

MANUFACTURING → LABOUR

1990

JANUARY — JUNE

# Industrial councils facing death by market freedom

GOVERNMENT moves towards market related freedoms and emphasis by companies on decentralised management style could mean the end of industrial councils.

This was the view of University of Cape Town School of Business's Kate Jowell who quoted Barlow Rand labour specialist Jan Hiemstra in the Indicator publication as saying industrial councils were not expected to survive the next decade.

Policies towards increasing market freedom represented an approach that leaned away from social democratic philosophy which underlined systems supporting collective bargaining — particularly at national or industrial level.

These policies towards more market freedom brought pressure for privatisation, deregulation and support for developing businesses, bringing pressures to bear on industrial councils, Jowell said.

The president now had the power to

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suspend industry wage agreements and various protective clauses embodied in long-standing Acts of Parliament such as the Machinery and Occupational Safety Act.

A second pressure was that several major companies had withdrawn from industry associations because they did not want to be subject to bargaining and strikes at two levels, Jowell said.

## Demise

Other companies argued that they did not support centralised bargaining in principle, which was not in line with decentralised management style.

These companies had hastened the demise of several industrial councils, including the Printing and Newspaper Council, said Jowell.

Jowell asked how far government exponents of a freer labour market would

be able to push their policies before hitting the countervailing power of collective self-interest.

The Cosatu unions were relentlessly persuing centralised bargaining on a number of fronts with or without statutory structures such as industrial councils.

The Steel Engineering Industry Federation of SA's success in drawing the Cosatu and Nactu unions into the metal industry and Numsa's growth had greatly improved the bargaining power of the countervailing collective bargaining.

Will established black unions seek a coalition with the newer black unions to protect their wider interest in central bargaining? How far will the influence of decentralised bargaining supporters among management really spread, Jowell asked.

Parties to industrial relations were creative and adaptable, and the ironies of SA society might prove Hiemstra wrong, Jowell added.

3/11/90  
B/Dag

# Motor industry job levels likely to be static in 1990

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MOTOR vehicle industry employment levels were likely to enter a no-growth phase this year if vehicle sales predictions proved correct, industry sources said yesterday.

The National Association of Automobile Manufacturers of SA (Naamsa) expected new vehicle sales to decline to 210 000 vehicles in 1990 compared with 221 000 projected sales in 1989, its annual report said.

The forecast is based on expectations of a slowing economy, higher inflation and lower levels of disposable incomes, which would have a negative effect on durable goods sales, including new motor vehicles.

Naamsa director Nico Vermeulen said though it was early to speculate on sales and employment levels, a more severe economic drop than presently anticipated in 1990 could result in

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retrenchments.

However, no retrenchments were planned and employment would probably enter a phase of natural attrition in line with the marginal drop in sales, he said.

Average monthly industry employment figures from January to June 1989 showed there were 37 000 employees in the assembly industry, 61 000 employees in the component industry and 161 000 employees in the motor trade.

## Levels

Aggregate assembly industry employment levels rose to their highest levels in 1982, when 50 282 were employed.

During June 1989 new vehicle manufacturing industry employment levels

increased to 37 877 employees from 36 457 employees at the 1988 year-end, Naamsa said.

A BMW spokesman said there would be no retrenchments at BMW because of a forecast drop in sales, as order books for its models were full for the next few months and production levels needed to be maintained.

Production had been high during past months and consequently a small number of casual labourers were employed on a short-term basis, he said.

A Nissan spokesman said his company did not expect to lay off workers during 1990 because of the introduction of the Fiat Uno, which, according to newspaper reports, could add 4% to new car sales.

Vermeulen added that motor industry employees were a large skilled workforce representing a substantial investment by various employers.

# School-leavers' prospects of jobs worse, says expert

B/D ay 9/11/90 (181)

SCHOOL-LEAVERS seeking their first jobs this month could be in for a frustrating time.

Nedbank chief economist Edward Osborn said yesterday that job prospects were dramatically worse than last year.

Osborn said people who lacked skills would have a major problem, since employers in both the private and public sector were often reluctant to provide training.

Large numbers of people were coming to the labour market without adequate training and would be unable to command an adequate salary.

The main source of work was in the manufacturing sector, where very little growth was taking place. Increasing mechanisation — in the mining industry, for instance — was also limiting job opportunities.

"Mounting unemployment is exacerbating the political problem, creating instability," he added.

ACHMED KARIEM

Industrial relations consultant Andrew Levy said that for many people the chances of finding rewarding work would be slim. Even university graduates would have to settle for jobs they would not normally consider.

The lack of skills training was a legacy of the educational system, he said.

Chronic unemployment was caused partly by lack of job creation in industry, disinvestment and other political factors, which weakened the economy.

## Recruits

Kelly Personnel MD John Dawkins said companies were looking for the "exceptional person" this year.

People without skills would be wise to consider some form of tertiary education if possible.

OK Bazaars personnel director Keith Hartshorne said although the economy was in a downturn, the company would attempt to take on more young recruits than last year. It usually enrolled 100 management trainees a year.

Congress of South African Trade Unions (Cosatu) education secretary Khetsi Lehoko said the technical skills required in the modern workplace meant that young people without a matric certificate were virtually unemployable. They were also likely to be exploited on the labour market. The education system did not provide the youth with necessary skills and this led to further frustration. "We feel they should be taken back to school," he said.

National Education Crisis Committee (NECC) national coordinator Eric Molobi said thousands of black pupils who failed matric last year were in a no-win situation. If they could not find work and were refused re-admission to school, they would become "bored, idle and easy prey to drugs".



# Create more skilled blacks

While the Government does have a strong case in turning to the east for skilled manpower, but looking at its track record in the use and abuse of the country's human resources in the past one wonders ...

According to the National Manpower Commission 40500 people in the technical, professional and management disciplines were needed in 1988.

By the year 2000 there would be a shortage of 228000 workers with university degrees and diplomas.

In the next 11 years the shortage of entrepreneurs and managers would be increased to 10300, while 442000 professional and technical posts would be empty.

Management consultant Perfect Malimela has said 496000 managers, the bulk of them black, were needed by the year 2000.

Stellenbosch University's Institute of Futures Research has estimated that in the year 2000 South Africa would be short of 200000 skilled workers but have a surplus of 9 million semi-skilled and unskilled workers!

## Study

According to this study high- and middle-level manpower in the "coloureds, Indians and Africans" population groups increased from 25 percent to 32 percent and 20 to 40 percent between 1965 and 1985. The TBVC countries are excluded.

In 1987 the brain drain saw more than 1900 professionals, semi-professionals and skilled technicians leave the country compared to 1071 that came in (South African Institute of Race Relations figures). The historic shortage of skills, forget the causes for the time being, means that the country is in dire need of skilled manpower. This is a strong case for recruiting skilled labour.

Add to this the multiplier effect this would have on the economy, particularly in creating jobs, even for unskilled workers, the case for recruiting those East Germans, Hungarians and whatnot is all but sealed.

But then this is the economic argument. Is the political case just as strong? Some of the major causes for the shortage in skilled labour were Bantu Education, the Group Areas Act, influx control and Job Reservation. Thankfully the last two are now scrapped, with job reservation no longer in operation for over eight years.

But what happened after the scrapping of job reservation? Between 1980 and 1986, the last

five years being the post-Job reservation period about 3800 black apprentices were registered compared to 65471 white apprentices! Without job reservation the system was now reproducing itself! Nobody expected a deluge in blacks getting into the trades, but 3800 over seven years tells some story.

When the Government scrapped job reservation it did not initiate a drive, or do enough, to get blacks get into the skills sector. Instead, as far as I am concerned, the Government indirectly encouraged technical education for whites. How does one explain the Government spending R207435000 on white technikon education and

R16023000 for blacks as recently as in 1988? In addition the Government has said skills training is not its responsibility. In that case whose is it?

As far as I am aware the private sector trains

artisans according to their needs and budgets, that is at the micro level, and the macro problem remains that of the Public Sector.

With this background recruiting labour from East Europe becomes morally unjustifiable though necessary for economic development.

In addition, the Government's has in the past recruited white labour from Europe for political reasons - it wanted to increase the white popula-

tion. As nothing has been said about recruiting Chinese artisans opposed to the incorporation of Hong Kong into China I suspect that the programme to get Europeans as immigrants is being resurrected, or continues.

If there is to be any credibility in recruiting East Europeans shouldn't there be a massive skills training drive in the black community, as Eskom is now at last doing?

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THAMI MAZWAI



# Employers the housing fundis blacks look to

51 Times 14/11/90



LOUISE BOTHA ... oppor-  
tunities missed

EMPLOYERS are SA's "housing oracles" and they don't even know it, says SA Housing Trust chief socio-economic researcher Louise Botha.

Dr Botha has completed studies connected with the housing delivery process. She found that employers are the sources of information most highly regarded by would-be black homeowners. But employers are often uninformed or underinformed about affordable housing.

She says this finding highlights a major opportunity for companies and employer organisations to motivate workers and improve industrial relations.

"They must take the first, important step in the affordable housing process — contribute to a better understanding of the benefits and disciplines of home ownership."

However, Dr Botha believes this opportunity could be lost without some employers ever realising that it exists. A national survey of employers last year by the SAHT showed that few regard housing as a priority.

The study shows a general awareness that housing is a problem, she says, but senior executives are more likely to focus

their attention on inflation and on their company's day-to-day agenda.

"But there was a general realisation that trade unions were beginning to make housing an issue, and therefore, at some stage, employers would give it more thought."

"Yet as soon as questions shifted from general considerations to exact

details, we started to draw a blank."

The SAHT carries out surveys of prospective homeowners in all areas where housing projects are planned. The latest project-related survey covered the Northern Free State.

There, 53% of respondents listed their employers as a source of possible help and information about housing.

This, says Dr Botha, is a typical reaction. "The worrying aspect about the survey was that 23% of firms originally contacted refused to take part in the study."

"Yet, every project-related study we carry out among prospective homeowners confirmed the perceived potential that employers have for assisting in the housing process."

"Some employers are already making major contributions. But many are worried about a premature commitment."

Dr Botha believes that the vital initial need is for information and education at worker level. Making a training room available for briefings on housing or for question-and-answer sessions with specialists

would be a big step forward, she says. "The cost to the employer would be minimal." A start has been made — but much more will have to be done if the opportunity is not to be lost.

# Struik to handle UK publisher's titles

LALA CAMERER

SA's largest book publisher, Struik, will be taking over the overseas Hodder & Stoughton book titles from the end of February following the decision of its SA agent, Southern Book Publishers, to close.

Southern's Macmillan titles will now be distributed in SA by Pan Books.

Continuing and significant trading losses in imported book distribution activities are cited by the UK parent companies of Hodder & Stoughton and Macmillan as reasons for Southern's closure.

Struik MD Nick Pryke said Struik had employed senior staff from Southern to

handle the Hodder & Stoughton titles.

Negotiations are still in progress regarding Southern's local publishing business, which is to be sold as a continuing activity to new owners.

MD Basil van Rooyen said he was not in a position to comment on the possibility of an MBO.

He said he hoped the 100-odd people who would become redundant through the move would be accommodated by the buyer of the company.

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Interboard

From Page 1

# IPM calls for faster training

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COMPANIES in SA needed to increase the number and step up the pace of advancement programmes for workers, Institute of Personnel Management president Theo Pegel said in a statement yesterday.

The private sector and particularly human resources managers could play a major role in combating the severe skills shortage in SA.

Pegel outlined a policy for such a programme, reminding IPM members that even if the present education system was reconstructed tomorrow, it would take 10 to 15 years before the results of such a restructuring would be realised.

"In the meantime, the private sector must make do with the present pool of people in the country," he said.

"It is up to each and every one of us as human resources managers to create a culture of education and training in our own organisations," he said

"This attitude will ensure education and training is stressed at all times on all levels within our organisations," he added.

More black personnel needed to be brought into supervisory levels and into technical positions to assist in the implementation of these programmes.

Training strategies should concentrate on responsibility for self-development by managerial and executive staff, with more direct training being aimed at the lower levels.

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Companies should become involved with the education of their future employees in the geographical areas in which they are located.

Pegel stressed that support to schools in the neighbourhood could have a major positive implication.

"Don't try to do it on your own. Form an alliance with similar minded businesses in your locality. As a group you can achieve so much more than trying to do everything alone," he said.

Pegel emphasised the need to focus on vocational training. SA should take a good look at introducing a system similar to the Vocational Education Training system which is used in West Germany.

In Germany, everyone who left school to enter the job market needed to undergo an apprenticeship which applied to more than 400 different trades.

By adopting a similar system, SA could ensure its workforce was far better equipped vocationally.

The IPM has taken the issue of the skills shortage and education system in SA as part of its theme for the 1990's and intended bringing practical ways and means of handling the problem to its 8 000 members during the coming months, said Pegel.

Workforce



# Trade specialists aim to offer one-stop consultancy

PROMPTED by the growing need to maximise SA's exports and manage its imports more effectively, Price Waterhouse has formed a subsidiary which specialises in international trade.

Price Waterhouse partner Chris Frame says: "International trade is SA's lifeblood and cannot be conducted in a haphazard or ad hoc fashion when the country's prosperity is at stake."

The new company, P W International Trade Consultancy, will provide a one-

ZILLA EFRAT

stop foreign trade service, concentrating on strategic planning and implementing functional controls for companies involved in trade.

Frame says because of the urgent need for skilled management of imports and exports, the company will also conduct training programmes and seminars on various aspects of international trade for all levels of manage-

ment.

He says a positive turnaround in international attitudes to SA will mean that capital flight will be replaced by capital inflow.

Capital inflow will need to be very carefully managed, as will the increased acceptance of SA exports resulting from a change in attitudes.

Frame will concentrate on international tax and foreign exchange matters.

Industrial action 'not ruled out'

# Unions plan move against Barlow Rand

REPRESENTATIVES of six Cosatu unions met yesterday to begin planning a large-scale campaign against Barlow Rand for this year because of the corporation's status as the leading opponent in SA of centralised collective bargaining.

Numsa spokesman Geoff Schreiner said he could not rule out widespread industrial action as the culmination of the campaign by the unions, which represented "tens of thousands of Barlow Rand employees at scores of plants".

The other unions involved are the National Union of Mineworkers; the SA Clothing and Textile Workers' Union; the Paper, Printing and Allied Workers' Union (Ppwawu); the Food and Allied Workers' Union; and the Chemical Workers' Industrial Union.

Talk of an anti-Barlow Rand campaign surfaced last year when subsidiary Nampak and other large companies forced the withdrawal of the employer organisation from the printing industrial council, causing the collapse of the council just as Ppwawu was about to join it.

This will probably force Ppwawu to accept the decentralised, plant-level bargaining favoured by Barlow Rand.

Explaining the rationale behind the campaign, Schreiner said unions strongly believed the future of industrial relations depended on setting up "equitable" collective bargaining structures. In the union view, centralised bargaining was most appropriate.

"It is clear Barlow Rand is engaged in a systematic effort to destroy the industrial

ALAN FINE

council system."

Schreiner said a number of metal-sector Barlow subsidiaries had withdrawn from the annual council negotiations between unions and Seifsa, and there was now talk that the entire Barlow Rand group in the industry would apply this year for exemption from the council agreement.

He declined to detail tactics planned for the campaign, as some unions still had to discuss them internally.

Barlows Group human resources GM Andre Lamprecht said it was wrong to say the group was attempting to destroy the industrial council system.

"The group is, and always has been, managed on an operationally decentralised basis, and the collective bargaining structures follow this business structure."

He said the group had a history of dealing with the unions on this basis since the Wiehahn days. For quite some time, there was a happy congruence between the group's decentralised structure and the unions' then aversion to centralised bargaining.

Barlow Rand Group businesses had a good record of labour stability.

"It would be a pity if an ill-conceived campaign such as this one damaged the stability they have enjoyed and the relationships they have built up with their employees, individually and collectively."

Lamprecht said the view that centralised structures were more equitable was open to debate.

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Trans

B/day 24/1/90

## NUMSA PLAN TO IMPROVE BARGAINING

 ALAN FINE 

THE 210 000-strong National Union of Metalworkers of SA (Numsa) has called a special conference for February 10 to plan a more co-ordinated collective bargaining strategy in the four main sectors in which it is involved.

Convener Bernie Fanaroff said the conference was also designed to further democratise Numsa's participation in the collective bargaining process.

A pre-conference discussion document circulating within the union said despite important victories, there was a lack of co-operation between the sectors — motor assembly, motor components, engineering and tyre and rubber — in advancing the "living wage campaign".

An example raised in the document, that the motor assembly sector planned for strike action while the engineering sector settled without striking, suggested in future Numsa intended to plan large, simultaneous strikes.

### Demands

It said there were differing regional strategies, weaknesses in some local and factory structures, and a feeling in parts of the union that the living wage campaign should be downgraded so that priority could be given to the campaign against the Labour Relations Act (LRA).

In addition to addressing these matters, the conference is also to discuss the type of demands to be put to employers during the year, taking into account the different circumstances in different sectors.

Suggestions listed included a R1,50 an hour across-the-board increase; improved job security through compulsory negotiation of retrenchments, high severance payments, and LIFO being the only criterion for lay-offs.

It was proposed the issue of job creation be addressed through limits on temporary labour and overtime. Exemptions from industrial council agreements should be opposed.

The draft proposed a R300 a month housing allowance and opposition to racial laws hindering housing development. It also addressed the issues of the LRA, proportional representation on industrial councils, education and training, maternity leave and retirement benefits.

Union conflict

# SA not using its over-40s agencies

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ANDREW GILL

GOVERNMENT moves to import skilled workers from Eastern bloc countries have triggered renewed criticism that SA's own labour resources, particularly older skilled workers, are not being properly used.

Association of Personnel Service Organisations (Apso) president Litsa Roussos said she believed there was a "syndrome" in SA whereby people over 40 were seen as not capable of performing as well as younger workers.

This misconception needed to be dispelled, she said.

"Companies are not utilising available resources. There are skilled people over 40 who cannot get jobs. They are stable, loyal and have a wealth of experience." Bloom 25/11/90

Apso is involved in a drive to educate companies to realise there are many over-45s who are more than capable of doing the job.

Professional Search Consultants (PSC) training manager Jackie Perkins said finding a position for skilled personnel over 45 was becoming increasingly difficult.

"Why import labour and cause crises when all avenues have not been explored?"

"There are lots of unemployed skilled people of all races, including over 45s, who could go a long way towards repairing the situation," she said.

"But companies these days are looking for skilled labour in the 25-to-38 age group. There is a perception that over-45s are difficult to train."

PSC director Pat Macredies said the phenomenon was unique to SA.

"Overseas, over-45s are very marketable and are often preferred to the younger generation. Here, if you have not made it by 35 you probably won't. Corporations are looking for fast movers with a get-ahead attitude."

One of the problems was corporate structure, Macredies said. "Big companies are organised in such a way that medical aid and pension funds are a burden to them, and therefore it is easier to employ younger people."



# Print workers' R750m benefit fund carved up

S/Times 28/1/90



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SEPARATE employee benefit funds have been set up for printing industry workers as a result of liquidation of the R750-million National Industrial Council (NIC) pension fund.

The NIC-administered pension fund was liquidated when the SA Printing and Allied Industries Federation (Sapaif), representing 75% of employers, withdrew from the council last year.

## Easier

Sapaif executive director Chris Sykes says the various employee benefit funds, including medical-aid and pension funds, will be administered by the SA Typographical Union (Satu), which represents workers.

Mr Sykes says the pension scheme, by far the largest of the funds, will be structured differently.

"We have changed from a defined end-benefit to a money-purchase scheme. This is because a money-purchase fund is easier to administer and requires no guarantees from any particular organisation or employer.

"Employers will have trustee representation on the funds in their own right. Although primarily Satu will administer the funds, Sapaif will have some say."

## Criticism

The federation will continue to provide services to its members, including training and industrial relations advice, but will no longer negotiate with workers on the behalf of its members.

Mr Sykes says Sapaif has applied to become a Section 21 company, which means it will no longer be an employers' organisation in terms of the Labour Relations Amendment Act.

The new company, to be called the Printing Industries Federation of SA, should

By Robyn Chalmers

come into operation within the next few months.

Mr Sykes says the company is considering setting up its own medical-aid scheme and pension fund, as some members are not happy with the Satu arrangement.

After Sapaif withdrew from the NIC in August 1989, it was criticised by the Paper, Printing, Wood and Allied Workers Union (Ppwawu).

The black union had applied for membership to the council two months before Sapaif decided to pull out.

Ppwawu accused the federation of trying to prevent it from gaining access to a national bargaining forum and the huge pension fund.

The trade union produced documents which it alleged pointed to a plan by firms, including Kohler, Consol and Barlow Rand subsidiary Nampak, to prevent Ppwawu from joining the council for fear of national strikes, political demands and the hijacking of Satu by Ppwawu.

## Minutes

Mr Sykes says newspaper reports on the documents at the time — last October —

did not accurately reflect the situation.

"The documents were minutes of a meeting which took place at the Midlands Chamber of Printing. We were discussing the pros and cons of Ppwawu's application, but the slides which were used were taken out of context and used verbatim.

"We withdrew from the NIC because it could no longer serve our members' needs. Ppwawu's application was a catalyst, nothing more."

Sapaif's withdrawal from the council effectively caused its collapse and destroyed Ppwawu's plans for

centralised collective bargaining in the industry.

This is one of the primary reasons for the current large scale campaign being planned against Barlows by six Cosatu unions.

The unions believe Barlows is encouraging the dissolution of the industrial council system in order to open the way for decentralised, plant-level bargaining.

It is believed that Ppwawu and five other Cosatu affiliates have issued ballot papers to union members to see whether they will support industrial action against Barlows.

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# Saccola lauds planned Labour Act changes

EMPLOYER federation Saccola has welcomed the proposed changes to the Labour Relations Act reported yesterday, but stressed good labour law ultimately depended on blacks having equal access to law-making forums.

The new draft Labour Relations Amendment Bill extends the time limits for processing disputes through official channels and deletes the part of Section 79 (2) which reversed the normal rules regarding onus of proof in damages suits.

Manpower director-general Joel Fourie said yesterday the Bill was still under departmental discussion. He did not expect many substantive changes, if any, to be made before it was tabled in Parliament.

Saccola chairman Bobby Godsell said he was pleased government had addressed issues central to the talks employers had conducted with Cosatu and Nactu during the past 18 months.

"But, having said that, we still will not have good labour law until blacks

ALAN FINE and  
ADELE BALETA

have equal access to the legislature, and organised labour is fully involved in bodies like the National Manpower Commission (NMC)," he said.

SA urgently needed a common consultative and negotiating forum for labour law which included all parties, he said. Meanwhile, Saccola would continue talking to government and the unions.

## Onus

Comment from Cosatu and Nactu was unavailable late yesterday, but union sources said a meeting would be held to discuss the Bill tomorrow night.

In a statement yesterday, Seifsa welcomed the proposed scrapping of the part of Section 79 (2) that placed on unions the onus to prove they were not responsible for damages arising from unlawful strikes. This would result in a return to the normal principles of SA law.

Seifsa welcomed the proposed removal of the industrial council's obli-

gation to refer unresolved disputes to the industrial court because, it said, the onus should rest with any party to the dispute.

The employer federation supported the proposed extension of the time limit from 14 to 30 days for the referral of disputes to the Industrial Court as there would no longer be unnecessary delays.

Proposed amendments to Section 27A of the Act would simplify the dispute resolution process and eliminate technical points arising from the current wording of the Act.

But the statement said the proposed wording relating to the time limit for referral of disputes to industrial councils could be problematic in determining exactly when a dispute was alleged to have arisen.

Seifsa said the proposed extension of the time period within which an industrial council could settle a dispute — 30 to 45 days — would allow time for more effective conciliation processes regarding dispute resolution and deferment of potential industrial action, pending the outcome of longer conciliation processes.

● Comment: Page 6



# Business Day

## SURVEY

*It is projected that by the year 2000, SA will be short of about 500 000 highly skilled people, from CAs to secretaries to CEs. One way the skills shortage can be overcome is through using contract staff, or temps as they are more popularly known. ZILLA EFRAT examines this R300m industry and some of the people in it.*

## Receiver's clamp-down

A MAJOR concern to the temping industry is the Receiver of Revenue's recent clamp-down on the use of Close Corporations (CCs).

Association of Personnel Service Organisations (Apso) vice-president John Dawkins says negotiations have been taking place between Apso and the Commissioner of Revenue regarding the taxation of CCs.

In September last year, the Receiver issued a Press release indicating that CCs could not contract their services through a temporary staff contractor without being liable for PAYE tax.

Dawkins says this is of great concern as it is be-

lieved that it will drive many CCs underground and away from the legitimate temporary staff contractors.

He says it is also apparent there is no current legislation to empower temporary staff contractors to deduct tax from CCs, the majority of whom are legitimate enterprises consisting of one or more people contracting their services out to many different companies and temporary staff contractors.

### Complexity

Although no directive has yet been received from the Receiver, there is no doubt that he is now more aware of the com-

## Filling the gaps in the computer field

SA COMPANIES, like their international counterparts, are increasingly using contractors to overcome the skills shortage in the computer industry.

Don Gray Contracting Partners MD Izabella Little says about five years ago, between 10% to 15% of an Information Systems (IS) department in the US and UK was made up of contract staff. Today this is as high as 40%.

In SA, this figure is between 12% to 15%, but it is growing.

Various factors have led to the growth in the use of contract computer staff and the realisation that they are an effective way of filling a company's human resource needs.

Little says the local shortage of skilled staff in the computer industry is running at 35%, measured on how many positions are open.

This has forced the IS manager to be more creative in resourcing a project.

By using contract staff when they are needed, he eliminates the employment of excess permanent staff who sit around when there is no work to do.

In addition, SA labour law is being increasingly applied and becoming a greater issue with companies. It has become more risky for companies to employ permanent staff because they cannot get rid of them, says Little.

By using contractors, employers eliminate some of the risks.

### Productive

She says contractors often tend to be more productive because they are paid by the hour and feel guilty about charging for time they have not worked.

CPL Contract Services MD Tony McKenzie says companies are broadening their use of contractors and using their skills more effectively.

During the past year, de-

mand for contractors on his books grew by 30%, slightly higher than the annual growth recorded over the last five years.

So great is the competition for the services of contractors that McKenzie counsels would-be employers to "sell" the advantages of their companies to contractors.

Local data processing staff, including contractors, have become aware their skills are highly negotiable in the international market, exacerbating the skills shortage - to which McKenzie sees no end.

Both Little and McKenzie believe the demand for computer contractors will grow in the '90s.

McKenzie says management's increasingly strenuous efforts to improve productivity will continue to expand demand for the special skills and dedicated attitudes that contractors bring to the workplace.

Little says contracting has become more popular



IZABELLA LITTLE

with skilled computer people as it offers many benefits.

It can be a step towards owning their own businesses, offering them variety in work sites and types, as well as a way to stay out of company politics.

Many experienced people prefer not to move into senior management and to remain on the technical side. Contracting allows them to do this.

On the money side, good people who work well will find their earnings higher than in permanent positions, says Little.

# The

# Financial



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# Saving permanent staff stress at work

IN PLANNING their human resources, SA companies should be budgeting to use temporary staff and take advantage of the benefits they have to offer.

Emmanuel Personnel marketing manager Melanie Pavkovich says planned temporary staffing is widely done in the US, but still has to catch on in SA.

In most companies there are departments that experience "peak and valley periods".

## Abnormally

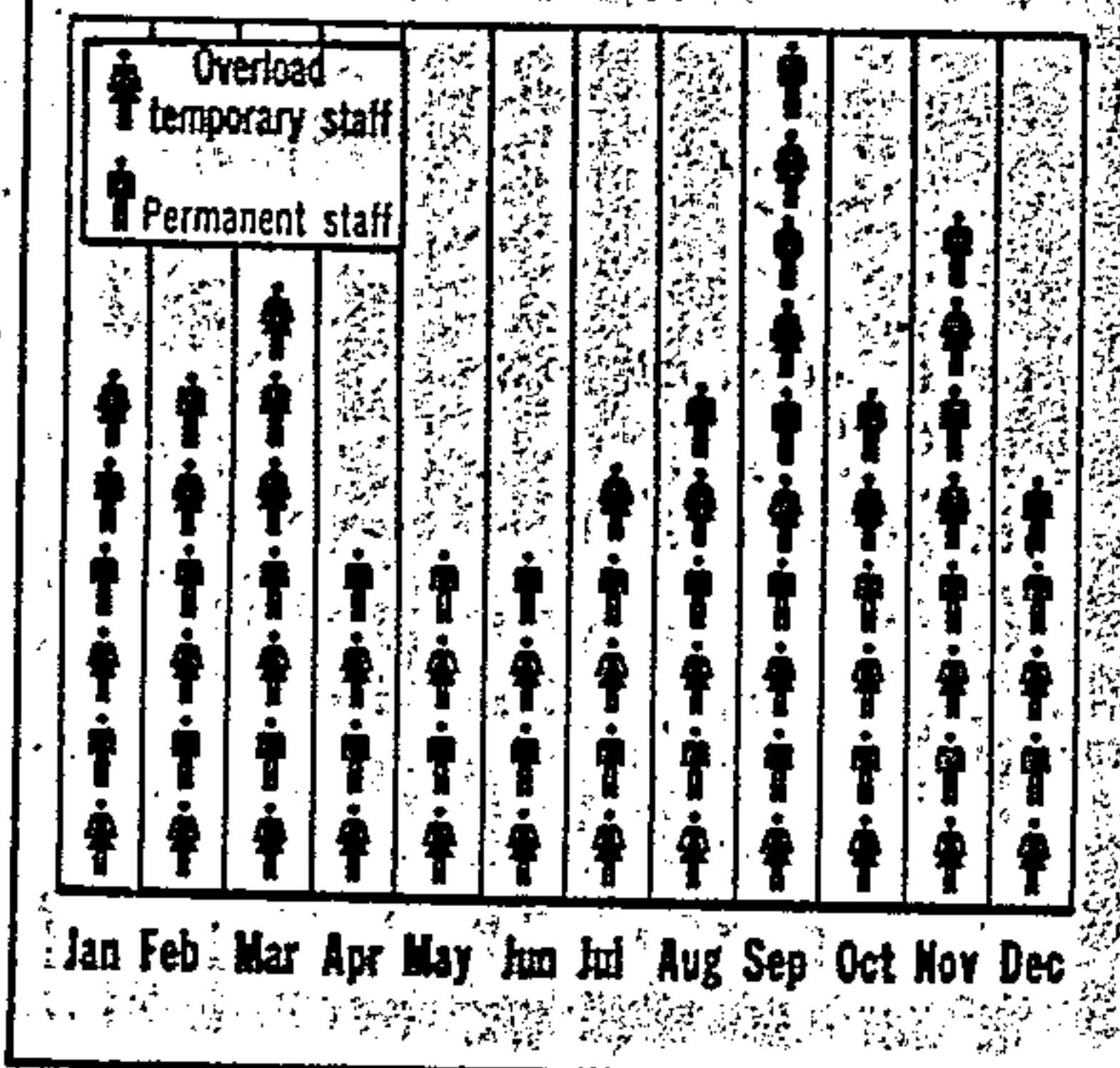
At certain stages of the week, month or year they experience either an abnormally heavy work load or a dip in activity.

Pavkovich advises companies to staff for their valley periods using permanent employees and use temps to help cope at times.

Companies should not employ staff they cannot keep busy at least 90% of the time, because this is costly and has a minimal return.

In SA, companies generally use temps when key staff are off sick or on leave or when there is an excess work load.

Companies forward staff planning



Pavkovich says some companies have a policy of not using temps because their staff are expected to assist in any area of need.

However, overworked staff get tired, resulting in lower and slower productivity and poorer accuracy and work quality.

If not compensated for overtime, they become even more unhappy. This kind of pressure is a major reason why staff resign.

Removing permanent staff from their functional areas to fill another space allows their work to pile up and can cause bottlenecks for other departments.

Pavkovich says, in times of overflow, bringing in a temp has many benefits.

The temp will be fresh, resulting in peak performance, high accuracy and good-quality work.

In addition, permanent staff come to work fresh

and produce the same results.

Companies using temps only pay for the hours worked and they do not incur the expenses of employee benefits and the administrative burden of UIF and tax deductions.

## Assesses

Temps are often used to fill a position while the company assesses whether it should be made permanent. This saves the embarrassment of hiring a person and later having an under-utilised employee who may have to be retrenched.

Pavkovich says if a position does warrant a permanent employee, there is someone already doing the job who is familiar with the work and systems.

If the company likes the temp, it could make her an offer, thereby employing someone who is immediately productive.

Because of the huge shortage of skilled and quality employees available in SA, companies are making more use of the temporary workforce to accommodate their needs until they find suitable permanent employees.



B1 Day 31/1/90

## Top-level assistance available

THERE are people temping in just about every job, so if your managing director leaves, don't worry, just call in a temp.

Professional Assignments Group (PAG) temp divisional manager Rosemarie Davie says that along with a broad range of temps, her company supplies MDs.

There are advantages to hiring a temp MD.

For example, if a company brings in its No 2 person after losing its MD it may create false expectations and subsequently lose the No 2 when a new person is appointed as MD.

Davie says temp MDs are high-level people.

They may be between jobs, waiting for the right job to come around or about to emigrate.

PAG supplies a full range of temps, from bookkeepers and credit controllers to CAs and financial directors. Out of its 500 assignees, about 30% are at the top end of the market.

Says Davie: "There are more senior people available than at the lower levels. We have more CAs available than bookkeepers."

"There is an extreme shortage of skilled credit controllers and bookkeepers."

## Driving on the road to company expansion

THE temporary driver market has moved into top gear, with companies increasingly realising the benefits of using temporary drivers to supplement their workforce.

Drivers Galore has grown steadily since it started six years ago.

It currently has four branches and is set to expand.

Operations director Gayleen Siegers says using temp drivers offers companies flexibility and eliminates the need to keep permanent drivers who may not be used all the time.

Drivers Galore has a wide client base, ranging from large trucking companies to small firms who have only occasional need for a driver.

Siegers says: "On a daily basis, we could supply a few hundred drivers if needed, but this would depend on the demand for the various categories of drivers."

All drivers are carefully selected and must have a minimum of two years' driving experience. All are reference-checked and have to pass clerical, road sign and eye tests to qualify for the temp team.

# Inflation tops pay rises

S/Times 4/2/90

SALARY increases have not only failed to keep pace with inflation, but have fallen markedly in certain white-collar sectors for the first time in four years.

The Kelly Personnel Salary Survey published this week says the cause is a cooling of the economy which affected commercial sectors in the latter part of last year.

Although the salaries of white-collar workers declined on average, there were increases in some areas. But they were nominal in real terms.

The Kelly survey says front-office

staff, such as receptionists-telephonists, received small pay increases and bookkeepers fared better than most.

"Companies are paying more and more attention to their receptionist staff to ensure that the company image is projected in the most professional manner possible.

"This demand for higher skills and standards has contributed to the upswing in salaries being paid to receptionists-telephonists throughout the country."

Taking a knock for the first time in many years are personal assistants (PAs) in Johannesburg. These high-flyers received average increases higher

than the rate of inflation in the past.

The survey covers executive secretary-PA, secretary, Girl Friday, typist, receptionist-switchboard operator, bookkeeper to trial balance and accounts clerk.

It says salaries remain higher in the Witwatersrand area than in the coastal cities.

It shows that starting salaries for executive secretaries are 12,5% lower in Cape Town, 28,5% lower in Port Elizabeth and 19% lower in Durban than in Johannesburg.

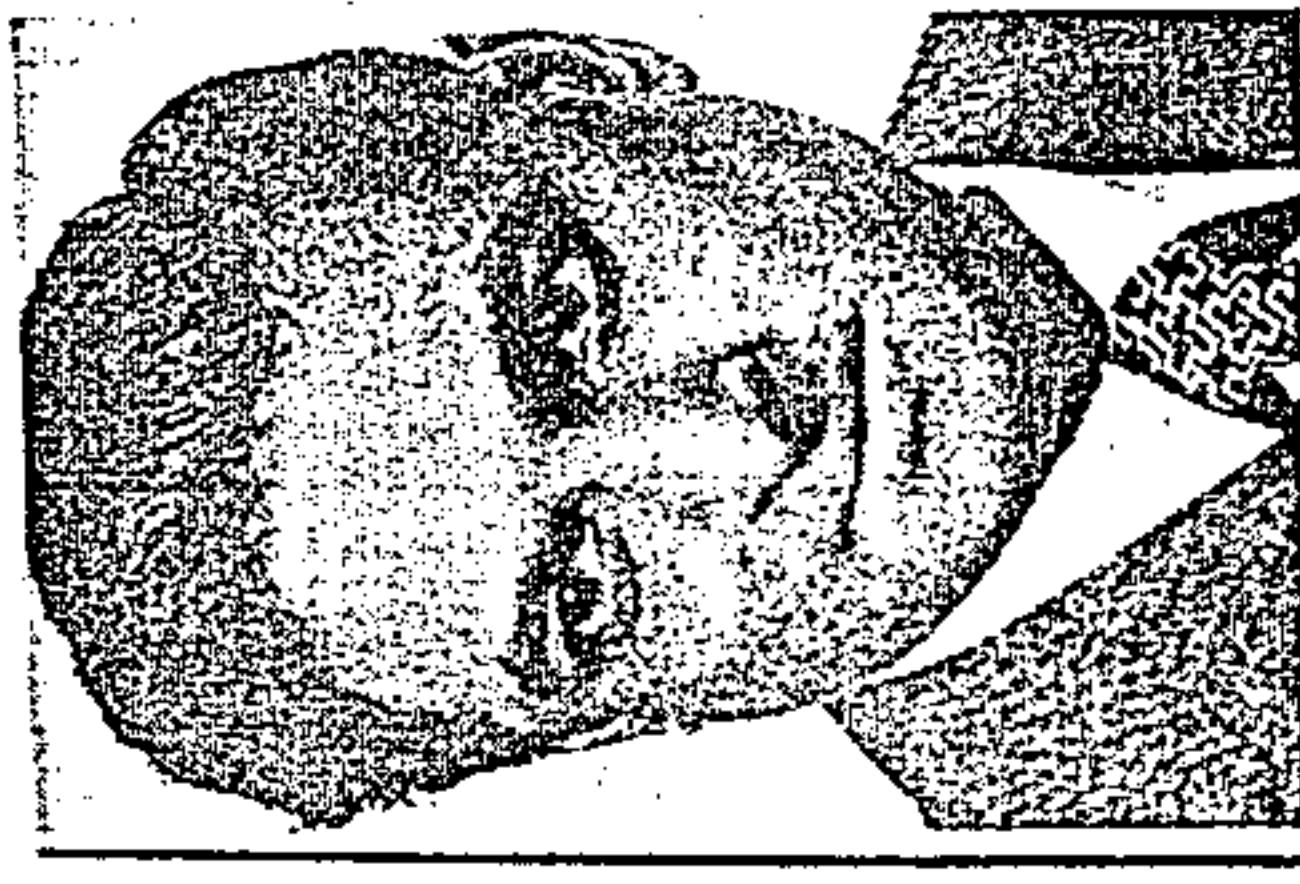
Starting salaries for bookkeepers are 32% lower in Cape Town and 35,5% lower in Durban than in Johannesburg.

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# Indians in drive for jobs

**LINKS** are being forged between commerce and industry and the Department of Education and Culture in the House of Delegates.

Ministers' Council chairman Jayaram Reddy believes that for the administration's educational and training facilities to be used to best advantage, employment opportunities should be improved for those in need. Education and Culture



Jayaram Reddy ... Improved job opportunities

Minister Kisten Rajoo has introduced several initiatives to establish closer links with commerce and industry.

He says the main intention of the exercise is to identify employment opportunities for many school-leavers.

"The rising cost of studying and high entrance requirements at post-matric institutions often deny many pupils the benefit of full-time study.

"The close working relationship between schools and places of employment would enable employers to make

valuable input in equipping pupils with the skills that would be essential for success in the world of work."

The department has achieved some success with job placements. For the first time in the history of Indian education, three senior departmental officials have been appointed job placement officers.

Dr Rajoo says discussions are being held with Sasol, Mossagas, Eskom, the Building Industries Federation of SA (Bifsa), the Steel and Engineering Industries Fed-

eration of SA (Seifsa) and Se-cunda.

"The department is talking to entrepreneurs throughout SA to try to alleviate manpower shortages in certain areas and secure the placement of surplus or redundant workers in other employment."

The department introduces prospective employees to employers, provides training for adults after school hours and, in consultation with the Department of Manpower, is embarking on projects to help the unem-

ployed. The department's community education projects include courses in cultural enrichment, sport and recreation, do-it-yourself, academic, commercial and technical education.

Several short courses have been designed to help the unemployed to acquire skills. Dr Rajoo has decided to establish regional advice centres.

Inquiries are handled by Robin Maharaj. His telephone number is (031) 37-2351.

