercury Reporter

ALMOST the entire black work force employed by the Vickers Lenning factory at Isithebe, near Mandini was dismissed on Monday night.

A spokesman for the company said yesterday that 265 workers had been dismissed because the management could not meet their demands for payment while on strike'.

The dismissed workers had downed tools last Thursday. The spokesman said the reasons for the strike were unclear, but were related to 'grievance procedures'.

Production at the factory had been seriously affected, he said, and although re-hiring would begin today, production was not expected to return to normal before the end of the week.

The spokesman said that only 'some' of the workers would be re-hired if they re-applied for their jobs.

(v) M.S.L.

Final ... tudy of some ... n terrorism, with ... uth Africa and ... situations.

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Exte ... Josloo, Department ... Science, University ... ch.

Res ... Olivier, Department ... Science, University

(vi) Mr

Final Thesis Title ... erentiation among the ... pulation of Greater Colou... Cape Town.

Internal Examiner : Dr G.P. Cook

External Examiner : Professor M.A. Smout, Department of Geography, University of Durban-Westville.

(vii) Mrs J.G. Smith (Librarianship)

Final Thesis Title : The information requirements of scientists and engineers at academic institutions, with special reference to the University of Cape Town.

Internal Examiner : Professor J.G. Kesting

External Examiner : Professor R.B. Zaaiman, Acting Head, Department of Library Science, UNISA.

Reserve External Examiner : Professor J.A. Boon, Head, Department of Library and Information Science, Rand Afrikaans University.

(viii) Z. Solomovits (Religious Studies)

Final Thesis Title : Religious debate between Nachmanioli and Frai Phol-Barzelona.

Internal Examiner : Rabbi E.J. Duschinsky

External Examiner : Professor Ariel J. Toaff, Department of Jewish History, Bar-Ilan University, Ramat-Gan, Israel.

(ix) Mrs M.L. Spruyt (Librarianship)

Final Thesis Title : Cataloguing and classification in the library science curricula of South African universities.

Internal Examiner : Professor J.G. Kesting

External Examiner : Professor A. Louw, Department of Library Science, UNISA.

Reserve External Examiner : Professor D.W. Fokker, Department of Library Science, University of the Orange Free State.

7/.....

Council takes legal opinion on anti posters

189 By Nagoor Bissetty

DURBAN City Council is taking legal opinion on whether it is legally competent to allow posters to be put up in public places calling on Indians to boycott the first national elections next month for the controversial South African Indian Council.

This was disclosed yesterday by a senior spokesman for the City Engineer's Department after an application to the department by the Natal Indian Congress for the necessary permission to erect anti posters.

The congress claimed the department had rejected the application by the Anti-SAIC Committee for poster permission, and said the Congress had referred the matter to its own lawyers with a view to challenging the City Council.

"We are naturally angry, but we're neither disappointed nor deterred," Mr M J Naidoo, the NIC's senior vice-chairman, who is also chairman of the Anti SAIC Committee, said.

"This is a simple matter of SAIC candidates putting up posters calling for votes and the Anti SAIC Committee using its posters urging voters not to vote.

"While the candidates have been given permission to erect posters on municipal property, we have [illegible] been [illegible]."

Mr Naidoo [illegible] "We want to use the posters as a means to voice our objection, but by throwing out our application the City Council is in effect denying us an opportunity."

Durban's Town Clerk, Gordon Haygarth, was not available for comment yesterday but a spokesman for the City Engineer's Department said he was surprised the NIC had already been informed of the outcome of its application. The council's legal advisers were still considering the matter.

(Report by N Bissetty, 12 Devonshire Place, Durban)

CAPE HERALD 21/11/81

Ray of hope for striking workers

(145) (152) (73) (189)

THE dispute at Cape Foundries in Paarden Eiland, where 80 workers went on strike on Wednesday, appears to be firmly deadlocked, with management refusing to discuss the matter.

The strike was sparked off by the dismissal of a worker, Mr W Wildskut.

The only ray of hope for the strikers is a growing dissatisfaction with the foundries' management by officials in the Murray and Roberts group, which owns Cape Foundries

According to a highly placed source, Murray and Roberts, which has some experience with strikes, is sympathetic to the strikers

Mr R Rosenbloom, the Cape Foundries managing director and Mr Brian Rosenbloom, his son and fellow-director, were not available for comment on Monday morning

DEFIED

A spokesman for the General Workers' Union (GWU), to which the strikers belong, said workers defied an order for 33 contract workers among the strikers, to vacate their hostels by Sunday

The spokesman said that the union had been informed by Mr Brian Rosenbloom that 'under no circumstances' would the strikers now be taken back

Mr Rosenbloom was earlier quoted as refusing to negotiate with the GWU until it registered in terms of existing industrial legislation, which the union rejects He also said production was not seriously affected but the union disputes this.

STAR 24/11/81 (189) ~~152~~ ~~1004~~ ~~1134~~

Benoni workers strike over their leave bonus

By Drew Forrest

East Rand workers struck yesterday after rejecting the annual leave bonus laid down by their industrial council agreement

About 140 workers at Allenwest-G E Manufacturing in Benoni, downed tools and demanded that the bonus be linked directly to the company's wage rates, according to a spokesman for Fosatu's Metal and Allied Workers' Union.

Meanwhile, a two-day strike by about 600 workers at the metal firm of Hall, Longmore and Company at Wadeville, Germiston, was settled yesterday.

Mawu shop stewards negotiated the reinstatement of a worker fired last week after a quarrel with a white foreman, a spokesman said He claimed that the worker and foreman shook hands and apologised to each other in the presence of the management and the workforce This could not be confirmed with the management

Commenting on the dispute at Allenwest, the company's managing director, Mr Mike Jordan, said management would meet Mawu representatives today — but would not yield to the workers' demands

"The industrial agreement ensures uniform standards throughout the industry," he said "What the workers are asking for is a unique arrangement outside this If individual companies break ranks, only instability can result."

He said that no attempt had been made to negotiate before the strike, and a few workers had "misled" their colleagues

STAR 25/11/81

Leave bonus talks fail — but strike ends

The strike by about 140 workers at Allenwest-G E Manufacturing in Benoni ended yesterday after management had refused to accede to their demands

The workers downed tools on Monday, rejecting annual leave bonuses fixed in the metal industries' industrial council agreement They were demanding bonuses linked to the company's wage rates

A spokesman for the Fosatu-affiliated Metal and Allied Workers' Union, which claims it has majority support at the plant, said workers went back after talks between management and Mawu shop stewards yielded no result

The stewards would take up the issue of management's refusal to pay workers for the hours lost by strike action, he said

REUNERT & LENZ

Beating targets

Activities: Engineering, manufacturing and retailing of motor vehicles. Barlow Rand owns 52,4% of the equity.