STW 4/2/90

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# Haggie seeks help on inter-union violence

1610 9/2/90

WIRE-ROPE manufacturing giant Haggie Rand had sought intervention from the SA government, the KwaZulu government and Seifsa in a bid to resolve inter-union violence at its plants, a company spokesman said yesterday. (181) (181) (181)

He said letters were sent last week to Law and Order Minister Adriaan Vlok, KwaZulu Chief Minister Mangosutho Buthelezi and Seifsa asking for their cooperation in ending the conflict that had left one worker dead at the Jupiter plant and five others dead at the Germiston plant. Six workers had also been injured.

The spokesman said concern over the

ADELE BALETA

deaths had prompted the move.

Attempts by the company to meet the Cosatu-affiliated National Union of Metalworkers of SA (Numsa) and Inkatha's United Workers' Union of SA (Uwusa) to discuss the violence were unsuccessful.

The unions have not yet responded to company telexes sent on February 2 requesting another meeting to discuss conflict that arose in September when Uwusa opposed Numsa's call for an overtime ban.

The spokesman said the dead and injured were Zulu and the company believed Buthelezi's help might ease the situation.

# Road to business success paved with MBAs

By Derek Tommey  
Get a Master of Business Administration degree and earn a fortune.

This is the impression many universities with post-graduate business schools try to create and sustain. Little is said about the other requirements and skills that also might be needed for success in business.

But a recent survey by the Graduate School of Business at the University of Cape Town shows that people with the necessary skills — and one of their MBAs — are earning lots of money.

The survey gives a good indication of what people are earning in SA these days.

It looks at four differ-

ent groups of graduates: those that attended the UCT business school between 1966 and 1971, between 1972 and 1977, between 1978 and 1983 and between 1984 and 1989.

It finds that the median income of the first group, which has had 20 to 25 years to get established, is R210 000 — i.e. half are earning less than this and the other half more.

The bottom 10 percent earn less than R115 000 a year, but the top 10 percent earn more than R560 000 a year.

The median income of those in the second group — 13 to 18 years to make their mark — is R205 000, which is not far short of that of the first group.

Ten percent are earning

less than R105 000 a year, while another 10 percent are earning more than R395 000 a year.

The third group, which has been in business for seven to 12 years, has a median income of only R140 000.

This, somewhat surprisingly, is 30 percent lower than that of those five years their senior.

Do salaries suddenly jump after seven to 12 years, one wonders?

However, the high flyers in this group are still doing extremely well, with 10 percent earning more than R325 000 a year. Ten percent earn less than R74 000 a year.

The new boys — those who left UCT between 1984 and 1988 have a median in-

come of R105 000, while 10 percent receive less than R65 000 and another 10 percent above R165 000.

However, the new boys report that their employers value their MBAs in a proper manner, paying them 56 percent more on average than they received before obtaining their degree.

What the survey shows is that the MBAs receive more than a third of their remuneration by other ways than basic salary.

This, on average, accounts for 61 percent of their income, while profit-sharing brings another 16 percent, fringe benefits 18 percent and a bonus 5 percent.

An analysis of the fringe benefits shows that 94 per-

cent receive medical aid, 84,3 percent belong to a pension scheme, 80 percent have a company car, 61,1 percent have an expense account, 49,7 percent receive free life insurance, 40 percent receive overseas trips, 38,2 percent have a bond subsidy, 30 percent have share options and 8,9 percent have company houses.

A detailed analysis of the educational background of those attending the business school between 1984 and 1988 shows that just over half have engineering or scientific qualifications; another 17,5 percent have commerce or business qualifications and, a little surprising, only 7,1 percent are accountants.

# Labour strife hits major sawmills

SMR 12/2/90

By Drew Forrest

Labour conflict is mounting in the paper and wood industries, with strikes erupting at three more plants and at least eight others facing industrial action.

Cosatu's Paper, Printing, Wood and Allied Workers Union, involved in most of the disputes, says the unrest reflects hardening employer attitudes on pay.

Last Thursday, about 500 workers launched a legal strike at Sappi's giant Ngodwana mill. Mill manager Mr Alan Tubb said workers demanding a 35 percent rise had rejected Sappi's 16 percent offer.

On the same day, a total of 470 workers downed tools over pay at Mondi sawmills in Stellenbosch and Elgin. Mondi says another five timber products plants are in dispute or poised for strike action.

A five-week strike at three other mills continues.

Strike ballots were also held last week at three paper waste factories in the group.

Mondi's Mr Alan Young said the unrest sprang from workers' mistaken perceptions of the group's profitability.

"Because of tumbling export prices, we see an increasingly difficult time ahead," he added. "Our approach has been to consolidate wages at the level of inflation."



# Too few jobs, too many people, says bank report

Weekly Mail Reporter

THE number of jobs in the productive sectors of South Africa's economy increased by only 19 000 during the 1980s, while the economically active population, excluding the TBVC countries, grew by 2,5-million people to 10,7-million.

The figures are supplied in the latest *Nedbank Guide to the Economy*, which adds, however, that the growth of government countered this trend to some extent, providing employment for an additional 308 000 people. But this was partially offset by a 65 000 decline in South African Transport Services and Posts.

In the productive sector, mining employment declined from 715 000 in 1980 to 704 000 by August 1989. Manufacturing employment declined but by August last year was back to the 1980 level of 1,46-million people. Employment in construction peaked in the early 1980s at 447 000 but declined to 417 000 by last year.

During the 1990s the situation is likely to worsen, because there is likely to be no significant increase in either government or productive sector employment, says Nedcor economist Edward Osborn.

"Although there could be a steady expansion of employment growth in the private service sectors, there is unlikely to be an alleviating burgeoning of the government sector as in the 1980s."

Looking at the outlook for the manufacturing sector for this year, Nedcor economist Kevin Lings forecasts real growth for the sector of 1,5 percent, compared to an estimated 2,5 to three percent last year and six percent in 1988.

Manufacturing production was 4,5 percent lower in the third quarter of 1989 than in the same period in 1988, while average employment for the first half of the year was almost 3 500 down on the last half of 1988.

But Lings notes industries within manufacturing vary considerably on their sensitivity to business cycle

conditions. The food industry is the most stable, while the motor vehicle manufacturers are highly sensitive to the ups and downs of the business cycle. Other "highly sensitive" industries include textiles, furniture, transport equipment and electrical machinery. Industries in this category make up a quarter of total manufacturing output, and could experience very low or even negative real growth in 1990.

Industries of "average sensitivity" include iron and steel, metal and plastic products, printing and publishing. Some industries in this category have already experienced substantial falls in production of up to 10 percent.

"Relatively stable" industries include food, footwear, beverages, leather, paper and other chemical products. These industries, which together make up 37,5 percent of total manufacturing output, should show steady growth in the coming year.

## The fur trade ends at Harrods

BRITISH animal protection groups claimed a major victory this week as Harrods, the exclusive London department store, announced it would halt fur sales.

Harrods' owners, the House of Fraser department store chain, had already stopped offering furs in its 62 other stores last year.

The shutdowns followed years of sagging sales for the haired animal hides, which changed hands to the tune of £80-million in 1984 but declined to only £11-million (about R47-million) in the first half of 1989.

The sales collapse came amid repeated anti-fur media campaigns by Greenpeace, Lynx and other groups advocating wildlife protection. Recent years also saw many fur outlets hit by arson attacks by militant animal rights activists. — Deutsche Presse Agentur



# Mercedes-Benz — a gift from the workers

B1 Dec 16/219

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NEIL YORKE SMITH

NELSON Mandela is to get a top-of-the-range Mercedes-Benz — worth about R200 000 excluding GST — from Mercedes-Benz SA (MBSA).

Mandela is expected to accept the gift, but there appears to be a dispute as to who is going to foot the bill.

National Union of Metalworkers of SA (Numsa) regional secretary Msiteli Nonyukela said MBSA would pay for the car, but a company spokesman said payment details were still to be arranged.

Nonyukela said MBSA had agreed "to provide a car for Mandela after workers

demanded the company provide a car for him", he said.

"We said we would not go to work until the company agreed to provide Comrade Mandela with a car for his personal use, as well as for his use in the struggle," Nonyukela said.

An MBSA spokesman yesterday confirmed the arrangement but denied MBSA granted the request to avoid possible strike action.

"We recognise the esteem in which most employees hold Mandela and are prepared to grant the request," she said.

The size, colour and model of the car are still to be decided on.

Nonyukela said the workers wanted to give Mandela the biggest available four-door model.

"We think the 500SE model would be best," he said.

Nonyukela said Mandela did not yet know he would receive the vehicle, but was expected to accept it as a gift from the workers.

# Post-apartheid challenge for managers

STWes 18/2/90

THE dramatic political developments of the past few weeks will require managements to review relationships with employees.

Walter Group Consultants managing director Phaidie Kalam believes that as various company employees become concerned with and exercise their new political rights, the manner in which they expect to be managed in the business environment will change.



Phaidie Kalam... a new style of managing to pay more heed to workers' views

The reason for the link, he says, is that businesses are microcosms of the society in which they operate, often reflecting the values, systems and practices of the day.

Under the pending dispensation, Mr Kalam says the essential elements of a democratic political system such as empowerment and equal participation will be carried into employee-manage-

ment relationships and become a core managerial concern. "We have been advising managements for some time now that the pending change in the socio-political environment will impose a heavy duty on corporate executives to review, realign or change their company cultures to meet this eventually."

The events of the past weeks have certainly brought into focus the need for management to adopt new approaches and acquire skills for managing in a post-apartheid era.

Mr Kalam says political freedom is likely to bring pressure for a true industrial democracy. In turn, this will require managements which have made only token moves along this road to increasingly deal with employees as assertive stakeholders who wish to influence actions related to their work.

"Companies can expect a period of intense readjustment by employees who will be seeking greater fulfillment in their work lives — as they would expect in their political lives — through more participation in corporate decision making."

Employee participation and empowerment can be frightening terms for those accustomed to total control of the manner in which the human resources are used. He believes, however, that this can be dealt with through corporate culture change programmes.

Mr Kalam says authoritarian and even patronising management styles will come under increasing pressure in an industrial democracy. They are likely to be met with hostility, compelling management to look at other approaches to manage successfully.

The main challenge for corporations in an industrial democracy, says Mr Kalam, is to ensure that managers are schooled to understand that authority is not derived solely from shareholders, but also from the consensus of those they manage.

"We believe the successful companies of the future will be those whose visionary management has enabled them to synchronise their corporate cultures to include the desires and values of both their internal and external environments."

The going-in position of the successful company will be that it will not impose rigid policies and procedures, but get commitment and performance by incorporating and managing the differing interests of its employees under the banner of unifying corporate objectives.

Managers will have to be taught these skills as part of a committed corporate culture change programme which is integrated into the company's entire business philosophy, organisational structure, production systems and management practices.

He warns that executives should guard against giving their companies a superficial dose of corporate culture change. "Embarking on a public relations exercise to improve employee morale will serve only to heighten expectations and cause huge credibility problems when the outmoded substrata of company values and practices does not alter."

Neither management nor employees should see corporate culture change for a post-apartheid era as a panacea, he says.

By the same token, a participative corporate culture, while reshaping management prerogative, does not necessarily imply that managers abdicate their roles to make decisions, says Mr Kalam.

"The companies which use the new management approaches should satisfy their workforce, customers and investors."

Several complexities will continue to exist as long as management and employees represent two special interest groups.

Creating a stable corporate culture does not imply that you acquire a passive labour force. Indeed, the conflicting interests of management and labour will remain, but a more communicative and tolerant approach could be created."

By the same token, a participative corporate culture, while reshaping management prerogative, does not necessarily imply that managers abdicate their roles to make decisions, says Mr Kalam.

"The companies which use the new management approaches should satisfy their workforce, customers and investors."

Several complexities will continue to exist as long as management and employees represent two special interest groups.

# Upgrade for engineers

SI Times

18/2/90

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SUCCESSFUL countries are those that can compete industrially and technologically in an international free-trade area.

University of the Witwatersrand faculty of engineering dean Alan Kemp believes that if society does not begin to recognise the importance of engineering as a career, SA's ability to compete internationally and to generate wealth will continue to decline.

Professor Kemp says: "SA society does not appreciate the contribution of engineering to its well-being, largely because of the low priority technology receives at Government level.

"In rich countries engineering is recognised as being a prime mover in wealth and job creation and engineer-

ing education is treated as a national priority."

Enrolment figures in many SA engineering faculties have not improved significantly in the past 10 years. If this trend persists, SA will continue to drift from First to Third World status.

Looking at his faculty's objectives, Professor Kemp says the development of active long-term working relationships with the engineering industry and profession will continue.

Whether or not the Government changes its priorities, the future success of engineering education depends on continued support from the private sector.

Improvements in the scope of engineering education are also high on the faculty's agenda. Professor Kemp says one move in this direction is the development of an optional M Eng qualifi-

cation after the four-year degree.

"This should be a one-year full-time or two-year part-time course focusing on engineering management or technical specialisation. It should provide a broader education linked to the need for the engineer to play a stronger leadership role in industry.

"Because of his ability to interpret technical information, the engineer of the future will lead other professions in reaching key decisions in society."

The additional year of study, recently pioneered in the UK, will require close collaboration with industry and the Wits Business School to achieve its aims.

Also based on international trends, Professor Kemp hopes to institute a system enabling top science graduates to obtain engineering degrees with an additional two years of study.





14/10/2012/90

## Cars for employees likely to be the norm

**SALARY** packages of 100 000 people could be upgraded soon if a national survey of company car and car allowance practices proves correct.

The report is by International Compensation — a management consultant group with a client base of 1 800 top employers.

It says that companies which do not include a vehicle scheme as part of an employee's remuneration package will have to move in line with current market trends of offering such benefits in addition to, or in place of, a salary increase.

MD Keith Clubb says: "It is critical that the car component of the remuneration package is in line; if a company doesn't get it right, it will battle with its recruitment policy."

According to the survey the most contentious issue in the recruitment and retention of staff is the availability of a vehicle scheme, which often makes up as much as 30% of an employee's package.

The survey purports that 99,9% of SA companies have such benefits and is therefore aimed at providing information to employers to determine whether they are in line with the rest of the market.

One problem facing staff who accept a vehicle scheme as part of remuneration is payment of tax. Clubb says employees will have to pay on either scheme. The difference between the two benefits, he

JACQUES MAGLIOLO

"With the allowance scheme the employee owns the car, but will pay a higher tax compared to only having the use of a company car."

The survey covered 70% of top SA companies, interviewing 300 employers who in turn interviewed a total of 750 000 employees.

Industries covered included agriculture, construction and engineering, manufacturing (consumer), mining, wholesale, development corporations and educational institutions.

Companies which offered a choice of schemes proved most popular among existing and new employees.

Most of these companies offered all staff members a choice between a car allowance and company car and did not hold such schemes for executives only. (181)

Second favourite were organisations that included a company car as part of remuneration and, thirdly, car allowances.

The survey should be completed and available from end-March and will include benchmark vehicle allocations by grade, replacement cycles, financing, restrictions on private use, methods of car allowance calculation, flexibility in up- and down-grading, and second cars...



# Uitenhage ceasefire

Sowetan 20/2/90 181

Sowetan Correspondent

A CEASEFIRE has been agreed to in Uitenhage following talks between industrialists, the Pan Africanists and the United Democratic Front on Friday after peace calls from Mr Nelson Mandela and the ANC.

Negotiations for a long-term peace accord start early this week.

Business was at a standstill last week when heavy fighting, in which at least 19 people were killed and scores of houses set alight or damaged, led to workers joining a Cosatu stay-away that demanded immediate Government action on the township conflict.

The Midland Chamber of Industries (MCI) stepped in as a mediator on Thursday.

Pan Africanists accepted the



POPO MOLEFE

proposals of Uitenhage industrialists, while the UDF waited until after a report-back rally on Friday, addressed by its secretary-general Mr Popo Molefe and the ANC's Mr Raymond Mhlaba, before going back to the chamber for further talks.

The police public relations division in Pretoria reported no inci-

dents of violence in Uitenhage in weekend unrest reports. The situation was quiet yesterday as workers streamed back to major employers like Volkswagen.

After Friday's meeting, MCI president Mr Brian Rayner said the chamber, represented by the senior industrialists with factories in Uitenhage, had held separate meetings with both sides "in an attempt to facilitate a restoration of peace and stability in Kwanobuhle".

Molefe said it was the democratic right of Ama-Afrika to organise and it was wrong of UDF-affiliated workers to demand that Ama-Afrika members be dismissed from their places of employment. Such an attitude was contrary to the guiding UDF principle of democracy, he said. All had a right to propagate their views.

Peace talks between the UDF and Ama-Afrika began at an undisclosed venue in Uitenhage yesterday.



ADRIAAN VLOK



B/Day 21/2/90.

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Freed ANC leader Nelson Mandela signs autographs for schoolchildren who came to his Soweto home to meet him yesterday. Picture: REUTERS

## 'Mandela-Benz' under consideration

THE management of Mercedes-Benz SA has reacted to conflicting reports about a Mercedes-Benz motor vehicle for Nelson Mandela.

In a statement released yesterday the company said it was important to note that the request to build a Mercedes-Benz for Mandela came from the workers who indicated that this would show their admiration and respect for him as their leader.

"Management responded to this request by acknowledging the pride and esteem in which the majority of its workers hold Nelson Mandela and was accordingly prepared to agree to a Mercedes-Benz motor vehicle being built for him to mark the important occasion

The questions of whether Mandela

Business Day Reporter

would accept a Mercedes Benz motor vehicle, the type, the model and how the motor vehicle was to be paid for were still matters under consideration, the statement said.

Numsa shop stewards, representing the workers, had undertaken to revert to management in this regard.

The Mercedes-Benz statement confirmed that the initial discussions had been cordial and reports in certain newspapers indicating that there was a dispute as to who would foot the bill and also that workers would not go to work until the company agreed to provide Mandela with a car for his personal use, were not correct.

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## HOUSE OF ASSEMBLY

## QUESTIONS

Indicates translated version.

For written reply:

General Affairs:

*Hansard* 23/2/90

Sarravel coach tours: profit/loss

36. Mr P C CRONJÉ asked the Minister of Mineral and Energy Affairs and Public Enterprises:

What (a) was the (i) profit or (ii) loss of the Sarravel coach tours division of the South African Transport Services in the 1989-90 financial year and (b) is the projected (i) profit or (ii) loss for the 1990-91 financial year?

B77E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES:

(a) (i) R690 848 (for the period 1 April 1989 to 31 December 1989).

(ii) Falls away.

(b) (i) and (ii) The budget for the 1990/91 financial year has not yet been finalised but it is expected that the profit for the 1989/90 financial year will be exceeded.

SATS strikers: loss of salaries/benefits

51. Mr P J PAULUS asked the Minister of Mineral and Energy Affairs and Public Enterprises:<sup>†</sup>

(a) What was the total loss in salaries and benefits suffered by strikers during the most recent strike of workers of the South African Transport Services and (b) what total amount was paid (i) to temporary workers and (ii) for overtime by permanent employees of the Transport Services during this strike?

*Hansard* 23/2/90

B99E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES:<sup>†</sup>

(a) R64 million.

*Hansard* 23/2/90  
(b) (i) R11 million.  
(ii) R14 million.

Valindaba: pilot plant

55. Mr F J LE ROUX asked the Minister of Mineral and Energy Affairs and Public Enterprises:<sup>†</sup>

Whether the pilot plant at Valindaba is going to be closed; if so, (a) when, (b) the services of how many (i) White, (ii) Coloured, (iii) Indian and (iv) Black workers are due to be terminated as a result and (c) what are the terms and conditions of termination of service?

*Hansard* 23/2/90

B118E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES:<sup>†</sup>

Yes.

(181)

(a) The pilot enrichment plant of the AEC was switched off on 1 February 1990 and will be decommissioned in an orderly way over the next 12 to 18 months.

(b) At the plant 267 personnel are employed (260 Whites and 7 Blacks) and concerted efforts are being made to accommodate as many as possible of these employees elsewhere within the AEC. Initial indications are that about 120 employees will either remain in service to decommission the plant over the next 12 to 18 months or will be relocated within the AEC. The services of the remainder of the personnel will unfortunately have to be terminated.

(c) (i) Each staff member discharged, will receive three months' notice. During the period of notice the staff member will receive his normal salary and benefits but will be relieved from duty, except for exceptional cases.

(ii) Such staff member will receive the following at the end of the period of notice:

(aa) The cash value of any leave credits.

(bb) A gratuity from the pension fund calculated according to the formula in respect of staff reduction.

(181)  
*Hansard* 23/2/90  
(cc) A single severance benefit based on remuneration and length of service.

Own Affairs:

*Hansard* 23/2/90

OFS: matriculation results

3. Mr J H MOMBBERG asked the Minister of Education and Culture:

(1) How many pupils at schools falling under the control of his Department (a)(i) passed, (ii) failed and (iii) obtained matriculation exemption and (b) wrote the matriculation examinations in respect of the Orange Free State at the end of 1989;

(2) how many of these pupils obtained (a) A, (b) B, (c) C, (d) D, (e) E, (f) F and (g) other aggregate symbols in the 1989 matriculation examinations;

(3) how many of these pupils passed in (a) Mathematics and (b) Physical Science in the above-mentioned year?

B112E

The MINISTER OF EDUCATION AND CULTURE:

(1) (a) (i) 5 165.

(ii) 119.

(iii) 2 165.

(b) 5 284;

(a) 211,

(b) 443,

(c) 783,

(d) 764,

(e) 289,

(f) 27,

(g) 0;

Only candidates entered for matriculation exemption.

(a) 2 981,

(b) 2 086.

include higher, standard and lower grade.

Natal: matriculation results

5. Mr R M BURROWS asked the Minister of Education and Culture:

(1) How many pupils at schools falling under the control of his Department (a)(i) passed, (ii) failed and (iii) obtained matriculation exemption and (b) wrote the matriculation examinations in respect of Natal at the end of 1989.

*Hansard* 23/2/90

(2) how many of these pupils obtained (a) A, (b) B, (c) C, (d) D, (e) E, (f) F and (g) other aggregate symbols in the 1989 matriculation examinations;

(3) how many of these pupils passed in (a) Mathematics and (b) Physical Science in the above-mentioned year?

B114E

The MINISTER OF EDUCATION AND CULTURE:

(1) (a) (i) 8 494

(ii) 466

(iii) 4 348.

(b) 8 960;

Includes 50 private candidates.

(2) (a) 352.

(b) 740,

(c) 1 624,

(d) 2 461,

(e) 2 675,

(f) 889,

(g) 169;

(a) 5 999,

(b) 3 999.

include higher, standard and lower grade.

Cape Province: matriculation results

6. Mr K M ANDREW asked the Minister of Education and Culture:

(1) How many pupils at schools falling under the control of his Department (a)(i) passed, (ii) failed and (iii) obtained matriculation exemption and (b) wrote the matriculation examinations in respect of the Cape Province at the end of 1989;

# Placing people with MBAs in prime positions

NEIL YORKE SMITH

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CAPE-based entrepreneur Leon Jacobs saw a gap in the personnel consultancy market and took it.

Jacobs is MD of MBA Placement Services, which he founded last year "to bridge the gap between the needs of MBA graduates and those of corporations looking for top personnel".

"It's ironic that in a country with serious skills shortages, many highly qualified people remain frustrated in jobs they're unsuited for," he says.

"Our aim is to slot top people into corporate cultures for which they're suited."

Jacobs says a matching problem exists as often parties on both sides do not really know what they want.

The firm currently has about 150 MBAs on its books, ranging from recent graduates to those with extensive business experience.

## Growing

"It's surprising how many people in lucrative jobs are looking for a change, often because they are uncomfortable with the culture of their particular company," he says.

About 60 MBA-seeking companies are dealing with the firm, although this number is growing rapidly, says Jacobs.

He says companies were initially attracted by direct mailshots which detailed how MBA Placement Services would work and what it intended to do.

The important thing is to match corporate culture with the graduate's personality, says Jacobs.

"We spend hours with students evaluating personality, technical background, experience and finding out what they enjoy doing.

"We do detailed assessments of our corporate clients and try to match them with the right people."

Jacobs says the corporate response has been positive, especially from organisations that already employ MBA graduates.



# Employers in front line

SI Times 25/2/90.  
181 (183) (157)

It is essential that employers review their industrial relations strategies to keep pace with major political changes.

This advice from John Povey, a director of IR consultancy Gillam Bruniquel & Associates, is based on a belief that political developments are overtaking the initiatives adopted by commerce and industry.

Mr Povey says: "Not so long ago, employers were at the forefront of change. But the events of the past few weeks have put political parties back in control of the pace of change."

Mr Povey stresses that companies cannot afford to sit back and expect the Government, the ANC and other political organisations to determine events.

Employers should keep abreast of fast-moving political changes.

"Changes in society could well outstrip changes in the workplace, companies having to catch up with social developments.

"The aspirations of black workers have been lifted by recent events and cannot be overlooked."

Mr Povey says all workers should be treated equally, but admits that this is easier said than done. It can be achieved only through a concerted effort by management to become actively involved in the change process.

This requires management dealing with the problems of all parties — workers, supervisors, managers and other staff members.

To tackle these problems, Gillam Bruniquel has developed a workshop course entitled Formulating IR Strat-

egies (First). Mr Povey says First is designed to identify companies' culture, objectives, IR philosophies and strategic plans.

It then gets to grips with the action that needs to be taken.

Mr Povey contends that companies have to adopt pro-active programmes to ensure that they keep pace with the volatile environment.

"There is no sense in companies structuring business plans that do not pay enough attention to managing human resources.

"Increasingly, the stability and success of SA commerce and industry lies in the motivation of employees at all levels of the organisation."

Ad hoc reactions or policies are inadequate to cope with the changes. Carefully structured IR action plans should be formulated.

# Traders flare at CP

By TRISH BEAVER

S/Times 4/3/90

THE Springs business community is fuming about a city council refusal to accept an influx of skilled Chinese immigrants from Hong Kong that would have poured a potential R300-million into the local economy.

The resounding refusal by the management committee of the CP-controlled council came despite the backing of Conservative council chairman, Mr Gert Parsons, who is an estate agent.

And the seven-to-five rejection of the proposal — which would have brought 300 families each with at least R1-million in cash into the area — has enraged Springs businessmen.

Angry independent councillor Mr Theo Selkon spoke out against the council decision to sink the scheme put forward by Mr Raymond Chong, managing director of First International Contacts.

"It would be insane to turn down this type of investment," said an enraged Mr Selkon. "It would be beneficial to all the people of Springs."

The proposal outlines the immigration of about 300 Hong Kong Chinese families to a particular area in Springs.

## Assets

Each family would bring with it liquid assets worth at least R1-million, of which 50 percent would be invested in banks, 20 percent invested in establishing housing requirements and the remaining 30 percent used to establish industrial complexes or invested in other commercial enterprises.

Mr Selkon pointed out that there had already been some interest in developing industrial land outside Springs and it would be foolhardy to turn away this type of investment merely because of racial prejudice.

Spring businessmen were also furious that the meeting was held in camera. They believe that a meeting of this significance to the economy of the area should be open to all.

Mr Dick Gosse, manager of the Springs Chamber of Commerce, said reports on the issue had caused an angry response and the issue needed to be looked into.

"When rule in Hong Kong is handed back to mainland China, there will be an exodus of skilled people wishing to escape the consequences of communism," he said. "Why shouldn't South Africa benefit from these skills?"

"It is not as if they are penniless refugees from some backward country. They are civilised and affluent and I can see no reason for the council to reject this proposal."

## Drugs

"It would be a pity for us to turn this into another Boksburg fiasco and attract bad publicity."

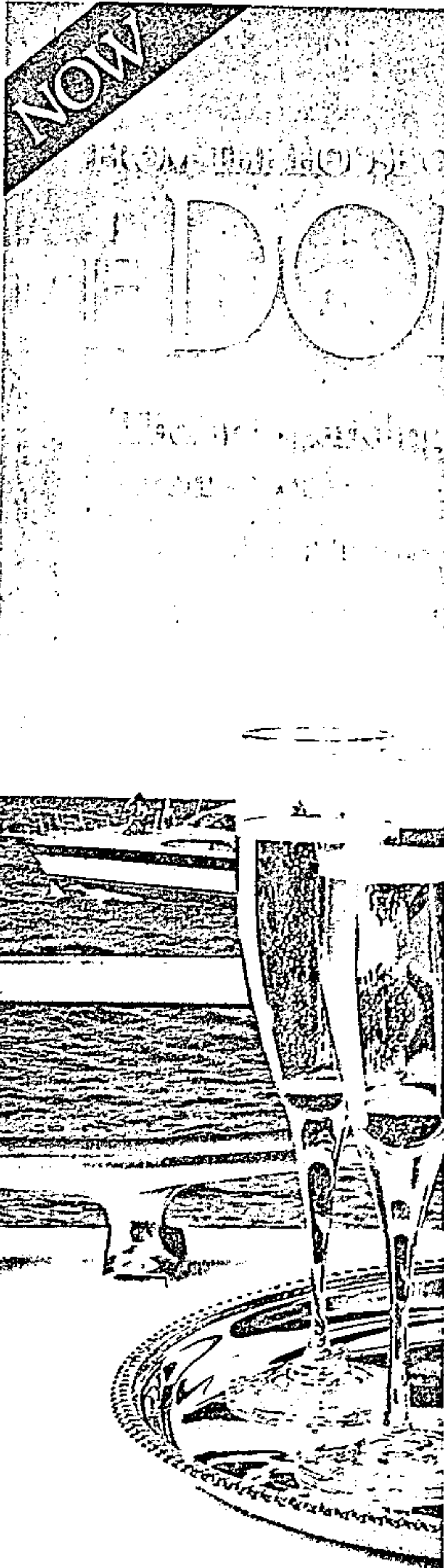
Mr Frans Swart, public relations officer for the Springs municipality, believes the rejection was not on racial grounds.

He said: "The feeling was that the council opposed the proposal due to fears of a mini 'Chinatown' developing, bringing with it a drug trade and sleazy connections."

"There are already a few Chinese people living in white areas in Springs without any problems. And the council won't oppose any plans for any Chinese person to set up business."

Council chairman Mr Parsons added: "It is up to the members of the council to vote as they wish... I do not feel I was deserting the CP stand."

# Council's No to Chinese



The range also sparkles in La Chanson, Sauvignon (Méthode Champenoise) and Chardonnay (Méthode)

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# Samcor in battle over pension fund

BID am 5/3/90

SAMCOR is locked in a multi-million-rand legal battle over the Ford SA Pension Fund (FSAPF) which was transferred to the Anglo American Corporation Pension Fund (AACPF) after Ford's amalgamation with Amcar in 1985 and its relocation to Pretoria.

The amalgamation occurred after Ford Canada divested from SA and sold its local operation to Samcor.

An employee, John Sauls, who is being supported financially by the National Automobile and Allied Workers' Union (Naawu) — since incorporated into the National Union of Metal Workers' of SA — has brought the application in the Port Elizabeth Supreme Court.

The matter was heard last week.

Samcor and the other respondents opposed the application as "improper", saying the programme to close Ford had been agreed to by all parties. Judgment was reserved by Mr Justice Jones.

Sauls wants the original assets of the fund (about R44m) to revert to the FSAPF, plus the R13m in pension fund money which, he claims, was used to finance the retrenchment packages of 3 900 workers.

He is also seeking the liquidation of the fund so that members can use their pension

LINDA ENSOR

benefits to purchase retirement annuities. But, before he can proceed, he is required to give notice to all the other former members of the fund about his intended application for the liquidation of the fund.

Sauls' application to the Supreme Court sought directions on the proper way for this notice to be served. He applied for the amendment of the FSAPF rules allowing for retrenchment benefits to be paid out of the pension fund to be declared improper and set aside.

He submitted that there was a prima facie case that five Ford directors, who were members of the Committee of Management of FSAPF, had breached their obligations in terms of the FSAPF rules.

No employees were represented on the fund's management committee which allegedly amended the rules of the fund two days after negotiating the retrenchment package to make it possible for the FSAPF to pay for the retrenchment benefits.

In a supporting affidavit, Naawu national secretary Frederick Sauls says: "Throughout the discussions between Samcor, Naawu and the SA Iron and Steel and

□ To Page 2

## Samcor battle

Allied Industries Union, it was perfectly clear that the separation payments would be made by Samcor. At no time was it ever indicated or suggested that these payments would come out of the FSAPF."

He says it is inequitable that the employees who created the assets of FSAPF — which shows an overfunding of at least 21,1% — be transferred to the AAPF.

John Sauls says as Ford's operations were relocated to Pretoria and the FSAPF set up in the interests of its workers, its managers were obliged to liquidate the fund rather than transfer it to an area

where members could not remain members. BID am 5/3/90

He is also applying for the amalgamation of FSAPF with AAGPF to be set aside, and for AAGPF to be ordered to return all assets to FSAPF which had been transferred to AAGPF, minus money paid out to FSAPF members. Finally he has applied for the liquidation of the FSAPF.

The respondents to his application were: FSAPF, Samcor, SA Motor Corporation, AAGPF, Registrar of Pension Funds, Anglo American Corporation and Samcor (Pretoria) Pty Ltd.

□ From Page 1



# Wage demands from Numsa

THE 220 000-strong National Union of Metalworkers of SA (Numsa) has submitted proposals for wage increases ranging between 24% and 56% for this year's engineering industrial council negotiations scheduled to begin on March 22.

Numsa has also submitted demands on wages and working conditions to the National Industrial Council for the Motor Industry (NICMI) which range from 15% to 114% on the current minimum for the top and lowest grades respectively.

The union has further demanded geographical wage differentials in the motor industry be scrapped, an increase in the minimum wage to R4,50 an hour and that the agreement be effective from September 1 to June 30, 1991. NICMI bargaining is due to begin tomorrow.

Auto assembly industry and the tyre and rubber industry demand have not yet been submitted, but the core demands were the same for all sectors where Numsa was involved, a union spokesman said.

6/10am 6/3/90

ADELE BALETA

To unify the four sectors, Numsa, at its first National Bargaining Conference (NBC) last month, decided on a central set of collective bargaining demands for all sectors. It was agreed decisions on final settlement and on deadlock for any sector would be made at the next NBC in June.

A priority or all four sectors was an across-the-board increase of R2 an hour.

Other major demands relating to job security included that employers stop reducing the number of permanent positions without bona fide negotiations with the representative union, an end to temporary labour and the use of labour brokers.

The union has demanded tighter conditions on retrenchment and redundancy and for minimum severance pay of one month's pay for every year of service.

The union want an undertaking from

□ To Page 2

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## Wages

6/10am 6/3/90

employers not to use the 1988 amendments to the Labour Relations Act and to consent to implement any agreement reached between Cosatu, Nactu and Saccola.

A programme of job creation for the industries should be negotiated, limits should be placed on overtime and working hours reduced to 40 hours a week.

The demands also include increased parental rights including paternal leave and six months maternity leave. Political prisoners should not be dismissed and should be paid for time in prison.

Demands relating specifically to the metal sector included that companies negotiate all aspects of retrenchments, redundancy, closures, relocations and the

sale of factories. Notice of 30 days should be given to the industrial council and to all significantly representative unions.

Representation to the engineering industrial council should be proportional to union membership.

Wages overtime and shift exemptions must end not later than June 30 and Numsa wants the protected right to strike.

Demands specific to the motor industry included that retrenchment and rehiring procedures be agreed on, an annual bonus be paid equivalent to one month's salary, recognition of all shop stewards at establishments where there was union membership, and that overtime not be more than five hours a week on a voluntary basis.

□ From Page 1

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# Strike ends at AECI's Modderfontein plant

AT LEAST 5 000 striking SA Chemical Workers Union (Sacwu) members will return to work at AECI's Modderfontein plant today after a settlement of their 12-day strike. *Blow 7/31/90*

AECI's industrial relations manager André Botha said five union members who were dismissed for assault over the past two years would be re-employed.

The strike was sparked by demands for the dismissal of a white fitter who

**ADELE BALETA**

was found guilty at a disciplinary enquiry of assaulting a black assistant. The fitter was reprimanded.

Botha said although the workers could sign new employment contracts, suspensions without pay, final warnings and demotions would be enforced.

"We have lessened the severity of the

disciplinary action," Botha said.

It was also agreed by the parties to arbitrate on the dismissal of another two workers or to agree to a financial settlement. The fitter would remain employed by the company, Botha said.

Sacwu said in a statement yesterday the union helped colleagues who were dismissed under an inconsistent industrial relations policy.



I want to start off by introducing the contract of employment. It is the basis of the relationship between the worker and employer, irrespective of the size or nature of the business.

Industrial relations, as we will see in the coming articles, is an important subject not only for the established big business but also for small businesses out there in the corners of our townships.

The law, like the Bible, regards labourers as worthy of their hire. If they tender their services, they have the right to be paid the wage for which they have been contracted and to refuse to work if they are not.

### Identifying the contract

A working definition of the contract of employment is that it is an agreement in terms of which one party (the worker) voluntarily undertakes to place his/her personal service at the disposal of the other party (the employer) in return for a fixed wage.

This entitles the employer to define the

# The contract is at the heart of most strikes

Sipho Mzolo, a consultant with the Institute of Industrial Relations kicks off our industrial relations series with a talk on the contract of employment. We hope the fortnightly articles on industrial relations will be of service to the many small entrepreneurs who have not had formal training in industrial relations.



worker's duty and control the manner in which the worker discharges it. Following this definition, a number of essential elements can be isolated, namely:

a) two legal parties with b) a voluntary agreement between them c) to perform certain and/or specified duties, and d) the employer agrees to pay a fixed wage.

### Range

In practice, employment contracts run the full range from those where there is no written document and only minimal requirements have been agreed upon, to very detailed agreements. The latter are more common in established companies. Customary practice may also give rise to implied terms in contracts of employment.

Because it is one of the essential of a contract,

parties must agree on the nature of duties to be performed. It is not necessary that these should be enumerated in the agreement if, by customary or general usage, those duties spring automatically from employment in a particular capacity.

### Amount

Under common law wages may consist of money or kind, but the amount must be certain. However, for the contract to be valid it does not have to be formal. Once there is tacit agreement, the contract becomes operative.

Where the contract has a specified duration it will remain in full force until terminated by agreement or by fundamental breach.

Where the contract is for an indefinite period and the parties do not specify a termination date, the contract will

endure until it is terminated by agreement, and by reasonable notice given by either party.

### Duty and obligations

A worker must tender a service as per agreement in order to receive his/her wages.

The worker is also expected to maintain a reasonable standard of efficiency - this though depends on the capacity in which he/she is engaged. The standard expected is related to training and experience.

The worker is under a positive duty to further the employer's business interest. so he/she must devote all normal working hours to the employer's business. He may not simultaneously work for another employer during those hours, nor compete with his employer in the same line of business.

Obedience is another important element in the employment contract.

The employer has an obligation to provide a worker he has hired with work. He must also pay wages upon the performance by the worker of his/her duties, even if the worker is suspended, or circumstances beyond his control prevent him from coming to work.

The employer must also provide safe working conditions and observe prescribed working hours. Workers are also entitled to paid holiday leave, sick leave, and offs on public holidays. Workers must not be victimised in terms of the employment contract.

### Employment relationship

The relationship between employer and worker usually reflects an unequal distribution of social and economic power. In addition the fact that the worker occupies a subordinate position and must obey "lawful and reasonable commands" of his employer offers a further basis for potential inequality in the relationship.

### Conclusion

To sum up what I have been saying above, in the contract of employment the worker and a small black entrepreneur may agree upon whatever terms they wish to, provided that is what they want and is not illegal. Neither party may change the contents of the contract of agreement single-handedly. If there is a unilateral variation of the contract, the worker may refuse to work until old conditions of service are restored.



# Housing for peace

SI Times 11/3/90

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HOUSING is one of the major issues being put forward by trade unions at the negotiating table.

The huge backlog in SA and surrounding territories, estimated at about 1,26-million units, has made it essential that employers become actively involved in funding housing projects.

SA Housing Trust managing director Wallie Conradie believes much of employer reluctance to finance such projects is based on the abandoning of long-term planning by many companies because they are uncertain about SA's economic and political stability.

Mr Conradie says: "Employers cannot see the benefits of assisting em-

ployees in housing because the spin-offs are long term, and will not directly impact on the bottom line in a short span of time.

"The benefits of a housing programme are improved labour relations, less industrial strife, lower staff turnover and reduced absenteeism. The consequences of not embarking on such a programme could be huge social disruption and confrontation."

Industrial relations consultancy FSA-Contact is preparing a survey on housing policies in order to provide companies with the necessary background to the issue.

FSA-Contact senior consultant Kira Schaffler says housing schemes tend to take the form of loans, subsidies or the benefit of free or cheap residential accommodation.

Mrs Schaffler says the rapid moves to a new SA could add complexities to the housing issue.

"Should the Group Areas legislation be scrapped, the whole situation concerning company housing for employees could change, many employees qualifying for housing closer to their place of employment. This could also have an effect on property prices.

"It is therefore essential that management be provided with an adequate guide as to how these issues should be tackled from the outset."

The aim of the FSA survey is to provide information about all the main issues which face organisations regarding housing assistance for employees in the 1990s.

Mrs Schaffler says it will not only focus on black housing, but will look at the benefits executives receive.



WALLIE CONRADIE  
benefits in long term

B/Dam 14/3/90

# Militancy disrupts workplace



INCREASED militancy since the unbanning of political organisations and Nelson Mandela's release has caused confusion and uncertainty in the workplace, labour sources say.

Some employers are already examining the implications of political developments which have heightened worker expectations and seen a "new-found confidence" which is likely to be displayed at the negotiating table.

National Union of Metalworkers of SA (Numsa) engineering secretary Bernie Fanaroff says a consequence of political developments is that union activists are having to spend time in townships dealing with macro-political issues. This means less planning in the workplace and more spontaneous action.

## Sharing

"Workers feel liberation is imminent, causing increased militancy."

He says worker demands are changing and this is witnessed in a demand for the sharing of the economy.

OK Bazaars industrial relations executive Gavin Brown says the impact of political developments on the workplace is characterised by uncertainty and confusion and unrealistic expectations which still have to be manifested

ADELE BALETA

in a tangible form.

Companies, he said, are responding with more tolerance and sensitivity, but this is not part of a long-term policy.

He believes political developments will affect wage negotiations with heightened worker expectations of greater increases.

National Union of Mineworkers (NUM) assistant general secretary Marcel Golding says workers realise it is their right to participate in democratic organisations of their choice.

They believe this right has to be freely expressed, putting the spotlight and pressure on employers to put "their houses in order".

Recent NUM members' activity in the Free State illustrates the continuing demand for the removal of discrimination on the mines.

Golding says: "We are no longer at the level of tabling demands which remain unaddressed. Workers have repeatedly tried to use the grievance procedure without success.

"Workers expect the right to organise on the mines where employers have used their proerty rights to restrict them."

Chamber of Mines president Kennedy Maxwell says "it is vital the parties work together to seek potential solutions", particularly in the

mining industry where recent developments are cause for concern.

He says: "It appears there has been a deliberate attempt to create polarisation (between workers and management)" and prospects for a favourable outcome to future negotiations will be reduced if parties enter the exercise from positions of polarisation.

An article in the February issue of Seifsa News lists employer guidelines on how to manage "the impact of the events which have created conflicting emotions in the labour force ranging from jubilation and raised expectations to anxiety and concern".

## Implications

It states worker reaction to the developments can generate anxiety among other sections of the workforce, leading to confrontation and violence.

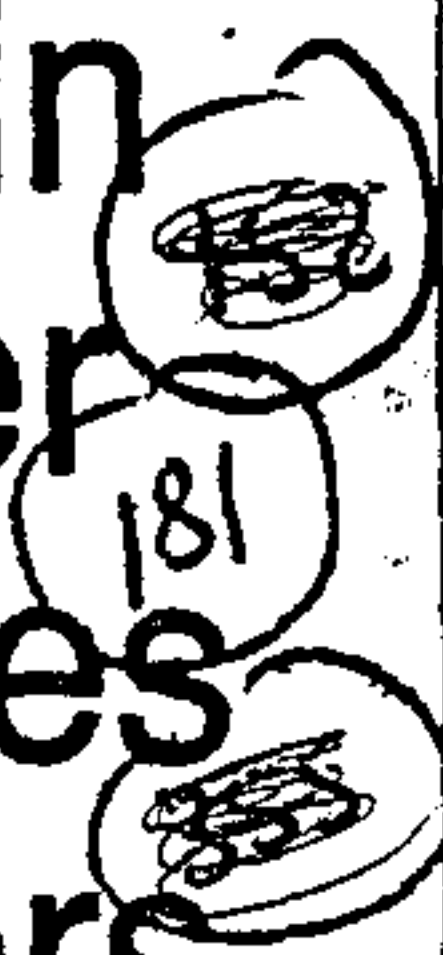
Employers are advised to consider the implications of implementing disciplinary action, which should be avoided wherever possible.

Industrial Relations Consultant Andrew Levy said worker expectations had risen and they had been shown that all was negotiable.

"Trade union's will push against the door which is swinging open and one can only speculate there will be an increase in industrial action," he said.

Sowetan  
14/3/90

# Sit-in over wages enters third day



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**By MOKGADI PELA**  
FORTY-FIVE workers at the Medscheme plant in Randburg are in the third day of a sit-in strike over wages.

A spokesman for the workers said they were demanding a 21 percent across the board increase while the company is offering R150.

He said workers were also demanding a mid-year increase if the company's budget allows.

When *Sowetan* telephoned the company a woman said the manager was absent and that "even if he were present", she "doubted he would speak to *Sowetan*".



# Mere strike a rumour

RUMOURS that black workers at Mercedes-Benz SA's operations in Pretoria and East London would go on strike if their white colleagues did not work overtime in order to build a Mercedes 500 for Nelson Mandela were dismissed as untrue yesterday by the company's management.

*bowetan 15/3/90*

According to the unconfirmed rumours, MBSA had requested their white workers to work overtime this Saturday, without remuneration, in order to build the car. If they refused to comply with the demand, the black workers would allegedly go on strike.

A spokesman for MBSA said this morning, however, that discussions on the subject of Mr. Mandela's car were still in progress and that no decisions had been made. In addition, no orders had been given to the workers to work this Saturday.

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THE SHOE BUZZ THE SHOE BUZZ  
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S4385

**Keeping it tight** (181)

The National Union of Metalworkers of SA (Numsa) last week submitted its annual wage demands to the National Industrial Councils for the Engineering, Iron & Steel, and the Motor Industries. Bargaining in the motor sector began on March 7. The engineering, iron and steel negotiations are scheduled to begin on March 22. Two other sectors are involved: auto assembly and tyre & rubber.

In a drive to standardise terms and conditions in the entire metal industry, Numsa adopted a central set of demands at its first national bargaining conference last month. They include:

- An across-the-board increase of R2 an hour for all sectors;
- More job security, which includes a call to employers not to reduce the number of permanent positions without prior negotiation with the union, and a call to end temporary labour, sub-contracting and the use of labour brokers;
- Tighter conditions on retrenchments and redundancy and a minimum of one month's severance pay for each year of service;
- That employers will not use the 1988 Labour Relations Amendment Act and will agree to put into effect any agreement between Cosatu, Nactu and the employer body, Saccola;
- A programme of job creation should be negotiated;
- Working hours cut to 40 hours a week without loss in earnings and a limit on overtime;
- An end to segregated training and an agreement from employers to withdraw from all segregated training institutions;
- More parental rights, including paternity leave, six months' maternity leave and free pap smears for women workers; and
- Political prisoners not to be dismissed and to be paid while imprisoned.

Underlining its new centralised bargaining approach, Numsa also decided that bargaining committees for each sector should not be empowered to negotiate final settlements or deadlocks. These decisions would be made at Numsa's second bargaining conference in June.

Wage demands for the motor industry range from 15% for the highest grade, to 114% for the lowest. A new minimum wage of R4,50 is demanded. The current minimum stands at R2,80 in urban areas and R1,74 in rural areas. This agreement is to be

effective from September 1 1990 to June 30 1991, as well as an annual bonus of a month's salary.

The union further wants geographical wage rates in the motor industry to be scrapped; retrenchment and rehiring procedures to be agreed on by both parties; and the formal recognition of shop stewards.

About 100 Numsa members have been on a legal strike at Xeratech outlets in Johannesburg since last Tuesday, after mediation failed. According to management, the strike was sparked by a union demand for a 21,5% across-the-board increase and a R150 a month transport subsidy. The company has offered merit increases instead, ranging from 13% to 16%, as applies to non-union employees. Xeratech's current minimum is R850 a month. Mediation efforts are expected to resume. ■

BIDAN 16/3/90

## Employer groups' education council

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TANIA LEVY

FIVE major employer organisations have formed a private-sector education council to address education policy issues affecting manpower supply.

The SA Chamber of Business, the Chamber of Mines, the Steel and Engineering Industries Federation of SA, the Afrikaanse Handelsinstituut and the Building Industries Federation of SA will be represented on the council.

Council secretary Gerrie Bezuidenhout said yesterday employers were not getting the type or quantities of manpower needed.

The education council would provide an opportunity for private sector employers to speak with one voice on education policy matters.

Through the council they would collectively attempt to influence syllabi, curricula and career guidance both at school and at tertiary institutions.

The council did not aim to become involved in training. Its first meeting will take place in Johannesburg on April 3.



# Causes of industrial stress go beyond the factory floor



DANGEROUS working conditions, racism, sexual discrimination, authoritarian control and unrealistic work targets are essential components of industrial stress.

This was said by psychologists Graeme Simpson and Lloyd Vogelman at a mental health conference at the Braamfontein Hotel in Johannesburg.

They said that to fully understand the effects of industrial stress, society should look beyond the factory floor to those features of family, township or compound life which exacerbate working conditions and are in turn affected by them.

Outside factors contributing to stress include the high cost of living and the failure of wages to keep pace with rising costs faced by black

township residents - especially in the context of a wage dispute.

## Expectation

Simpson and Vogelman argue that the common causes of stress in a

strike derive from the fear of losing jobs, or of not being able to support families.

Stress also derived from raised expectations which are unfulfilled.

The two psychologists further argue that stresses have played a key role in determining the path of industrial relations since the mid-'80s.

"It was during this period that the trade union movement was increasingly drawn into politics and in some cases characterised by violence. However, the central targets have not been the employers - the seemingly natural adversary of workers in an industrial dispute, but non-strikers or scabs," they said.

They said what was significant was that non-strikers were being murdered in South Africa. "Non-strikers' involvement in breaking a strike plays a central role in translating stress into frustration and aggression."

HEALTH NEWS



BY MOKGADI PELO

workers in an industrial dispute, but non-strikers or scabs," they said. They said what was significant was that non-strikers were being murdered in South Africa. "Non-strikers' involvement in breaking a strike plays a central role in translating stress into frustration and aggression."

# Metro plans to meet the

Gowetam  
16/3/90

THE creation of an economically sound future based on the promotion of peaceful working relationships, stability and efficiency within the working environment, demands the improvement of the level of skill of the South African workforce.

In this regard the Metro Group has identified the need to specifically develop frontline supervisors on all levels to meet the challenges of the future.

In 1989 a programme called the Accelerated Trainee Programme by the Metro Group was developed to specifically meet the following objectives:

- \* To identify and develop a resource for personal advancement from within the group for future manpower utilisation purposes.

## Supervisors

- \* To create an understanding and awareness amongst the selected candidates of the individual's own responsibility for personal development with the assistance of the company.

- \* To orientate selected supervisors to the environment in which he/she is working and to

# challenge of the future

the individual's leadership role, business concepts and values within this environment.

- A leadership skills training phase to create understanding amongst individuals for the types of leadership and inter personal skills and attitudes necessary, for efficient performance in the work environment.

- An evaluation phase to evaluate performance, to establish areas for improvement and to develop and integrate actions based on the individual's and company's needs for future manpower utilisation.

## Sponsored

A pilot course started in July 1989 and was successfully completed in last month. Amongst those who successfully completed the programme 37 percent were black, 23 percent were coloured 25

ny.

percent were Indian and 15 percent were white employees.

The result of this was that several employees were already promoted to higher levels, a large number of employees were identified and selected to be developed through the trainee managers development programme.

Some employees were selected and are currently sponsored to attend a National Diploma Course in Retail Management at the local Technikon. Others were identified and nominated for similar tertiary education throughout the country.

Another result of this programme was that training needs were identified and a pool of delegates was created for nomination for other courses currently conducted within the company.

Although further evaluation and follow-up is needed it would seem at this stage that the programme is successful in facilitating the efforts of the individual employee to identify, develop and attain career goals and secondly to meet the manpower demands of the company necessary for survival in the future.

## Bursaries

According to the Metro Group's Human Resource Department, the company is also involved in a number of internal social responsibility programmes.

The company has assisted a large number of employees and their children to obtain tertiary education. For the year 1990 a total of 31 bursaries and loans were granted.

Several bursaries were renewed for external students, who will be joining

the company on completion of their studies. More than 50 employees are currently studying part-time towards tertiary qualifications.

In the housing arena, the company has reached agreements with the Allied Building Society and the Standard Bank of South Africa whereby assistance is granted to employees to purchase property. Metro is currently negotiating further agreement with Khayaleten and the Lesotho Building and Finance Corporation.

## Benefits

The company has also obtained a funeral benefit scheme for employees whereby for a monthly premium of R5 they receive a coverage of R4000 per family member over the age of 14, R500 per child between 6-14 years of age, and R250 per child between 0-

6 years of age. If needed, at R7 per month an additional R1000 is available per parent (maximum of 4 parents).

Feasibility studies are currently underway to establish a Metro Club to help employees to obtain benefits from variance insurance and savings packages. Extras would be regular competitions plus discount facilities from the membership of this club. Wherever possible subsidised canteen facilities are provided to employees.

In future, Metro plans to accelerate on programmes whereby employees will reap the benefits of better educational opportunities. The company also plans to strive to help employees to own their own property and to investigate all avenues to benefit its employees, their families and standard of living.



AFTER research at universities and various other establishments, Austrian office furniture manufacturer Bene — locally represented by Anglo Dutch — came up with some eye-opening statistics about office productivity.

The introduction of technology has undoubtedly been a major factor in changes that have taken place — even the use of antiquated office furniture came under the spotlight.

The wrong type — or even old — office equipment can prove costly by inhibiting users from performing at their maximum potential.

"Studies clearly show that between 20% and 40% of potential productivity is quite frequently sacrificed through the use of antiquated desks and chairs," says the report.

It adds that in an era when the computer is considered essential in business, a lot of office furniture in use can be described as unfriendly in terms of the technology and communications systems now widely used.

Many employees surveyed said the offices in which they

work are unsuitable for data processing and computing.

Anglo Dutch MD Alan Green is quick to point out that his company is now operating in the information technology environment; it can no longer function under the guise of simply being an office furniture supplier.

A spokesman for internationally recognised office experts, Werner Hungenberg, says that in order to survive and stay competitive, companies must continually innovate. The 'technical revolution' has already taken place in offices, he said.

"Information technology is increasingly used as a basis for flexible, successful man-

agement. As a consequence, both the importance and the cost of investment in office furnishings have changed. From being the 'unavoidable cost factor' it has become the 'centre of the action' where the objective is to collect and process information," says the spokesman.

According to a study overseas, the unproductive activity of an employee can be as high as 50% of the total time spent at the workplace. And when Germany's Siemens investigated working patterns in a department of some 400 people, it found that the average time spent by each employee at the workplace was only 3.5 hours a

day.

After a complete alteration of the department's layout, and the introduction of multi-functional linked workstations, time spent at the workplace was re-measured and amounted to an average of 6.5 hours a day per employee — an increase of 85%.

Bene's furniture is designed with these factors in mind. Problems workers have found regarding the height and tilt angles of their desks — and having unsuitable chairs — have also been taken into consideration.

A series of studies showed that 70% of personnel using video display units (VDUs) on

a continuous basis, suffer from neck pains and 60% from back pains. According to the studies, these problems cause 40% of all absenteeism among users.

Absenteeism is a problem for all companies — and a costly one at that. Related to sickness caused by back and neck pains, it was calculated that if the total annual employee cost is set at R50 000, the value of a working day is R1 750 — assuming a gross salary of R17 500 and 200 working days.

One week's sickness thus costs the company R8 750 in a year in non-productive personnel costs.

"On the other hand," says

the study, "workstations designed in accordance with the best ergonomic concepts have been installed in Austria for about R5 400. If amortised over 10 years, the annual cost is only R540 each year.

"Over the same 10-year period, the amount lost through one week's sickness is much more than the investment in ergonomically designed workstations."

It is for these reasons that Anglo Dutch's Alan Green says it's vital for his company — and office furniture suppliers in general — to have more interaction with computer suppliers and manufacturers.



# Comfortable workers are more productive

5 Times 183/190

181

# Five singing demos held

By MOKGADI PELA

FIVE Xeratech workers were reportedly detained by police while singing freedom songs outside company premises. *Sowetan 21/3/90*

They together with 145 workers, have been on a legal strike for 10 days over wages. They demand a 21 percent a-month across the board increase while the company offers 14 percent.

They also demand an educational grant to cater for books, school fees and related items. Workers also want the transport subsidy to be increased from the present R150.

A spokesman for the workers said some employees were sjambokked in the process at the Isando plant.

A spokesman for Xeratech said both legal of the management and the union would meet to try to solve the matter. He would not comment on allegations that the company had called the police to act against the workers.



South 4/3 - 7/3/90

Plant

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closes

GRAHAMSTOWN. — More than 170 Eastern Cape brick workers are facing retrenchment, following the announcement that the Grahamstown branch of Corobrik will close in mid-April.

Corobrik managing director, Mr Ken Andrews, said the closure was a result of the low demand for bricks.

Trade unionism was imported into this country by British skilled workers who worked on the diamond mines and gold fields.

As most of them belonged to unions in their mother country, they started branches of those unions in this country.

In practice, all racial groups were represented in labour relations. However, 1922 saw a new turn of events. White workers, mainly Afrikaners, went on strike, forcing the Government to exclude black workers from labour relations. It is argued that white workers were agitated by employers promoting job fragmentation and exploiting black workers

through lower wage rates.

A trade union is defined as an organisation, controlled and funded by workers, to promote their interests at the workplace and in the community. The power of unions comes from membership and this forces employers to enter into recognition negotiations to establish procedures.

### Objectives

Unions are democratic organisations and their constitutions require not only election of leaders but report backs and voting on issues through

# An introduction to trade unionism

workers  
There are different types of unions:

Industrial unions.

They organise members in an industry irrespective of their jobs but for a specific industry. For example, Numsa in the metal and Sacwu in the chemical industries.

General unions.

Their aim is to organise on a general basis, irrespective of industry, area or job. For example, Saawu. Another example would be Uwusa, formed by Inkatha.

Craft unions.

Most of the early

white unions were craft unions and organised all workers in specific jobs e.g. carpenters, bricklayers. The confederation of the Metal and Building Unions represents the majority of white artisans.

### Federations

In South Africa the principle of craft protection through controlled training and opportunities was also used to keep unions exclusively white. In comparison the black unions organise mainly unskilled and semi-skilled workers.

There are presently two major black feder-

ations: Cosatu - with an estimated membership of over one million and Nactu - with an estimated membership of between 250 000 - 400 000. We also have white federations.

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When members are organised they can negotiate specific issues as a group with their employer, who will be on the other side of the table. Collective bargaining is a two-way process of give and take.

Although unions are, in a technical sense, primarily organisations of workers irrespective of political affiliation, circumstances in this country have forced them to be politically active.



# Private sector must aid training

STimes 25/3/90

THE Government's announcement of more funds to upgrade education and training must be supplemented by the private sector.

SA Board for Personnel Practice chairman Garry Whyte says the private sector must pump far more money into education and training to enable SA to resolve the drastic lack of technical, professional and managerial manpower.

He says in the profession's regulating

"Since our needs are urgent, we derive little comfort from the prospect of investing now to get a return much later. So we seek quick fixes, the most popular being to entice trained people away from someone else. This is like trying to avoid the unavoidable."

Looking at education, Mr Whyte says the trouble is still that businessmen do not really believe it is their job to provide financial assistance in this field.

## BLOCKAGE

"Because training only shows real results in the long term, we have a mental blockage about investing money and effort in this activity."

The mental block here, he says, is illustrated by the frequently heard comment that the Government messed up the education system, so let them put it right.

## BLAME

"It may, or may not, be true that the Government carries the blame. The argument is a pointless one. Apportioning blame will not make a problem go away."

"SA organisations cannot escape the fact that they have to become more involved in education. Most particularly, in the education of illiterate adults and in additional education for those with the talent to advance to higher level jobs."

Mr Whyte says SA's skills shortage in the technical, professional and managerial fields is already very apparent. He believes it could take on crisis proportions during the 1990s.

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## Imported skills 'vital to SA'

(181) GERALD REILLY

PRETORIA — Without suitable immigrants, industry could grind to a halt, HSRC senior researcher Charl Schutte warned yesterday.

Addressing the the 1820 Settlers Organisation here, he said circumstances surrounding immigration into SA had undergone fundamental changes.

In the past, immigrants had arrived filled with misgivings. Now there were signs that better publicity and the changing political scene here and in Europe made SA a more desirable destination.

Schutte said SA would probably for many years need the specialised skills that could be imported only from more highly developed countries.

The use of immigrant labour had to be weighed against a better utilisation of the massive pool of SA's own labour.

However, the latter could be no solution to the manpower problem until it became more sophisticated.

Schutte stressed there was no short-term solution to the manpower crisis.

He said research on immigrants, their adjustment and attitudes towards SA was vital if the country was to attract and retain the services of immigrants with specialised skills.

Education Journal

(2,50) a share was declared.  
MD Bruce Coquelle said the group's sus-

yesterday. At this level the share offers a dividend yield of 10,8% and an earnings yield of 26%.

## Clegg hampered by staff overtime ban

PACKAGING and printing group Clegg Holdings reduced attributable earnings for the six months to December 31 to R0,7m from R0,8m for the corresponding period last year. *B10 am 29/3/90*

This was despite a 10% increase in turnover, which reached R11,3m (R10,4m).

MD Gerd Egger said yesterday the group had been hampered by a staff overtime ban between September and December. *(181)*

"This had an adverse impact on invoice sales.

NEIL YORKE SMITH

"Problems have now been solved and we are actually operating ahead of budget at the moment," he said.

Operating income of R1,4m (R1,3m) was reduced by higher interest charges of R0,6m (R0,5m).

This resulted in the per share earnings falling to 2,57c, compared with 2,75c for the corresponding period last year.

"We are still confident we will increase earnings for the full financial year," Egger said.



# Mercury waste workers 'shaking and going mad'

Zuma, the man who was here, but wasn't

By **THANDEKA GQUBULE**  
 NO ONE in the African National Congress seems to know when the ANC delegation will arrive in South Africa.

The Internal Leadership Corps (ILC) of the ANC this week continued to deny any knowledge of the arrival of Intelligence Chief Jacob Zuma.

The ANC leadership refused to confirm or deny Zuma's visit to the country. According to Ahmed Kathrada of the ILC: "We can not say, at this stage, whether it is true or false." He said that through media reports the ANC had heard that there was to be a meeting with De Klerk, but he did not have the details.

The *Weekly Mail* can confirm that Zuma was indeed in the country, accompanied by senior ANC men Penuell Maduna and Gibson Macanda. We know of several people who met Zuma while he was here.

According to reports, Zuma advised the organisation's leadership, expected at Jan Smuts on Sunday, against flying to South Africa.

The ANC's Director of Internal Affairs, Thabo Mbeki, is expected to be the first ANC leader back from exile to speak in South Africa when he addresses the Cape Town Press Club.

Mbeki is expected to speak to approximately 300 journalists and opinion-makers in Cape Town on April 12.

But the ANC office this week denounced as pure media speculation reports that security hitches were the main reason for the delay.

Yesterday, sources in Lusaka remained silent on when the delegation would arrive. But Tom Sebina, press relations officer for the ANC, confirmed that the ILC did meet Zuma.

Sebina said "the composition of the delegation has not yet been decided

WORKERS at Thor Chemicals, a multinational which imports highly toxic mercury waste into South Africa, are reported to be suffering from a severe nervous disorder after absorbing toxins at the company's plant near Pietermaritzburg.

Greenpeace International plans to launch a protest campaign against Thor and its sister company American Cyanamid in the wake of these revelations. Local trade unions are preparing to throw their weight behind the campaign.

A *Weekly Mail* investigation last year discovered that Thor had been responsible for polluting the Umgeni River with 50 micrograms of mercury per litre of water — two and a half times the legal limit in South Africa.

Reports that at least two of Thor's employees are suffering from mental disorders induced by mercury poisoning are contained in a recent report published by the environmental organisation, Earthlife Africa.

"These allegations and evidence of extremely high mercury pollution levels in a nearby stream — said to be the highest ever recorded in the world — have emerged after a lengthy and intensive investigation by our Pietermaritzburg branch," says the latest edition of Earthlife News.

The organisation said that, during three different sets of interviews, labourers from the Thor factory had mentioned that in the past two months two of their colleagues had started "doing and saying strange things and were shaking a lot". The workers' interpretation was that the two employees had gone "mad".

A health and safety researcher at the Workplace Information Group, told the *Weekly Mail* the symptoms were consistent with those of mercury poisoning.

"When absorbed the toxins cause people to lose touch with reality and severe swings in mood," she said.

Thor MD Stephen van der Vyver responded to the reports by saying: "I don't deny that workers get sick. But mad — that's absolute nonsense. We check the guy's urine every week and if levels exceed 200 micrograms of mercury per litre they are given orange juice to drink and are taken away from the plant."

Professor Tony Davies, from the

Workers at a factory which deals

In toxic wastes have begun 'shaking and going mad', say their colleagues. International environmental groups are supporting their claims, reports

EDDIE KOCH

National Centre for Occupational Health (NCOH), told the *Weekly Mail* his institute regarded 50 micrograms of mercury per litre of urine as the level above which abnormalities occur.

He added that trying to remove mercury from people's systems with large amounts of liquid was not an effective way of dealing with the problem.

"There is no evidence that the intake of liquids will flush out mercury. All it is likely to do is dilute the levels of mercury in the urine rather than remove it from the kidneys."

Earthlife has released documents to the *Weekly Mail* which reveal that the South African government granted Thor permission to import toxic waste from America. Two shipments loaded with at least ten tons each of mercury wastes leave New Jersey and enter Durban harbour each year.

"Thank you very much for your letter dated April 19 1988 in connection with the shipment of hazardous waste to the RSA," says an official approval notice to American Cyanamid. "The Department of National Health and Population Development has indicated that it would have no objection to the importation from the USA of waste poisonous solid NOS..."

A range of environmental groups, trade unions and political organisations are gearing up for a campaign to fight the importation of other countries' high-level toxic waste for dumping or recycling in South Africa.

A Greenpeace study on the international trade in toxic waste last year found that Thor Chemicals was one of the major importers of toxic waste in the Third World.

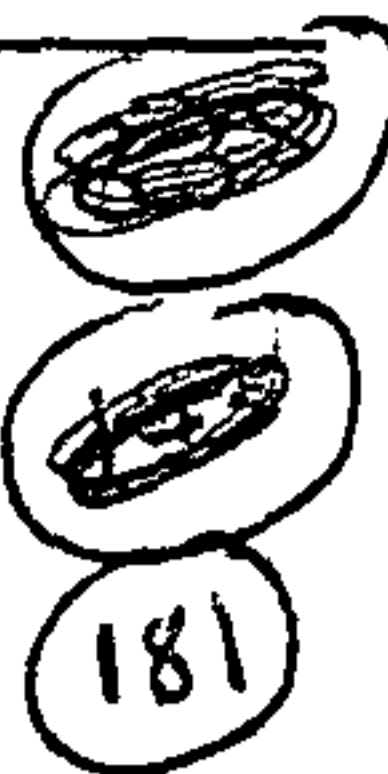
"In a deal between Thor Chemicals of Natal, South Africa and American Cyanamid of New Jersey, 120 drums of mercury contaminated wastes have been exported from the US to South Africa each year since 1986," said the Greenpeace report.



they took part in a protest.

A fully-fledged strike followed.

Sorry,  
we're



South t/4 - 10/4/90

closed

ABOUT 100 Parow workers were shocked to find themselves without jobs last Friday.

The workers, members of the South African Chemical Workers' Union (Sacwu), claim they were not given advance notice that Protea-Pak plastics factory was being closed down.

Sacwu organiser, Mr Peter Roman, said the workers had recently joined Sacwu. The union had been busy discussing recognition with the company when the workers were dismissed.

Company spokesperson, Mr D Moss, said the workers were retrenched and not dismissed.

The company was in financial difficulty and had no option but to close down, he said.

He denied any connection between the retrenchment and the workers' having joined a union.

He said management planned to meet the union and lawyers later this week to discuss the matter.

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# 'Whites only'

South 4/4 - 10/4/90



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# policy upsets

By CHIARA CARTER

AN Atlantis clothing factory has denied that it practices a "whites first" hiring policy.

Workers at Kaymac Industries demonstrated at the factory last month to protest against what they claim is racial discrimination by management.

The workers claim that, instead of giving preference to unemployed people in Atlantis, the company has been recruiting

white workers from outside the area.

They claim that they were told they would be replaced by workers from Eastern Europe.

They are unhappy that, while black shift workers are transported in a bakkie, the company has purchased a kombi to transport white workers.

The company manager, Mr Piet Kruger, denied that the company practised racial discrimination.

### 'Solution'

"We do not look at colour when we employ someone. We get the best person for the job."

Kruger said he knew nothing about workers' allegations that they had heard a director say that whites were "the solution".

He confirmed that the company had agreed to meet the union's shop stewards to discuss workers' grievances.

A Sactwu spokesperson said the union planned to meet management to discuss the matter.

● Meanwhile, another strike around protests against alleged racial discrimination ended this week.

The strike involved more than 300 Belville glass workers who had declared a dispute with the company.

### 'Guerilla strike'

The members of the Chemical Workers' Industrial Union (CWIU) downed tools at Consol Glass in Bellville last Wednesday in what shop steward, Mr Wally Roy, described as a "guerilla strike".

A CWIU spokesperson said workers were unhappy over internal job advertisements and racial discrimination.

He said the situation was aggravated when management refused to pay workers for time during which they took part in a protest.

A fully-fledged strike followed.

# Sorry, we're closed

South 4/4 - 10/4/90



ABOUT 100 Parow workers were shocked to find themselves without jobs last Friday.

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## ADVERTISING REPRESENTATIVE/PROMOTIONS

Interested person required to market note this exciting weekly.

Contact Editor at (021) 462-2012 to arrange for an interview



...ation with the ANC is to be a priority for both organisations.

# Victory in metal strike

South 4/4 - 10/4/90

MORE than 130 Paarden Eiland metalworkers who have been on strike for more than three weeks return to work this Wednesday, having won a demand for plant level negotiations.

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Following an agreement reached this week between Cape Foundries and the Metal and Electrical Workers' Union of South Africa (Mewusa), the company will negotiate wages and working conditions at plant level.

The company agreed to pay a R3 000 death benefit and negotiate a health and safety agreement with the union.

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Sactu workers arrive for a mass meeting at the Feather Market Hall in Port Elizabeth

## Clothing workers want more money

South 4/4 - 10/4/70

THE South African Clothing and Textile Workers' Union (Sactwu) is demanding a R60 weekly wage hike from Eastern Cape clothing manufacturers.

The union also wants workers to get an attendance bonus of R5 a week and a long service bonus of R2,50 after three years and 50 cents for each year after that.

Other demands include a medical

fund to cover all dependants, an extra public holiday, an improvement in maternity benefits and paternity leave of five days.

More than 2 000 people packed the Feather Market Hall in Port Elizabeth last week for a meeting to finalise the wage demands.

Mr Lesley Maasdorp, Sactwu clothing coordinator for the Eastern Cape, said one of the main demands for the year was the formation of a single industrial council.

"This is an important demand if we are serious about wiping out the differences in wages and conditions of employment from region to region. There is no reason why workers in the Eastern Cape should get less wages than our comrades in the Western Cape," Maasdorp said.

The wage negotiations between Sactwu and the Eastern Cape Clothing Manufacturers' Association affect about 4 000 workers in the Eastern Cape.



## Strike hits gas conversion plant

## Mossgas blow-out!

By WAGHIED MISBACH  
 MOSSEL BAY. — South Africa's multimillion rand gas conversion plant under construction here has ground to a halt after more than 7 000 workers downed tools over a wage dispute.

The joint construction management at the Mossgas plant, where a large number of foreign workers are employed, has declared the strike illegal and refused to negotiate until the strikers return to work.

The workers, employed by about 33 of the largest construction firms in the country, are demanding a R5 an hour across-the-board increase, 10 days' paid holiday over the Easter weekend and transport to their homes.

The strike started last Thursday. On Monday, toyi-toying workers, shouting "Viva ANC" and singing freedom songs, gathered for a mass rally on the Mossgas site about 11km west of this South Cape town.

The workers were addressed by representatives of the Construction and Allied Workers Union (Cawu). Later, a strike committee met with representatives of the joint construction management, Bateman

and Davey Limited (BDL), and subcontractors.

The workers refused to back down on their original demands.

The strike committee said management had advised them to submit the workers' grievances to the individual contractors.

However, the strike committee, which represents three trade unions — Cawu, the National Union of Metalworkers of South Africa (Numsa) and the Boilermakers' Union of South Africa (Busa) — rejected the advice as a ploy.

"We had gone to our contractors separately before and they refused to give us more money," said Mr Tika Nkwenisha, a strike committee member.

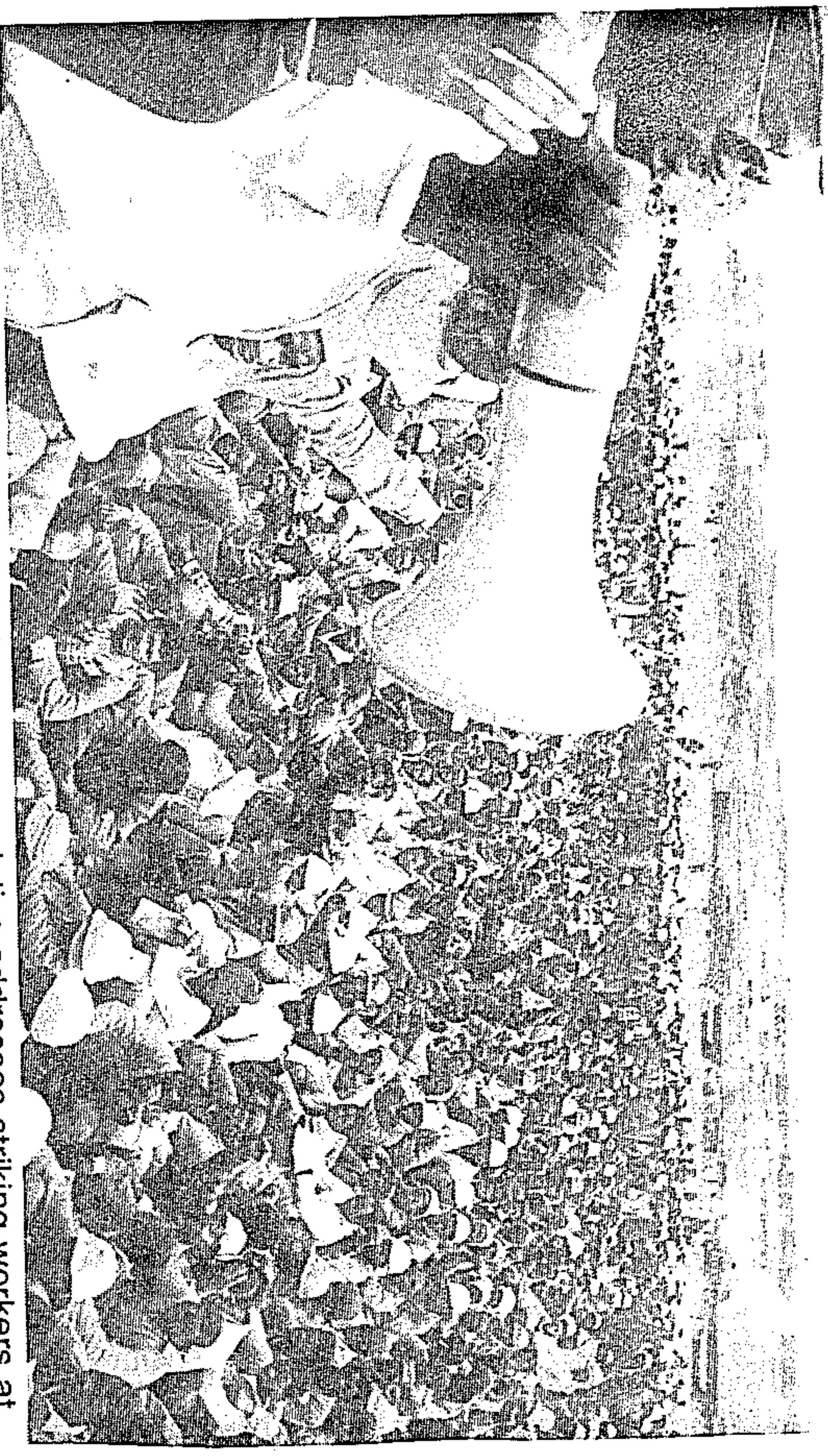
Mr Shamil Manie, an engineer and vice-chairperson of the strike committee, said management was trying to drive a wedge between the employees of the "civil" contractors and the metal workers.

The metal workers' wages start at R8 an hour, while civil workers start at R2,50 an hour.

According to a spokesperson for the Mossgas project, the lost production could be estimated only after the strike had been resolved.

She was not able to comment on the workers' demands as "the negotiations are on-going".

● The situation remained tense late on Tuesday night after a second meeting between management and workers, with both parties refusing to budge.



Construction and Allied Workers' Union representative addresses striking workers at the Mossgas plant

PICTURE BY BENNY GOOL



# Unions join Greenpeace fight against waste dumps

LOCAL trade unions and ecology groups will join Greenpeace in an international campaign this month to block the import of hazardous industrial wastes to South Africa.

The campaign — the first to involve Greenpeace in a South African issue — coincides with a surge of interest by trade unions and resistance groups in the ecological effects of apartheid.

The planned protests follow disclosures that workers at Thor Chemicals, a multinational company that recycles deadly mercury residues in Natal, are suffering from nervous disorders allegedly caused by exposure to toxins.

Rod Crompton, general secretary of the Chemical Workers Industrial Union (CWIU), says his organisation is working with Greenpeace International and a number of American unions in a joint drive to stop industrial poisons from being dumped here.

CWIU is an affiliate of the Congress of South African Trade Unions (Cosatu). It organises workers at a number of plants belonging to Cyanamid South Africa, a company that has close links with Thor Chemicals.

"Our union is concerned with the health of workers in the workplace and with the condition of the environment in general," Crompton told the *Weekly Mail*.

Thor imports 10 tons of mercury waste from Cyanamid International in the United States every year and an unspecified amount from Thor factories in England.

"We believe in the principle that Western countries which export their waste and dispose of it in Third World countries should take responsibility for their own industrial poisons," says Crompton.

"We are sending a delegation to the United States this month to link up with a group of unions and Greenpeace, which is planning to launch a

Reports that workers are

suffering from the effects of dealing with chemical waste has encouraged unions to give a higher priority to environmental issues, reports EDDIE KOCH

protest campaign in the middle of the month against companies exporting toxic wastes to South Africa."

Details of the campaign have not yet been released but it is expected to involve a series of protests at factories in both the US and South Africa in the middle of this month.

Earth Life representative Chris Albertyn says the environmental group will use the protests to back its demands that all imports of toxic waste to this country cease.

"We will also co-operate with the union movement to demand that Thor clean up the rivers and other parts of the environment that it has polluted and to ensure that the health of workers there is protected."

The campaign comes at a time when a range of unions and other resistance groups are planning to take up green issues.

The South African Chemical Workers' Union (Sacwu) has the environment high on the agenda for its annual congress later this month.

Sacwu general secretary Humphrey Ndaba says the union — which is affiliated to the smaller National Council of Trade Unions — will examine issues ranging from air pollution to the manufacture and use of dangerous pesticides at the meeting.

"We are very worried about our members being exposed to dangerous chemicals in the factories," says Ndaba. "We are also aware that the companies are making pesticides and other chemicals that can endanger the health of farmworkers and members of the community."



Demand and supply... a nurse hands out condoms after a performance of an Aids awareness play

WPA/SA/90 - 11/4/90



W/Mail st4 - 11/4/90

## Mossgas hit ~~by~~ by big strike ~~by~~

By JUSTICE SIGONYELA

CONSTRUCTION work on the on-shore refinery for the multi-million-rand Mossgas fuel-from-gas project in Mossel Bay has been halted by a strike among workers of the firms contracted to do the work. (18)

The entire workforce of 5 000 went on strike last Thursday, but earlier this week the Mossgas consortium was claiming that half of them had "broken away" from the strike. Denise Gee, a spokesperson for Mossgas, said these workers were not back on site yet, as the firm wanted to avoid "confrontation".

She denied rumours that the workers who did "not wish to be associated with the strike" had been laid off. Employees of Mossgas itself were not involved in the action.

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# Halve number of holidays

# Saccola

181

BID 10/4/90

Own Correspondent

CAPE TOWN — The number of public holidays taken by SA workers should be halved, according to former SA Employers' Consultative Committee on Labour Affairs chairman Bobby Godsell.

At present there are 10 officially designated holidays. A further series of days are traditionally observed by black organisations, including June 16 (Soweto Day), March 21 (Sharpeville Day) and October 19 (Black Wednesday, commemorating the banning of black consciousness organisations and the death of Steve Biko).

The number of public holidays — each costing the economy about R650m in lost production — should be reduced to seven, Godsell notes in the latest annual report of Saccola, SA's largest employer body.

Godsell submits that SA's pattern of public holidays presents employers with at least three problems:

□ The National Productivity Institute has suggested that a country of SA's level of development should not have more than seven public holidays

on its annual calendar;

□ The divergence of the official calendar of public holidays and the actual pattern of observance by black organisations in particular; and

□ All SA's public holidays were at present fixed date holidays. "Therefore, most fall mid-week, and are highly disruptive of the work process."