Chairman J M Reunert

Capital structure [illegible] ordinaries of 50c, and 350 000 [illegible] prefs of R2. Market capitalisation [illegible]

Financial 15 months to September 30 1981. Borrowing: long and medium-term, nil; net short-term R15,2m. Debt equity ratio 25,3. Current ratio 1,6. Group cash flow R14,[illegible]m. Capital commitments R1,2m.

Share market Price 940c (1980-81 high 1 200c, low 570c). Trading volume last quarter 32 000 shares. Yields 20,9% on earnings, 6,9% on dividend. Cover 3,0. PE ratio 4,8.

	78	79	80	*'81
Return on cap (%)	25,8	[illegible]	[illegible]	†21,7
Turnover (Rm)	91,4	86,0	104,7	387,2
Pre-tax profit (Rm)	6,1	6,0	[illegible]	[illegible]
Gross margin (%)	[illegible]	6,6	6,8	6,3
Earnings (c)	91,3	91,8	[illegible]	196,5
Dividend (c)	38,5	[illegible]	[illegible]	65
Net asset value (c)	[illegible]	[illegible]	308	833

* 15 months

† Annualised

From the information provided in the annual report Reunert & Lenz shareholders will have some difficulty in determining to what extent they have benefited from being part of Barlows.

Barlows acquired control last year in a deal whereby it sold Besco and its motor retailing division to Reunert in exchange for 3,75m new Reunert ords. This gave Barlows 51% of the enlarged capital, which interest has subsequently been topped up to 52,4% at the year-end.

The restructuring increased the total asset base by 176% from R45,1m to R124,7m, while shareholders' funds more than doubled from R29,8m to R62m. This was despite the sale of the group's holding in Asea Electric and the resulting distribution and capital repayment to shareholders totalling R6m.

But the effect on the income statement is a little more difficult to assess. All shareholders really have to go on is chairman Mike Reunert's statement that the new divisions "produced results which are better than those predicted at the time of the acquisition."

Reunert's Reunert .. taking in extra benefits

Weighted average earnings for the 15 months to September 30 of 197c (the financial year-end having been changed to coincide with Barlows) were effectively 10,5% above the 143c originally forecast for Reunert alone for 1981, despite deconsolidation of the Zimbabwean and Zambian subsidiaries which reduced earnings by 9c.

And the dividend total of 65c for the 15 months is 5c higher than forecast. This annualises to 52c to give a 24% increase on 1980's 42c payout, whereas the 60c which the group first said it would pay would have been the equivalent of 48c for 12 months. This is roughly what shareholders could have expected from Reunert alone, based on its 143c earnings projection and the traditional dividend cover of around three.

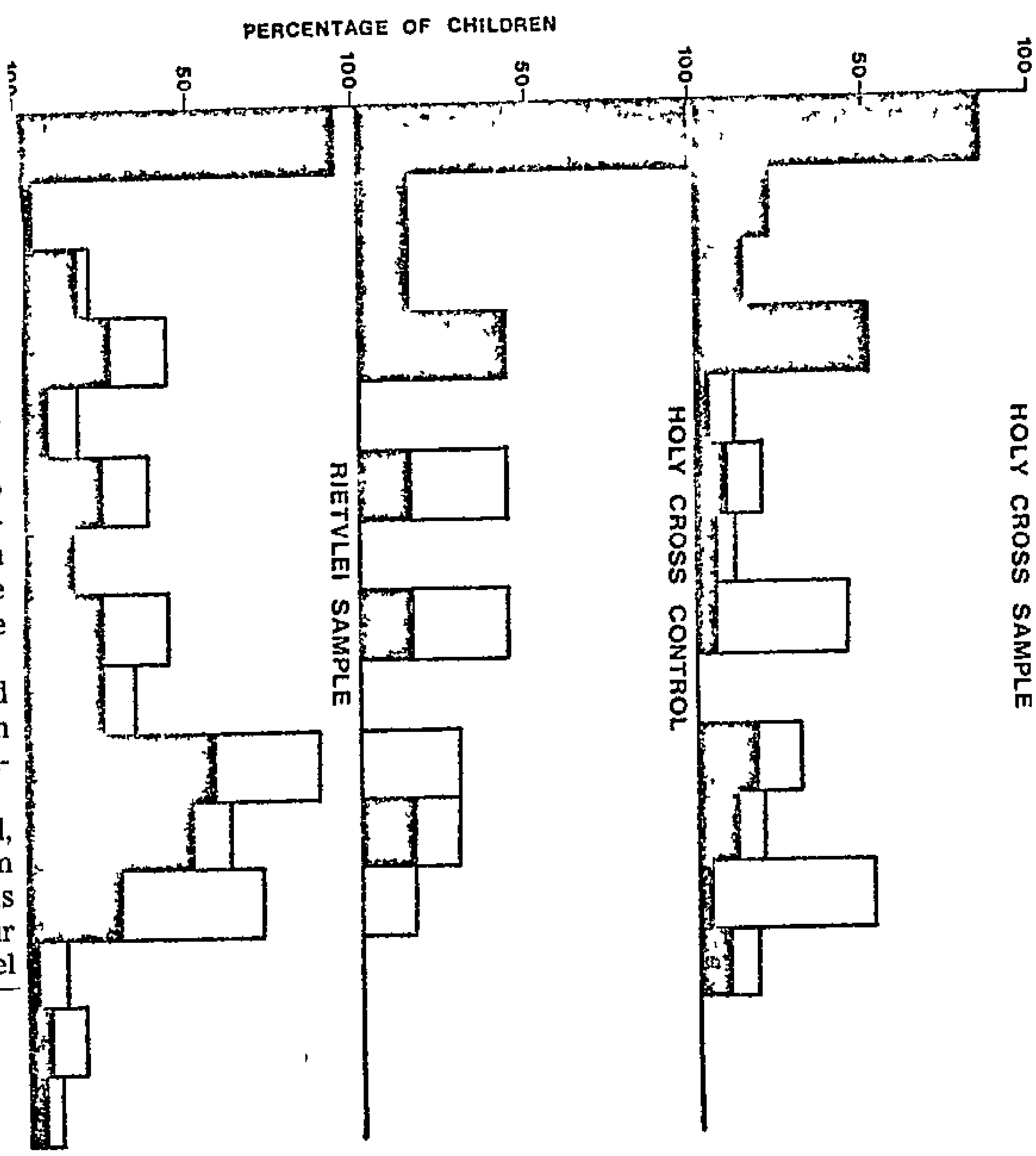
As far as the current year is concerned, Reunert is looking to further growth from the group's traditional activities as well as from Besco, "with the contribution from our motor division remaining at the high level achieved in the year under review."