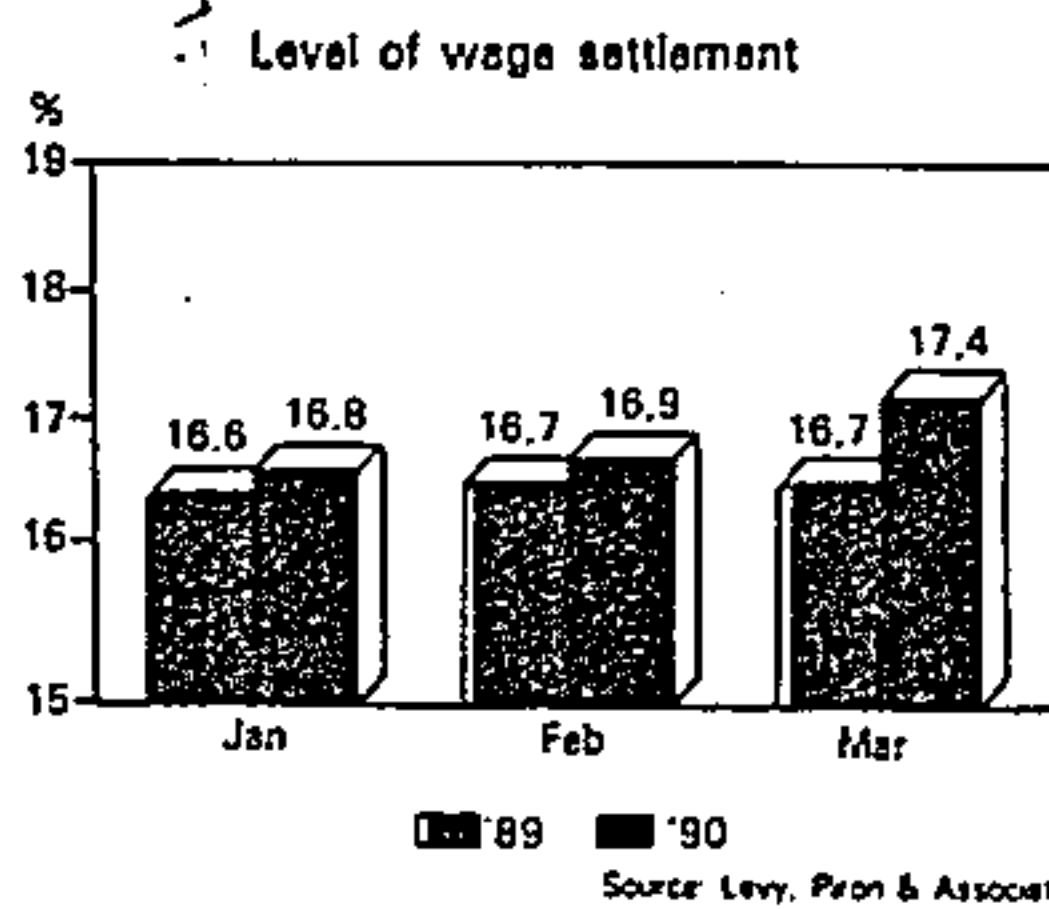
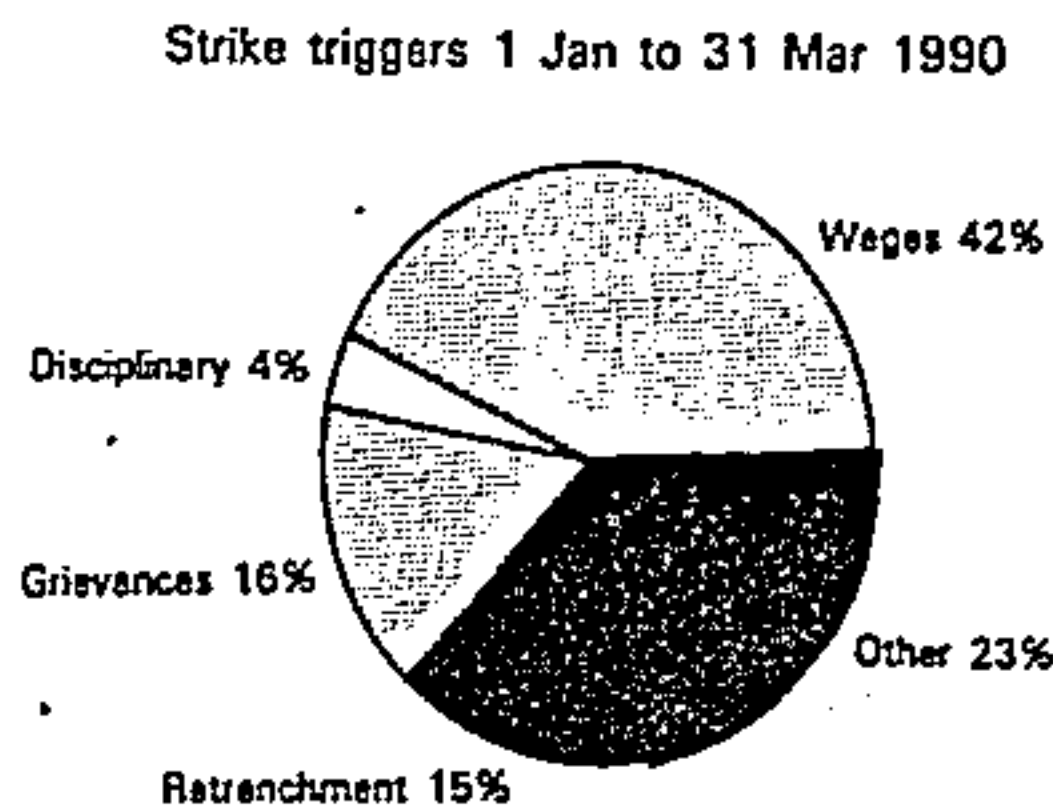
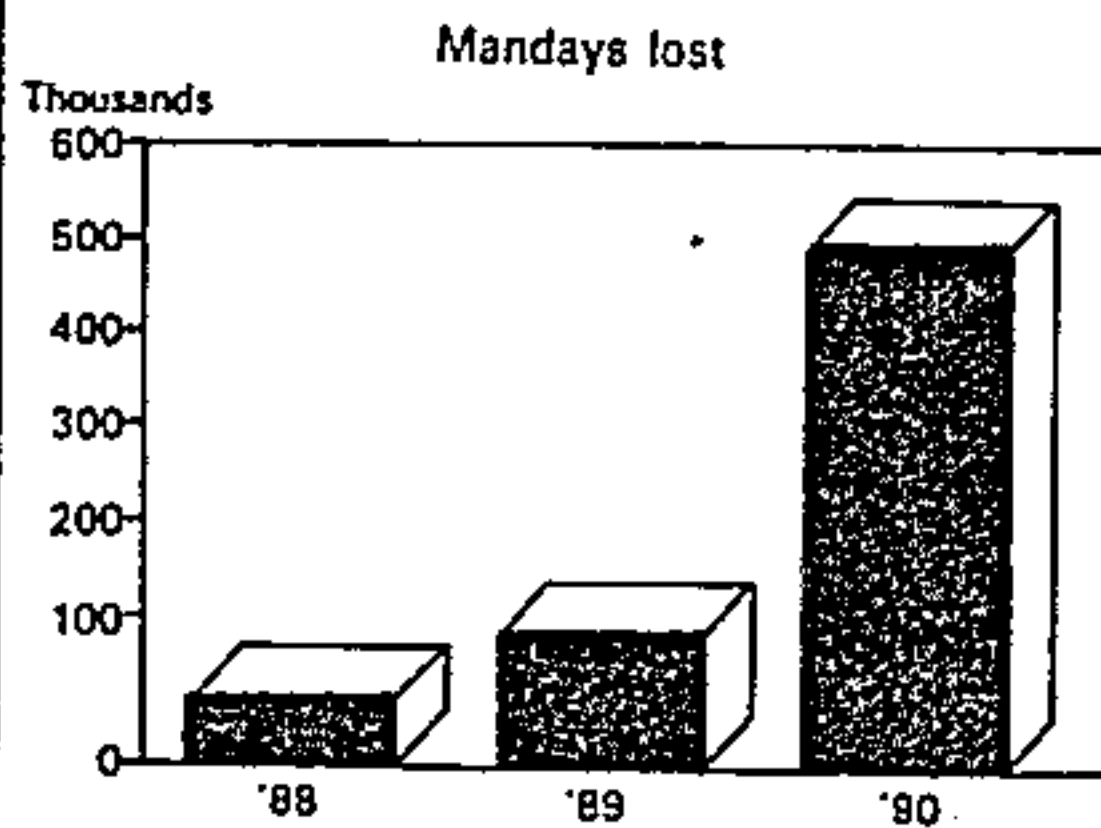
Godsell states: "Saccola has therefore sought to find ways to integrate the official and actual calendars, to reduce the total to seven and to promote the idea of holidays falling on Mondays, rather than mid-week."

□ ALAN FINE reports AHI representative Anton Roodt was elected Saccola chairman at the organisation's AGM last Thursday. The SA Chamber of Business's Bokkie Botha was elected vice-chairman.

A Saccola statement said Godsell would retain his leadership of Saccola industrial relations matters, including the talks with trade unions on labour legislation.



## Striking first quarter



## LABOUR RELATIONS <sup>FIM</sup> 13/4/90

### Militant high

Industrial disputes — and the resulting dip in output — are normally experienced after the first quarter of the year as the wage bargaining season gets under way.

This year is proving different — largely, it would seem, as a result of political developments. The unbanning of organisations and release of Nelson Mandela have heightened black expectations. <sup>181</sup>

Strike statistics for the first quarter show a fourfold increase in man-days lost — up to between 500 000 and 600 000, according to Levy, Piron & Associates. The figure for the same period last year was 140 000; in 1988, between 60 000 and 84 000 (see graphs).

Not surprising, therefore, is the blow to business confidence (see *Fox*) with a number of companies reporting dipped first-quarter turnovers mainly as a result of politically triggered unrest.

The significantly higher number of man-days lost in the first quarter “would suggest greater levels of union militancy and mobilisation,” says Levy, Piron, which goes on to predict “increased pressure on management” in the next six months.

Most strikes (42%) were wage-related and tended to reflect a higher level of worker expectation. The militancy/expectation level, says the labour consultancy, is reflected in the length of some disputes — for example, 45 days at Mondi, 25 at Aberdare, 20 at Sappi and the 16-day strike at Cape hospitals.

The metal sector had 26% of all strikes and just over 14% of man-days lost during the period. Mining (11,6% and 6,5%) and paper and wood (10% and 25%) follow.

Another significant trend has been growing militancy and organisation in State, provincial and municipal sectors, which were responsible for 12,9% of all strikes and

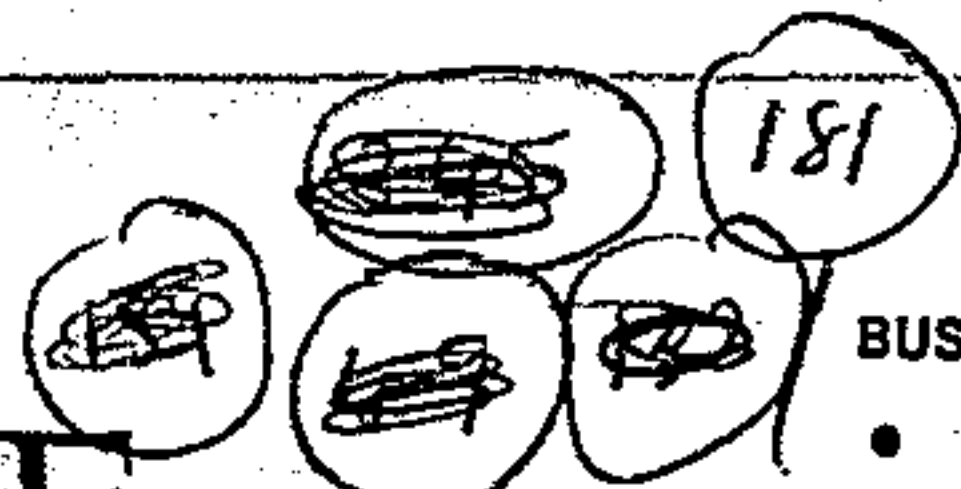
16,8% of man-days lost. <sup>181</sup>

Far higher levels of violence (property destruction and assaults) and a marked increase in stayaways were features of the period. It also saw an increase in racial tension and the propensity of whites to resort to striking (see “Rail strike”).

More positively, disputes over discipline (4%) continued to decline as a strike trigger, reflecting both better management in this area and greater use of mediation and arbitration. <sup>181</sup>

Levy, Piron concludes that from the first three months of 1990: “There seems little doubt that overall increased levels of expectation are finding their voice in the workplace. What is positive, however, is that in the main, these are articulated as economic demands.” The consultancy believes that the greater degree of free political expression will result in less direct political mobilisation at work.

On the other hand, it might continue to be seen as a “site of struggle.”



# Economic hopes raised by reform, study shows

THE rise in political aspirations has not resulted in a massive increase in political hopes but rather an increase in economic expectations, the 1990 SA Township Annual has found.

The annual — compiled by Stuart Pennington and Associates and designed to close the information gap between management and labour — was based on a study of 36 townships serving major industrial areas.

In the annual's Industrial Relations (IR) review, Wage Bargaining Issues for 1990, the authors said the political climate, moves towards industry-wide bargaining, the housing and education crisis and the revival of "pension inadequacy perceptions" would be major influences on wage bargaining this year.

In addition, increasingly inflexible employment practices and poor business understanding would exacerbate these influences.

It appears progressive socio-political changes had created the expectation that similar changes in the economic environment would occur. "Demands for a fairer share" would intensify.

The wage bargaining agenda would change this year.

Employers needed to be more creative, flexible and aggressive and to move away from the "demand/response" syndrome of wage bargaining to a process of "exchange".

Adopting a more creative approach to granting increases was required, and suggestions included combining percentage with across-the-board increases, considering differential rand amounts per job grade, creating a reasonable differential between the increase on the minimum grade and the general increase for the grade. The myriad of leave demands should be rationalised, they said.

It was critical employers embarked on a

ADELE BALETA

"business awareness campaign" to empower all employees with a thorough knowledge of the business process they were involved in.

This year, the determination with which the union movement pursued centralised bargaining would increasingly conflict with the "purist view" of decentralised bargaining held by some employers, to the point of confrontation, the authors said.

It would be important for those employers opposed to and those for centralised bargaining to develop a consistent view in order to facilitate meaningful bilateral talks.

Housing, which had become an IR problem, was now second only to wages on the bargaining agenda.

## Retirement

Employers needed to consider a wider range of assistance than bond collateral or other such "arms-length" facilities. Finding land and houses, providing assistance with purchase and bond "red tape", lending deposits and assisting with the fluctuating bond rates were some areas employers needed to consider.

Business had to focus on the quality of their pension/provident fund benefits and would need to recognise that demands for a reduction in the retirement age were a reality.

While the education crisis persisted, the need for workers to supplement the services provided by the Department of Education and Training by paying fairly substantial school levies would increase and employers would be expected to contribute, they said.

Despite positive political developments, the year ahead was fraught with political dangers, the authors predicted.



## Business urged to boost role in education

DANIEL FELDMAN

BIG business must play a more active role in helping to solve the education crisis by developing innovative programme ideas, said several speakers at a business and education seminar last week.

Organiser Vicki Sussens said: "The aim was for businesses and black community leaders in education to share ideas on ways the business community can support black education."

SA Association for Childhood Education national chairman Mapitso Malepa said: "Because contributions by government have been so minimal, we have started programmes with our own resources. We are imploring the private sector to help us fund these programmes."

She said companies should also give funds for the running costs of projects, rather than only for the initiation costs.

National Education Coordinating Committee and National Education Union of SA spokesman Angela Ramorola said big business should also support teachers.

Corporate responsibility representatives from Otis Elevator Co, Sasol, Rand Mines, Everite and the Mobil Foundation attended the conference.

B/D on 18/4/90

# Firm announces mercury waste modification probe amid protests

US CYANAMID, US sister company of British-owned Thor Chemicals in Natal, announced yesterday it was investigating modifications to the manufacturing process that would eliminate the use of mercury.

SA Cyanamid released the information amid protest action in Natal and Johannesburg by the environmental group Earthlife Africa and Chemical Workers' Industrial Union (CWIU) members against the importation of toxic mercury waste to SA.

A picket was held outside the offices of SA Cyanamid in Isando and a separate picket by about 150 CWIU workers was staged outside Thor Chemicals at Cato Ridge in Natal.

## Suspend

Thor Chemicals has been the target of attack by environmental groups, including Greenpeace International, who have claimed the company, which imports toxic waste from US Cyanamid and other overseas companies, was polluting Natal's drinking water.

The SA Water Affairs Department instructed Thor Chemicals last week to suspend part of its operations that produced mercury effluents until a problem with the plant's disposal of waste was under control.

The US Cyanamid statement said: "Cyanamid is concerned about developments at Thor Chemicals including the partial shut down of the facility."

It said a company task force was

## ADELE BALETA

examining mercury waste alternatives and was reinvestigating modifications to the manufacturing process to eliminate the use of mercury.

"Cyanamid believes recovering and recycling chemicals is the most environmentally sound method of managing wastes generated by a manufacturing process," it said.

Earthlife Africa spokesman Hendrik Coetzee said any move away from mercury toxic waste was to be commended.

His organisation was not against the process of recycling waste but against the emission of toxic waste into the environment.

Environmental groups were concerned about the cross-border transportation of toxic waste as there was a high risk factor involved.

He said overseas companies such as US Cyanamid were taking advantage of SA's "poor environmental legislation" by exporting toxic waste to SA.

He claimed Thor Chemicals had been implicated in the pollution of rivers in Natal. He said pollution levels in some cases were up to 750 times more powerful than the highest concentration found in Britain.

But Thor Chemicals MD Stephen van der Vyver said testing by Thor and the water authorities showed no evidence of poisoning of drinking water.

Van der Vyver said operations at the plant were partially suspended because heavy rains in the area meant there was

a danger that dams containing mercury could overflow.

Our Maritzburg correspondent reports that about 150 protesters from Earthlife Africa and the CWIU, as well as a few residents of the nearby Mngweni valley, gathered outside the gates of Thor Chemicals yesterday and marched, sang and waved banners.

The event was filmed by overseas television camera crews and Greenpeace International.

Van der Vyver spoke to reporters and protesters outside the factory gates after the demonstration.

He said the company did not believe it was causing any danger to the environment.

## Scrutiny

Asked about alleged evidence of extremely high mercury levels in the Mngweni stream below the plant, Van der Vyver said mercury had been found in sediment in one small area but none in drinking water.

"We do not believe we are causing any danger to the environment," he said.

Jim Vallette of Greenpeace said the Thor plant had come under increased scrutiny in recently months by environmental organisations, labour unions and SA government agencies.

The organisation has called on the US government to prevent shipments of mercury waste to SA. It has also called on US Cyanamid immediately to end its toxic waste exports.



# Back to work at Mercedes-Benz plant

PRODUCTION at the Mercedes-Benz East London plant is expected to resume today after an agreement between management and National Union of Metalworkers of SA representatives, both parties said.

Management suspended production at the plant two weeks ago on April 2 because of high worker absenteeism.

Numsa organiser Les Kettledas said in Port Elizabeth yesterday it had been agreed that pay during the suspension would be negotiated.

A company spokesman said in a statement yesterday management had appealed to all employees to report to work at their normal shift times.

Kettledas said workers were not consulted about the suspension. "Our members first heard about the management's action after a notice was pinned

181  
ADELE BALETA

to the bulletin board."

He said he suspected that absenteeism due to Nelson Mandela rallies was the cause for the suspension of production. "We were not informed about the nature and extent of the absenteeism.

"Management's action without consulting union leadership at the plant is cause for concern and conflicts with the spirit of the 'relationship of objectives' agreed to by the parties last year."

A number of objectives came out of September 1989 discussions — one of which was the facilitation of information, Kettledas said.

Kettledas said if there had been consultation with workers, it was unlikely the dispute would have developed to such an extent.

Monday 18/4/90

## CPI, office rentals gap 'widening'

THE gap between the consumer price index (CPI) and office rentals which was closing towards the end of last year, now appears to be widening.

Graphs in today's Ampros property exchange show rents have not grown this year at the same rate as in 1989. In fact, they seem to have peaked in the R30/m<sup>2</sup> to R33/m<sup>2</sup> gross range.

The cause of this levelling is a fall-off in demand.

### Confidence

This is due mainly to the fact that government's economic policies are beginning to be effective, with high interest rates for a prolonged period causing a squeeze on business profits.

Employment of new white-collar workers has fallen as a consequence. A further cause may be a lack of business confidence, in part resulting from the current political uncertainty and unrest.

Nevertheless, rents have risen ahead of inflation in the past two years, increasing by about 32% in 1988 and about 18% in 1989.

Rental escalations are currently from 12% to 15% a year, compounded.



SPOKESMEN for chambers of commerce in Durban and Maritzburg have expressed satisfaction over the calm in the black areas brought about by police reinforcements.

However, they were concerned about the effect the unrest and stay-aways had had on the manufacturing sector.

The director of the Natal Chamber of Industry, Mr John Pohl, said although exact statistics were not available, a day's loss of production in factories in Natal cost more than R100 million.

### Crisis

The Maritzburg Chamber of Commerce said the city had lost more than R500 000 because of the one day stayaway last week.

Meanwhile, medical staff at King Edward Hospital in Durban are still trying to clear the backlog of patients that arose after last week's crisis when emergency and planned surgery had to be stopped.

Patients requiring surgery were sent to other hospitals because an influx of gunshot wound

# Stayaway cost Natal more than R100-m

victims of the Natal violence exhausted the intensive care unit, the theatres and the already overworked staff to their limits.

The hospital's superintendent, Dr Justin Morfopoulos, said yesterday that although emergency and planned surgery were again being undertaken, the situation had not returned to normal.

The facilities were inadequate and there was

not enough staff to handle the increasing daily intake of patients.

The name of the soldier killed in an ambush in the unrest-plagued area of Mpumalanga near Maritzburg has been made known.

He was Rifleman Stoney van Wyk (25), of the Cape Regiment.

He was a member of the permanent force. - Sapa.

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Sowetan 18/4/90

# Management at Total SA restructured

Business Day Reporter

TOTAL SA has announced a restructuring of its top management, which, according to MD Jean-Claude Goffinet, will gear it towards changing patterns in the market place requiring a redefinition of jobs and responsibilities. (181) ~~181~~

These changes include the privatisation of sections of Transnet, as well as the rapid development of mini-bus taxis. In addition the structure of the oil industry is also undergoing changes, Goffinet says — as evidenced by the formation of new energy company Engen. ~~181~~

Changes in the community as a result of government's stated reform objectives will also have an impact on the business sector, Goffinet says.

He adds government's intention to lower the lead content of petrol still further from the current 0,4gm/l and developments in the motor industry will also affect the activities of oil companies. *Business Day 19/4/90*

"The new, leaner management structure of Total will ensure that it is well placed to take the fullest advantage of the opportunities to be presented in the market place."

Among the appointments are Gerhard Esterhuizen GM: marketing, who takes over from Allen Rose-Innes, who becomes GM of the supply and production department, responsible for refining and coal activities.

A new distribution division and a lubricants division has been created.



3  
19/4/90

# MAJOR ROLE OF BUSINESS IN REDISTRIBUTION

LESLEY LAMBERT

CAPE TOWN — The private sector would have to bear the brunt of wealth redistribution in SA, Sanlam MD Pierre Steyn said in his opening address at a Round Table Conference here yesterday.

He said businessmen had to accept an increasing role in the improvement of education, training and housing if the country was to "emerge from its past history and from the present bewildering times with hope for the future".

They would have to eliminate prejudice and create an environment in which all employees, regardless of race or sex, could be assimilated.

"We must create opportunities for our employees, through training and all other available methods, to progress faster — but this will have to be based on merit and not on tokenism," he told delegates.

"If one accepts, as I do, that good sense will prevail and that the intended actions to redistribute wealth will not be via large-scale socialism but rather through the forces of a free market economy, then a great responsibility rests on the private sector.

"It will have to bear the brunt of wealth redistribution and of general social upliftment."

But to perform this vital task, Steyn said the private sector had to be assured of an environment in which it could flourish.

"We have to contribute to the maintenance of a business environment in which we can continue to exist, not only for our own sake but also — and this is not always sufficiently appreciated — in the interest of our country," he said.

If the environment was hostile or unacceptable, private enterprise would have no future, he said.

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# Mossgas sacks workforce

From JUSTICE SIGONYELA

(181)

THE entire workforce at one of the companies contracted to the Mossgas fuel-from-gas project has been dismissed for striking.

About 170 workers from KPL, a company building modules for Mossgas's offshore rig at Mossel Bay, downed tools for the third time in two months, demanding clarification on a medical aid scheme.

A shop-steward at the plant said the workers had been contributing to the scheme for nine months but no medical cards had been received.

The workers alleged the company underpaid labourers. *South 1714 - 25/4/90*

Other grievances include alleged unfair dismissals, problems with unaffordable accommodation and the absence of transport home over holiday periods.

A local organiser for the Nactu-affiliated Metal and Electrical Workers' Union of South Africa (Mewusa), Ms Amanda Williams, said talks were continuing between the union and KPL management.

Williams claimed management had locked out the workers during the strike.

The union has asked KPL to refund the medical aid contributions deducted from workers.

KPL said it would look into the matter. — PEN

EMERGENCY

74



are invariably misleading. ■

COMPANY CARS <sup>FIM</sup> 2014/90

## Swap and drop ~~181~~

Senior executives who gained on the swings of the Budget tax breaks will soon be losing on its roundabouts. They no longer pay tax on dividend income, but any gain could be offset by changes to taxes on fringe benefits. From May 1, the taxable value of company cars is to rise by half and the official rate on employer-supplied loans from 16% to 19%.

The net result for affected individuals will depend on the mix of their income package.

Price Waterhouse's Peter Botha looks at a man with a non-working wife, two children, and gross salary of R100 000 in the tax year ending February 1990 and R115 000 to February 1991. He also has a Mercedes 200, worth R90 000, and an approved housing loan of R100 000 at 5%. 181

He is a non-contributory member of a medical aid and puts 5% of his salary into a pension fund. He also earns R4 500 dividends, of which R3 000 was taxable in 1989-1990 (see table).

His take-home pay will, in nominal terms, increase from R60 107 in 1990 to R68 635 in 1991 — just over 14%. CPI rose 14,9% in the year to February. In the year ahead, it's unlikely to do much better and could do worse. Despite the one percentage point decline in top marginal tax rate to 44%, he will lose ground to inflation, unless his dividend income rises enough to compensate.

1991*
115 000
10 476
—
11 900
<b>137 376</b>
5 750
2 500
129 126
47 415
2 100
200
45 115
<b>68 635†</b>

terhouse

The earlier table of car values, which applied since June 1, represents only 50% of the benefit. The new proposal will raise this to about 75% of the full, real benefit.

This is to be fully taxed as soon as possible. Completion of phasing-in would reduce our executive's net income (annualised) to R65 074, which would be an increase of only 8%.

The value of company cars is calculated on cost price combined with engine capacity.

If executives are prepared to swap cars, says Deloitte Haskins & Sells' Willem Cronje, they can reduce tax payable. If a car changes hands its value falls by 15% a year. ■

# Noristan workers get loyalty bonus

THE staff council of the Noristan Group succeeded in its bid this week to get phased loyalty bonuses starting at 30% of basic monthly pay. *Sit was 22/4/90*

An arbitrator called in to resolve a dispute between the Noristan Group in Pretoria and its staff council ruled in favour of employees. The company accepted his decision.

The dispute occurred when Noristan refused to pay loyalty bonuses. They are paid after three years' service on the anniversary date to workers who joined between March 1986 and the end of that year.

Noristan maintained the newer employees fell under a rule introduced at the end of 1986.

Arbitrator Nigel Willis ruled that although the workers concerned were not entitled to the phased bonus as a right, it was fair labour practice that they should be treated in the same way as those recruited before March 1986.



# Critical stage in labour talks

NEGOTIATIONS between business and labour on changes to SA's labour legislation have reached a critical stage with a meeting tonight between employer federation Saccola and Cosatu and Nactu.

The meeting, to attempt to finalise a draft agreement, takes place after disclosures that Manpower Minister Eli Louw had told the union federations he required the complete agreement soon if there were to be time to consider translating it into legislation.

Saccola spokesmen confirmed the organisation had submitted to the unions on Friday certain proposed changes to the original interim draft agreement drawn up by legal representatives of the two sides.

Cosatu and Nactu announced last week they were ready to sign the draft.

It could not be ascertained exactly what these changes were.

Cosatu negotiating team member Marcel Golding said he had not yet had an opportunity to study the Saccola document so could not comment on the differences.

It would appear that there is a new

urgency to finalise the agreement after Louw wrote to the union federations last week telling them the agreement should be submitted to him as soon as possible. Failing this, it would be too late to draft legislation for passage through Parliament this session.

The communication between the Minister and the union federations follows their first meeting in March, during which they agreed new labour legislation should be based on consensus of as broad a range of interested party opinion as possible.

The interim draft agreement proposed that all workers be covered by the legislation and secured basic rights for all workers. These included the right of all workers to belong to unions, to strike, to bargain collectively, of access to stop orders and the recognition of shop stewards. Proposals included reverting to the unfair labour practice definition existing before the amendment of the Labour Relations Act.

ALAN FINE

## ENTERPRISE HANDS OVER FIRST HOME

181 CHARLOTTE MATHEWS

A DELIGHTED Enterprise employee received the keys to her house in the FHA Homes development at Vosloorus Ext 25 on Monday.

This was one of the first of a total of 80 houses which employees of the food company are buying with Enterprise's financial backing.

Enterprise recently launched a housing assistance scheme in which the company offered 10% collateral to enable employees to obtain 100% bonds on their own houses.

Enterprise MD Danie Venter said: "The major problem with acquiring a home is not only being able to afford the repayments but also entering into the market."

"The requirement of a 10% or 20% deposit restricts most people from obtaining houses. The collateral scheme is geared to eliminate this problem."

The complete financing for the Enterprise houses is being provided by the SA Perm.

*Bidam*  
Sales 25/4/90

The Vosloorus Ext 25 development of 500 houses was announced last November by FHA Homes, an Urban Foundation housing development firm.

At the handover ceremony, FHA GM John Weaver said: "Sales to date are in excess of 300. We soon expect to top 500."

FHA is offering two sizes of house, Type B and Type C. The Type B house covers 44m<sup>2</sup> and the Type C covers 52m<sup>2</sup>. The houses are fully serviced and the exterior is painted.

The interior walls and ceiling are unpainted and there are no carpets or built-in cupboards. These can be added at extra cost.

Type B houses cost about R33 500 and Type C about R35 000.

"We tried to leave off everything that the owner can do himself and just provide a basic unit," Weaver said.

Other FHA projects include Tsakane, KwaThema and Moleleki.

MIDRAND



## ENTERPRISE HANDS OVER FIRST HOME

181 CHARLOTTE MATHEWS 127

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# BUILDING HOME IMPROVEMENTS

**SOWETAN**  
Building the Nation



## Enterprise employees get

# a helping hand

Mr. John Weaver, general manager of FHA Homes, hands keys to an Enterprise employee at a function in Vosloorus. Pic: FIKILE ZULU.

BY SY MAKARINGE

EMPLOYER participation in the provision of housing could go a long way in solving the critical shortage of houses and the

creation of stability in the country. Recently Enterprise, one of the major food

processing companies in South Africa, negotiated deals with FHA Homes, the Urban Foundation's utility company, on behalf of its lowest paid employees.

The negotiations paid dividends when 80 new low-cost homes in Vosloorus - each worth in the region of R31 000 - were handed over to some of the employees at a function in the new area on Monday.

The 80 houses are part of 500 homes being developed by FHA Homes in Vosloorus in a bid to accommodate people in the lower rungs of the economic ladder in South Africa.

This was the largest ever consignment of homes ever made to an employer by FHA Homes.

Mr. Danie Venter, managing director of Enterprise, said his company had a philosophy that happiness at home led to a greater contentment and

productivity at work.

Venter pointed out the scheme was "not a hand out".

He said Enterprise offered its employees a 10 percent collateral scheme which enabled them to obtain 100 percent bonds from financial institutions.

He said this scheme, which was used by many employers, was very successful.

### Problem

"The major problem with acquiring a home is not only being able to afford repayments but also entering into the market.

"The requirements of a 10 or 20 percent deposit usually restricts most people from obtaining houses. The collateral scheme is geared to eliminate this problem," Venter said.

A spokesperson for FHA Homes, Mrs Tammy Taranto, urged employers to form partnerships with the development company to help their employees acquire homes.

### Largest

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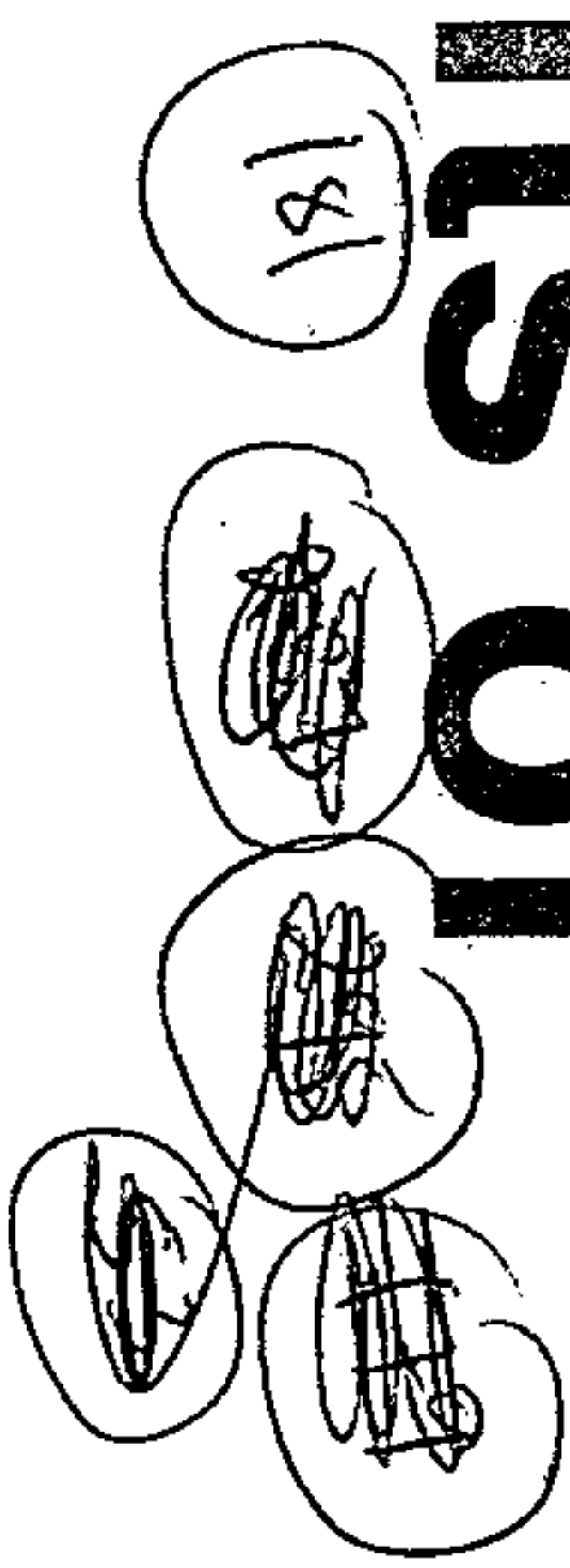
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*Sowetan 14/90*

*181*



# The hidden boots of any businesses



**WOMAN**

## Black secretaries air their concerns

By SIZAKELE KOOMA

RELIABILITY, efficiency and loyalty were among a list of non-technical skills secretaries were told they should possess by speakers at the launch of a black secretaries' forum in Johannesburg. Secretaries were encouraged by the speakers, among them social worker Malkolo Motumi and secretary Shirley Mamphiri, to "take challenges in their jobs with zest" and be "visible" in order to be noticed and have their contributions acknowledged.

The message in the motivational talk was an

inspiration to about 100 secretaries present at the function with their bosses. But this advice is unlikely to permeate the work environment, with the general inadequacy of secretarial training.

Motumi acknowledged the crippling effect that inferior training had on black secretaries. The quality of education for blacks, she said, put them a step behind their white counterparts.

The advantage of a good educational background and growing up in



Social worker Malkolo Motumi.

an atmosphere which exposed them to the corporate world at an early age enabled white secretaries to be more efficient and

confident in their jobs. Angie Makwella, director of a Johannesburg-based commercial college, conceded that the

quality of training offered by some colleges was superficial.

"The training is just basic and does not provide background information," Makwella said.

### Language

"Some fly-by-night colleges take it for granted that secretaries do not need to know the techniques of computers, for example. Trainees are simply shown how to insert a disk into a computer, which keys to press and are then told to write down what appears on the screen. There is no way a person who is computer illiterate can be taught this way."

Compounding sketchy tutoring and other inefficiencies in the training of black secretaries, said Makwella, was the lack of

"Most secretarial students would allow a teacher to proceed with the lecture even when they do not understand - either because they have difficulty articulating their problem in English or because they are not confident."

interest by lecturers in the trainees as individuals. The language problem, she said, was taken as a natural handicap which could not be helped.

"There are things peculiar to blacks that only a black person can understand," she said. "Experience has taught me that most stu-

dents would allow a teacher to proceed with the lecture even when they do not understand. They would not say so either because they have difficulty articulating their problem in English or they are not confident.

"If you cannot relate to them, their problems will probably go undetected and a whole class of black secretaries would leave the course having understood very little of what was taught."

### Registration

People had to be very careful when choosing training institutions, she said. They should check the quality of training, the courses offered, material supplied and the ratio of students to the lecture equipment available in a class.

She said compulsory registration of commercial colleges and the appointment of a monitoring body could improve the quality of training for blacks.



# Advice that is ignored leads to frustration

B/Dam 27/4/90

USUALLY, consultants are called in by management. Because of this, positive action based on consultant recommendations can be expected from clients.

Not true.

Many consultants say they are often frustrated, even by the most forward-thinking of clients, when progressive decisions and implementation of decisions is unnecessarily delayed.

However, one cynical client says: "It's not the consultant's money he's suggesting we spend in vast amounts."

What are the consultants' biggest problems?

Finansbank's Jan de Coning says: "One of the most important things is to gain the trust of the people who might be affected by your findings."

Leading black consultant Willie Ramoshaba says there is often a surprising resistance to change, despite potential benefits.

This is confirmed by other industry players.

Says one: "In some cases, clients or their employees do not understand the ideas we would like to implement."

"Another problem is that there is often resistance to our being there."

"The idea of an outsider coming in and 'trying to run the show' is often threaten-

ing to some managers, who feel their positions may be undermined," he says.

The worst result of poor reaction to the consultant is that company morale falls, which makes people less keen on implementing new ideas.

This is especially worrying in cases where a troubled company is involved.

"The worst reception usually occurs when a dissatisfied board goes over the head of the MD and other executive directors and calls in outside help," says a consultant.

In such cases, it is vital to show staff and management that any action taken is for their own good.

What the consultant must do is communicate that however tough they are, the measures taken are absolutely vital and without them the organisation could collapse and everyone would be worse off.

This is especially important in cases where the company is losing money and radical restructuring is needed.

Another important aspect is education.

For a programme to work, the people it is designed to affect must be sufficiently informed about it, the rationale behind it and the possible consequences.

150  
Blair  
27/4/90

## Making use of general experience

THERE are obvious benefits of specialisation in the management consultancy industry.

Still, some operators, even the smallest, continue to offer general consulting services (18)

Growing black businesses are especially well positioned to make use of generalist consultants, says black consultant Willie Ramoshaba.

For a relatively low fee they gain access to valuable experience and wide-ranging business knowledge, he says.

The broad focus offered by the general consultant can benefit smaller companies which can't afford different specialists for marketing, finance and production planning.

Simple logic and the consultant's general business experience are valuable in solving problems and identifying potential growth areas, he says.



# Shortage of skills calls for increased flexibility

B/Day 27/4/90  
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THERE is no way the skills in SA can do the full rounds, says the head of Finansbank's management consultancy arm Jan de Coning.

"This is why management consultants are in such demand."

De Coning was deeply involved in the strategic repositioning of many organisations in Namibia before independence and lessons learned there have made deep impressions on his views of political and economic change in SA.

"We have less time than Namibia had. The process started there 10 years ago, but in spite of the time to adjust mind-sets and prepare for future growth

there was still much confusion," he says.

"As in Namibia, our role in SA is to take the agony out of unavoidable change."

SA companies face rapid repositioning.

"Many are seeing their planning horizons changed through political and economic developments."

The most important thing is to maintain and enhance flexibility.

"Rather than simply cruise, companies must learn to bob and weave without losing sight of the long-term targets."

Most consultants confirm there has been an increase in strategic awareness among SA organisations.

"Planning is beginning to

melt into the minds of top management," says De Coning.

There is a need to establish qualified blacks in senior positions.

"Over the years, black entrepreneurs have been squashed. We desperately need to revitalise entrepreneurial thinking and action amongst blacks."

## Style

De Coning says SA is in a unique position to develop its management style without simply relying on overseas influences.

"Firstly, the key is to open the economy to all, get rid of barriers to entry and allow anyone to get into business," he says.

Finansbank focuses on organisational development consultancy. This includes organisation development, systems and integration and specialised training and development.

Organisation development involves managing change in a company through the development of human resources.

"We are geared towards making organisations flexible and innovative. This is particularly relevant in the constantly changing SA business environment," says De Coning.

The team helps facilitate strategic planning projects and stays with the client while change is implemented.

"Usually we're involved

over a two to three-year period."

Many companies have excellent strategies but for various reasons have not implemented them, says De Coning.

Involvement in systems integration involves helping a company to enhance the usefulness of its systems, he says.

"We are not involved with initial design of the computer system, but are interested in helping the client to use the best system to facilitate change."

As far as specialised training is concerned, De Coning's teams design solutions, after which the custom-made package becomes the property of the client.

# Quality from the top to the bottom

bloom 2714/90

EFFECTIVE quality management can be the difference between mediocre companies and top performers.

Quality goes beyond ensuring the final product is problem-free. It implies ensuring quality at every level of a company, from management to shop floor level.

Quality Management Associates director Colin Bloom says: "Improving quality at every stage not only improves the service offered but also improves the bottom line."

Management consultants play a vital role in helping businesses implement and manage quality improvement programmes throughout their organisations, he says.

"The best way to measure the value of quality is to count the cost of non-conformance to quality principles."

Significant savings oc-

cur after implementing quality management techniques.

"By eliminating time wastage by management and workers we have succeeded in improving quality of the final product as well as profits," says one MD.

Other managers confirm maximising quality the first time round is cheaper in the long run. This is because there is less task repetition, less need for checking and re-checking and dealing with fewer complaints also reduces costs.

## Understand

Says Bloom: "Our business is to make people understand their own work processes in the overall process. They must be able to define their role in an organisation."

"This implies moving away from vertical communication networks and

developing more horizontal communication throughout the work force."

It's important to stop people passing the buck.

Each person must check his own work. Using prevention skills, the employee can find the input that caused the problem and fix it, he says.

"The result is reduced operating costs."

QMA is involved at all levels of a business.

"We've found motivating from the top is most effective," says Bloom.

He cites cases where MDs were the first to learn quality management techniques and it was actually they who motivated the focus on quality throughout the company.

The best way to ensure a company focuses on quality improvement is by showing management how much "lack of quality" is costing.

One aspect of quality



COLIN BLOOM

improvement programmes is illustrating the importance of integrity and responsibility to fellow workers.

"Good communication and good morale are directly related to improved efficiency — from the shop floor to board level."

Using technical and management tools, quality can be improved by focusing on conformance, prevention and striving for zero defect, Bloom says.

"After a while, people simply refuse to accept second best, from themselves or from colleagues."



Day 27/4/90

# Business Day

# SURVEY

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The management consulting industry has been boosted by increasing business concern with areas like quality control, productivity and management efficiency. Consultants provide a wide spectrum of services to all types of business at all levels. NEIL YORKE SMITH reports on the industry and looks at the benefits and pitfalls.

## FINE LINE BETWEEN CONSULTING AND TRAINING OF MANAGEMENT

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MANAGEMENT consultants draw a fine line between pure consulting and management training.

Behaviour Management Development MD Peter Steyn says: "Training is definitely a form of consulting, especially when the solutions being developed are tailor-made for the client as opposed to simple off-the-shelf training packages."

He says executive programmes require far greater input from the trainee.

"This applies to the individual training requirements of both small and large organisations."

The '90s will lean to-

wards consulting for individualised training needs and the development and implementation of training solutions included in the broad strategic planning process, he says.

### Follow-up

Significantly, follow-up and re-assessment of the effectiveness of a programme will become more important.

"The salesman who sells predesigned packages without pre-assessment is not selling a comprehensive service."

Organisations growing rapidly stand to benefit most from executive

training.

"This is largely because under growth conditions staff are required to meet new management expectations in a very short time."

There is vast scope for organisations which provide a comprehensive training service to smaller organisations and complement existing facilities in larger companies, says Steyn.

"Research is vital. The training consultant must aim to leave in his wake motivated staff in companies that have higher staff retention and are more profitable as result of successful intervention."

BIDest 7/4/90

May 27/4/90 (181)

# 'Change agents' advise on people-related issues

THE organisational review staff of Kessel Feinstein Horwath Human Resources (KFH) call themselves the "change agents".

They give advice on a host of people-related issues in business, from management structures to remuneration strategies and systems.

Providing the focus for the human resources consultancy are Arthur Schafner and partner Peter Kramer, who has a masters degree in financial management.

One of the most important organisational issues is management. It might become apparent to a firm that its management

structure is faulty. It might have too many managers at one level and too few at another. There might be a need for management training courses to assist in strategic planning.

### Assess

Through these courses, companies are helped to assess their needs and prepare proper strategies. This is usually a team effort, with different divisions of KFH involved in the assignments.

Businesses also often need help in succession planning — making sure there are understudies to key posts in the organisation.

Another example of where consultants are needed are in employee share ownership schemes, which are rapidly growing in popularity as a way to give employees a stake in a company's growth.

This often has tax advantages and at executive level has developed into a trend among listed companies.

Drawing up new remuneration strategies can include coming up with tax effective packages — and here the expertise of an auditing firm helps.

Remuneration evaluation can include comparing a company's remuneration levels with the going rates in the market.

Says Kramer: "We are usually asked to advise on a specific issue rather than give advice on the organisation in general."

He says the consultancy's client base ranges further than only audit clients.

Sometimes a problem at an audit client is spotted

by the auditors, who alert the consultancy.

Says Schafner: "A practical example is where turnover is too low given the market conditions. The organisational review consultants might find that what is lacking is proper training of the sales force. We identify the problem and assist in setting training courses."

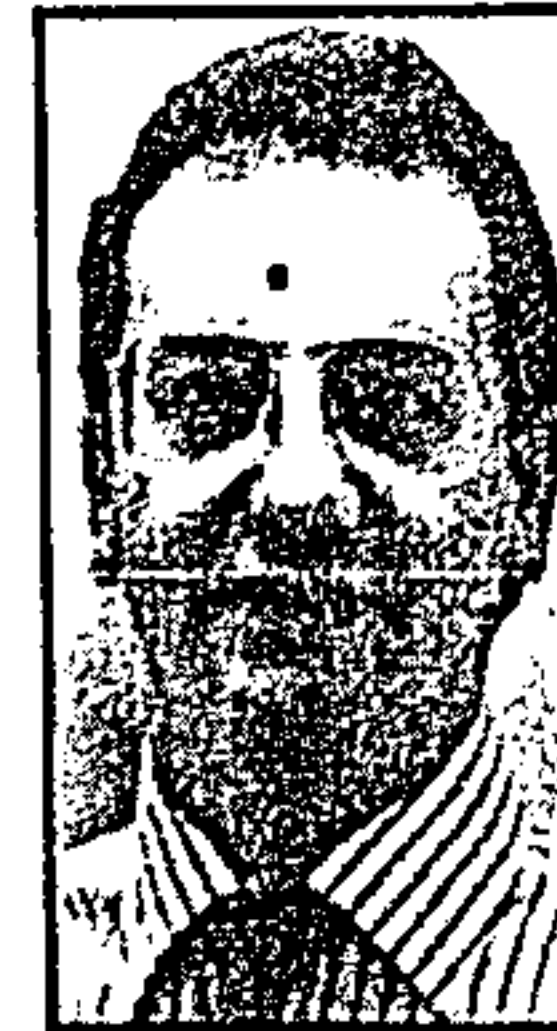
### Evaluate

The "change agents" also help evaluate working conditions, including hours and overtime compensation. These are gauged and employee attitudes canvassed before recommending a strategy.

The consultancy is sometimes called on to investigate the reason for low staff morale, a situation which might necessitate employee opinion surveys. It also advises on various administration procedures relating to staff, including advice on the structure of payroll and taxes.



ARTHUR SCHAFNER



PETER KRAMER



8/24/90

# Programmes call for total commitment

FULL commitment of management and staff is vital if maximum benefit is to be derived from implementing management programmes, says Malbak group manufacturing systems consultant Eric Warner.

This often involves pre-training to prepare managers for the changes that are likely once new programmes are in place.

This is particularly true when implementing something like the manufacturing resource planning (MRP II) programme, he says.

"Managers must be made aware that MRP II is a way of managing a business, not just a computer programme," says Warner.

Managers need to be trained and must be well prepared for the implementation of the programme.

The idea is to focus on

developing managers rather than simply getting involved with just another computer system.

Warner says use of in-house video-based systems to provide simultaneous development of management and computer skills has been successful in preparing managers for potential changes.

"This approach has achieved excellent results, notably in Malbak's Protea Pharmaceuticals subsidiary," he said.

"Because of the training we were able to significantly reduce the time taken to get up and running on the MRP II programme."

The success of any programme depends on constant feedback and monitoring.

"As a result of imple-



ERIC WARNER

menting programmes and diligently monitoring performances, we have seen, for example, improved accuracy in material and inventory controls in some areas.

"My role as manufacturing systems consultant for Malbak is very broad," says Warner.

"I am involved with manufacturing companies of all sizes, many of which operate in widely differing markets."

His job involves entering organisations and trying to define "what they are really about".

search subsidiary and their health care division. She's described by colleagues as a hands-on operator who gets on with people very well. Of her management style she says her motto is "firm but fair" — though she likes team spirit.

Born Sue Hebden, Grant is from Yorkshire and still sounds like it. After graduating from Leeds University with an honours degree in chemistry, she joined ICI's fibres division before moving over to that company's pharmaceutical division. She was transferred to the marketing research section and later moved to ICI's SA office.

Grant soon realised that she needed more diversity. "Working for a client company is limiting and I found there was far more scope and variety in the agency world."

She became a research director of Impact Information and her track record includes establishing the medical services division of Market Research Africa. During this time she obtained an MBA from Wits Business School.

When she joined Markinor in 1986, it was already one of the largest local research companies. Within the qualitative research company, she extended her experience into fields such as financial affairs and fast-moving consumer goods.

Grant has definite views about the way research should be conducted. She says market research companies shouldn't just compile research results, but should interpret the information obtained.

"We're in the strongest position when we have the trust of the client company and full knowledge of a company's marketing plans. Without that, we can't know how appropriate or cost-effective our research is."

Grant's personal story bears testimony to the old adage that life begins at 40. Until she joined Markinor in 1986, her career had always come first. That year she met John Grant, who has his own electronics business, and married him two years later.

She looks a lot younger than 43 and attributes this to a positive, young attitude. She feels it's very important to lead a balanced life and essential to find time to relax. This she does by reading extensively, gardening and walking her two dogs. ■

**SUE GRANT**

FIM 271490 (181)

**Behind the figures**

Recently appointed Markinor MD Sue Grant faces challenging times as she takes over from founder Nick Green. As she says, "people get used to dealing with someone who is very much the owner and driving force of the company."

Nevertheless, she's very excited about being the first woman to head what is possibly SA's largest marketing research company. "The real challenge, of course, is to maintain our position in the market and ensure further growth and expansion."

Grant previously headed Markinor's Focus Qualitative Re-



**Sue Grant ... sitting high standards**



# Out rolls a shiny Madibamobile

By EDDIE KOCH

WHAT kind of Mercedes Benz rolls off the assembly line wrapped in cellophane paper and plastered with stickers proclaiming the virtues of the South African Communist Party?

Answer: a bright red top-of-the-range Mercedes Benz 500 SE, certified "made by worker hands only", and dubbed the *Madibamobile*.

"Yes! Our gift to Comrade Nelson Mandela was completed on Monday," proclaimed a shop steward at the Mercedes Benz factory near East London.

"It has just been sent off for a car-phone to be fitted. When it comes back, we will ask Madiba to come and collect it."

The workforce celebrated the completion of the R250 000 super-luxury sedan with an impromptu work stoppage at the plant on Monday.

Exuberant members of the National Union of Metalworkers of South Africa sang and *toyi-toyied* as they pushed the car — clad in a plastic

wrapper and covered in photographs of Mandela, African National Congress slogans and South African Communist Party stickers — from the assembly line to the depot where it will wait for its owner.

"Everything is finished. The car passed its road test with flying colours. Now we are discussing if Mandela should collect it from the factory or if we must hold a rally for him to receive it," the shop steward said. *WIMAN 2714-315190*

The workforce presented management with a lesson in productivity by assembling the super-luxury R250 000 sedan — complete with automatic transmission, air conditioning, soft leather upholstery, power steering, central locking, electric window winders, adjustable steering column, state-of-the art sound system, eight speakers, electrically adjustable seats with computerised memory,

outside temperature indicator, electric sunroof and burglar alarm — in the equivalent of just four days of labour time.

The average 500 SE takes 28 days to manufacture.

"Workers made this car with their own hands," the shop steward said. "We did not want junior management to touch the car because they have a bad attitude to our cause. So we said the car would be checked by our own professional inspectors. It is a 100 percent worker car." *(181)*

To press home the point about the sedan's proletarian purity, shop stewards have put an embargo on union officials talking about the car and gave workers the right only to make statements to the press.

Numsa members made the car by each doing an hour of free labour every day since March 26. They will pay the company for parts and components by each working in four-and-a-half hours of overtime for free.

BUSINESS in South Africa cannot afford to take the "fatalistic view" that productivity improvement will be attained only after the crises in education and the political system have been resolved, says Frank Horwitz, of the University of Cape Town Business School.

Professor Horwitz urges in the Institute of Personnel Management (IPM) Journal that "people development" and vocational training should become an

# Future lies in people

S/Times

6/5/90

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integral part of corporate culture as a matter of urgency.

He says dialogue about human resource matters should be encouraged between employer organisations and the trade unions.

"Bilateral development approaches need to be ex-

plored at national forums as is currently occurring on labour law issues (the Saccola-labour talks), as well as at industry, and organisational levels."

As an example of an industry agreement in the human resource context he cites the recent establish-

ment of a union-management training board in the tyre industry.

Professor Horwitz says that if employers wish to maintain a free-market economy, they will have to provide meaningful material benefits and opportunities for employees.

"The answers do not lie in avoidance of bargained wage increases, but in seeking a simultaneous acknowledgement of both employees' needs for fair labour practices and equitable wages, and employers' needs to enhance wealth creation."



# Dorbyl set for legal row over immigrants

A UK company yesterday threatened to sue Dorbyl for more than \$250 000 after an agreement to recruit skilled workers fell through when the SA company was unable to obtain visas for them.

Sussex-based petroleum consultancy RTPC Builder MD Bob Thompson said yesterday Dorbyl had approached his company by telex on February 25 requesting the recruitment of 70 welders and boilermakers for its shipbuilding operation in Durban.

RTPC received a second telex on March 1 asking for a total of 126 workers, including 26 supervisors, saying "progress had been made" in obtaining visas for the workers.

RTPC has agencies in Thailand, where the skilled labour was mobilised.

Thompson said the costly operation to hire the workers had gone ahead successfully. *from 9/5/90*

But on April 17 Dorbyl telexed RTPC to say they had been unable to obtain visas and postponed any use of the Thai work force for three months pending visa re-applications.

Thompson said he was particularly aggrieved because it was clear Dorbyl

**BILLY PADDOCK and  
MATTHEW CURTIN**

had never had visa clearance from Home Affairs, and had allowed the RTPC operation to continue even after clearance had been denied.

According to documents in his possession, Dorbyl had only applied for the visas on February 26, he said.

A Home Affairs Department spokesman confirmed yesterday that the request had been turned down on April 4.

The department would not comment on their decision, but the spokesman said every request was considered on its merits.

Dorbyl had re-applied for the visas "recently".

Thompson said the workers were highly skilled and had resigned from their jobs in Thailand for the lucrative package of about three times what they were earning.

They had handed in their passports to the SA Embassy in London and were now without a job, while RTPC faced losing their licence in Thailand. The company had lost more than \$250 000.

"We obviously had to pay the workers

at least a month's wages. Working for more than two months recruiting them and setting up their transfer, including buying air tickets, has cost us a packet," Thompson said.

Dorbyl CE David Mostert would not comment yesterday on the incident. He denied knowledge of the affair and said such compensation claims would have to go through the correct machinery.

Thompson said he had telexed Dorbyl head office in Johannesburg on Sunday detailing the RTPC compensation claim. In the meantime he was in daily contact with the SA embassy in London and the Thai government.

Dorbyl's recruitment of workers from Poland, Portugal, Greece, Germany and Turkey has come in for public attack recently.

In mid-April ANC representatives led a thousand-strong demonstration by artisans protesting at the practice in Durban.

At the end of February, 188 artisans, members of the Confederation of Metal and Building Unions, went on strike in protest at the superior treatment afforded to immigrant labour.

# Japanese workers impress SA black steel workers

Soweto  
6/5/90

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SOUTH Africans have a lot to learn from the Japanese when it comes to discipline and quality at the workplace, says two

**BY LEN MASEKO**

black men who have just returned from a six-week trip to Japan.

The two are Mr John Mbethe and Mr Samson Moganedi, who were sent by their company, Mid-delburg Steel and Alloys, to the East to study new technology - especially "the Japanese work ethic".

Both men are employed as operators by the company, which selected them from dozens of other employees to spend time at the Tadakoro Stainless Steel Service Centre in Tokyo.

Mbethe says: "Not only do the Japanese respect one another regardless of their posi-

tion, both socially and at work, but also respect their surroundings.

"They create work for themselves, even during their breaks, and are constantly cleaning up the plant. Attention to detail is very important. In the six weeks we were there, the machinery didn't break down once".

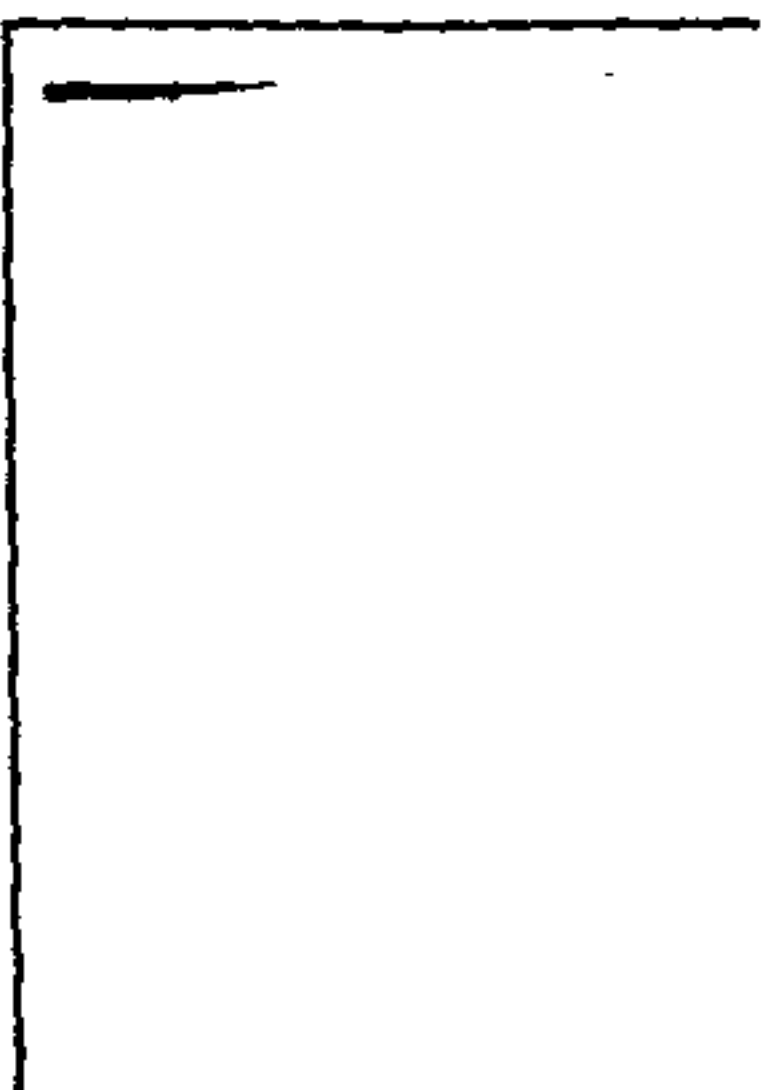
"It's no wonder the Japanese have set the quality standards for the rest of the world. Only the very best is good enough. Because quality control is an integral part of everyone's job, the need for inspectors is eliminated".

The two say team spirit is the buzz word for the Japanese, with management and workers observing, daily, a strict

routine of five-minute exercises to the strains of music before work.

The exercises are followed by a pep talk on quality, production or safety.

"At Tadakoro, quality was all important, not tonnage", Mbethe says, pointing out that "It's good to be home".





# How the cookie crumbles



Garth Coppin is a partner with Ernst & Young

In a survey carried out a number of years ago, it was found that unskilled and semi-skilled employees thought more was being distributed to management than actually was the case. Developments in SA clearly indicate this perception has not changed. If anything, it has deepened.

It has been suggested that the inclusion of a value-added statement in a set of financial statements could satisfy union demands — or at least improve employee morale. Certainly it could be used to correct this misperception about the way in which income is distributed.

So it is surprising that companies, which include value-added statements in their annual reports, don't make better use of them.

Common disclosure in the value-added statement is to show only one figure for the amount distributed to employees. If an em-

ployee were to divide the amount distributed to employees by the number of employees and compare this with his own take-home pay, it would appear to confirm suspicions that management takes a disproportionately large ratio of the total pay package.

Unskilled or semi-skilled employees would not necessarily be aware of the costs involved in supplying fringe benefits to employees, nor the employer's contribution to various funds.

Companies could consider disclosing, by way of notes to value-added statements, the following figures per employee:

- Average take-home pay;
- Average deductions from salary and wages for tax, medical aid, pension or provident fund; and
- Average cost of employer's contributions to medical aid, pension and provident funds and to fringe benefits.

As the amount distributed to employees could include the cost of giving past employees pensions, or supplementing pensions from other sources, companies could show the cost per employee of these payments as an additional figure.

They could go even further and break down all the above information by category of employee.

Though benefits can be obtained by splitting the amount distributed to employees into its component part for the current year, other useful information can be obtained if the figures are compared over a number of years.

From such an analysis it might be possible to ascertain:

- Whether the productivity of employees has improved over time. A simplified way to do this is to determine whether the percentage increase in turnover per employee exceeds the inflation rate;
- Whether increases in take-home pay of employees match increases in the inflation rate;
- Whether increases in the overall cost per employee exceed the increase in the inflation rate. The employee's take-home pay might not match increases in the inflation rate but this could be offset by the company giving increased fringe benefits such as introducing a non-contributory medical aid;
- If costs were broken down by category of employee it could show which categories received a real increase in their overall pay package; and
- Whether employees are getting an increased share of the wealth created by the company.

# Cosatu moves <sup>(18)</sup> against Barlows

 Weekly Mail Reporter 

THE Congress of South African Trade Unions (Cosatu) has launched a nation-wide campaign against labour practices in the Barlow Rand Group. W.M. 115-17590

Shop stewards from eight Cosatu unions who represent 80 000 workers from Barlow factories will meet this weekend to discuss united action against the group.

Union representative Rob Rees told the *Weekly Mail* that Barlow employees would request solidarity action from the African National Congress during their planned protests.

Cosatu says the group "has a long-standing plan to divide and weaken" the unions by refusing to deal with organised labour in national wage bargaining forums.

Cosatu also accuses Barlow of using retrenchment, casual labour, deregulation and "long and tricky recognition agreements" to undermine union strength.

Barlow's group industrial relations manager, Hilgard Bell, said the group was involved in discussions with Cosatu unions about their claims.

"We are aware of the meeting that will take place and we are hoping that solutions to the problems can be found in discussions between Cosatu, our group companies and ourselves."

W/Mant 1115-17/5/90

(191)

## So is it a 'soft landing', or is it hard times?

By ALAN HIRSCH

THOUGH government and private economists prefer to talk about a "soft landing", consumer-oriented industries are sending signals which indicate the onset of a recession. The clothing industry, for one, has shed about 6 000 workers in recent months, according to industrial council statistics.

The greatest drop has been in the Cape where employment has fallen from 57 000 last year to about 53 000 in mid-April. The clothing industry in the Transvaal has lost about 1 000 workers, taking the employment figure down to about 15 000, while the Natal region has fallen from about 45 000 to about 44 000.

It has been speculated that the relatively good performance of Natal compared with the Cape (which specialises in high fashion) indicates that the lower end of the market is holding up more strongly.

Around the country, industry representatives talk about shrinking order books. Colin McCarthy of the Cape Chamber of Industries acknowledges a slowdown: "Demand is dropping off in all consumer industries. The position we anticipated is beginning to bite".

Hennie van Zyl of the National Clothing Federation has had reports of factories working short time, and ending long-standing regimes of permanent overtime, but says that the situation has not yet become a crisis.

While both McCarthy and Van Zyl argue that the downturn was expected, and is not that severe, workers and their representatives are very concerned. A regional meeting of the South African Clothing and Textile Workers Union held recently in Cape Town was almost wholly devoted to the issue of retrenchments and short-time.

Lionel October, general secretary of the union, says the union is preparing to adopt a programme to fight retrenchments and short-time.

The workers, he says, see the recession as government-induced, and are unhappy at being forced to suffer because of poor economic policies. As clothing workers they are always amongst the first to get hit in a downturn.

"And in boom years," says October, "the employer's high rates of profit are not passed on to the workers".

The anxiety of the workers at the Cape Town meeting was heightened by the recent news that Rex Trueform plans to lay off about 10 percent of its workforce — 231 workers.

The SA Clothing and Textile Workers Union announced last week that it would declare a dispute with Rex Trueform over the retrenchments. The union said the company had not adequately justified its decision to lay off so many workers. Also in Cape Town, a factory employing 140 workers has recently shut down and several medium-size firms are working short weeks, some two days short.

The union plans to hold a session shortly on "counter-measures" against short-time and lay-offs. One of the proposals it will put to clothing workers is the establishment of a retrenchment or "slack" fund which would build up reserves during healthy periods and dispense aid during recessions.

Such a fund already exists in the Transvaal, but there is none in the Cape where the clothing industry is concentrated. The fund could be administered for the clothing industry by the Cape industrial council, which already administers several benefit funds.

A representative in Cape Town suggested that rising wages in the industry and the fact that several firms have recently moved from Cape Town to Ciskei and Transkei could be reasons for the industry's weakness.



Interest-bearing debt was reduced sharply to below R300-million, giving a debt-

and Fintech suffered absolute losses. Poorer performances than in the previous year were recorded by nine,

and cover too. Earnings fell by 23% to 6,2c a share in the year to February 1990 because of thefts, but the 3,25c dividend was kept.

# Business urged to tackle Aids now

**Business Times Reporter**  
**A STRATEGY** to deal with the looming Aids catastrophe urges corporate decision makers to act quickly before the danger becomes "utterly unmanageable".

The strategy, spelt out in a new report, is the first of its kind in South Africa and has been greeted by medical authorities as "long overdue".

It includes a suggested protocol covering both new and existing workers in which the interests of both employer and employee are protected.

The problems raised by employees carrying the human immunodeficiency virus (HIV), which precedes Aids, are dealt with in an effort to offer "hard-pressed corporate decision makers" practical guidelines that are both cost effective and as human as possible.

Included in the report's recommendations is the key

suggestion that organisations, public and private, treat all HIV-infected employees "as you would treat a valued employee suffering from hepatitis".

Apart from the medical similarities of the two diseases, the report says that to treat HIV- and hepatitis-infected employees in the same way will do much to remove the social stigma attached to Aids.

## Conservative

More importantly, it will mean that by the year 2000 — when by even the most conservative estimates, several million South Africans will be infected with HIV — there will be hundreds of thousands still usefully employed in commerce or industry whose skills would otherwise have been lost.

Commenting on the report, published by the International Research and Information Service (IRIS), an independent information-gathering service for SA corporations, South African Medical Journal editor Nick Lee says:

"This is long overdue. What people desperately need are some practical guidelines. We know there is a problem — but what most people, particularly businessmen, do not know is what to do about it.

"Aids is everyone's problem and we must all act now or it will be too late."

The report was compiled over five months and gives the best available picture of Aids and HIV-infection from Uganda to South Africa, according to editor Chris Erasmus.

Mr Erasmus says: "We have been careful to avoid the hysteria seen in some reports. But based on our information it is clear that official government and World Health Organisation figures badly underestimate the true extent of the problem to our north.

"If there is no immediate and appropriate action by the public and private sectors, we face catastrophe with literally millions of people dying of Aids in the next decade."

# Entrants to job market facing bleak prospects

NEW entrants to the SA job market are facing bleak prospects as industry gears itself for an increasingly recessionary economy by lowering employment levels.

Industry spokesmen have forecast lower employment levels — and retrenchments — in various industries this year.

Steel Engineering Industries' Federation of SA (Seifsa) economist Michael MacDonald said yesterday the steel engineering industry employed 388 000 workers in February, up from last year's 33 000 but way below 1981's figure of 454 000.

However, retrenchments were taking place and MacDonald said this would increase during the year, although not to the extent of the early '80s.

He said the marked drop in demand for consumer goods had affected the light manufacturing steel industries. Skilled labour remained scarce and this was inhibiting growth, he said.

National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen said employment in the motor manufacturing industry had shown steady growth since 1987, but had fallen by 518 jobs in the final quarter of 1989.

Recruitment saw a gain of 663 jobs in the first quarter of 1990. By March 38 159 were employed, but in a slowing economy this gain could slacken and there could be retrenchments, Vermeulen said.

EDWARD WEST  
and ACHMED KARIEM

Building Industries' Federation of SA (Bifsa) economist Charles Martin said employment in the building industry had reached a high of 262 000 last year, but this had declined to 258 000 this year.

He said employment levels were tapering off and lower levels could be expected after the second quarter. There was still much work in progress in the residential sector, but new contracts were becoming harder to find, he said.

Job prospects in the textile industry, with a current employment level of 97 500, were bleak, Textile Federation of SA executive director Brian Brink said.

He said although a few retrenchments had occurred at the end of April, manufacturers were expected to switch to short-time which could mean lay-offs later.

"If things continue, we are in for a very tough time," he said.

Lack of demand led to employment levels in the footwear industry declining by 2 800 employees between September 1989 and February 1990, Footwear Manufacturers' Federation of SA (FMF) executive director Dennis Linde said.

CSS said yesterday manufacturing output had fallen 3,6% between the first quarter of 1989 and this year.



# Unions will fight for a share of control

By 10/18/79

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UNIONS can be expected to increase pressure for a share of control over capital funds — be they pension or provident funds, foundations or CSR allocations.

Labour and Economic Research Centre (Lerc) projects co-ordinator Taffy

Adler says they will also increasingly link what they see as socially responsible investment to the kind of macro-economic programmes and policies being developed through Co-satu.

Lerc is a group acting as consultants to the militant black union movement on such issues as housing, training, retirement benefit funding, work study, job grading, shiftwork and productivity.

Adler says this priority is emerging as business continues in its unwillingness "to share CSR initiatives with unions in a seriously consultative way".

The predominant management view is that social security is a matter of management prerogative.

He says retirement security, housing and education are moving to the top of union agendas on the social security front. Of these, because of the immediacy of the problem, housing is the most insistent.

At the same time, Adler says, a clear perception has

been developed by union leadership on the link between education and economic well-being.

Over the last couple of years, a basic breakthrough has been achieved in union participation in the administration of retirement benefit schemes. The negotiation is over the amount of money, especially employer contributions, transferred to these funds and how it is invested and disbursed.

The retirement fund investment scenario is becoming far more favourable to what Adler calls an "alternative investment policy".

## Alternative

Until now, he says, there have been no serious alternative investments, even where unions are strongly involved in pension fund administration.

Adler says some unions are close to major retirement fund investments in land and housing. He is unwilling at this stage to say where this is occurring.

However, he says these alternative investments are not handouts. In financial terms, they are the equivalent of investment in Eskom gilts — providing a market-level rate of return on a secured, no-risk investment.

It is not a matter of workers' savings subsidising housing development. No one believes that retirement fund assets can be used as charitable donations.

Adler says: "All this has emerged in the negotiating framework and is an exciting departure from the old investment patterns."

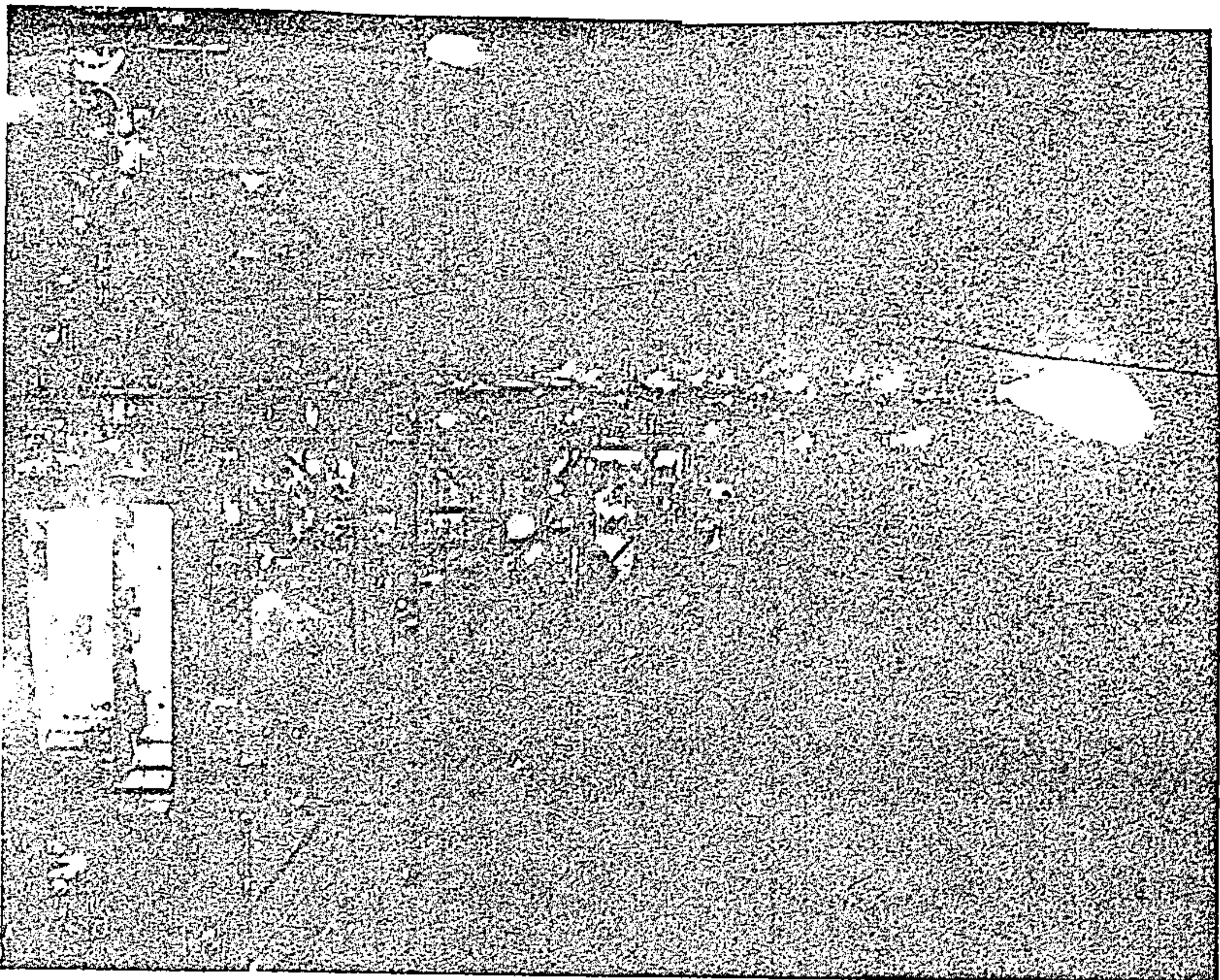
But when it comes to CSR funding, employers are reluctant to set up funds with union participation in decision-making — not only on the level of funding but where these resources should be placed.

If unions gained a share of control over such funds, how would they use them in a manner linked to "macroeconomic programmes and policies"?

Adler says these policies are being developed. However the general thrust is towards manufacturing-led internal consumer-based growth lending itself to job creation and wealth redistribution.

"Socially responsible activity will be defined as that which develops this activity. The trend will be away from charitable-type projects towards developmental ones and productive enterprise.

"Educational, training and housing projects will be at the forefront," he says.



Iscor's environmentally friendly Correx plant at Pretoria.



NATAL FM 18/5/90

## Picking up the pieces

After riding out some of the most intense political violence yet seen in the country, industry and commerce in Natal — in particular the Maritzburg-Hammarsdale corridor — are starting to pick up. (181)

As a semblance of normality returns to the factory floor, employers are starting to count the cost of the violence. It's hard to measure but all agree that business in the most troubled regions has taken a hard knock. There is also the uneasy truce among employers and workers that they are now experiencing an artificial calm, imposed by security force reinforcements and stepped-up army patrols through the townships that serve as dormitories for industrial centres. (181)

Rowly Waller, director of the Maritzburg Chamber of Industries, says that at the height of the stayaway in early April, forced by running battles between Inkatha and the UDF, one manufacturing member reported a daily production loss of R15 000. Other factors are harder to assess, like decreased productivity and lower morale.

"We estimate that over the past six weeks absenteeism has been running at about 30%, bearing in mind that there were periods when we had nobody at all coming to work."

Waller offers the following rough calculation, which applies only to the chamber's 200 manufacturing members, who employ about 35 000 people. A 30% absentee level means there are about 10 000 workers missing on any given day. Waller estimates the average wage to be about R80 a week, which means R800 000 in lost wages over the past six weeks.

He also estimates that wages make up about 20% of the cost of the average finished product, which means a loss of about R160 000 a week to industry — and that's only for the chamber's members in the Maritzburg region.

There have been other costs. "Our employees are losing houses all the time," Waller says. "In many cases they don't want to repair them, even when employers offer to help, because they feel it will just make them

a target if the violence flares up again."

Surprisingly, business confidence is still buoyant in the Maritzburg region. It's among the highest in SA, according to the latest SA Chamber of Business and Seifsa surveys of confidence levels in the manufacturing sector.

The monthly survey of expected manufacturing production for the 12 months ending next March showed that Maritzburg had the second highest level of confidence, 136, compared with 74 in the Transvaal and a national average of 102.

The optimism is hard to explain, except to generalise that the common perception in Maritzburg is that things can only get better. While wider concerns, such as the slowdown of the economy and disruption caused by the number of public holidays in the past two months, saw confidence drop in most parts of SA, in Maritzburg the more immediate problem of dealing with the violence appears to have overshadowed other problems.

A similar effect regarding industrial relations has been observed by employers in Hammarsdale, the industrial hub bordering violence flash point Mpumalanga.

In response to the violence, a peace committee has been set up by companies in the area. It is ploughing money into community projects and mediating between local political leaders.

A spokesman for the committee, who asked not to be named, says there have been very few labour problems in Hammarsdale.

"Generally, employers have displayed great concern for their workers here. And we can only admire the guys who still manage to get to work despite all that's going on."

While the increased army and police presence has largely capped the violence in Mpumalanga, there are other problems developing. The transport system has broken down and employees are forced to walk to work, often long distances through hostile areas.

Even company transport schemes have largely stopped. One of the big employers in the area was forced to withdraw its buses when one of its vehicles was hijacked at gun point. It feels it can no longer risk its drivers' safety by sending them into Mpumalanga.

Though no businesses have closed or relocated from Hammarsdale because of the violence (nor in Maritzburg, according to the local chamber), new employment prospects have been scotched by companies holding up expansion plans or diverting investment to other areas.

On a wider level, national corporations have felt the effect of the Natal violence. Norman Nunan, OK Bazaars' regional director for the Midlands, says the violence has had a significant impact on the chain in Natal, though he says it's impossible to gauge the exact cost.

"The position is very fluid. It changes from month to month and moves from area to area. But when somebody gets stabbed in the doorway of one of your shops, as happened in Maritzburg recently, it affects business."

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Marius Schlechter, Pep Stores' regional director for Natal, says both sales and customer volume dropped sharply in March and April. "It's picking up again quite quickly but we were badly affected by the violence." Schlechter says he cannot give figures yet.

Idasa, together with researchers from the University of Natal's Economic Research Unit, are assessing the effects of the violence and will present their findings at a seminar in Durban on June 14 titled: Violence in Natal: Counting the Cost, Assessing the Future. Idasa's Charles Talbot says the seminar will look at the broad implications of the violence, including the economic impact on industry.

□ Natal is not the only area where unrest has severely hurt business. In Ciskei, industrial unrest followed March's coup and wholesale destruction of businesses. At its peak 28 factories were on strike. Virtually all are now back at work.

In Welkom, white businesses are losing R1m a day in a boycott by blacks that began early last week. It was called after a series of attacks on blacks by rightwing vigilantes.

Shaun Harris



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# Township stress adds to workplace gripes

NEW research shows that the stress black workers experience as a result of life in the townships has an adverse impact in the workplace.

A study of Pretoria-Witwatersrand-Vereeniging townships by Wits University lecturer and human resource consultant Jacqueline Duke identifies major stress factors.

Mrs Duke says: "Township life is characterised by high levels of unrest, extreme poverty, unemployment, high crime rates and poor community facilities.

"Inferior education and a lack of decent recreational, medical and transport facilities

are also particularly stressful."