This forecast does not take into account any benefits from the acquisition, since the year-end, of OFS/northern Cape motor dealer John Roderick. Reunert says the new group member should add about 10% to taxed profit. But unless this is materially exceeded, the impact on earnings per share will be minimal, as the R7,9m purchase price is being funded mainly through a 9-for-100 rights issue.

Consequently, the group will remain conservatively geared (the present debt equity ratio is only 25%), giving scope for a more liberal dividend policy if necessary. It may, therefore, be possible to maintain the 65c payout which, being for 12 months this time, would give an effective increase of 25%.

The share, at 940c, has fallen 22% from the high reached at the time Barlows took control. But on a prospective yield of 6,9%, it still does not look under-priced.

Brian Thompson



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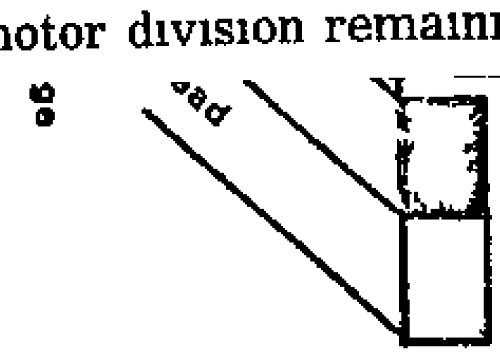
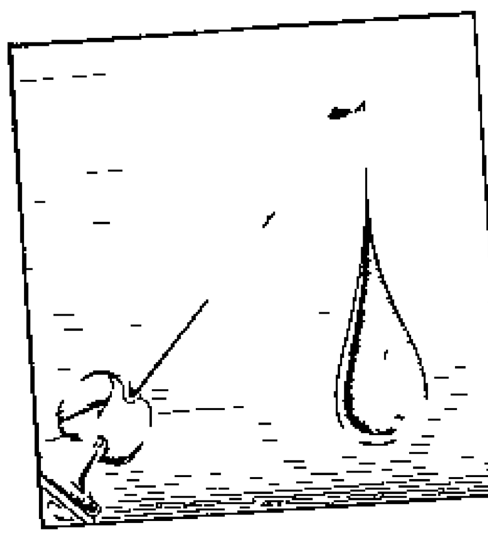


STEEL PRICES

Pricing for future profits

189 FM 4/12/81



Early last month, the Belgian government was forced to call a general election The bitterly contested issue was not conventional politics, but continued state support for the country's ailing steel industry and the jobs it provides This illustrates just how politicised steel has become It is only marginally less so here

Belgian steelmakers are not alone in their plight European producers lost R3,6 billion last year and many keep going only on government handouts Their position is worsened by increasing competition from developing countries, which now make steel from raw materials they previously exported

The result is that depressed world markets are being flooded with more steel than is needed Much of it sells at prices subsidised by European taxpayers — at well below production costs

The question being asked here is why SA does not attempt to cash in on this bonus from abroad Local demand for steel is still at record levels as the country is in the throes of massive infrastructural and industrial expansion The savings to local consumers from steel imports would be material

Lifting import controls and allowing dumped imports to flow in would have local steelmakers running for government support If left unprotected, they could reduce capacity. Yet steelmen argue that remobilising the mills for times of future shortage could cost the country more than missing out on the present bargains In view of long lead times, sales opportunities might be lost before extra capacity was brought back on stream That is, of course, perfectly true if steel millers are inefficient

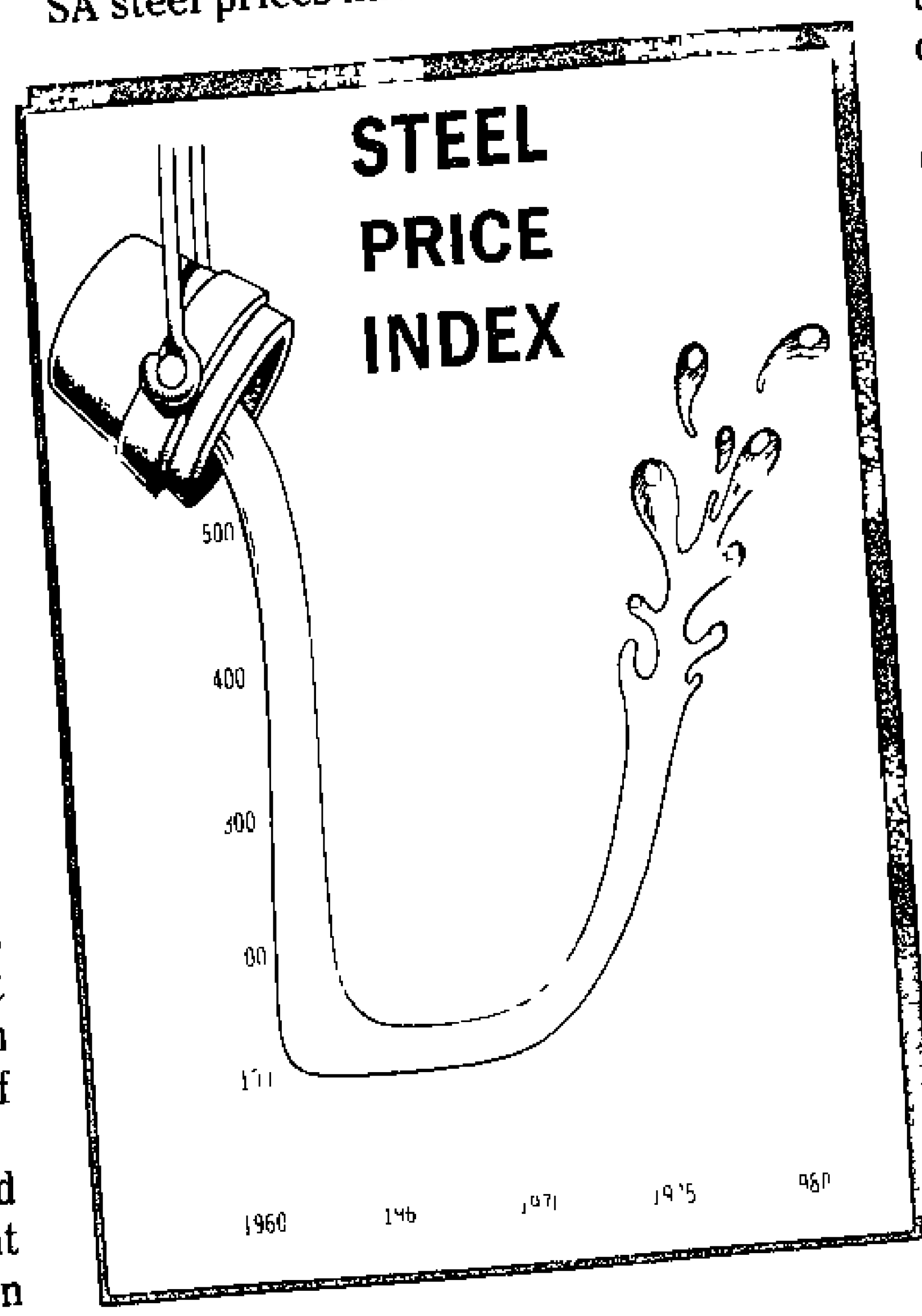
The world-wide shortages of 1974 could well be repeated this decade And SA might once again have to make good shortfalls in local production by importing, possibly at higher prices