Mrs Duke found that township violence and crime raised residents' personal stress.

"For example, 76% of the sample experienced disturbances of sleep due to unrest and 75% reported that life was dangerous in these areas because of township unrest."

By Charmain Naidoo

The greatest source of stress is finding a place to live.

"This is not surprising, given the backlog of housing and gross overcrowding in the townships."

Other factors causing stress are the inadequacy of

transport, the education crisis and racially discriminatory laws.

"Township stress heightens labour-management conflict, intensifies conflict between different faction groups in the workplace and decreases job satisfaction.

"It also results in negative attitudes towards the company and leads to an increase in worker militancy. This

negatively affects the industrial relations climate of an organisation."

Arlene Ketz, Heather Price and Mrs Duke, through their human resource consultancy Mandate (011 648-5982), have put together two two-day conferences on township stress. They will be held on June 26 and 27 and August 20 and 21 at the Sandton Sun.

Speakers will include Stuart Pennington, Duncan Innes, Theo Heffer and Mohale Hahanvale.

Topics will include conditions in townships, the role companies can play in promoting change and the effect township life has on the industrial relations of organisations.

SOUTH AFRICAN CHAMBER OF COMMERCE SUIDAFRIKAANSE BESIGTERINGSKAMER



SACOB SABEK

VACANCY:

REGIONAL ORGANISER

HOTEL & TOURISM MANAGEMENT

PROGRAMME



# Provident fund bid sparks strike

St Times 20/5/90

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By Adrian Hersch

WORKERS at Swiss pharmaceutical company Ciba Geigy are on strike over a demand that the firm join the Chemical Industries National Provident Fund (CINPF).

Workers belonging to the Chemical Workers Industrial Union (CWIU) went on strike at the Spartan and Brits plants on May 7. There have been several similar strikes at other companies.

The CINPF, administered by Alexander Forbes, is controlled by a board of trustees comprising 50% union and 50% employer representation.

Ciba Geigy human resources manager Chris van Staden says the company is willing to establish such a fund with the union with 50-50 representation, provided it is in-house.

## Difficulties

Mr Van Staden says Ciba Geigy opposes taking part in a national industry provident fund, mainly because specific company-related issues cannot be dealt with.

In the national fund, trustees can represent the union adequately because all their members belong to one organisation. But there are difficulties of representation on the employers' side.

Certain companies, for example, provide benefits outside of provident funds and they may conflict with national industry provisions. It is more practical for individual companies to negotiate the rules of their own provident funds.

The union says the administration of a provident fund can be carried out more efficiently on a national basis. Several strikes have occurred over this matter. Some workers returned to work even though the ques-

tion has yet to be resolved.

Industrial action lasting about five weeks took place at SA Cyanamid last October. The parties agreed that the issue would not be raised until after October 1990, but discussions could be held in the meantime.

A spokesman for the company said although it had a pension fund, it was not against a jointly controlled 50-50 in-house provident fund.

An eight-week strike over the issue of the CINPF at Rolfes ended in April this year. The parties agreed to negotiate, hoping to reach settlement by mid-July.

Rolfes general manager Andrew Petrou confirms that negotiations are in progress. The company has kept its original pension fund intact and provided for an in-house provident fund.

The union-initiated CINPF was launched in 1987, and several small companies in Natal joined it. Companies in the Transvaal were asked to join it at the beginning of 1988.

Consol Group's glass division joined the CINPF in March this year — it is the largest company to do so. The union says about 15 companies are members.

Alexander Forbes has administered many negotiated provident funds since the early 1980s.

ABOUT 1 400 workers were dismissed from a Woodstock frozen food factory on Tuesday after a strike over wage demands.

In another incident in which management responded to unprocedural labour stoppage, 100 Kuils River sawmill workers were dismissed for a work stoppage.

Members of the Food and Allied Workers Union downed tools at the Irvin and Johnson factories in Woodstock and Paarden Eiland last Thursday.

The Paarden Eiland workers subsequently returned to work but workers at the Woodstock plant continued their industrial action.

A worker representative said the

## Over 1 400 frozen food workers dismissed

workers were demanding a minimum wage of R200 a week while the company had offered them R163.

The company did not respond to enquiries. *Sc. 2315 / - 2/12/90*

Meanwhile, about 100 sawmill workers in Kuils River are without jobs after a row about whether workers should be paid on a weekly or fortnightly basis.

The workers, members of the Black Construction and Allied Workers' Union (BCAWU), claim that management at Boland Wood went back

on an agreement to change the pay system from fortnightly to weekly.

A spokesperson for the workers said some of them stopped work the previous Friday to demand that the company manager meet with them to explain why they were not being paid that day.

When they returned to the plant the following Monday, only those workers who had not taken part in the stoppage were allowed onto the premises.

The entire workforce then refused to work, the spokesperson said.



# Probe follows

South 23/5-29/5/90

By CHIARA CARTER

AN independent inquiry is being conducted into the macabre gassing of a worker at an Epping factory last Saturday.

Mr Harold Adkins, 24, of Lentegur, Mitchells Plain, died after attaching a nitrogen instead of oxygen pipe to his protective hood while working overtime at the Fine Chemicals Corporation factory.

Adkins' body was found in the yard in the unfinished chemicals section of the factory.

The Department of Manpower conducted a preliminary investigation into the incident on Monday, but the Chemical Workers Industrial Union (CWIU) demanded the company allow

# gas death

an independent investigation by the Industrial Health Group (IHG).

The company agreed to this investigation after workers at the plant threatened to down tools on Monday afternoon.

A spokesperson for the CWIU said the union was "extremely concerned" that it was possible for such an incident to occur.

Fine Chemicals spokesperson, Mr GW Campbell, said the company regretted the death and wished to express its condolences to Mr Adkins'

family.

Campbell said Fine Chemicals Corporation was a five-star National Occupational Safety Association holder and had maintained a "consistently high safety standard for many years".

He said the company was unable to comment further because the matter was still being investigated.

Fine Chemicals Corporation is part of the Federale Volksbelegings South African druggist group.



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WORKERS at one of Cape Town's largest clothing factories are to take protest action against an attempt to retrench more than 200 employees.

Stu 2315 - 27/5/90

Hours after several workers received letters on Tuesday with proposals on retrenchments, hundreds of Rex Trueform workers attended a militant lunchtime meeting at the headquarters of the South African Clothing and Textile Workers' Union (Sactwu) in Salt River.

Speakers at the meeting claimed the letter, in which the company says it has been "fair and patient" with Sactwu, was an attempt to by-pass union structures and divide workers.

## Clothing workers in 'state of war'

~~181~~ ~~181~~ 181  
Sactwu and Rex Trueform have been discussing the proposed 230 retrenchments since mid-April.

Sactwu legal officer, Mr Des Sampson, said the union had sent a letter to the company demanding that it be given an opportunity to speak to all workers at the company or it would take legal action.

Sactwu regional vice-chairperson, Ms Connie September, said the union and the company were in a "state of war".



Monday 30/5/90

## Wage dispute, production dip plague Conshu

ACHMED KARIEM

UNRESOLVED, protracted wage negotiations and a production decline could lead to a pedestrian year-end earnings performance by footwear manufacturer Conshu Holdings, CE Robert Feinblum said yesterday.

Feinblum said he was "not optimistic" about the figures, expected to be announced shortly. (181)

Productivity levels of the group, which posted interim earnings of 30.1c a share, had been unsatisfactory due to a nationwide slowdown in the footwear industry, he said.

The deadlock was due to union demands in excess of 40% against a 17% employers' offer.

Feinblum said the footwear industry was price and volume sensitive, and subjected to imports. It was confronted by high interest rates, lack of confidence in the economy and consumer resistance to prices.

This had led to shorter order books, retrenchments and unutilised capacity.

He expected Conshu's interest bill to rise to about R10m from R4.6m for the six months to end June.

The increase was due to higher interest rates and an increase in interest-bearing debt to help the acquisition of Jordan and Phoenix.

## **IDC loan to fund extra work shifts**

EDWARD WEST 181

GOVERNMENT'S self-financing Industrial Development Corporation (IDC) yesterday announced a R300m low-interest loan scheme to promote additional work shifts in factories.

The scheme offers industrialists the opportunity to expand operations with an additional production shift, thereby reducing costs and increasing profitability with capital at a low interest rate.

IDC MD Carel van der Merwe said research flowing out of a report by FCI and Seifsa showed approximately 70% of SA manufacturers worked less than two shifts while less than 10% of all manufacturers worked three full shifts. *81 Day 3015190*

Financing of R300m at R100m a year was available for industrialists with assets of up to R100m.

Industrialists would use the loan as working capital towards at least one additional shift of eight hours. An interest rate of 9% would be applicable for the first three years of the loan.

No application for capital of less than R150 000 would be considered due to the administrative burden of smaller loans.

Working capital would be repayable if not applied to multi-shift production.



# IDC set to boost productivity

By DON ROBERTSON

THE Industrial Development Corporation (IDC) is again spreading its wings by offering R300-million to boost productivity in SA.

It follows the successful completion of a 5% loan which brought a flood of applications.

In recent months, the IDC has offered the electronics

industry R50-million for development and has raised a first tranche of R175-million of a planned loan from the capital market.

The IDC has also disclosed it is to spend R9.5-billion on grassroots industrial devel-

opments in the next five years which could spawn additional capital expenditure of R23-billion.

When completed, these projects could save SA R4.5-billion a year in foreign exchange and create thousands of jobs.

The latest scheme involves an offer of R300-million at a

rate of R100-million a year to industrialists able to increase the number of shifts worked at their factories.

The loans, with a minimum application of R150 000, will bear interest at 9% for three years and thereafter at a guaranteed, fixed interest rate. Loans may be repaid over five years, with the first payment due one or two years after the first advance.

The requirements are that the funds be used to add at least one shift of eight hours to the existing operation, lead to increased employment, have economic merit and that they maintain the profitable structure of the company.

## Shortage

The project has been tailored for small to medium companies with assets of less than R100-million.

The previous offer of low interest loans closed in December with total withdrawals of R315-million.

Funds for the multi-shift scheme will be used mainly for working capital, although financing of new equipment will also be considered.

Managing director Carel van der Merwe says the

finance should be used to employ new staff, fund increased debtors and stocks as well as additional administrators.

He is aware of the shortage of supervisory and skilled staff, but insists that industrialists' approach to increased productivity must change.

Ben Smith, head of the industrial financing division of the IDC, says: "We are adopting a carrot approach. If there is a good response to the issue we could make additional funds available, although not necessarily at 9%."

The initial call for the promotion of multi-shift work came from the Federated Chamber of Industries (FCI), now part of the SA Chamber of Business.

About 70% of manufacturers work less than two shifts and only 10% work three.

Additional shifts will allow capital equipment to be used more productively, will increase job opportunities, reduce the need for import of new equipment to raise production in the current shift system and allow industrialists to dedicate more production to exports.

ST Times 3/6/90

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# Job cuts in leather industry

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~~181~~

South 7/6 - 13/6/90  
~~181~~

By CHIARA CARTER

ONE of the largest leather factories in Cape Town began a major retrenchment programme this week.

On Monday, 80 workers were retrenched at Jordan and Company in Elsie's River; more job losses are to follow.

The company proposes to retrench 250 workers — about 15 percent of the total workforce of 1 400 workers.

The move comes against a background of widespread ongoing job losses in the industry throughout the country.

A spokesperson for the National Union of Leatherworkers (NULW) said the union had met with the company last month to discuss the proposed retrenchments, but the company refused to provide financial statements.

He said NULW was excluded from subsequent negotiations.

A spokesperson for the South African

Clothing and Textile Workers' Union (Sactwu) said the union would take legal action against the company for not providing sufficient information about the reasons for the retrenchments.

The Sactwu spokesperson said the company had initially proposed to retrench 100 workers this week but the union had persuaded them to reduce this to 80.

The spokesperson said Sactwu was trying to persuade management to agree to a retrenchment package of two weeks' pay for every year of service.

Company spokesperson, Mr J R Jordan, said the downturn in the economy had had a severe impact on the men's footwear industry, resulting in short time and closures.

"Jordan has not escaped this situation and has reluctantly found it necessary to reduce its manufacturing complements to reflect the current workload," Jordan said.

"Once business recovers, the company will restructure to its normal manning levels," he said.



# More woe for boat-tins

## Strikes threatened as three factories close

STimes 10/6/90

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MERVYN KING

**A PROLONGED** strike in the Frame group in reaction to the proposed closure of three factories will be another thorn in the side of the beleaguered textile giant.

More than 1 800 jobs will be lost because Frame will close factories unable to compete in a high-tech industry.

A dispute has been declared by the SA Clothing and Textile Workers' Union, which is dissatisfied with Frame's industrial relations procedures.

The major problem for the industry in general and Frame in particular is that profit margins are too thin to justify investment in more modern and efficient plant without incurring high borrowing.

In the face of stiff competition, Frame will be loath to sacrifice market share which can be maintained only at the expense of margins. It's a Catch-22-situation.

The decision this week to close Wentex Mills in Durban with the loss of 1 400 jobs comes as no surprise to textile industry watchers. Retail purchases of blankets — its major product — have all but dried up and Frame is virtu-

By JULIE WALKER

ally bankrolling its customers by carrying stock.

Since chief executive Mervyn King took over at Frame late in 1988, equipment has been upgraded — at high cost. Purchases include

cotton-processing machinery, spinners, air-jet looms, pressure dyeing plant and a laser engraver for new print designs.

The group has been reorganised into small, focused businesses. The strategy has been to decentralise right down to the shopfloor.

But Frames's borrowings are nearly R190-million and the size of its interest bill is deterring investors from buying the shares.

Speculation is that one way Mr King could bring down interest-bearing debt would be to sell Conframe's 21,5% cross-holding in its parent company.

### Insufficient

The Frame group owns 67,5% of Conframe, which holds the subsidiary interests in Consolidated Cotton Corporation, Consolidated Waverley Textiles and Consolidated Apparel Manufacturers. Conframe owns most of the property division, Frame holding 5,5% directly.

If Conframe were to sell its holding in Frame, it could bring in nearly R50-million at the current Frame share price of 885c. This might not be enough for the directors.

Although it is difficult to quantify Frame's net asset value, it is estimated at R17.

It is unlikely that the directors would wish to sell at almost 100% discount to net asset value, nor would potential buyers be willing to pay double the market price for the stake.

### Worried

Finding common ground will not be easy. It is believed that the Conframe stake was offered last year, but a potential buyer pulled out after Frame's poor performance — the legacy of years without direction.

Analysts are worried that Frame might not achieve this year's earnings forecast, especially as blanket sales have stalled and interest rates are still punitive.

The best they hope for is a reasonable return on assets by 1992.

Shareholders can expect an increase in dividend cover as retentions increase to fund growth.

# Frame



# SACTWU DISPUTE

14/6 - 20/6/90  
3-17  
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Frame's Wentex mill in Jacobs and two bag plants in New Germany and Qwaqwa have been sold. The staff will be retrenched within the next two months. (S) (18)

Frame executive chairperson, Mr Mervyn King, said competition from subsidised Taiwanese factories in the homelands had made Frame unprofitable. (S)

Barlow Rand recently closed its Romatex plant in Durban, using the same argument.

There have been widespread retrenchments and short-time employment in the clothing and textile industry recently..

(c) deur die tabel vervat in regulasie 2.3.1.1.2 deur die volgende tabel te vervang:

"Indien die koste van die gewapendebetongedeelte van die werke tesame met die koste van die betrokke deel van die voorlopige en algemene items—		is die bykomende gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bereken ingevolge kolom 4	
meer is as— (kolom 1)	maar nie meer is nie as— (kolom 2)	Primêre gelde— (kolom 3)	Sekondêre gelde: Bereken op die totale koste van die gewapendebetongedeelte van die werke teen die volgende persentasies (kolom 4)
R	R	R	%
0	2 620 000	0	3,25
2 620 000	3 925 000	6 550	3,00
3 925 000	5 235 000	16 262	2,75
5 235 000	8 805 000	29 450	2,50
8 805 000	13 090 000	73 475	2,00
13 090 000	hoër	138 925	1,50";

(d) deur die tabel vervat in regulasie 2.3.1.2.1.2 deur die volgende tabel te vervang:

"Indien die spoorbaanlengte—		is die gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bereken ingevolge kolom 4	
langer is as— (kolom 1)	maar nie langer is nie as— (kolom 2)	Primêre gelde (kolom 3)	Tarief vir sekondêre gelde bereken op die totale spoorbaanlengte (kolom 4)
m	m	R	R/m
0	500	350	6,88
500	1 000	1 720	4,14
1 000	2 000	2 370	3,49
2 000	3 000	3 170	3,09
3 000	5 000	4 190	2,75
5 000	10 000	5 990	2,39
10 000	20 000	9 190	2,07
20 000	50 000	15 790	1,74
50 000	hoër	34 290	1,37";

(e) deur regulasie 2.3.1.3 deur die volgende regulasie te vervang:

**"MEGANIESE EN ELEKTRIESE INGENIEURSDIENSTE.**

Die gelde vir die meganiese ingenieursdienste is soos volg:

Indien die koste van die werke—		is die gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bereken ingevolge kolom 4	
meer is as— (kolom 1)	maar nie meer is nie as (kolom 2)	Primêre gelde (kolom 3)	Sekondêre gelde: Bereken op die totale koste van die werke teen die volgende persentasies (kolom 4)
R	R	R	%
0	260 000	850	10,00
260 000	425 000	3 450	9,00
425 000	650 000	5 575	8,50
650 000	1 080 000	8 825	8,00
1 080 000	1 725 000	14 225	7,50
1 725 000	3 020 000	22 850	7,00
3 020 000	432 000	37 950	6,50
4 320 000	6 490 000	59 550	6,00
6 490 000	15 105 000	92 000	5,50
15 105 000	hoër	167 525	5,00;

(c) by the substitution for the table contained in regulation 2.3.1.1.2 of the following table:

"Where the cost of the reinforced concrete portion of the works including the cost of the relevant proportion of the preliminary and general items—		the additional fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees— (column 3)	Secondary fees: Calculated on the total cost of the reinforced concrete portion of the works at the following percentages (column 4)
R	R	R	%
0	2 620 000	0	3,25
2 620 000	3 925 000	6 550	3,00
3 925 000	5 235 000	16 262	2,75
5 235 000	8 805 000	29 450	2,50
8 805 000	13 090 000	73 475	2,00
13 090 000	higher	138 925	1,50";

(d) by the substitution for the table contained in regulation 2.3.1.2.1.2 of the following table:

"Where the length of track—		the fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees (column 3)	Rate of secondary fees calculated on the total length of the track (column 4)
m	m	R	R/m
0	500	350	6,88
500	1 000	1 720	4,14
1 000	2 000	2 370	3,49
2 000	3 000	3 170	3,09
3 000	5 000	4 190	2,75
5 000	10 000	5 990	2,39
10 000	20 000	9 190	2,07
20 000	50 000	15 790	1,74
50 000	higher	34 290	1,37";

(e) by the substitution for regulation 2.3.1.3 of the following regulation:

**"MECHANICAL AND ELECTRICAL ENGINEERING SERVICES.**

The fees for mechanical engineering services shall be calculated as follows:

Where the cost of the works—		the fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees (column 3)	Secondary fees: Calculated on the total cost of the works at the following percentages (column 4)
R	R	R	%
0	260 000	850	10,00
260 000	425 000	3 450	9,00
425 000	650 000	5 575	8,50
650 000	1 080 000	8 825	8,00
1 080 000	1 725 000	14 225	7,50
1 725 000	3 020 000	22 850	7,00
3 020 000	432 000	37 950	6,50
4 320 000	6 490 000	59 550	6,00
6 490 000	15 105 000	92 000	5,50
15 105 000	higher	167 525	5,00;



Die gelde vir die elektriese ingenieursdienste is soos volg:

"Indien die koste van die werke—		is die gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bereken ingevolge kolom 4	
meer is as— (kolom 1)	maar nie meer is nie as— (kolom 2)	Primêre gelde (kolom 3)	Sekondêre gelde: Bereken op die totale koste van die werke teen die volgende persentasies (kolom 4)
R	R	R	%
0	255 000	850	10,00
255 000	415 000	850	9,00
415 000	630 000	5 475	8,50
630 000	1 050 000	8 625	8,00
1 050 000	1 685 000	13 875	7,50
1 685 000	2 945 000	22 300	7,00
2 945 000	4 210 000	37 025	6,50
4 210 000	6 325 000	58 075	6,00
6 325 000	1 472 000	89 700	5,50
1 472 000	hoër	163 300	5,00"

3. Regulasie 3 van die Regulasies word hierby gewysig deur regulasie 3.3.1.1 deur die volgende regulasie te vervang:

**"STRUKTURELE EN SIVIELE INGENIEURSDIENSTE IN VERBAND MET BOU-PROJEKTE.**

Ten opsigte van werke wat normale eise aan die tyd van 'n professionele ingenieur stel is die gelde soos volg:

"Indien die koste van die werke—		is die gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bereken ingevolge kolom 4	
meer is as— (kolom 1)	maar nie meer is nie as— (kolom 2)	Primêre gelde (kolom 3)	Sekondêre gelde: Bereken op die totale koste van die werke teen die volgende persentasies (kolom 4)
R	R	R	%
0	260 000	850	10,00
260 000	525 000	3 450	9,00
525 000	13 100 000	8 700	8,00
1 310 000	2 620 000	15 250	7,50
2 620 000	5 235 000	28 350	7,00
5 235 000	13 090 000	54 525	6,50
13 090 000	hoër	119 975	6,00"

4. Regulasie 4 van die Regulasies word hierby gewysig—

(a) deur regulasie 4.3.1.1 deur die volgende regulasie te vervang:

**"MEGANIESE EN ELEKTRIESE INGENIEURSDIENSTE**

Die gelde vir die meganiese en elektriese ingenieursdienste is soos volg:";

(b) deur regulasie 4.3.1.1.1 deur die volgende regulasie te vervang:

The fees for electrical engineering services shall be calculated as follows:

"Where the cost of the works—		the fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees (column 3)	Secondary fees: Calculated on the total cost of the works at the following percentages (column 4)
R	R	R	%
0	255 000	850	10,00
255 000	415 000	3 400	9,00
630 000	1 050 000	8 625	8,00
1 050 000	1 685 000	13 875	7,50
1 685 000	2 945 000	22 300	7,00
2 945 000	4 210 000	37 025	6,50
4 210 000	6 325 000	58 075	6,00
6 325 000	14 720 000	89 700	5,50
14 720 000	higher	163 300	5,00"

3. Regulation 3 of the Regulations is hereby amended by the substitution for regulation 3.3.1.1 of the following regulation:

**"STRUCTURAL AND CIVIL ENGINEERING SERVICES PERTAINING TO BUILDING PROJECTS.**

In respect of works making normal demands on the time of the professional engineer, the fees shall be:

"Where the cost of the works—		the fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees (column 3)	Secondary fees: Calculated on the total cost of the works at the following percentages (column 4)
R	R	R	%
0	260 000	850	10,00
260 000	525 000	3 450	9,00
525 000	13 100 000	8 700	8,00
1 130 000	2 620 000	15 250	7,50
2 620 000	5 235 000	28 350	7,00
5 235 000	13 090 000	54 525	6,50
13 090 000	higher	119 975	6,00"

4. Regulation 4 of the Regulations is hereby amended—

(a) by the substitution for regulation 4.3.1.1 of the following regulation:

**"MECHANICAL AND ELECTRICAL ENGINEERING SERVICES**

The fees for mechanical and electrical engineering work shall be calculated as follows:";

(b) by the substitution for regulation 4.3.1.1.1 of the following regulation:

**"BASIESE GELDE—MEGANIES**

"Indien die koste van die werke—		is die gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bereken ingevolge kolom 4	
meer is as— (kolom 1)	maar nie meer is nie as— (kolom 2)	Primêre gelde (kolom 3)	Sekondêre gelde: Bereken op die totale koste van die werke teen die volgende persentasies (kolom 4)
R	R	R	%
0	130 000	650	10,00
130 000	260 000	1 950	9,00
260 000	650 000	4 550	8,00
650 000	1 300 000	7 800	7,50
1 300 000	3 020 000	14 300	7,00
3 020 000	6 490 000	29 400	6,50
6 490 000	hoër	61 850	6,00;

**"BASIESE GELDE—ELEKTRIES**

Indien die koste van die werke in die hoeveelheidslyste—		is die gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bereken ingevolge kolom 4	
meer is as— (kolom 1)	maar nie meer is nie as— (kolom 2)	Primêre gelde (kolom 3)	Sekondêre gelde: Bereken op die totale koste van die werke teen die volgende persentasies (kolom 4)
R	R	R	%
0	125 000	650	10,00
125 000	255 000	1 900	9,00
255 000	630 000	4 450	8,00
630 000	1 265 000	7 600	7,50
1 265 000	2 945 000	13 925	7,00
2 945 000	6 325 000	28 650	6,50
6 325 000	hoër	60 275	6,00";

(c) deur die tabel in regulasie 4.3.3.3.1 deur die volgende tabelle te vervang:

**"MEGANIES**

Indien die koste van die werke in die hoeveelheidslyste—		is die gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bereken ingevolge kolom 4	
meer is as— (kolom 1)	maar nie meer is nie as— (kolom 2)	Primêre gelde (kolom 3)	Sekondêre gelde: Bereken op die totale koste van die werke teen die volgende persentasies (kolom 4)
R	R	R	%
0	260 000	0	3,000
260 000	1 300 000	650	2,750
1 300 000	3 445 000	3 900	2,500
3 445 000	6 890 000	8 206	2,375
6 890 000	10 385 000	16 819	2,250
10 385 000	15 550 000	29 800	2,125
15 550 000	hoër	49 238	2,000;

**"BASIC FEE—MECHANICAL**

"Where the cost of the works—		the fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees (column 3)	Secondary fees: Calculated on the total cost of the works at the following percentages (column 4)
R	R	R	%
0	130 000	650	10,00
130 000	260 000	1 950	9,00
260 000	650 000	4 550	8,00
650 000	1 300 000	7 800	7,50
1 300 000	3 020 000	14 300	7,50
3 020 000	6 490 000	29 400	6,50
6 490 000	higher	61 850	6,00;

**"BASIC FEE—ELECTRICAL**

Where the cost of the works in the schedules of quantities		the fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees (column 3)	Secondary fees: Calculated on the total cost of the works at the following percentages (column 4)
R	R	R	%
0	125 000	650	10,00
125 000	255 000	1 900	9,00
255 000	630 000	4 450	8,00
630 000	1 265 000	7 600	7,50
1 265 000	2 945 000	13 925	7,00
2 945 000	6 325 000	28 650	6,50
6 325 000	higher	60 275	6,00";

(c) by the substitution for the table contained in regulation 4.3.3.3.1 of the following tables:

**"MECHANICAL**

Where the cost of the works in the schedules of quantities		the fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees (column 3)	Secondary fees: Calculated on the total cost of the works at the following percentages (column 4)
R	R	R	%
0	260 000	0	3,000
260 000	1 300 000	650	2,750
1 300 000	3 445 000	3 900	2,500
3 445 000	6 890 000	8 206	2,375
6 890 000	10 385 000	16 819	2,250
10 385 000	15 550 000	29 800	2,125
15 550 000	higher	49 238	2,000;

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**“ELEKTRIES**

Indien die koste van die werke in die hoeveelheidslyste—		is die gelde die som van die primêre gelde gemeld in kolom 3 en die sekondêre gelde bercken ingevolge kolom 4	
meer is as— (kolom 1)	maar nie meer is nie as— (kolom 2)	Primêre gelde (kolom 3)	Sekondêre gelde: Bereken op die totale koste van die werke teen die volgende persentasies (kolom 4)
R	R	R	%
0	255 000	0	3,000
255 000	1 265 000	650	2,750
1 265 000	3 360 000	3 813	2,500
3 360 000	6 715 000	8 013	2,375
6 715 000	10 120 000	16 406	2,250
10 120 000	15 155 000	29 056	2,125
15 155 000	hoër	48 000	2,000”.

(15 Junie 1990)

**“ELECTRICAL**

Where the cost of the works in the schedules of quantities		the fees shall be the sum of the primary fees stated in column 3 and the secondary fees calculated in terms of column 4	
exceeds— (column 1)	but does not exceed— (column 2)	Primary fees (column 3)	Secondary fees: Calculated on the total cost of the works at the following percentages (column 4)
R	R	R	%
0	255 000	0	3,000
255 000	1 265 000	650	2,750
1 265 000	3 360 000	3 813	2,500
3 360 000	6 715 000	8 013	2,375
6 715 000	10 120 000	16 406	2,250
10 120 000	15 155 000	29 056	2,125
15 155 000	higher	48 000	2,000”.

(15 June 1990)

**KENNISGEWING 483 VAN 1990**

**UITSLAG VAN TUSSENVERKIESING VIR DIE VOLKSRAAD.—KIESAFDELING UMLAZI**

Ooreenkomstig artikels 108 en 109 van die Kieswet, 1979 (Wet No. 45 van 1979), word die volgende besonderhede betreffende die verkiesing van 'n lid van die Volksraad vir die kiesafdeling Umlazi gehou op 6 Junie 1990 hiermee vir algemene inligting gepubliseer:

**NOTICE 483 OF 1990**

**RESULT OF THE HOUSE OF ASSEMBLY BY-ELECTION.—ELECTORAL DIVISION OF UMLAZI**

In accordance with sections 108 and 109 of the Electoral Act, 1979 (Act No. 45 of 1979), the following particulars relating to the election of a member of the House of Assembly for the Electoral Division of Umlazi held on 6 June 1990 are hereby published for general information:

Kiesafdeling Electoral Division	(a) Naam van verkose persoon (b) Meerderheidstemme van verkose persoon (c) Datum met ingang waarvan verkies verklaar (a) Name of person elected (b) Majority of votes of person elected (c) Date with effect from which declared elected	Stemme uitgebring en politieke party verteenwoordig Votes polled for, and political party represented		Getal verworpe-stembriewe Number of ballot papers rejected	(a) Totale getal stemme uitgebring (b) Stempersentasie (a) Total number of votes polled (b) Polling percentage	Totale getal kiesers op kieserslys Number of voters on voters' list
		Kandidaat Candidate	Politieke Party Political Party			
Umlazi .....	(a) P. A. Matthee.  (b) 547  (c) 1990-06-06	T. S. Coppen 982 F. S. Hitchcock 5 215 P. A. Matthee 5 762	Demokratiese Party/ Democratic Party Konservatiewe Party/ Conservative Party Nasionale Party/ National Party	27	(a) 11 986 (b) 59,2%	20 226

(15 Junie 1990)/(15 June 1990)

**KENNISGEWING 484 VAN 1990**

**DEPARTEMENT VAN MANNEKRAG**

**WET OP ARBEIDSVERHOUDINGE, 1956**

**VERWYSING VIR VASSTELLING INGEVOLGE ARTIKEL 76**

Hierby word ingevolge artikel 76 (5) van die Wet op Arbeidsverhoudinge, 1956, bekendgemaak dat die Landdroshof, Durban, na aanleiding van verrigtinge in gemelde hof teen die werkgewer mnr. Logan Govender handeldrywende as The Kitchen Queen, verteenwoor-

**NOTICE 484 OF 1990**

**DEPARTMENT OF MANPOWER**

**LABOUR RELATIONS ACT, 1956**

**REFERRAL FOR DETERMINATION IN TERMS OF SECTION 76**

It is hereby, in terms of section 76 (5) of the Labour Relations Act, 1956, notified that the Magistrate's Court, Durban, with reference to proceedings in the said court against the employer Mr Logan Govender t/a The Kitchen Queen, represented by Mr Loga



## Winery workers to hold a strike ballot

THE NATIONAL Union of Wine, Spirits and Allied Workers (Nuwsaw) is to conduct a strike ballot from today until June 27 among 5 400 employees of 83 wineries and depots nationwide, according to a Nuwsaw spokesman. *B/Dum 18/6/90*

The results of the ballot would be announced on June 28, he said.

Nuwsaw president November Nkosi said the decision was made against the SA Wine and Spirits Industry Employers' Association earlier this month after annual wage negotiations broke down. A dispute was declared and mediation and conciliation meetings had taken place.

"I am positive workers will vote in favour of a strike," said Nkosi.

DANIEL FELDMAN

At the conciliation board meeting, Nuwsaw demanded a wage increase of R40 a week across the board wage as well as 20 working days of annual leave after 10 years service with increases made retrospective to April 1, 1990. Current wages range from R176 to R199 a week.

The employers offered an increase of R33 a week across the board, but stipulated the offer would decrease to R32 a week if the proposal was not accepted. On annual leave, they offered one extra day for 5-9 years' service, three extra days for 10-14 years' service, and five extra days for 15 and more years' service.

# ERPМ workforce down to 4 150

By Ann Crotty

ERPМ now has a labour force of 4 150 after the retrenchment of 6 000 workers. This retrenchment was deemed one of the conditions necessary to getting the mine back into profit.

This was revealed yesterday by the State Mining Engineer, S Du Plessis, at the first day of the Melamet Commission of Inquiry into the viability of providing additional funding to save ERPМ.

Mr du Plessis was setting out on what basis the Government had been motivated to providing

assistance to ERPМ between 1977 and 1989.

He said in terms of a plan presented by ERPМ to the Department of Mines (ahead of this month's decision to appoint a commission of inquiry), ERPМ was to raise R40 million through the sale of assets.

The main items under consideration were the mine dumps. Mr Du Plessis said tenders for these dumps had already closed.

He said the Government had not yet received ERPМ's audited financial statements for the year to December 1989.



# Dismissed workers set up squattercamp

DISMISSED workers of Barlow's Manufacturing Company have set up a squatter camp at the main gate of the Barlow Rand head office at Barlow Park, Sandton.

A Press statement from the National Union of Metalworkers yesterday said the workers were protesting about the dismissal of more than 400 workers by the company last year.

"The dispute arose

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20/6/90  
Sandton  
from the refusal of the company to provide a canteen for black workers. The request for a canteen had been discussed between Barlow's management and the workers for several years," said the statement.

"During the defiance campaign in 1989,

workers decided to defy by entering the staff canteen, and were disciplined as a result, giving rise to a strike."

## Dismissed

Barlows responded by saying that on September 28, 1989, following a series of "unprocedural and illegal work stoppages", members of Numsa were dismissed.

"Union shop stewards informed management that the two stoppages which occurred on September 28, 1989, were organised to back a demand by union members that the company should not take disciplinary steps against union members who had invaded the company manger's office, and who also had assaulted a company manager," Mr Derrick Williams of Barlows Appliance Company said in a statement. - Sapa.

# Shell dispute settled

(181)

South 2/16 - 27/6/90

PORT ELIZABETH. — A bitter eight-day strike at Shell Oil depots in the Eastern Cape has ended, with the company agreeing on wage increases and educational assistance for workers' children.

During the action, workers accused Shell of using union-bashing tactics, while the company in turn alleged that shopstewards threatened "bloodshed" if a single supply truck rolled.

Workers, on the other hand, claimed the police had assaulted them — allegations denied by the company and the police.

The company obtained an interdict against workers on the grounds that the strike presented a fire hazard.

The order, issued by the Grahamstown Supreme Court, ejected sleeping-in strikers. The company said it had lost control over the affected depots in Port Elizabeth and Queenstown.

The 180 striking oil depot workers returned to work this week while 60 chemical workers resumed work last Wednesday.

According to a settlement reached between Shell and the Chemical Workers' Industrial Union (CWIU), an average increase of 17,5 percent has been offered for an initial period, ending February 18 next year. An additional increase of 7,5

percent was negotiated for a second phase, ending August next year.

Shell has agreed to contribute R100 a year to the education of workers' dependent children, to a maximum of four children.

Shell also agreed on improved shift allowances, paternity leave and conditions for temporary workers, as well as long-service award.

## Leather stayaways

South 2/16 - 27/6/90

(181)

WORK stoppages involving thousands of workers have affected several Cape Town leather industries.

This week more than 1500 workers at Jordan Shoes downed tools, while workers at Olympic and Barker factories engaged in stayaways.

800 members of National Union of Leather workers (NULW) at Panther Elliot have been on a "wildcat" strike since last Thursday.

Their actions follow a deadlock in wage negotiations three weeks ago between NULW and management.

Initially workers demanded a R60 across-the-board increase but this has been converted to a demand for an increase of 38 percent. Employers have offered 17 percent.

# US firm 'broke accord'

AMERICAN multinational company, Baltimore Aircoil, has been accused by a local union of breaking an interim industrial agreement.

According to Brian Williams, spokesperson for the Metal and Electrical Workers Union of South Africa (Mewusa), a central part of the dispute is the company's refusal to upgrade workers in terms of the union's proposals.

In October last year an interim recognition agreement was signed in which the company agreed to negotiate with the union on seven items which included a minimum wage, review of the grading system, social responsibility pay and the acceptance of a semi-perma-

nent shop steward.

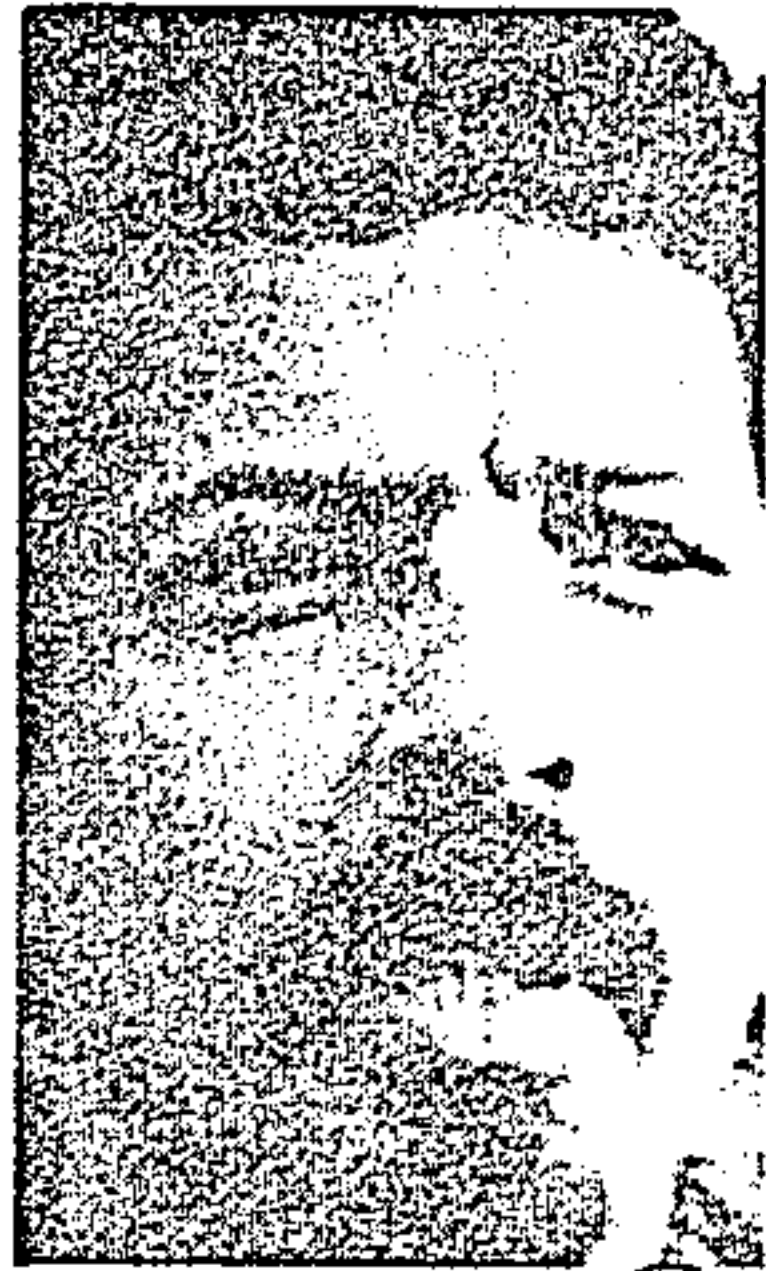
Williams claimed the company had threatened to use the Labour Relations Act against the workers by means of a lockout.

He accused the company of "taking advantage of apartheid labour laws".

He said the union had pursued legal means and was considering industrial action. South 2116-2716/90

In response to Mewusa's claims, Mr Tim Deversen, spokesperson for Baltimore Aircoil, said "the company has not threatened to lock out workers, but has questioned the union on the possible outcomes of a failure to reach a settlement.

"As regards using apartheid labour laws, it was the union which referred a dis-



(181) Brian Williams

pute in terms of the amended Labour Relations Act, not the company.

"Baltimore Aircoil supports the Saccola/Cosatu/Nactu negotiations.

"We remain open to reaching a settlement."

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# Tiger workers reinstated

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Sowetan  
22/6/90

ABOUT 800 workers from the Tiger Clothing factory in Babelegi, who were dismissed three weeks ago, have been unconditionally reinstated, the Bophuthatswana Government agency Bopana said on Wednesday.

Workers had earlier downed tools following their dissatisfaction with management when one of their colleagues was dismissed after exceeding her maternity leave.

"Management had no option but to dismiss the

workers when they turned their complaint into an illegal strike," factory manager Mr P Marais said.