The present steel surpluses cannot last for ever Once the world pulls out of recession in a few years' time, prices will firm and stocks will decline But even then, the long-term future for most European steel producers is bleak Their labour and electricity costs are high, their plant is mainly old and inefficient, and their raw materials have, for the most part, to be imported from other parts of the world

On the other hand, the SA steel industry has cheaper, more abundant labour, electricity, coal and iron ore and its plant is relatively modern and efficient In the long run its prospects are, by contrast, much brighter

Even now, domestic prices of SA steel are not high compared to controlled domestic prices in other countries And the cost advantage over European products should improve as time goes by

SA steel prices have increased 57% in the last three years This fairly rapid rise, although beyond the inflation rate, is partly a correction For 18 years up to 1970, the price controller had allowed no increases This was to provide manufacturers with artificially cheap steel



Heavy structural beam for example, now sells in SA for R414/t Domestic prices for this product overseas are US R540, Australia R464, Canada R428, UK R399 and West Germany R385 Local industry sources claim that the UK's loss-making British Steel would have to sell for R469/t just to break even SA producers are, by contrast, making profits

In recent years local production has surpassed demand The surplus is disposed of abroad at prices below domestic ones to help recoup capital costs Imports appear to be negligible except for small quantities of special steels not made here

SA steel marketing strategy is thus similar to that of most other producers namely, to sell at production-related costs at home, to check imports wherever possible, and to cut the competition to ribbons abroad

Local steelmen claim it could not be otherwise "How could we be lily-white champions of free enterprise, while others play the game by a different set of rules?" asks one "At present you can safely say that anyone who sells on international markets is dumping"

This is prevalent even among EEC members, who have been known to dump products across each others' borders at far below official home prices Regulations against this are difficult to enforce when, for example, both the buyer and the seller are willing parties to a transaction in which high grade steel is sold and invoiced as substandard

SA is apparently holding its own in this cut-throat business Japan, which has cut back production is losing some sales of its exported surpluses to SA Locally-made steel is also finding its way into the US where producers are working at only 70%

P.T.O.

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

Made in South Africa TRIO RAND/S P C T PSL/UPD 100 000 1978 PD UCT AM7a Vervaardig in Suid Afrika

capacity

Taiwan, South Korea and Brazil relative newcomers to world markets, are facing stiff competition from SA In the meantime the Taiwan government is offering its own producers generous rebates on income tax and import tariffs in a bid to treble the country's steelmaking capacity

That sounds marvellous to local steelmen But what in fact is happening is that SA steel users are subsidising steel users in the US and China SA steel makers are being protected from genuine competition They are helping to debase the coinage

A cause of the present madness in the international market is the shift in steelmaking from traditional producing countries to developing countries This is illustrated by growth in SA's production capacity from about 3 Mt in 1970 to 9 Mt today Over the same period Britain's capacity fell from 27 Mt to 11 Mt

In the years after World War 2 European and American steelmakers were kept busy by the boom which accompanied the rebuilding of Europe Then came a flood of steel exports to developing countries, which in many cases contained raw materials supplied by the customers themselves

The inevitable result was the establishment of their own steelmaking capacity, assisted by soft loans and technical knowhow from the North With cheap labour and raw materials, and more modern plant, they now compete on more than equal terms with traditional producers

This and the recession is forcing the wholesale closure of plants across the northern hemisphere, 250 000 have been put out of work At the same time, new plant is being built in countries such as Indonesia, New Zealand, Turkey, India, Philippines, Tunisia, Mexico, Nigeria, Malaysia, and Thailand

Countries in the North appear to have accepted that their days as major steel producers are drawing to a close Their withdrawal from the industry poses two problems finding other employment for a large labour force accustomed to a high standard of living, and maintaining the capability to provide for adequate armaments production

They will no doubt emerge from the present international restructuring of the steel industry with smaller production units making special grade steels They will import commercial grade steels from developing countries where it can be made more cheaply But going about it as they are, the costs will be heavy

The SA steel industry achieved virtual self-sufficiency in the last decade It is in the fortunate position of having the sophistication of the developed world with the plentiful raw materials and lower basic costs of the developing world

But right now SA steel users are paying a high price for what will be at best a very long-term advantage Nor should it be forgotten that if SA steel makers are to take advantage of this rosy future, they must be highly efficient Is that possible behind import barriers and with rising international competition constantly defined as dumping?

If, because of strategic reasons, we cannot risk exposing our steelmakers to the direct blast of world competition, we should at least try to administer the steel price in such a way that steel mills are constantly forced into the pursuit of profits Competition, not production costs, should be the yardstick

And that means that while there is an excess of production over demand, the domestic steel price should be increased, if at all, below the rate of inflation — and next year there should be no price rise at all

At present the combination of import protection and price administration does little to penalise inefficient steel mills By the time the world steel markets have been restructured and offer the opportunities for which our mills have been waiting, they may well have been protected to the point of impotence

Steelmaking rolling the billets, but not the profits

quotable

From *The Economist*

Thanks to our bugging of the EEC's time machine, *The Economist* has a copy of the report of Mr Adam Smith, late of Glasgow University Here are the summary and some conclusions.

"I do recognise that life has become more complicated since 1776 Your European steel industry is beset with many politicians directing its capital, and this at the behest not only of the syndicated labourers fearful of their employment, but also of the steelmakers seeking succour from the public purse

"All this I found most odd, but the only matter is how do we proceed hence to a more naturally profitable state of affairs? I see an industry in the EEC much improved technically from my earliest acquaintance with puddle ironmaking But in Asia and Oceania are newer and more efficient mills for making many steel goods Your own scientists are already talking of advanced new techniques that would render obsolete many of today's furnaces and mills Yet the EEC is ill-equipped to employ its own genius in these technicalities for want of profit In the EEC I find a real capacity of 150 Mt a year, production in 1980 of 127 Mt, consumption in Europe about 113 Mt, exports of 22 Mt, imports of about 10 Mt

"Much of today's export trade is unprofitable, so much of the 127 Mt production is taking more out of the economies of the EEC than it is putting in Internally the beneficiaries of the subventions, since the money and the cheap surplus steel must find a home, have been those manufacturers using steel

"Now you gentlemen in Brussels have encouraged a European conspiracy to raise prices of steel by 40%-50% this year and early next You hope this will improve the revenue of steelmakers and check the drain from the public purse In the short term, it may seem to do so, but this cannot last Your cartel will do nothing to encourage the efficient steel mill or penalise the inefficient"

OCEAN

FM 4/12/81

No waves

189

Activities: *Manufactures refrigerators, freezers and vacuum-formed plastic products Distributes domestic appliances and leisure furniture*

Chairman: *R Matthews, managing director R Cole*

Capital structure. *2,9m ordinaries of no par value Market capitalisation R3,2m*

Financial: *Year to June 30 1981 Borrowings nil Net cash R1,0m Current ratio 1,5 Net cash flow R543 000 Capital commitments R54 500*

Share market: *Price 110c (1980-81 high, 135c; low, 20c, trading volume last quarter, 2 500 shares) Yields 22,9% on earnings, 8,2% on dividend Cover 2,8 PE ratio 4,4*

	'81
Return on cap (%)	56,5
Turnover (index)†	132
Pre-tax profit (Rm)	1 1
Earnings (c)	25,2
Dividends (c)	9*
Net asset value (c)	71

* Annualised † Base 1980=100

Pinetown-based Ocean Manufacturing, which was reversed into the Brick & Potteries cash shell in December last year, clearly benefited from the surge in consumer demand for durables But profitability in the major refrigerator division was inhibited by strong competition from foreign imports Taxed attributable profit fell slightly short of the directors' pre-listing forecast of R700 000 because of one-off costs incurred in relocating the company's premises

Lower margins in the refrigerator division stemmed from the fact that local manufacturers are forced to make use of high-cost SA steel and other raw materials, while exporters have access to cheaper raw materials markets abroad This has placed a strain on the company's cost structure which, the directors say, was further aggravated by erratic supplies and the low quality of some local materials This necessitated reprocessing which resulted in "unnecessary increases" in manufacturing costs

In an attempt to broaden the operating base, Ocean has concluded agreements with US-based Philco Corporation for manufacturing and marketing rights of that company's refrigerator range At the same time, it is branching into the market for domestic laundry appliances through an exclusive rights agreement with Thomson-Brandt of France Both agreements are in line with the long-term objective of marketing a full range of major domestic appliances

The directors say the company will also be looking for further growth through acquisition, although nothing specific has yet been named Ocean is, however, in a strong financial position for expansion as it is completely ungeared and acquisitions could be financed either internally or externally

Although consumer spending has already shown signs of levelling off, the extension of the company's product range should ensure further advances during this financial year The directors say, however, that earnings growth is likely to be lower this year than last Nevertheless, earnings of around 32c a share seem possible and assuming cover of approximately 3,0 times, this would point to a payout of at least 10c

On that basis, the share yields a prospective 9,1% Given the relative newness of the company to the JSE, the share offers moderately attractive income growth and some prospect of capital growth *Chris Wilson*

SHIP REPAIRS

Well afloat

189

FM 4/12/81

The local shipbuilding industry may have taken some knocks this year (*Business* August 28) but the ship repair industry is well afloat

Last year the ship repair industry had a turnover estimated at between R55m-R70m — of which a high percentage was foreign currency income — and this year, according to spokesmen in the industry, business is on a par with last year

The country's major ship repair companies are Anglo Vaal's Globe Engineering and Dorbyl's Dorman Long Swan Hunter in Cape Town, and Dorbyl Marine, Sandock-Austral, and Elgin Brown & Hamer in Durban Although these companies account for the large majority of work undertaken in SA, branches of these companies and small concerns in East London, Port Elizabeth and Walvis Bay also maintain a steady flow of work

Cape Town accounts for approximately 40% of the business and last week Globe completed a R6m repair job — claimed to be the biggest ever undertaken in SA — on The Cambridgeshire, a vessel belonging to Bibby Lines of Liverpool

Says Globe's MD Bob Hughes "The ship was in SA when the problem was discovered, so we did have an advantage in winning the tender But competition from West Germany and Japan was very keen"

Despite buoyant business, the industry is suffering certain problems And, as in other industries, skills shortages is the major problem Another problem concerns the payment of sales tax by foreign clients

Says Hughes of the current training situation "In the Western Cape the maximum number of apprentices are being trained Even if there were more applicants for training, the facilities are fully utilised at present"

As a result, there have been time lags on certain jobs "We must never forget that, as well as the large numbers of foreign ships and fishing vessels that call here for repairs, we have a local clientele that we must do work for

"This is a problem when we run into labour shortages We simply have to make room for these people They are part of our economy," he says

The Department of Inland Revenue is currently looking at the continued viability of selectively applying sales tax to ship repair jobs At present foreign fishing vessels only are subject to payment of sales tax on repairs Neither foreign cargo ships nor local fishing vessels pay this particular tax

Apparently owners of foreign fishing vessels are objecting strongly to the tax

In Durban both Elgin Brown & Hamer's Roy de Vries and Dorbyl's MD Dick Brass say business is quiet right now although the year as a whole has been good

Durban — the terminal point for ships — does have an advantage in the ship repair business However, competition in local industry is steady both nationally and internationally

-5-

they have only half the number of patients per registered nurse.

In practice ... nurse is muc... are working ... nursing load ... and assistant ... of 8000 nursi... breakdown of ... training they ...

Various influe...

that registered nurses should be trained as primary health care workers. We know from experience in many parts of this country, including from the Baragwanath and Red Cross experiments, that nurses can be trained to do this work extremely well. But if nurses are going to take on this work on a large scale throughout the country then we need about another 10 000 practising nurses.

There are 92 schools for training general nurses in South Africa. Many of the places in these schools are not filled. If we wish to train 10 000 nurses for primary health care work as well as the additional nurses we undoubtedly need for hospital work, then the money must be provided to expand these schools and to fill them with students. Money is required not only for nurse training but also to improve secondary education (to increase the number of matriculants

-6-

available to train as nurses), and to improve and equalise salary scales for nurses ... etitive.

...mal. ... he ... and work entail self-sacrifice and they expect respect and gratitude from their ...

Furthermore they take offence ... other than their "professional ... most students enjoy themselves ... become rich in the process of ... incidental.

Doctors, dentists and nurses a... professionals. They have come ... reluctantly, that pharmacists, ... and speech therapists and socia... colleagues, but they shy away ... any further dilution of the concept of the "professional man".