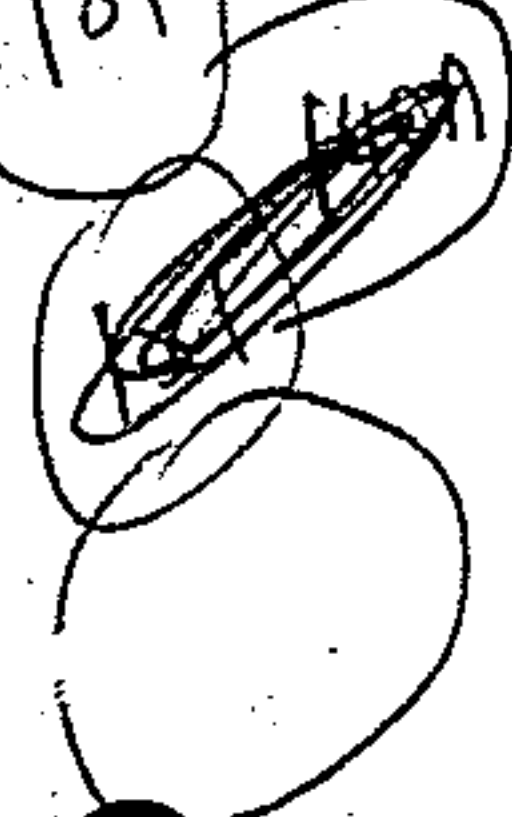
He added that although Mrs Grace Moreti had worked for the company for 14 years the gazetted regulations concerning maternity leave had prevented him from taking her back.

The workers, however, had alleged that the company had not informed them about the new regulations. - Sapa

# CWIU protest to Swiss

Sowetan 22/6/90

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THE Chemical Workers' Industrial Union has called on the Swiss Government to intervene in their dispute with Swiss multinational Ciba Geigy.

This week members of the Chemical Workers' Industrial Union held a demonstration outside the Swiss Embassy in Pretoria, and handed in a memorandum to the Ambassador.

The union said its members had been on strike at two Ciba Geigy's plants on the Reef for the past seven weeks.

They are protesting against the company's

By LEN MASEKO

policy on retirement funds.

The company has refused to accede to the union's demand to participate in the Chemical Industries National Provident Fund, which has been launched by the Cosatu-affiliated union.

"Workers are demanding that multinationals such as Ciba Geigy stop interfering with the rights of South African workers to make decisions about their future - such as choosing their own retirement funds", the CWIU said.

# March for accord

LASCON Lighting, at the Department of  
Dions and postal workers Manpower to hand in a  
on Wednesday marched petition demanding:

from their respective \* Immediate legisla-  
companies to Johannes- tion of the Saccola accord  
burg's Central Methodist reached by Saccola,  
Church to demand that Cosatu and Nactu  
the recent Saccola accord \* Job security  
be immediately legislated. \* The right to strike

Hundreds of Lascon without dismissal  
Lighting workers came \* Housing, health care  
from the company's and training, and

~~Langlaage branch.~~ \* ~~The right to cen-~~  
The marchers gathered :ralised bargaining. - Sapa

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27/6/91



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F/M 22/6/90

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lene bag plants at New Germany, Natal, and QwaQwa — seems to be heading for labour problems as well.

This week Frame subsidiary Consolidated Waverly Textiles (CWT), SA's largest blanket producer, reached a stalemate in its annual wage talks with the SA Clothing and Textile Allied Workers' Union. Union sources said talks had broken down and July 2 had been set as the date the union would make application to hold a legal strike unless wage demands were met.

A CWT spokesman and member of the National Textile Manufacturers' Association — the body which represents CWT at the negotiations — denied however that talks had "broken down," saying the normal dispute procedures were being followed.

The union represents about 6 000 CWT employees. If arbitration is not successful and strike action is decided upon, it could spread among the other subsidiaries' 12 000 employees, where feelings are running high in the wake of the retrenchments and what some consider unfair settlement packages.

When wage talks began, the union was asking for a R25 a week across-the-board split increase, the first coming into effect on July 1 and the second R25 increase in December. This was dropped to a R21/R21 increase and, finally, a R18/R18 increase. CWT has been sticking to its R7/R7 offer.

According to a union statement, annual wage negotiations with Frame's biggest subsidiary — Consolidated Cotton Corp — have also deadlocked with the company's final offer of a 9,5% increase. This company employs about 12 000 union members, the bulk of the Frame Group's work force. ■

FRAME DISPUTE F/M 22/6/90

### On the edge

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The troubled Frame Group — which earlier this month began to retrench 1 850 employees in line with the phased closure of its blanket plant in Durban and two polypropy-

# Staff training is a worthwhile expense



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B/Dwy 26/6/90

IT'S A fallacy to believe software purchases stop when the sale is made.

Companies working from manuals alone could end up using only 50% of their (often substantial) investment.

Uniskills national marketing manager Mike Shaw says the investment in training can often equal or overtake that made in software, but the rewards are great because productivity is enhanced — and users will know how to utilise their software to its full potential.

He says a major problem in SA's data processing industry is that such a small percentage of DP budgets are allocated to training employees.

"Senior management often does not realise that without educating staff, huge degradation in productivity in a very expensive area of the company can be common. If productivity is increased by only a few percentage points the payback is huge.

"The problem is exacerbated because in the late

'70s and '80s companies recruited DP people from overseas, but many left again.

"This left a massive skills shortage, and many companies still haven't learnt the full value of training their own staff."

## Monitor

Shaw says companies must monitor their staff's skills levels. Apart from product specific courses and entry level programmer education, Uniskills is seeing an increasing de-

mand for analysis and design knowledge.

"This focuses on programmers with four or five years of experience who are expected to somehow learn systems analysis skills. As both skills are different, it's difficult for these people to 'port' their knowledge over from one to the other with little or no training."

Seeing this gap, the company has developed a specialised training programme which combines systems analysis and de-

sign into a workshop which covers all aspects of systems definition and design ranging from interview techniques to structure design techniques, presentation techniques, style and report writing.

"The course is popular — not least because, although we run it over eight days, only five of these are working days.

"We often run courses exclusively for one company or group so its particular problems can be dealt with in more depth," he says.

# Numsa warning on action if Seifsa offer not bettered

B10ay 26/6/90

INDUSTRIAL action in the iron, steel and engineering industries "would be recommended" if there was no significant improvement in the Steel and Engineering Industries' Federation of SA's (Seifsa) offer, the National Union of Metalworkers of SA (Numsa) announced yesterday.

The decision was made at Numsa's second national bargaining congress, held in Johannesburg at the weekend, which decided to deadlock on Seifsa's final offer and declare a dispute. Numsa sources said the dispute would probably come before the industrial council within the next few weeks, leading to the possibility of a legal strike ballot.

Seifsa executive director Brian Angus said he had not yet been informed of Numsa's decision to enter into dis-

DANIEL FELDMAN

pute and could not comment.

(81)

Numsa national organiser Bernie Fanaroff said that although "good progress was made in some areas of talks", Seifsa's offer was not adequate in terms of wages, job security, parental rights, hours of work, March 21 as a holiday and the extension of the agreement.

Expires

The final offer, made on June 14, proposed a 15% wage increase (R1,24 an hour) for artisans and an 18% increase (64c an hour) for labourers. Numsa's demand stands at a R2 across-the-board hourly increase, although Fanaroff said the union was open to further negotiations.

The current Main Agreement, which determines the wages and working conditions for the industry's 380 000 employees, expires on Saturday. Spokesmen from both parties said they were unsure of what would occur after the expiry date.

The congress, attended by more than 200 delegates from around SA, was organised by Numsa in an attempt to unify its bargaining strategies. It decided how negotiations in various sectors should proceed.

In the auto and tyre industries, it made provision for the consideration of further employee offers, but recommended that strike action be considered if no adequate offers were made. In the tyre industry, wages, scope of the agreement, holidays, work hours, the LRA, payment of detainees and parental rights needed to be further addressed.



# Metal <sup>(181)</sup> workers get help

By KENOSI  
MODISANE 

THE Metal Industries Group Pension Fund (MIGPF) has made available R10-million to help fund a housing scheme for its members.

Workers who subscribe to this pension fund will qualify for a discount when buying serviced stands in townships in the Transvaal.

The discount will only be given when stands are bought in a bulk in an area. *Soweto 28/6/90*

The stands are available in the townships of Mohlakeng, Katlehong, Tsakane and KwaThema.

MIGPF will jointly run the project with FHA Homes Limited, a non-profit making housing development company. But workers in the metal industry who purchase stands through the project will be allowed to engage builders of their own choice.

## Interdict against fired workers

SUSAN RUSSELL

A SUPREME Court judge has granted an interim interdict preventing about 300 dismissed Abertech Industry workers from harassing non-strikers and casual employees at the Germiston factory. (181)

Abertech Industries, trading as National Spring, brought an urgent application before Mr Justice R van Schalkwyk claiming the workers, dismissed last week, were committing unlawful acts against employees. (SS)

The judge granted an interim interdict against the workers, restraining them from assaulting, intimidating, harassing or interfering with employees and business. B 10ay 28/6/90

Dismissed workers, most of whom are members of the National Union of Metal Workers of SA, were restrained from being within 500m of the perimeter of the company's premises.

No order was sought against the union and the application was not opposed. Dismissed workers were told to show cause on July 17 why the interim order should not be made final.

In an affidavit National Spring manufacturing manager Alan Eric Hook said most of the weekly paid workers were fired after taking part in an unlawful strike.

P Pauw instructed by Deneys Reitz appeared for National Spring.

# Winery workers want strike

DANIEL FELDMAN

MEMBERS of the National Union of Wine, Spirits and Allied Workers (Nuwsaw) yesterday voted overwhelmingly in favour of a strike, while the SA Commercial Catering and Allied Workers' Union (Saccawu) resumed wage negotiations with OK Bazaars and announced that it intended to hold a strike ballot at Checkers next week.

For the past two weeks, Nuwsaw has been conducting a strike ballot against the SA Wine and Spirits Industry Employers' Association after a breakdown in annual wage negotiations. *8:10am 29/6/90*

Employer spokesman Riaan Kruger said he had been informed by the union yesterday that 2 816 members (76%) had advocated strike action. The union offer was accepted by 884, and 159 ballot papers were spoiled. The workers represent employees from 83 wineries and depots.

He did not comment on what the employers' response would be, pending an

announcement on proposed action by the union. Nuwsaw representatives were unavailable for comment last night.

Earlier, Nuwsaw president November Nkosi said if union members voted to strike, it "would be timed to create the most impact on the liquor industry".

The union has demanded a R40 a week across-the-board wage increase as well as 20 working days annual leave after 10 years' service, with increases made retrospective to April 1. Current wages range from R176 to R199 a month.

The employers offered a R33 a week across the board increase, and extra days of leave depending on years of service. The union and employers had previously reached compromise on maternity and paternity leave, and the reduction of labour

To Page 2

## Strike

hours to 44 hours a week. *8:10am 29/6/90*  
After resuming wage negotiations yesterday, OK and Saccawu representatives agreed to adjourn the meeting until July 6. OK spokesman Gavin Brown and Saccawu national organiser Jeremy Daphne refused to release details of the negotiations.

The strike continues at 131 stores, involving around 7 000 workers. Daphne said the union was proceeding with its Section 43 application to the industrial court to declare OK's conduct an unfair labour practice, and was also waiting for a reply from the police commissioner regarding the legality of the union's pickets.

After a conciliation board expired yesterday between Saccawu and Checkers, the union announced intentions to conduct a strike ballot next week, according to Checkers spokesman Adele Gouws.

She said Saccawu rejected Checkers' final offer earlier this week of a R135 across the board increase on July 1, and a further R5 increase on January 1 1991. This would have meant a minimum salary of R770 a month by the beginning of next year.

The union has demanded an across the board increase of R165 and a fixed minimum wage of R830 a month.

From Page 1



# Chemical union asks UK embassy for help

W/Man 29/6/90  
MEMBERS of the Chemical Workers' Union have asked the British Embassy in Pretoria to intervene in their dispute with their employer, Reckitt and Coleman.

This request has been refused by the embassy, saying it could not interfere in a dispute between a company and its employees.

About 100 Reckitt and Coleman employees yesterday picketed the British Embassy in Arcadia while a delegation of seven men relayed their demands to an embassy official. (LBA) (SP)

The workers delivered a memorandum, in which they are demanding to join a provident fund of their choice, to the embassy. 181

After the protesters asked to be allowed into the embassy to discuss their grievances, an embassy official, John Sawers, explained that visitors are only allowed into the embassy on prior arrangement.

Sawers told the protesters the embassy could not interfere in a dispute between a company and its employees.

He was however, prepared to tell

Reckitt and Coleman the workers had delivered a memorandum to the embassy.

The workers told him they wished to meet with Reckitt and Coleman next week to discuss their grievances.

Shortly after the busload of protesters arrived at the embassy, several uniformed policemen arrived and asked them to disperse.

The workers, who were picketing on the pavement, then got into their bus and waited there until the delegation finished their discussion with Sawers. — Sapa

MANUFACTURING - LABOUR

1990

JUNE - ~~OCT.~~ DEC.

# Millions spent on training

# Anglo

6/10 am 29/6/90

ANGLO American and its associated companies spent more than R200m on skills training last year.

And the Anglo American and De Beers Chairman's Fund and Educational Trust made 980 grants worth R47,8m during the 1989/90 financial year, the latest Anglo American Corporation annual report said.

Since its formation in 1973 the fund had been the largest corporate contributor to educational and social development in SA, the report said.

One of the fund's major projects is the new R15m Atteridgeville College which is due to open to about 700 students in January 1991.

During the past year Anglo invested in 2 696 trade apprenticeships, 23 high school scholarships, 122 pre-university programme bursaries, 669 university scholarships, 581 technikon scholarships, 101 in-service bursaries and 422 part-time, company-sponsored students at universities and technikons.

The corporation's Central Training Unit — which employs about 50 professional

TANIA LEVY

training staff — provided about 40 000 delegate man-days of training and development.

During the 1989/90 financial year, Anglo American Corporation agreed to invest another R1,3m over five years in the Small Business Development Corporation (SBDC), bringing its total commitment to R5m.

The report said that Anglo formalised its support of small business development by embarking on a new two-pronged strategy called the Small Business Initiative.

One arm is a company called LITET Limited (previously Labour Intensive Industries Trust Limited) which acts as a vehicle for investing in smaller business concerns.

The aim is to provide financial and managerial assistance through the taking of minority stakes in emerging businesses.

The other arm is the Small Business Unit, which aims to increase Anglo's and its associate companies' business transactions with the small-business sector.

# Changing health threats will need new services

6/10 am 29/6/90

CAPE TOWN — AIDS, assaults, smoking and alcohol-related diseases will replace diarrhoea and measles as major health threats in poorer communities during the next decade and dealing with them will require fundamental changes in health services.

This is the conclusion of a group of academic doctors in a recently published paper entitled Critical Issues for Community Health in the 1990s.

The authors argue that socio-political and demographic changes, particularly associated with high fertility rates and rapid urbanisation, will have a profound influence on the state of community health and

LESLEY LAMBERT

the provision of health care. Another major influence will be the residual effects of apartheid which will remain for some time once the current race-based system has ended, they say.

To address the new health threats, fundamental changes will be required in the way community health professionals are trained, in the direction of medical research and the relationship between state health authorities at all levels and non-governmental organisations.

In addition, non-governmental organisations will be required to play an in-

creasing role in extending and complementing the changing function of government health services.

The authors emphasise the need to address the private sector's tendency to treat conditions that produce maximum profit, while neglecting preventive, promotive and rehabilitative activities.

They accept that involvement in the less profitable activities will need to be compensated and that this may require a revision of medical aid benefits.

They welcome government and ANC announcements on the restructuring of health services with more emphasis on primary health care.

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1990



# Over 6m workers secure in old age

MOST employers favour retirement funds, according to research by the Mouton Committee.

Employee membership increased from under two-million in 1972 to more than 6,5-million this year, representing about 80% of workers in the formal

sector. Executive director of the Steel and Engineering Industries Federation of South Africa (Seifsa) Brian Angus says: "Employers in the industry see a retirement fund as an essential benefit to workers."

The industry has two pension funds covering workers in lower and higher grades — 200 000 and 60 000 respectively. Both have equal union and employer representation on the board of trustees.

A provident fund for workers in the lower grades with equal contributions from employers and employees will be launched shortly. Employees can either stay in the pension fund or join the new one.

Mr Angus adds: "Although we accept that many feel strongly about joining a provident fund, we favour a

## Employers boost retirement funds

By ADRIAN HERSCH

pension fund system."

Pension funds are flexible and can be adapted to suit workers' requirements, which some have envisaged as being possible only under a provident fund.

### Destitute

"There is a belief among some people, for example, that pension funds cannot provide for retrenchment. This is possible. They are also able to provide other benefits offered by a provident fund.

"The problem is that historically pension funds have not operated in this manner."

Mr Angus says that, in essence, the difference between the two funds is that on retirement a lump sum is paid (provident) as opposed

to regular payments (pension).

"The worker receives a regular wage and the pension payments ensure continuity. The lump sum presents problems.

"Unions say workers could use the money to buy a house, which would be suitable. But there will be those who won't do that. There is a danger that the money could be unwisely invested and the worker left destitute in old age."

The number of workers covered by retirement funds has risen sharply since the Mineworkers' Provident Fund was established in July 1989 to cover workers in the lower grades.

Workers in the more skilled positions were covered by pension funds, but

those in the unskilled and semi-skilled grades had no retirement fund. There was only a long service award.

The National Union of Mineworkers (NUM) has for many years favoured a provident fund.

### Potential

The decision to implement the fund — run on a 50-50 basis — was made at the wage negotiations between the Chamber and the NUM two years ago.

Chamber industrial relations service manager Ken van der Plank says: "We support the concept that employees enjoy retirement benefits. We are pleased that there is a scheme available for everybody."

After nearly a year of its existence about 240 000 workers contribute to the

Mineworkers' Provident Fund. They comprise 170 000 NUM members and 70 000 others.

Potential membership is about 500 000.

SA Employers Consultative Committee on Labour Affairs (Saccola) pension portfolio holder Barry Horlock says about 80% of those employed in the formal sector belong to retirement funds.

Mr Horlock, also a member of the Mouton Committee, says many of the other 20% are employed in commerce (small shops) and agriculture.

Discussions with the SA Agricultural Union are expected to yield positive results.

"But the millions of unemployed present an alarming liability for the State in the next 10 to 20 years," says Mr Horlock.

Mr Horlock's belief about the preference for a pension fund as opposed to a provident one mirrors the concern of many.

"The worker has to invest the lump sum extremely carefully to counteract the effects of inflation," says Mr Horlock.

SIT 117190

181

# FINANCE FOR THE FUTURE

A BUSINESS TIMES FEATURE

CONFUSION exists about the difference between a provident and a pension fund. Benefits from both can be based on either final salary or money purchase.

With a final salary arrangement the employer undertakes to pay a percentage of the employee's average monthly pay as a pension. Although the employee contributes monthly or weekly to the fund while he is employed, the employer takes the investment risk.

The money purchase fund combines employee contributions and payments by the employer. On retirement the pensioner receives either a lump sum or a pension to that equivalent, plus interest.

SI Times 117190

## Guarantee or risk is dividing line for funds

There is no guarantee that this will be a percentage of his or her final salary.

This scheme appears in most provident funds and the investment risk is transferred to the employee.

Under these circumstances, investments tend to be more conservative. Members and fund managers want guarantees and stability,

not the risk of market fluctuations.

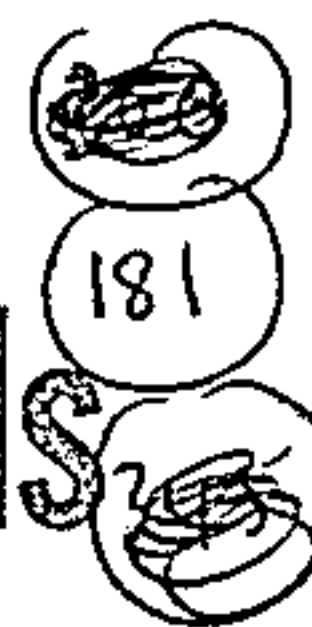
Citing the experience of the pension funds managed by the Old Mutual, chief operating officer Gerhard van Niekerk says this is certainly the trend.

"Pension and provident fund trustees do not want pay-outs to vary and depend on stock market levels. Portfolios normally have

some form of guarantee. The capital in most cases is guaranteed, returns smoothed out to avoid dramatic pay-out differences from month to month."

Old Mutual manages the investments of several trade union provident funds, including the National Union of Mine Workers. Mr Van Niekerk says experience shows the preference for guarantees.

He suggests that boards of trustees of money purchase provident and pension funds should have effective membership representation. With the final salary scheme, members' benefits are not directly affected by the fund's investment performance.





# Sugar price rise to cost soft drink firms R21m

THE 13% increase in the price of sugar would cost the soft drinks industry an estimated R21,5m, SA Federation of Soft Drinks Manufacturers president Hennie Viljoen said on Friday. However, prices were likely to be unchanged at least until August.

Viljoen was responding to the SA Sugar Association's (SASA) announcement that the selling price of white sugar would rise by R142 to R1 236 a ton from R1 094 a ton on August 1. Brown sugar would rise by R129 to R1 122 from R993 a ton.

He said the soft drinks industry, which bought about 150 000 tons of sugar annually, was the largest industrial buyer of sugar on the domestic market. It consumed 13% of the total domestic annual usage of 1,3-million tons.

Bottlers customarily adjusted their prices once a year and would take the increase into account. There were 41 soft drinks manufacturing plants in SA.

"Although sugar forms a major part of the industry's cost structure, bottlers will absorb the price increases over a period of time," said Viljoen.

SASA announced a new pricing structure in December 1988.

"Whereas the previous situation was unstable, SASA said then that the price would increase by 7% on February 1 1989, with an additional increase of 4% in August, leading to a total of 11%," he said. The price would remain static until August 1990.

The SA Co-ordinating Consumer Council (SACCC) expects numerous price increases of sweetened goods, and encouraged consumers to purchase as much sugar as pos-

ACHMED KARIEM

sible before August 1.

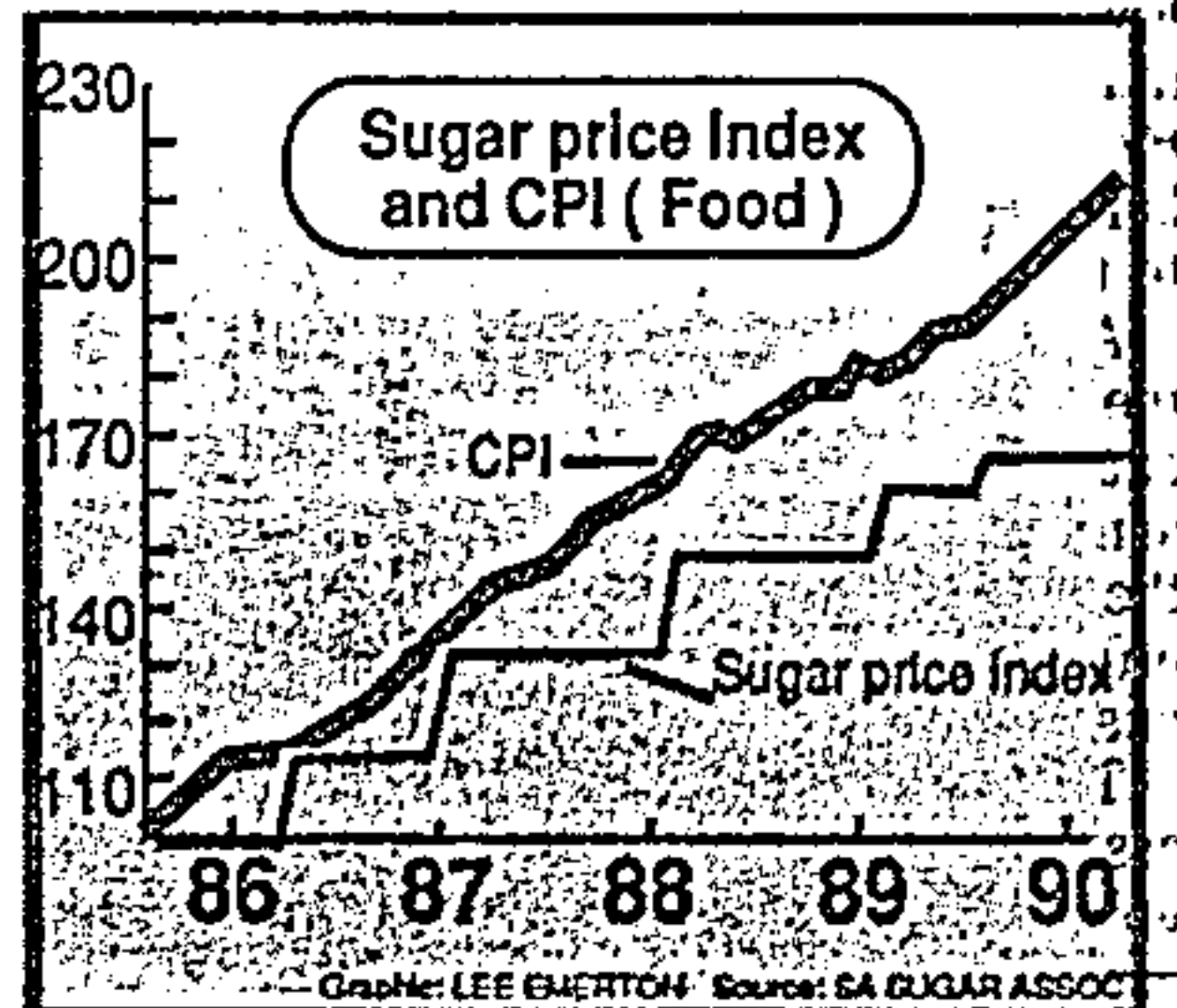
SACCC director Jan Cronje said sweetened goods prices could only increase after that date and urged consumers to inform the council of any price increases of these goods before August 1.

"The prices of sweetened consumer goods should never escalate with the full price increase of sugar, because sugar is only an ingredient of these goods," said Cronje.

SASA chairman Glyn Taylor said the sugar industry had tried to keep increases as low as possible.

"However, the industry has escalating production costs and increasing salary and wage costs that cannot be totally absorbed by improved productivity," he said.

He estimated that consumer prices would increase by about 17c/kg for white sugar.





Thousands heed stayaway call

# Productivity

B/Daw 31779D

## Losses may reach R750m

MORE than R750m in lost productivity could result from yesterday's ANC/UDF/Cosatu stayaway, called to protest against the continuing violence in Natal and headed by hundreds of thousands of workers across the country, the SA Chamber of Business (Sacob) said yesterday.

A Sacob spokesman said all participants in the economy would suffer the consequences of the stayaway action.

Cosatu and the ANC put the number of workers who stayed away at 3-million, with estimates of 95% and 80% of workers absent in the eastern Cape and Durban respectively, and 50% in the western Cape. The ANC, Cosatu and the UDF said the response demonstrated unequivocally "the

● Picture: Page 2

extent of support for the programmes and policies of our organisations".

However, Inkatha president and Kwa-Zulu Chief Minister Mangosuthu Buthelezi said intimidation and violence had been a major factor during the stayaway.

Inkatha Institute executive director Gavin Woods said yesterday he doubted either side could claim the extent of the stayaway as a victory. Nacu, Azapo, the PAC and Inkatha opposed the stayaway call.

Manufacturing industry was worst hit and Toyota in Durban, Volkswagen in Uitenhage and Sancor in Pretoria closed down yesterday, as did Mercedes-Benz in

MATTHEW CURTIN  
and TRACY MELASS

East London.

Fraime Group chairman Mervyn King said 80-90% of the workforce stayed away yesterday while Shell and Iscor spokesmen said absenteeism varied between 5% and 45% at plants throughout the country.

In contrast, the Chamber of Mines and Anglo American said mining production had not been affected.

An Anglo spokesman said attendance was only down at Highveld Steel and Ergo. Gencor reported some disruption to the

group's activities.

The engineering industry's employers federation Sefsa said members suffered a 70% stayaway in the Transvaal, 75% in Port Elizabeth, 9,1% in the Cape and 8% in the Free State.

East London Chamber of Commerce director Dave Groom said over 80% of workers had stayed away.

Trains in Johannesburg and the southern Transvaal ran at only 10-20% of normal occupancy. In Port Elizabeth and East London the figure was 10% and 15%, but spokesman Jacques Plenaar said trains in Durban were 40% full, and Cape Town commuter traffic appeared normal.

A Putco spokesman said 50% of its buses were running normally in the PWV area, half-full on average, while 93% of its buses were operating in the Durban area.

Employers followed a course of "no

□ To Page 2

## Stayaway

B/Daw 31779D

work, no pay", on Sacob's advice, and there were no reports of dismissals.

While Law and Order Ministry spokesman Brig Leon Mellet spoke yesterday of widespread intimidation, reports indicated incidents were sporadic.

Sapa reported that a mob in Soweto set fire to a train yesterday afternoon, causing delays in returning home for commuters who went to work. No one was hurt.

Witwatersrand police liaison officer Eugene Opperman said no link had yet been established between the bomb explosions yesterday morning at East Rand railway stations and the stayaway action.

PETER DELMAR reports the ANC, Cosatu and the UDF said it was the first time a national stayaway had been held to focus attention on a regional issue and should

finally lay to rest beliefs that Inkatha represented the people of Natal.

However, Buthelezi said in his statement: "Clearly, the ANC/Cosatu cannot control and have no influence whatsoever over people they claim support them — hence the violence. So much for their so-called 'peaceful' stayaway."

The three organisations hinted that similar protest action could be repeated if sufficient progress was not made towards ending the Natal violence. They said they would seek a meeting with President F W de Klerk to discuss the Natal situation.

Police were yesterday investigating a poster put up at the ANC's regional offices in Johannesburg which threatened ANC deputy leader Nelson Mandela and which purported to come from the AWB.

181 □ From Page 1

# Nafcoc plea for SA to (181) stay labour intensive

WILSON ZWANE  
and OWEN MAUBANE

NATIONAL African Federated Chamber of Commerce (Nafcoc) president Sam Motsuényane yesterday urged businesses not to introduce automation and to recognise that SA was a developing country that needed labour intensive industries.

"Mechanisation will put thousands of people out of work. Apparent waves of turbulence such as stay-aways should not make us lose our sense of reality."

He conceded, however, that he had doubts about the effectiveness of this week's nationwide stayaway called by the ANC-UDF-Cosatu alliance.

"We are all concerned about violence. But I am not convinced that the stayaway will end violence in Natal. I believe that all black leaders should come together and negotiate a peace settlement," Motsuényane said.

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Embrace

Asked how Nafcoc saw its role in relation to black political organisations, Motsuényane said: "We believe that collaboration with all groups, rather than being seen to side with one, serves our best interests." South African Black Taxi Association (Sabta) spokesman Fanyana Shiburi said: "Our membership comes from all black political groups and as such we have to embrace all political ideologies."

PETER DELMAR reports that the PAC, one of the organisations leading opposition to Monday's stayaway, yesterday described the protest as a tactical blunder which had backfired on the ANC.

PAC general secretary Benny Alexander said the ANC claim that the stayaway call met with an overwhelming response was based only on figures for four cities and ignored "the hundreds" of towns and cities where workers did not stay at home.

He believed the greatest failure of the stayaway lay in the fact that Inkatha had not been isolated or that the action had not helped curb violence in the Natal/Kwa-Zulu region.



# Stayaway cost workers R100m in pay — Sacob

WORKERS lost an estimated R100m in wages on Monday when they stayed away from work, the SA Chamber of Business (Sacob) said yesterday.

Sacob economist Ben van der Walt said if it was accepted that three-million workers heeded the protest call, and that they had an average daily wage of between R25 and R30 each, then income lost to workers was in the region of R100m.

"It is not hurting the government, but all people including the very poor who feel the loss most," said Van der Walt.

"If it hurts the total economy, then it hurts everybody, and it hurts the possibility of redistribution of income and the tax situation," he added.

A Cape Chamber of Industry spokesman said that the clothing industry in the Western Cape had not been affected although the industrial sector had been hit by the stayaway.

"It is difficult to quantify the losses in terms of wages, but from the companies we surveyed, there appeared to have

## LINDEN BIRNS

been a 15% to 20% stayaway in the Western Cape," she added.

Workers in the motor manufacturing industry recorded pay losses estimated at R1,16m on Monday.

Nissan declared Monday a no-work-no-pay day and reported a stayaway by about 4 000 workers out of their 5 000 staff, an 80% absence, with the day's wage loss estimated at R221 400.

## Policy

Volkswagen reported a 100% stayaway on its production line, with wage losses totalling about R300 000 for the eight-hour shift, excluding overtime.

Samcor PR Ruben Els said Samcor suffered a 90% stayaway, with 3 255 of their 3 500 workers incurring a wage loss of between R157 000 and R165 000 for the day.

Mercedes Benz workers lost R210 000 in pay after all 3 500 production staff members went on strike, representing a

100% stayaway.

A company spokesperson said that after negotiation with Numsa, a no-work-no-pay policy had been adopted.

Toyota Manufacturing SA also took up a no-work-no-pay policy, closing the factory on Monday. According to a company spokesman, production staff forfeited about R250 000.

Law and Order spokesman Brig Leon Mellet said there was "no excuse for stayaways."

"If one takes the estimated cost to SA on Monday, and turns that money over to the SAP, it would help us police the situation better. We've asked for money before, but never received R750m."

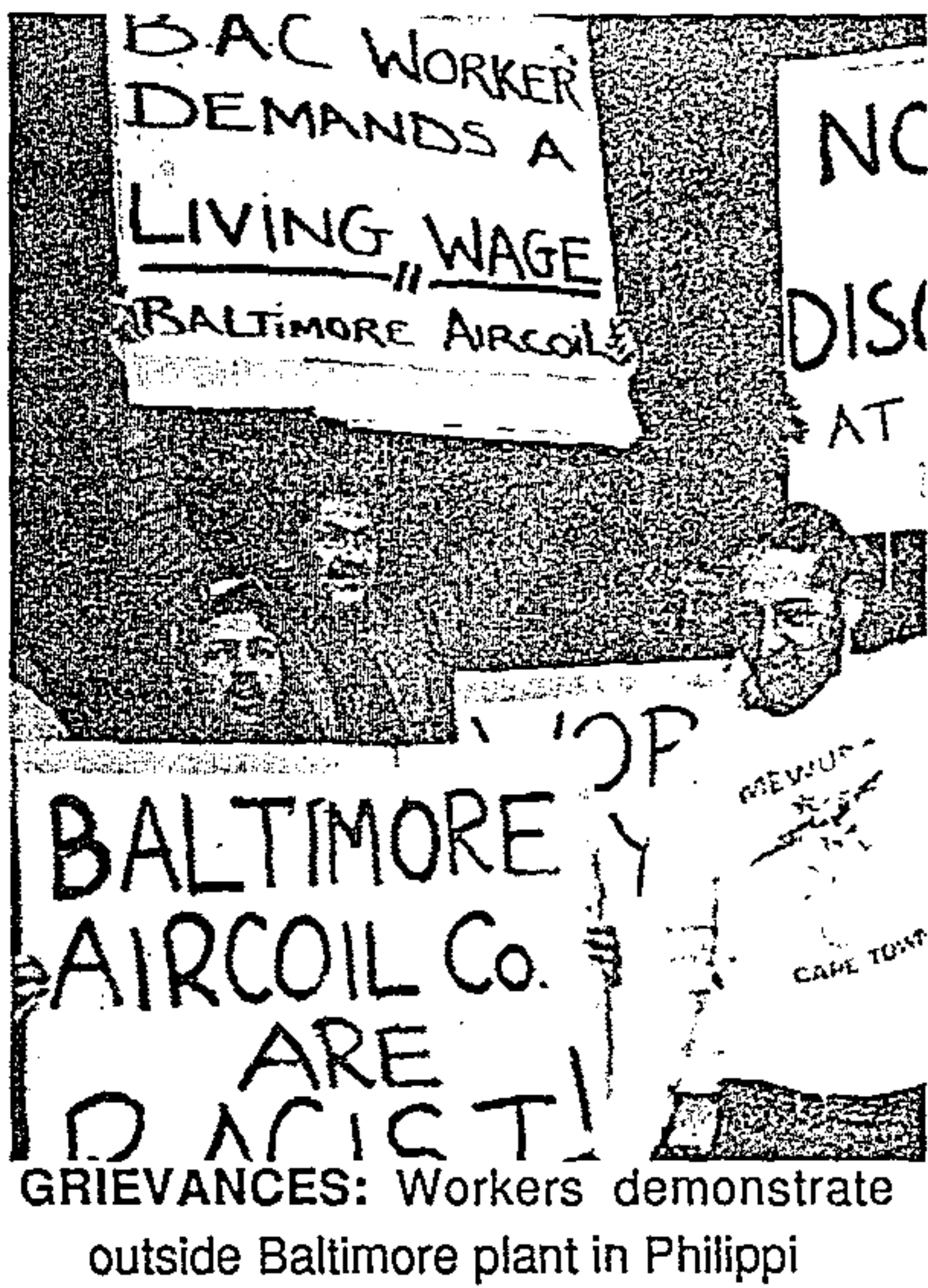
ANC spokesman Joel Netshitenze said workers had voted with their feet in favour of the stayaway.

"They said a day away from work was worth sacrificing if it meant that thousands of lives in Natal could be saved by bringing about peace in the region," he explained.

He dismissed police claims that intimidation played a major deciding factor for workers who did not report.

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GRIEVANCES: Workers demonstrate outside Baltimore plant in Philippi

A WEEK-LONG strike by workers at an American multinational company factory in Philippi ended on Wednesday.

About 30 workers downed tools at the Baltimore Aircoil factory last Tuesday over a dispute about the recognition of a semi-permanent shop steward at the plant.

The workers had previously agreed to drop the dispute if the company agreed to pay all workers the same attendance bonus.

A spokesperson for the Metal and Electrical Workers' Union of South Africa (Mewusa) said the strike was over "principles rather than pay".

"We believe the

# Strike at US firm called off

South 5/7-1117190

company's policy of paying higher earners a larger attendance bonus than lower-paid workers is discriminatory," he said.

The company was using "apartheid legislation" to prevent the union from taking strike action over a dispute about the grading system, he claimed.

The company has denied this, saying the union can-

not go on strike over the grading issue because it is covered in the industrial council agreement.

About 30 of the strikers demonstrated outside the US embassy in Cape Town at lunchtime on Thursday last week.

They gave a memorandum listing their grievances to a member of the embassy's diplomatic staff.

181

## Wineries hit by (81) a union go-slow

6/12/80  
5/17/80  
DANIEL FELDMAN (82)

ABOUT 5 400 National Union of Wine Spirits and Allied Workers (Nuwsaw) members have embarked on a go-slow, refusing to work overtime at 83 wineries and depots after a 76% strike vote last week.

Nuwsaw president November Nkosi said the union would decide at a meeting tomorrow when strike action would be taken, but warned the imminent strike could commence within the next few weeks.

SA Wine and Spirits Industry Employers' Association spokesman Riaan Kruger said employers were willing to continue negotiations.

He said the go-slow had started at a number of depots in the Transvaal already, but supplies "had not been affected significantly".

The union has demanded a R40-a-week, across-the-board wage increase as well as 20 working days annual leave after 10 years' service, with increases made retrospective from April 1. The offer of a R33-a-week, across-the-board increase was rejected by union members.

The industry's offer included an increase of 18,7% on minimum wages to an inclusive annual package in excess of R12 000 for employees with five years of service, reduced hours, payment to female employees on confinement leave, paternity leave and improved re-trenchment benefits, Kruger said.

Current wages range from R177 to R299 a week.

# Wine workers locked out as national strike looms

By DREW FORREST

IN a pre-emptive move, employers yesterday locked out more than 5 000 wine and spirits workers at plants across the country.

Arising from a wage dispute affecting 83 plants of major liquor groups — including Stellenbosch Farmers Winery, Distillers Corporation and Gilbey's — the lockout follows the launch of a national overtime ban and go-slow this week.

The employer move pre-empts a threatened lawful strike — the first across the industry — by members of Nactu's National Union of Wine, Spirits and Allied Workers.

Workers reporting for work yesterday were handed a letter barring them from

the premises unless they accepted the SA Wine and Spirits Employer's Association's R33 across-the-board pay offer, which is to be withdrawn next Monday.

The union is demanding R40 a week. It says the current bottom rate is R176.

Charlie Hoeflich, speaking for the association, said there had been a "middling" response to the lockout, but that most Transvaal workers had refused the offer.

Union general secretary Fay Mandy said workers in the Transvaal, Free State and Eastern Cape were holding out. She was awaiting reports from Natal and the union's Western Cape stronghold.

Mandy said the union's national co-ordinating committee would meet today or tomorrow to time strike action.



# Delta shuts PE plant after strikers clash with police

By DREW FORREST

DELTA Motor Corporation closed its Port Elizabeth plant after the eruption of a highly significant strike over demands the company join the national bargaining forum in the auto assembly industry.

In a sequel to the strike, which involves 3 000 members of the National Union of Metalworkers, two people were seriously injured and 38 arrested on charges of attending an illegal gathering when police clashed with workers on their way to union offices in the city.