The alternative definition of a professional in the Oxford English Dictionary is much more all embracing. By this

Five guilty in aftermath of Dorbyl unrest

STAR 4/12/84

Labour Reporter

Five workers were yesterday found guilty on charges of public violence at the Uitenhage Magistrate's Court in connection with unrest at the Dorbyl Components firm earlier this year.

Three were fined R400 each with suspended sentences, one man was fined R60 and the other received a two-year jail sentence with only one year suspended.

Charges against nine other workers were withdrawn.

The general secretary of the Fosatu-affiliated National Union of Motor Assembly and Rubber Workers, Mr Fred Sauls, said the union would review the judgment before they took a decision on whether to lodge an appeal.

The charges detailed incidents of intimidation, assault and stone-throwing at buses earlier this year.

The Dorbyl dispute in Uitenhage arose over the issue of union recognition and saw large numbers of workers being dismissed.

The case against five other Dorbyl workers was postponed late last month until next week. They are also appearing on similar charges.

is, onderworpe aan die bepalings van paragraaf (3) en regulasie 24 (2) (b), geregtig op 'n terugbetaling van die totaalbedrag van sy eie bydraes met byvoeging, ten opsigte van elke voltooide jaar bo 13 jaar waarop hy bygedra het, van 'n persentasie van sodanige bydraes, welke persentasie jaarliks op die eerste dag van April deur die Hoofbestuurder bepaal word

SUID-AFRIKAANSE WEERMAG

No R 2665 4 Desember 1981

BEHEER OOR UITVOER EN BEMARKING VAN KRYGSTUIG

Ek, Magnus André de Merindol Malan, in my hoedanigheid van Minister van Verdediging en handelende kragtens die bevoegdhede my verleen deur artikel 4C van die Wet op Krygstuigontwikkeling en -vervaardiging, 1968 (Wet 57 van 1968), skryf hierby die volgende voor met betrekking tot die uitreiking van permitte vir die uitvoer en bemarking van krygstuig

1 Met ingang van die datum van publikasie van hierdie kennisgewing mag geen goedere wat in Bylae I hiervan aangegee is uit die Republiek uitgevoer of binne of buite die Republiek bemark word, en mag geen poging aangewend word om sodanige goedere uit te voer of binne of buite die Republiek te bemark nie, tensy genoemde goedere gedek is deur 'n permit uitgereik deur die Krygstuigkorporasie van Suid-Afrika Beperk, ingestel by artikel 2 van die Wet op Krygstuigontwikkeling en -vervaardiging, 1968 (hierna "Krygkor" genoem), en uitgevoer of bemark word ooreenkomstig die voorwaardes wat in die Bylaes hiervan voorgeskryf word

2. Die goedere in Bylae I hiervan genoem, sluit gebruikte of tweedehandse sowel as nuwe goedere in.

3 Aansoeke om bemarkingspermitte moet deur die applikant op die vorm vervat in Bylae II hiervan ingedien word soos in dié Bylae aangedui is

4 Aansoeke om uitvoerpermitte moet deur die applikant op die vorm vervat in Bylae III hiervan ingedien word soos in dié Bylae aangedui is, en moet vergesel wees van 'n eindgebruikersertifikaat of, met Krygkor se toestemming, 'n afskrif van die eindverbruiker se bestelling.

5. Wanneer aansoeke ingedien word ten opsigte van goedere wat moontlik in meer as een besending uitgevoer sal word, moet die aansoek om 'n uitvoerpermit dienooreenkomstig geëndosseer word

6. Elke uitvoerder van goedere wat in Bylae I vermeld is, moet van die invoerder in die land van elke intermediêre bestemming sowel as die land van finale bestemming 'n afskrif van die doeane-invoerklaringsbrief van sodanige intermediêre of finale bestemming verkry, wat die amptelike seël van die doeane-owerheid van die invoerland moet dra Die uitvoerder moet genoemde doeane-invoerklaringsbrief/briewe vir 'n tydperk van 24 maande hou en moet dit ter insae voorlê wanneer dit ook al deur Krygkor aangevra word

7. Bemarkings- en uitvoerpermitte is nie oordraagbaar nie en die goedere wat daarin vermeld is, mag slegs deur die persoon of firma wat daarin die geadresseerde genoem word, uitgevoer word, of aan die geadresseerde bemark word. Met dien verstande dat, waar die geadresseerde nie ten tyde van die aansoek om 'n permit bekend is nie, Krygkor na goeddunke magtiging kan verleen tot die uitreiking van 'n permit waarin die naam/name van die geadresseerde(s) verswyg word

law or contract, resigns voluntarily from the Service prior to superannuation, shall become entitled to a refund of the total amount of his own contributions plus, in respect of each complete year for which he has contributed in excess of 13 years, a percentage of such contributions which percentage shall be determined annually on the first day of April by the General Manager

SOUTH AFRICAN DEFENCE FORCE

189

No R 2665 4 December 1981

ARMAMENTS EXPORT AND MARKETING CONTROL

for full text see Gg 7947

I, Magnus André de Merindol Malan, in my capacity of Minister of Defence, acting by virtue of the powers vested in me by section 4C of the Armaments Development and Production Act, 1968 (Act 57 of 1968), do hereby prescribe the following in regard to the issue of permits for the export and marketing of armaments

1 With effect from the date of publication of this notice, no goods listed in Schedule I hereto shall be exported from the Republic or marketed inside or outside the Republic, and no attempt shall be made to export or market such goods inside or outside the Republic unless the said goods are covered by a permit issued by the Armaments Corporation of South Africa Limited, established in terms of section 2 of the Armaments Development and Production Act, 1968 (hereinafter referred to as "Armscor"), and exported or marketed in accordance with the conditions prescribed in the Schedules hereto

2. The goods listed in Schedule I hereto shall include both used or secondhand and new goods

3 Application for marketing permits shall be submitted by the applicant on the form contained in Schedule II hereto, and in the manner indicated in that Schedule

4. Applications for export permits shall be submitted by the applicant on the form contained in Schedule III hereto, and in the manner indicated in that Schedule, and shall be accompanied by an end-user certificate, or, with the permission of Armscor, a copy of the end-user's order

5. Whenever applications are submitted in regard to goods which may possibly be exported in more than one consignment, the application for an export permit shall be endorsed accordingly

6 Every exporter of goods listed in Schedule I shall obtain from the importer in the country of each intermediate destination as well as of the country of final destination a copy of the customs bill of entry import of such intermediate or final destination which copy shall bear the official stamp of the customs authority of the importing country The exporter shall retain the said customs bill(s) of entry import for a period of 24 months and shall produce same for inspection when required to do so by Armscor.

7 Marketing and export permits shall not be transferable, and the goods listed therein may be exported only by the person or firm named therein as the consignor to the person or firm named therein as the consignee, or marketed to the consignee Provided that, where the consignee is not known at the time of the application for a permit, Armscor may, in its discretion, authorize the issue of a permit omitting the name(s) of the consignee(s)

Crucial Industrial Court case

STAR 9/12/81

By Drew Forrest

The dispute at Litemaster Products in Wadeville, where 22 black workers were dismissed last month has been referred to the Industrial Court.

Labour sources say the case could have far-reaching implications for South African workers.

The applicants, the Metal and Allied Workers' Union and the 22 dismissed Litemaster workers, recently referred the dispute to the metal industries industrial council. Settlement was not reached and the matter was passed on to court yesterday.

The applicants have made wide-ranging allegations of unfair labour practices at the firm. These included:

- Dismissal of the workers during wage talks to thwart the negotiating process.
- The refusal to negotiate with a union which was representative and with which the company had previously agreed to negotiate.
- The imposition of a code of employment practice which deprived workers of common law rights.

It was also argued that the company failed to comply with its employment code in dismissing the workers.

The company has argued that the workers were fired after repeated warnings and for very specific reasons.

If the case reaches the Industrial Court, labour sources say it could become a crucial test of whether employers are bound by their own industrial relations procedures.

It may also establish as an unfair labour practice any unilateral change in employment conditions which prejudices existing worker rights.

Sources say it may decide whether widely held notions of unfair dismissal fall within the South African definition of "unfair labour practice."

East Rand probe looks at power of metal workers

STAR 11/12/81

By Tony Davis, Labour Reporter

Dismissals rather than wage issues are increasingly becoming a major factor in labour unrest in the metal industry on the East Rand.

This was one of the findings made in a study of disputes on the East Rand involving the Fosatu-affiliated Metal and Allied Workers' Union.

The study was made by two University of the Witwatersrand academics, Mr Eddie Webster and Mr Ari Sitas, on a Ford Foundation grant.

There were 23 disputes on the East Rand involving Mawu between July and November this year, with 11 of these in the Wadeville area alone.

The 23 disputes involved 10 772 black workers — about 11 percent of the black engineering industry work force on the East Rand, the study shows.

Unlike the large number of wage disputes in the past, half of these disputes involved worker dismissals and another six involved worker demands for the dismissals of other staff.

Workers' rejection of arbitrary controls exercised by managements was the central demand in most of the disputes, according to the study.

Most of the stoppages were brief, ranging from an hour to a week, and Mawu won half of the disputes, with managements agreeing to their demands.

Dismissed workers were reinstated or other personnel were dismissed at Mawu's request in 12 of the disputes.

Mr Webster and Mr Sitas describe the use of demonstration stoppages by workers which appear to be highly effective in hastening disputes towards acceptable outcomes for the unions and workers.

Its mechanism for the speedy resolution of conflict on the shop floor is of a particular importance in South Africa, where cumbersome statutory provisions still hinder any meaningful resolution of conflict, the report says.

One facet of the disputes was that workers also called for the dismissal of staff whom they thought had been "bought" by management.

In one dispute this involved worker demands for the dismissal of a union shop steward.

The study appears to reject any notion of a "conspiracy" approach to East Rand metal industry disputes.

Although Mawu was involved in all of the cases, the union was often brought into the dispute after it was already under way — an indication of the growing militancy of workers on the shop floor.

Six of the 23 disputes did involve wage demands and these demands also reflected the workers' desire for the right to determine the manner in which the wages were negotiated, the study found.

Mawu had grown steadily on the Reef since it started organising in 1975, but had recently shown rapid growth from the end of 1980, when its membership stood at 12 000, to date, where it stands at more than 23 000.

Workers had turned to the union and rejected works and liaison committees.

Unionists often organised themselves at the hostels where many of the workers lived and were able to increase membership, the study shows.

The study concludes that the demonstration stoppages proved successful in drawing attention to grievances and workers were then willing to return to work while negotiations with the union were held.

18 December 1981

No 27[illegible]

[illegible] STATE

[illegible] Houses [illegible] June [illegible] of the [illegible] tion [illegible] Sche-

die Bylae hieronder vermeld. [illegible]

Distrik	[illegible]	[illegible]
Soutpansberg	[illegible]	[illegible]

SCHEDULE

District	Description of land	[illegible]	Proclaimed by Government Notice
Soutpansberg	Portion of the [illegible]	[illegible]	[illegible]/1977

SUID-AFRIKAANSE [illegible] | SOUTH AFRICAN DEFENCE FORCE

[illegible] 1981

No 2737

AANSTELLING VAN [illegible] KRYGSTUIGKO[illegible] REPUBLIEK

Dit het die Staatspresident behaag [illegible] kels (2) en (4) van artikel [illegible] wikkeling en [illegible] gewysig, Johannes [illegible] die Krygstuigkorporasie van [illegible] dere tydperk van drie jaar [illegible] 1981 [illegible] dige ampstermyn [illegible]

18 December 1981

No 27[illegible]

APPOINTMENT OF A DIRECTOR OF THE ARMAMENTS CORPORATION OF SOUTH AFRICA LIMITED

The State President has been pleased in terms of subsection (2) and (4) of [illegible] Development [illegible] (Act [illegible] of 1968) as amended [illegible] De Loor as a [illegible] of the Armaments Corporation of South Africa Limited for a further period of three years. Mr De Loor's present term [illegible] December 1981

18 December 1981

No 2738

AANSTELLING VAN [illegible] KRYGSTUIGKORPORASIE VAN SUID-AFRIKA BEPERK

Dit het die Staatspresident behaag om kragtens subartikels (2) en (4) van artikel 5 van die Wet op [illegible] wikkeling en -vervaardiging, [illegible] gewysig, Frans Jacobus Davin [illegible] Krygstuigkorporasie van Suid-Afrika Beperk vir 'n verdere tydperk van drie jaar aan te stel. Mnr. Davin se huidige ampstermyn verstryk op 30 November 19[illegible]

18 December 1981

No 27[illegible]

APPOINTMENT OF A DIRECTOR OF THE ARMAMENTS CORPORATION OF SOUTH AFRICA LIMITED

The State President has been pleased in terms of subsection (2) and (4) of section [illegible] of the Armaments Development and Production Act, 1968 (Act 57 of 1968), as amended, to re-appoint Frans Jacobus Davin as a director of the Armaments Corporation of South Africa Limited for a further period of three years. Mr Davin's present term of office expires on 30 November 1981

SUID-AFRIKAANSE VERVOERDIENSTE

18 Desember 1981

No 2752

HAWEKOSTE.—PORT NOLLOTHHAWE

Hierby word bekendgemaak dat die Staatspresident kragtens artikel 75 van die Suid-Afrikaanse Vervoerdienste Wet, 1981 (Wet 65 van 1981), sy goedkeuring [illegible] het dat die firma The CDM (Proprietary) Limited (voorheen bekend as Consolidated Diamond Mines of South West Africa (Proprietary) Limited), die volgende koste hef op [illegible]

SOUTH AFRICAN TRANSPORT SERVICES

18 December 19[illegible]

No 2752

HARBOUR CHARGES.—PORT NOLLOTH HARBOUR

It is hereby notified that the State President has approved in terms of section 75 of the South African Transport Services Act, 1981 (Act 65 of 1981), of the following [illegible] to be levied by The CDM (Proprietary) Limited [formerly] named [Consolidated] Diamond Mines of South [illegible]

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300 men still out over worker fired for coming late

Evening Post 6/12/81

[illegible]

STAATSKOERANT
VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

REGULASIEKOERANT No 3359 | REGULATION GAZETTE No 3359

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POSVRY POST FREE

Vol 198] PRETORIA, 31 DESEMBER / DECEMBER 1981 [No 7978

for full text see Gaz

GOEWERMENTSKENNISGEWINGS

DEPARTEMENT VAN NYWERHEIDSWESE, HANDEL EN TOERISME

No R 2842 31 Desember 1981

PRYSBEHEER

MAKSIMUM PRYSE VAN SEKERE STAALPRODUKTE

Ek, Elias George de Beer, Pryskontroleur, handelende kragtens die bevoegdheid my verleen by artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), bepaal hierby, met ingang 1 Januarie 1982, soos volg

1 Die maksimum pryse waarteen gewalste staalprodukte wat in die Republiek vervaardig en in kolom 1 van die Bylae hiervan aangegee word, deur of namens die fabrikant daarvan aan enige persoon verkoop mag word, is die pryse wat in kolom 2 van genoemde Bylae aangegee word plus—

(a) sodanige ekstras as wat die fabrikant of sy agent met die goedkeuring van die Pryskontroleur daarby mag voeg; en

(b) indien die produkte aan die koper afgelewer word, die koste ten opsigte van vervoer

2 Die maksimum pryse waarteen die produkte bedoel in paragraaf 1 deur 'n oorspronklike koper daarvan verkoop mag word, is die fabrikant se faktuurprys (insluitende vervoerkoste) plus 11 persent en sodanige pryse is die maksimum pryse vry op spoor oorspronklike koper se stasie of sylyn

3 Die maksimum pryse waarteen die produkte bedoel in paragraaf 1 in die kleinhandel verkoop mag word, is die maksimum pryse soos in paragraaf 2 bepaal, plus 7,5 persent en sodanige pryse is die maksimum pryse vry op spoor herverkoper se stasie of sylyn

4 Die maksimum pryse waarteen enige persoon die produkte bedoel in paragraaf 1 aan 'n ander persoon as 'n herverkoper of 'n verwerker van sodanige produkte mag verkoop is die fabrikant se faktuurprys (insluitende vervoerkoste) plus 19 persent, met dien verstande dat in die geval van 'n verkoop aan 'n herverkoper of 'n verwerker van sodanige produkte, daardie maksimum prys met 'n korting van minstens 7 persent verminder moet word

GOVERNMENT NOTICES

DEPARTMENT OF INDUSTRIES, COMMERCE AND TOURISM

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No R 2842 31 December 1981

PRICE CONTROL

MAXIMUM PRICES OF CERTAIN STEEL PRODUCTS

I, Elias George de Beer, Price Controller, acting under the powers vested in me by section 4 of the Price Control Act, 1964 (Act 25 of 1964), do hereby prescribe, with effect from 1 January 1982, as follows

1 The maximum prices at which rolled steel products manufactured in the Republic and specified in column 1 of the Schedule hereto may be sold to any person by or on behalf of the manufacturer thereof are the prices specified in column 2 of the said Schedule plus—

(a) such extras as may be added by the manufacturer or his agent with the approval of the Price Controller, and

(b) if the products are delivered to a purchaser, the costs in respect of transport

2 The maximum prices at which the products referred to in paragraph 1 may be sold by an original purchaser thereof, are the manufacturer's invoice-price (including transport costs), plus 11 per cent and such prices are the maximum prices free on rail original purchaser's station or siding

3 The maximum prices at which the products referred to in paragraph 1 may be sold in the retail trade are the maximum prices as determined in paragraph 2, plus 7,5 per cent and such prices are the maximum prices free on rail the reseller's station or siding

4 The maximum prices at which any person may sell the products referred to in paragraph 1 to any person other than a reseller or fabricator of such products, are the manufacturer's invoice-price (including transport costs), plus 19 per cent, provided that in the case of a sale to a reseller or fabricator of such products, those maximum prices shall be reduced by a discount of not less than 7 per cent

31/12/81 D. Dispatch

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Group expects to earn more

JOHANNESBURG — The Stewarts and Lloyds group expects to achieve higher earnings during the current year, but there is likely to be a slackening in demand because of the lower growth rates forecast for 1982 and the high cost of finance

In the annual report, the directors say that in spite of this anticipated reduced pace of activity, they believe that most companies in the group will record further growth in sales and earnings during the year

In the financial year to September, turnover increased by 20,9 per cent to R432 681 000 and attributable profit was 42,2 per cent higher at R16 895 000 From lifo earnings of 74,1c a share, dividends of 35c were paid

The directors say these results are attributable to the progress towards greater efficiency and modernisation together with the favourable economic climate which prevailed during the year

During the year there were a number of significant changes in the company's subsidiaries The 20 per cent holding in Maksal (Pty) was sold to the McKechnie Delta Metals group, reducing the S&L stake to 40 per cent of Maksal with the balance being held by Macdem (Pty)

This facilitated the formation of a new company, Salmac Stainless Tubes (Pty) of which S&L holds 60 per cent with Macdem holding the balance This company will produce welded stainless steel tube, using strip that is soon to be manufactured in South Africa by Southern Cross

The group acquired 40 per cent of the ordinary shares of Salweir (Pty) from Weir Pumps of Scotland This transaction resulted in Salweir becoming a wholly-owned subsidiary of S&L

Pipe Couplings (Pty) became a wholly South African-owned company as a result of the purchase of British Steel's shareholdings S&L holds 60 per cent of the shares with Hall Longmore the balance

The programme of modernisation and expansion continued and two major projects were commissioned At Salcast, R17 300 000 was spent on new electric melting facilities and on an automated moulding line and at Tubemakers, the installation of new galvanising facilities cost R7 800 000

In the current year R32 900 000 has been allocated for continuing the modernisation programme

A financial correspondent comments that the balance sheet shows the group is in a strong, undergeared financial position