A police representative confirmed tear-gas had been used. The two injured men, hospitalised with multiple fractures, had been accidentally run over by a Casspir, he said.

In a statement, Delta said it closed its plant until further notice after workers walked off the job on Wednesday and returned to the plant yesterday but refused to work.

Discussions on the workers' demands could only take place once workers returned to work, it said.

In line with Numsa's push for central bargaining in the auto assembly industry, workers are demanding Delta join a national bargaining forum comprising

all major manufacturers. Wage negotiations in the forum are under way.

Last year, Delta took supreme court action after attempts to broaden the scope of wage bargaining in the Eastern Cape industrial council by admitting Mercedes Benz and Samcor's Pretoria operation to the Eastern Province Automobile Manufacturers Association (Epama).

In a recent declaratory order, the court ruled the move *ultra vires*. Numsa and employers plan an appeal.

Attempts were also made to reach an industry-wide agreement by negotiating through a sub-committee of the industrial council.

As a provisional step, a separate national forum was formed outside the industrial council to negotiate common-law wage deals. Delta's refusal to join it sparked Numsa threats after its recent bargaining conference that action would be taken against the company.

Numsa's Eastern Cape regional organiser, Dimba Mangqabashana, warned yesterday workers would not resume working until Delta agreed to negotiate.

Delta's resistance to national bargaining meant its wage offer last year was a lot lower than competitors, he said.

WMA 617190

181

# Employers go to courts as strike violence rises

SUSAN RUSSELL

THE increase in strikes, worker militancy and violence on the shop floor and outside factory gates has resulted in many companies resorting to the courts to protect property and non-striking employees.

A study of a selection of interim orders granted against strikers in the Rand Supreme Court during the past six months reveals that while companies have not sought to halt strikes themselves by court order, they have used court orders as an instrument to curb strike violence.

Companies have also not sought interdicts against the unions themselves, but in most cases against individual members who have allegedly intimidated non-strikers and scab labour on the shop floor and outside the factory gates.

Affidavits in nine similar applications attest that intimidation and violence is aimed at employees who wish to continue work, and at replacement labour.

The affidavits indicate that for those who choose to work, the trip to and from the factory means the daily threat of possible injury.

Levy, Piron and Associates industrial relations consultant Pat Stone confirms that incidents of strike action have increased, as have worker militancy and strike violence. As reported earlier this week, a study by the firm showed that three times as many man-days were lost in the first six months of this year compared with 1989.

The attendant increase in violence, Stone said, tended to be directed towards non-strikers and scab labour. Where the company was involved in the retail trade, intimidation and acts of violence could also be directed at consumers.

## Confronted

Affidavits in support of interim interdicts clearly demonstrate the invidious position in which non-strikers find themselves.

A supervisor in one instance was confronted on the shop floor and told to join the strike.

When he tried to leave for home he was confronted by a group of strikers.

The person at the head of the group threatened him with death and he was then assaulted by the group and subsequently hospitalised.

In an application brought by a cosmetics company, the court was told by way of affidavit that two employees who had chosen not to join an unlawful strike were confronted at their homes by groups of unknown people who threatened to burn down their houses if they went to work.

One labour lawyer recounted an incident in which a non-striker had an arm hacked off by striking colleagues.

Management representatives who deposed to affidavits in two separate applications said their respective companies had approached the police for assistance.

In both cases the police would not act against strikers until management had obtained an order for ejection against strikers on factory premises, or an interim interdict.

Stone said that while employers had the legal right to continue business operations, the use of scab labour increased the risk of strike violence.

## Tension

"As time goes by and strikers see that the employer is continuing with his business, particularly with scab labour, there is obviously a sense of frustration and a propensity towards further violence in an attempt to make the strike more effective," he said.

The increase in tension in labour disputes was not union orchestrated. In most cases the unions attempted to co-operate with employers during a strike.

Violence, he said, was happening on the shop floor while the degree of control unions had over members during a strike tended to ebb and flow.

Unions tended to lose control when frustration levels increased among strikers and they believed the strike might fail.

He also said strike-related intimidation and violence had been brought out into the open in recent months.

"There was a lot of violence and intimidation taking place in the townships even if we couldn't prove it. Now it is coming into the high streets, shopping malls and factory floors," he said.

According to Stone, the terms of interim orders were usually complied with whether or not they were seen as fair and equitable.

Strikers were more likely to comply with the terms of court orders that were clearly enforceable, he said, such as orders for ejection from factory premises which could be enforced by the police if necessary.

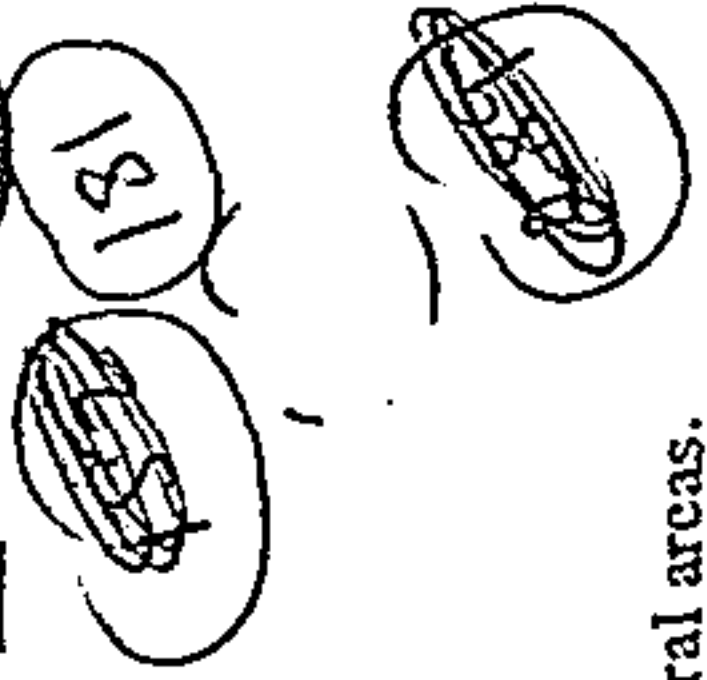
A Johannesburg labour lawyer who acts for a number of large companies said the trend was for interdicts to be obtained only as a last resort to deal with unlawful conduct associated with a strike rather than the strike itself.



South 12/7-18/7/90

# Number of strikers nears

# 30 000



By CHIARA CARTER  
ACCESS to company premises has increasingly become a flashpoint as a wave of national strikes involving thousands of workers continued to snowball this week.  
The number of workers on strike countrywide is now approaching the 30 000 mark.  
Employers have countered this unprecedented worker militancy with lockouts and ejection orders.

## Wineries

More than 5 000 workers in the liquor industry were locked out by employers last Thursday after they embarked on an overtime ban and a go-slow in support of wage demands.  
The workers, members of the National Union of Wine, Spirit and Allied Workers (Nuwsaw), began the first national strike in the industry on Wednesday.  
The strike involves workers at 83 wineries and depots which form part of the Wine and Spirits Industry Employers' Association.  
The strikers include about 1 500 workers in the Cape — mostly from small

towns in the rural areas.

Nuwsaw is demanding a R40-a-week across-the-board increase backdated to April 1 and 20 days' leave after 10 years of service.

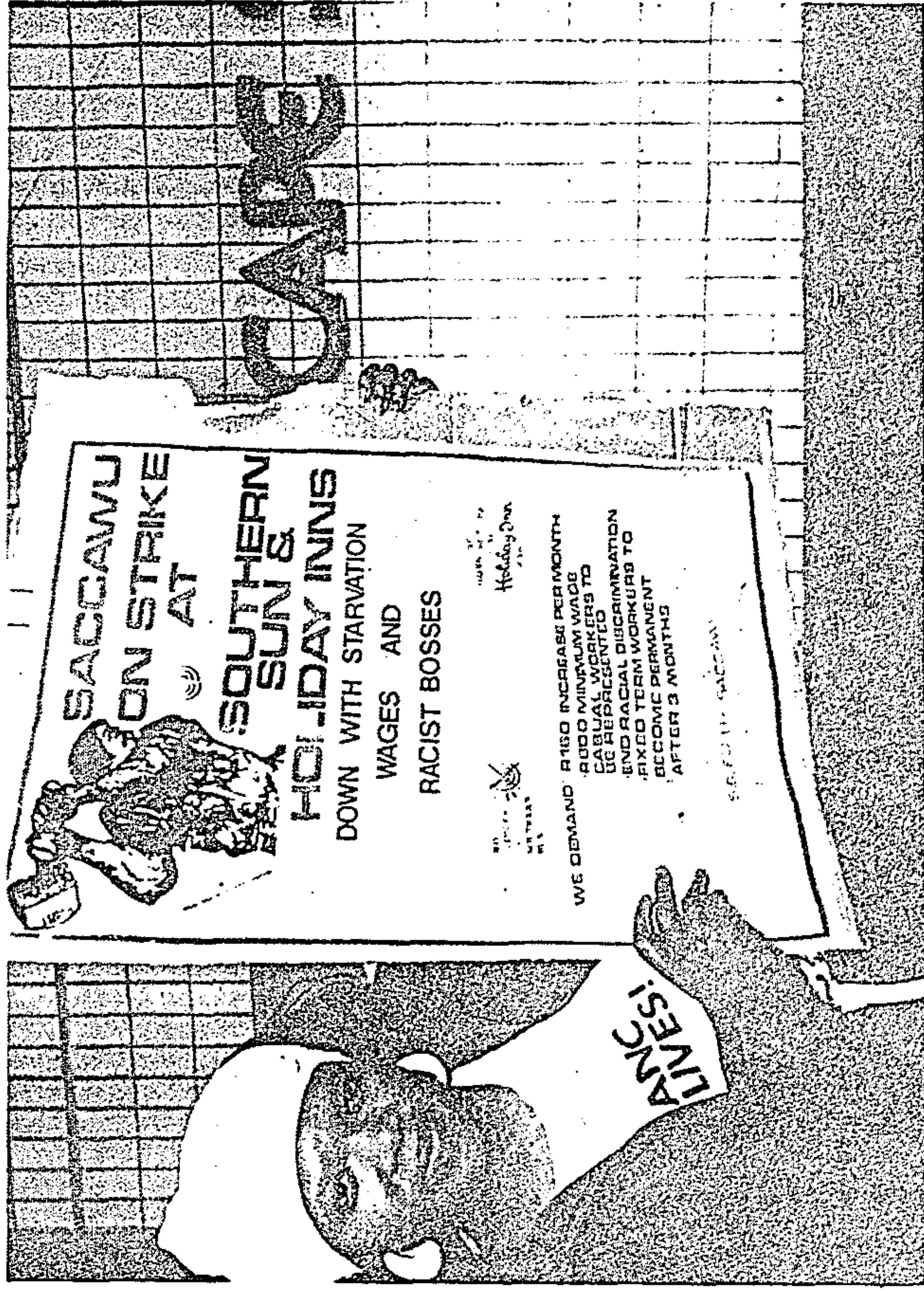
Employers have offered R33 across-the-board.

A Nuwsaw spokesperson said the union was meeting with community organisations to discuss solidarity action, including marches.

## Boland

The strike is expected to heighten tensions in the Boland where there have been several violent clashes between township residents and the police recently.  
Meanwhile about 6 000 strikers at 41 hotels which form part of the South African Breweries-owned (SAB) Southern Suns group have been excluded from company premises.  
They include about 1 300 workers at the Cape Sun, De Waal, Inn on the Square, President, Newlands Sun, Cape Town and Bellville Holiday Inns and St George hotels.

Southern Suns Industrial Relations spokesman Mr Carl Ludick said the company had obtained ejection orders for all strike-hit hotels.  
The workers are demanding a mini-



**HOTEL HOTBED: SACCAWU members picket in front of the Cape Sun Hotel**

imum wage of R800 a month and a R160 across-the board increase.

The Southern Suns final offer stands at R100 or 15 percent.

A mediation meeting between the two parties is scheduled to take place later

over a dispute about wages and retrenchment.

Saccawu this week declared a wage dispute at the giant Clicks chain of companies.

About 1 600 union members downed tools at 29 Trador Cash and Carry Stores

Saccawu members are also involved in strikes and disputes at dozens of chain stores and shops — including OK Bazaars, Checkers and Edgars.



### Mandela to address rally

MAPUTO — ANC deputy president Nelson Mandela, who arrived in Maputo on Saturday, was to have talks with Mozambican leaders yesterday.

Today he is to address a rally in Maputo's Independence Square.

Mandela, on the last stop of a triumphant tour of Europe, North America and Africa, was met by President Joaquim Chissano at Maputo airport, where he received a hero's welcome from tens of thousands of Mozambicans.

Asked at a Nairobi news conference before his departure for Maputo about prospects of an ANC link-up with the PAC, he said: "There are certain organisations which have no significance whatsoever to our struggle." — Sapa-Reuter.

# Jo'burg council to spend R300 000 fighting AIDS

TANIA LEVY

THE Johannesburg City Council has earmarked R300 000 for AIDS education this year.

By the end of 1991 an estimated 40 000 people in greater Johannesburg will test positive for HIV.

According to the council's acting Medical Officer of Health, Nicky Padayachee, about 6 000 people in the area tested HIV positive by the end of last year. This figure is doubling every eight and a half months.

Of the 463 cases of full-blown AIDS reported in SA by 21 June, 178 are in the greater Johannesburg area.

Padayachee says the area probably accounts for between 50% and 60% of the country's total number of people with AIDS.

Health and housing committee chairman Marietta Marx says

R300 000 has been allocated separately from the health budget and will be controlled by the management committee.

Padayachee says most of the money will be spent at the council's AIDS centre in Hillbrow — training volunteers from existing non-governmental organisations. These people have the credibility and skills to reach communities but need material and training assistance from City Health.

He says some of the money will go towards existing AIDS awareness programmes such as bus advertisements and the health department's AIDS play which has already been performed for more than 15 000 unskilled workers.

Schools are a crucial site for AIDS education, particularly in SA where more than half the population are of school-going age. Young people are the most sexually active and therefore most at risk of becoming infected with the virus.

While black and coloured schools have welcomed the council's AIDS programmes, the Transvaal Education Department refuses to allow this sort of education at white government schools, Padayachee says. Parents have to pressurise government to allow AIDS education in schools.

One of the greatest tragedies of AIDS is that people will not take the disease seriously until they start seeing many cases — and by that time it will be too late to contain the epidemic, he says.

## Stresses of township life heighten labour conflict, says study

DANIEL FELDMAN

TOWNSHIP life, characterised by high levels of social and political unrest, was found to heighten labour-management conflict and increase worker militancy, a recent study said.

Wits industrial psychology lecturer Jacqueline Duke, who conducted the survey, said: "The turmoil evident in the wider SA society has exerted a direct, negative effect on black community life." This affected labour relations.

Duke found 76% of the sample of township residents experienced disturbed sleep because of township unrest; 75% reported that life was dangerous in the townships; 67% experienced an atmosphere of tension; 58% reported a general breakdown of law and order in the townships; and 52% experienced violence on public

transport. The unemployment crisis was also highlighted — 60% of respondents said a family member was unemployed or had lost his job during the past year. Other stresses were accommodation and rent problems, education and the effect of the legal system on black community life.

Duke said township stress led to intensified conflicts between different factions in the workplace, decreased job satisfaction, and negative attitudes toward the company, including perceptions of company policy, supervision and the handling of grievances.

It was essential that organisations ascertain what stressed employees and what their community-based needs were before embarking on social responsibility programmes.

"Managers need to communicate across different cultural and ethnic groups in organisations. Through an understanding and awareness of different cultural groups, managers can develop creative strategies that will satisfy the divergent needs, motivations and aspirations of all employees in the organisation."

Industrial relations consultant Stuart Pennington and SA Clothing and Textile Workers' Union assistant general secretary John Copleyn will speak on these issues at a seminar next month.

UNIVERSITY OF DURBAN

# Call for boycott <sup>(181)</sup>

LIQUOR workers in the Western Cape have urged a boycott of their employers' products on the eve of talks to resolve the countrywide strike.

The National Union of Wine, Spirits and Allied Workers will meet the SA Wine and Spirit Industry Employers' Association in Stellenbosch today over the dispute involving about 3 800 workers.

The parties have deadlocked over union demands for a R40 weekly increase, against a management offer of R33.

- Sapa.

*50 water 18/7/90*

*(181)*

## Footwear and clothing workers may strike

THOUSANDS of clothing and footwear industry workers in the Western Cape are poised to strike following a wage and service dispute between two major unions and the Footwear Manufacturers Federation.

*Sowetan 19/7/90*  
The unions are demanding a 22 percent wage increase while the federation presented a final offer of a 19 percent across-the-board weekly increase at a meeting on Tuesday. - Sapa.



# The criteria for job selection must be revised

LAURENCE HALL

(181)



B 1904 20/1790

ANGLO American chairman Julian Ogilvie Thompson's forecast that the lifting of sanctions could enhance job creation to the extent of 200 000 new jobs a year confirms the extent of the harm these measures have had in retarding the upliftment of the people of our country.

The prospect of renewed growth raises a question as to the adequacy of our human resources.

In the past 10 years the percentage of the economically active population (EAP) employed in the formal sector has receded from 43% to 38%.

We have about 6.5-million people seeking a living in the informal sector or unemployed — with more to come in the next 10 years!

The significance of this is that with an increasing number of people having to be supported by a diminishing proportion of the population in formal wage/salary earning capacities, wage demands and taxes only continue to escalate.

A growing proportion of our population never enters the formal sector, where the skills required for growth are imparted and acquired.

Our present skills inventory indicates that, without extensive productive programmes by employers, our chances of capitalising on growth opportunities will be minimal and, even a disincentive to investors.

We have, as has been frequently pointed out, a shortage in the midst of plenty. The skills shortage in the executive and professional groups could be, if these estimates of demand acquired from various sources are correct, 650 000 posts.

The apparent surplus among skilled and semi-skilled conceals the shortage of artisans at the top end of this scale — the majority in this class being semi- and partially skilled workers.

Further, 66% of SA's EAP (about 9-million people) have no more than primary education (not necessarily completed). Of these, nearly half have no education at all. As a resource for upgrading, therefore, they are limited unless additional education inputs are made.

The skills distribution pattern of

whites virtually replicates that found in the fully developed nations and conforms to normal distribution curves. There can be no change of any significance looked for from this group. It is "maximally" deployed.

The Asian and coloured population (included under "other" in the table), while still having potential for development, are not of adequate numbers to make any appreciable inroads into our problem areas.

Virtually untapped, the black population of SA is the resource which must be developed to ensure our emergence as a self-sufficient nation. Failing this we can look forward to an accelerating descent into poverty.

For employers these figures are significant. If the need is to recruit a fully skilled professional or managerial worker, stealing from a rival and paying the price will become the normal recourse.

"Ready-mades" are going to be very pricey luxury items for some time to come.

If — because of pressure from foreign investors, an affirmative action programme or merely because

it is intended to stay in business to the end of the century — it is decided that recruitment and development efforts must embrace blacks, the criteria for selection will have to be revised. Traditional screening "cut-outs" such as minimum education standards and track record experience will be counterproductive.

Potential is what will have to be assessed: potential for education, potential for skills acquisition; and then the employer will have to be prepared and able to provide both the education and the skills training.

Throughout the world, knowledge has become the centre of capital investment.

The scale of this investment is in some cases as high as 16% of GNP, a third of which is in the education and training of adults — mostly in the employing organisation. SA and SA employers must accept that only by such re-investment to produce a skilled and competent work force will significant new investment be attracted — even when the last vestiges of apartheid are a memory.

Hall is a management consultant with Garry Whyte Associates.

Class	Demand (000s)	Supply (000s)	Deficit/ Surplus (000s)	Source of Supply	
				White (000s)	Other (000s)
I	365	206	-159	167	39
II	1 457	962	-495	502	460
III	4 010	4 950	+940	1 088	3 862
IV	1 458	7 632	+6 174	335	7 297

Key to SA Skills Inventory 1990:

Class I: executive/managerial; Class II: professional/technological; Class III: skilled/semiskilled; Class IV: unskilled.

LETTERS

# Boycott

## threat

80 wefer  
2017/970

(181)

THE strike-torn liquor industry is threatened with a nationwide consumer boycott after attempts to resolve a wage dispute failed yesterday.

Talks between the National Union of Wine, Spirit and Allied Workers Union and the South African Wine and Spirit Industry Employers ended in deadlock.

A consumer boycott of the six strife-related companies - Stellenbosch Farmers' Winery, Distillers Corporation, Union Wine, Gilbey's, Douglas Green and Henry, Taylor and Ries - began on Monday and the union has warned it would spread.

## Plunge in earnings

### growth of SA firms

*W. M. W. 2017 - 247190*  
YEAR-on-year earnings growth of financial and industrial companies has slowed from 33 percent in January to 23 percent by June, and this trend will continue, says UAL managing director Clive Turner. (180)

In the UAL quarterly report released yesterday, Turner said the present economic conditions dictated a cautious investment stance and UAL would maintain conservative liquidity levels for its trusts under these conditions.

Commenting on the unit trust quarterly results, Turner said UAL Unit Trust had no direct exposure to gold shares, but the diamond sector performed well and now constituted the largest sectoral weighting in the portfolio.

The present level of liquidity, in excess of 20 percent, is considered a suitable buffer against market volatility.

UAL Mining and Resources was affected by negative sentiment towards gold.

UAL Selected Opportunities stood up well to the uncertain investment climate over the quarter, and UAL Gilt's exposure to the gilt market through stock options was currently in balance. — Sapa





Four years ago South Africa's largest wood distribution company reassessed its business strategy and came up with a unique management style.

By GAVIN EVANS

A YEAR before the African National Congress was unbanned, all black and white employees at South Africa's biggest wood production and distribution company sat in groups discussing the history of the movement.

The directors and senior managers at PG Bison Limited were sent to Harare where they met Zimbabwe government ministers and ANC officials.

On the shop floor today, In-A-Groups, consisting of white managers and black workers, have a say on the hiring of new employees in their work-teams and appear to have significantly altered the style of management in the company.

The company, which works through the union shop stewards, recently hosted a National Shop Stewards Conference in what its directors describe as an attempt to facilitate union organisation.

These changes are part of PG Bison's "Total Productivity and Quality" (TPQ) programme which it views as a unique approach to business change.

The Cosatu-affiliated trade unions organising in the company's factories and distribution outlets acknowledge the programme has made a major impact in reducing the racism of white employees and in improving workers' employment conditions. But some of the officials are wary that it could have the added effect of reducing worker militancy, and co-opting shop stewards.

"Our perspective is that this has been done to increase productivity," says Kenny Fihla, branch secretary of the Paper, Printing, Wood and Allied Workers' Union (Ppwawu), the union with the strongest presence in the company.

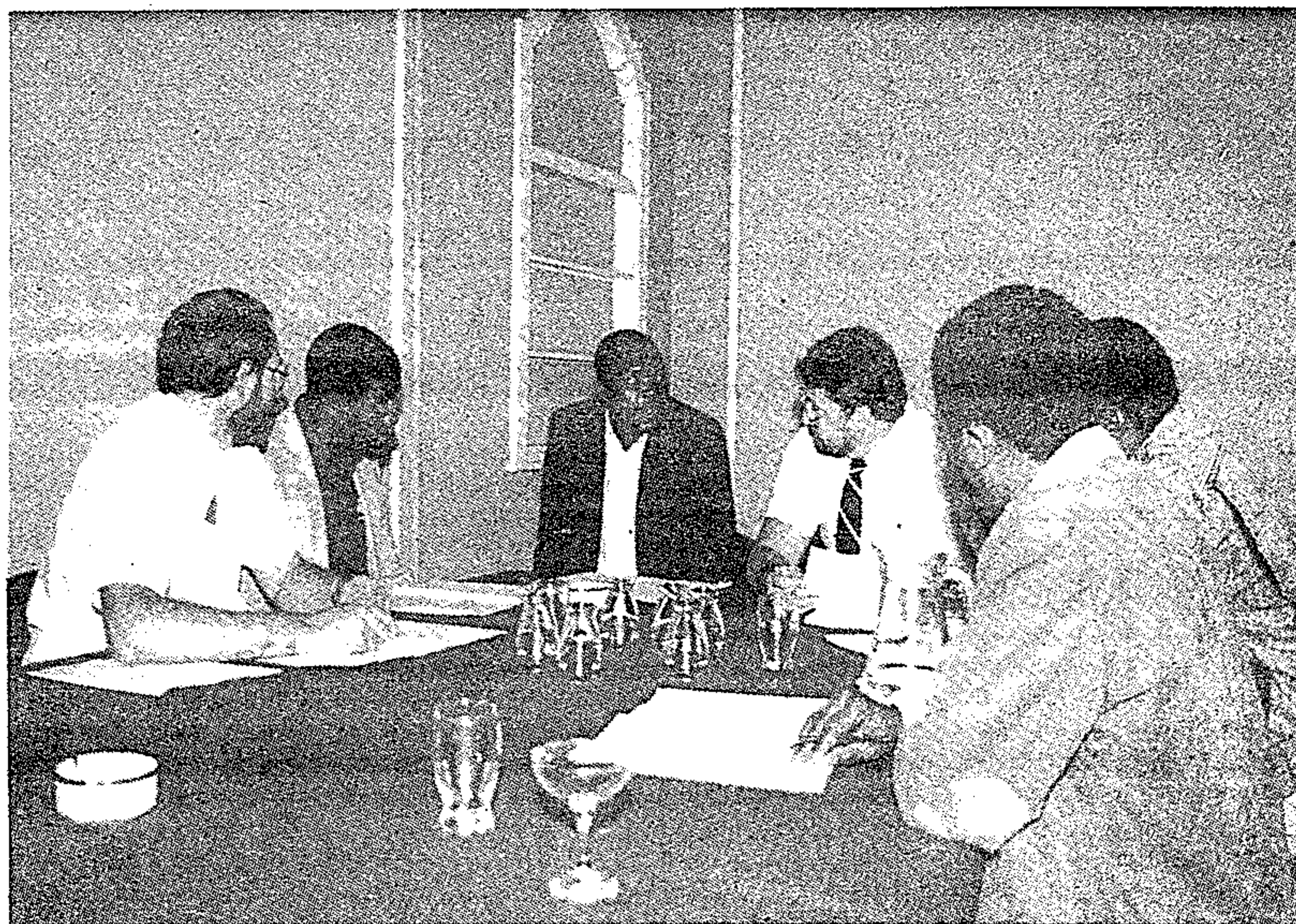
"Management can't do this without the participation of workers. It helps them reduce things like late-coming, absenteeism and wastage, and strike action is discouraged."

Fihla and company chief executive Leon Cohen agree that it has succeeded in these respects.

Management is happy to acknowledge that "bottom line" principles of improving productivity and the quality of the product is part of the aim. However, says PG Bison chief executive Leon Cohen, "it is extremely difficult to ascertain exactly how, where and why performance is improving".

PG Bison group manager Tihopheho Modise says that since TPQ was first implemented in 1987 the compa-

# Co-opting workers or tackling the challenges facing business?



The new programme has altered relations between management and shop floor workers

ny has not experienced a strike — in an industry where this is rare.

There has been strong worker participation in stayaways and a liberal company attitude in response. What has changed, says Modise, is the way these have been handled.

"Nowadays when there is going to be a stayaway, the shop stewards communicate with management and discuss with them how to plan for it, and I think this discourages honesty on both sides."

The implementation of TPQ arose from a reassessment of business strategy four years ago, at a time when the company was experiencing a range of managerial and "human resources" problems. The peculiarities of the company's shareholding structure allow for a higher than usual level of executive authority which contributed to the ability of directors to make innovative changes.

"The question is often asked why a business should embark upon such a holistic strategy," says PG Bison director Christo Nel, who has played a key role in the implementation of the programme. "The answer is simple. The only role of business is to stay in business. If it cannot fulfil this role, then all other potential roles become irrelevant and theoretical."

Cohen argues the process is more than simply a short-term rands and cents venture.

"Around four years ago we began to accept the extent of the changes taking place in the country. We came to realise that if business was going to survive into the 21st century, it would

have to re-examine the culture of business and transform itself away from a culture where the black community do not relate to performance but only as a way of surviving as individuals."

Last year and early this year virtually all of PG Bison's 5 000 employees went through a two-day "Value Sharing" programme which involved discussion of the reason for the ANC adopting the armed struggle, and the

*The question is often asked why a business should embark upon such a holistic strategy. The answer is simple. The only role of business is to stay in business*

sharing of perceptions between black and white employees.

"Attitudes of the more conservative whites to the ANC for example, were different before February 2," says Modise.

"Then whites tended to come in with closed minds and to regard the ANC as a violent, banned organisation to which they were antagonistic. But as

the black workers discussed the reasons behind the ANC taking up the armed struggle, many started to listen because it was the first time that they were hearing the perspectives of their colleagues.

"Since February 2 the whites have been more eager to talk and to find out what the ANC stands for, which makes the whole process easier than before."

Not everyone in the company has adapted that easily. At the Bisonbord factory in Piet Retief, there is strong antagonism from white management who, until recently, were still attempting to retain whites-only toilets.

When a literacy programme for the black workers was suggested, some responded by saying that a two-day "funagalo" programme would be better.

According to Cohen the problems there "arise essentially from the external environment.

"The whites are being placed into Defence Force commandos and are definitely influenced by the strong right-wing influences which make the process there far more difficult."

At Laminate Industries in Alberton, the company subsidiary which produces wood-related products, the programme is probably most advanced and National Union of Metal Workers organiser Sam Ntuli says it has been welcomed by union members there.

"My attitude as a union organiser there is that it definitely has its positive elements. It helps promote skills in the sense that positions will go to people capable of doing the job, and things are not as strict as they once

were in the sense of managers communicating in a racist way and always trying to show whose boss."

Laminate Production manager and former police sergeant Petrus Esterhuizen notes that the process has caused some discomfort among the whites, but that it has made the task of management a far easier one.

"I believe that everybody wants responsibility. And by giving that person responsibility, I actually get more time to be responsible for something else."

The kind of trust that appears to have been developed contributed to speedier-than-usual wage negotiations this year.

Laminate Human Resources manager Andre Michaux said that normally negotiations involved a three to four-week process, with management opening with an offer of around 12 percent, and eventually settling for more.

"The negotiations were over in less than a week because both sides were open about what their mandates were. We opened at 17 percent and settled for 19.5 percent."

Cohen says the programme is now entering "Phase Two" in which it will become more "self-driving" and less reliant on specialists.

"What we are also doing is developing TPQ into new areas. For example, we are now looking at the Learning for Empowerment Programme where we are working with the unions in developing literacy around the needs of the people in the business".

Cohen and Nel also played a major role in initiating the Consultative Business Movement, the headquarters of which are housed in the PG Johannesburg head office.

"Our involvement in CBM is supported by the company as a whole," says Cohen. "Part of the value is that it enables us to share our experiences with others."

"It could also be said that the principles of CBM apply to our business, and we subscribe to those standards in our business."

Progress in this regard has prompted Ppwawu, which was once antagonistic to the programme to shift their approach.

"Initially our union adopted an attitude of outright rejection," says Fihla, "but over the past few months we have been re-evaluating this and have come to the conclusion that we will not solve problems through rejecting it."

"This is because TPQ is very attractive to the workers and we don't want a situation where only the union officials are not involved when on the factory floor it is being supported."

Fihla says he remains suspicious that it is a sophisticated attempt to co-opt the workers, but agrees that it has had positive effects in improving race relations.

"In the past some of the management, particularly those lower down, were hostile. But since its inception, there has been a change in their attitudes. So you could say it has been ambiguous for the union."

WJE Mail  
2017-26/7/90



## Union threatens boycott of alcohol

THE National Union of Wine, Spirits and Allied Workers (Nuwsaw) is poised to call for a consumer boycott after failing to resolve wage disputes with the SA Wine and Spirit Industry Employers' Association.

The proposed boycott is aimed at the products of Stellenbosch Farmers' Winery, Distillers Corporation, Gilbeys, Douglas Green of Paarl, Union Wine and Henry Taylor & Ries. B 10 of 207 7190

Nuwsaw president November Nkosi said yesterday that when the boycott was called there would be "a total boycott of 99,5% in the African communities".

He said a union representative would be sent to European countries to campaign for support if the strike continued.

Wine and Spirit Industry Employ-

TRACY MELASS

ers' Association spokesman Riaan Kruger yesterday declined to comment on the issue, saying it was too early for a response.

Consensus was reached on the issue of victimisation and intimidation, however. "We have publicly agreed that industrial action will be conducted in a peaceful manner. Violence and harassment has been strongly condemned." (18)

He said: "This stance has been communicated to individual companies whose responsibility it is to inform union members not to involve themselves in any victimisation."

"The Employers' Association reserves the right to take legal action against anyone found guilty of not complying with this agreement."

# Concern over scabs - Sacwu

THE South African Chemical Workers Union has expressed its concern over the efficiency of scabs hired by Labethica following a month-old lockout of union members by the company, says a spokesman for Sacwu.

The union's general secretary, Mr Humphrey Ndaba, said their concern stemmed from the fact that products made by Labethica were delicate. The company produces life-saving bags and drugs.

"Workers are usually given two months' training to handle production, but the company has indiscriminately engaged scabs without necessary training and thus maxi-

mising the risk of faulty production," the Sacwu official said.

The strike by 166 Sacwu members emanates from their demand for a monthly R150 across-the-board rise. *Sowetan 23/7/90*

## Position

Mr F Short of Labethica said he was in no position to comment on the allegations by Sacwu and referred inquiries to the general manager of SA Druggist, a Mr Stanton, who was said to be in Port Elizabeth.

*Sowetan* could not reach Stanton as "he was on his way to Johannesburg", according to Short.



# Strike saga continues

South 2617-118190

(181)

By CHIARA CARTER  
AS thousands of retain-  
workers returned to work  
this week, more than  
300 000 workers pre-  
pared for industrial action  
and about 20 000 others  
remained on strike.

Metal unions, including  
the giant National Union of  
Metalworkers of South Af-  
rica (Numsa), are gearing up  
for strike action which could  
involve up to 200 000 work-  
ers.

The move follows a break-  
down in industrial council  
wage negotiations earlier  
this year.

Numsa is taking a strike  
ballot among 23 000 mem-  
bers in the coal industry.

## Volatile

Several factories in the  
sector are hit by wildcat  
strikes, go-slows and other  
forms of industrial action.

In Cape Town Numsa is  
fighting to get more than 400  
members reinstated after  
mass dismissals last week  
from Gabriels and SA Metal  
following unprocedural

strikes at both companies.

A strike by more than 100  
Numsa members at  
Steeldale is continuing and  
the union is preparing for  
strike action at Bremco  
Products in Atlantis if an  
industrial council meeting  
next week does not resolve  
a wage dispute.

## Work stoppage

The company has offered  
a 30 cents across-the-board  
increase and a 45 cents at-  
tendance bonus while the  
union is demanding an in-  
crease of R2 an hour.

Meanwhile, the South Af-  
rican Commercial, Catering  
and Allied Workers' Union  
(Saccawu) is pushing ahead  
with plans to stage a national  
hour-long work stoppage  
this Friday in support of  
workers' right to picket  
freely during strikes.

Saccawu has about 90 000  
members, most of whom are  
expected to take part in the  
demonstration.

About 5 000 Saccawu  
members go on strike this  
Thursday at Metro Cash and  
Carry stores nationwide.

# BEL to launch R4.5-m training programme

By MZIMKULU MALUNGA  
BATEMAN Engineering Ltd (BEL) is to launch a R4,5-million training programme for its employees before the end of this month.

Managing director Ivor Stagg-Macey said yesterday the move was prompted by the realisation that the scarcity of skilled manpower at all levels in South Africa would become more serious within the next 10 years. It was also a culmination of many months of intensive research and investigation.

He said the country could no longer rely on the importation of skilled labour since the number of immigrants was declining drastically.

"The task is a daunting one, and the difficulties cannot be underestimated," said Stagg-Macey.

The programme, initiated in September last year, was designed to put South Af-

rica on the forefront of the provision of suitably skilled personnel in management and training fields. The curriculum includes 22 courses and workshops as well as two to three years apprenticeship.

"Effective training is not, as many seem to believe, a matter which can simply be addressed on an ad hoc basis. It is a complex issue, and mistakes tend to be expensive.

"To eliminate the possibility of poor training, many months have been devoted at BEL to identifying individual and company needs for the near and longer term," he said.

As the programme progressed the training would be expanded to cover other areas such as stress and change management organisation creativity.

"When we have understood the effectiveness of our course material, we will

probably approach technicians with a view to them running such courses for the whole industry," he said.

Dorbyl group employee benefits manager Nigel Naylor said it was company policy that each of the 5 000 monthly paid staff spent at least 10 days on education a year.

More than 2 percent of the wage bill was devoted to training the hourly paid workers. Dorbyl had 17 000 hourly paid employees.

The training projects ranged from literacy training to supervisory and business principles courses.

Also, the company had an apprenticeship training school in Vanderbijlpark where there were 200 apprentices currently doing courses in metallurgy, electricity, as well as fitting and turning.

Naylor would not say how much Dorbyl was spending on training.

## To the floor

The National Union of Metalworkers of SA has — after meeting Seifsa — announced a strike ballot will be held early next month. It will involve about 115 000 union members, including those in the car assembly and tyre

(181)

FINANCIAL MAIL JULY 27 1990

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181

industries — nationwide.

The union also says it will refer the employers' revised wage offer to members for consideration.

Seifsa offered to convert a 0,5% increase in provident and pension fund contributions into a wage increase, amounting to 67c an hour for labourers (19%) and R1,29 an hour for artisans (15,5%). Seifsa says this means that the lowest-paid worker in the industry would receive at least R820 a month. Numsa is demanding an increase of R2 an hour

across the board, a 56% increase on the lowest grades.

Employers complain that though certain unions seemed willing to reach settlement, and undertook to refer the revised offer to members, Numsa has not moderated its 56% demand since negotiations began in March.

"All trade unions except Numsa undertook to advise the Industrial Council by Wednesday of their membership reaction," says Seifsa.

According to the union, settlement de-

FIM 27/7/90

pend on agreement on wages, hours of work, March 21 (Sharpeville Day) as a holiday and maternity and child care benefits.

Employers are offering six months' maternity leave on full pay with jobs guaranteed for workers with two years' service. They also agree in principle to free Pap smear tests and are prepared to give 21 days' notice of lay-offs and redundancies and to consult on severance benefits and lay-off criteria.

Little progress had been made on the union demand for a 40-hour week but Seifsa has agreed to consider a phased reduction to 40 hours and a timetable for further reductions. Employers have refused to grant March 21 as a holiday, paid or unpaid. ■

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## Long wage talks end in pay increase

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~~151~~ (181)  
MATTHEW CURTIN

PROTRACTED wage negotiations in the leather industry between unions and the Footwear Manufacturers' Federation of SA (FMFSA) ended on Wednesday with a 19% pay award for the industry's 30 000 employees.

Wage negotiations between FMFSA, the SA Clothing and Textile Workers Union and the National Association of Leather Workers began in April.

Sactwu spokesman Mike Murphy said the deadlock in negotiations was broken by the exhaustion of all parties and produced only a "hotch potch" settlement.

Negotiations were marked by wildcat strikes all over the country, one of which started this week in Durban, Murphy said.

Sactwu demanded a R45 across-the-board increase on minimum rates at the start of the negotiations, and were finally awarded R30. FMFSA originally offered a 12% increase.

FMFSA director Dennis Linde said production dropped by 20% in the first five months of this year compared with 1989.

# Salaries rise for office rookies

ST Times 29/7/90

(18)

(10)

Business Times Reporter  
STARTING salaries for skilled office staff are rising rapidly — in spite of the recession. (18)

The six-month survey of office salaries by Kelly Personnel says the starting salary for typists increased by 18,6% this year.

This can be partly explained by employers' demanding increased skills, such as word processing.

But managing director John Dawkins says a more important reason is that staff members are reluctant to change jobs in a recession because they fear the "last-in, first-out" retrenchment practice.

"This means employers must pay more to attract staff," says Mr Dawkins. "But salaries for those employed by the same company for a year or more are not increasing at the same rate that would apply in good times."

Starting salaries for accounts staff increased by 15,5% and receptionists received 14% more.

Eastern Cape salaries for secretaries were the lowest.

# R3m pay claim in Numsa dispute

NUMSA has declared a dispute with Delta which involves a backpay claim for Delta employees of at least R3m, union spokesman Gavin Hartford disclosed yesterday.

The main thrust of the dispute — which sparked a brief unprocedural strike earlier this month — is an attempt by the union to compel Delta to join the national bargaining forum Numsa established with the six other motor manufacturers last year.

## Excluded

The union is also demanding that the company "implement the provisions of the 1989 agreement" between the union and the other motor assemblers.

Hartford said Numsa's R3m to R4m estimate excluded the effect on the claim, if met, of overtime pay.

Last year Numsa agreed with the six on a R1 across-the-board increase in the hourly wage from July 1.

ALAN FINE

Delta implemented 50c hourly increases during August and in February.

Efforts by Numsa to compel Delta to join the bargaining forum last year failed.

For technical reasons, the 1989 agreement was also made an agreement of the long-established Industrial Council for the Automobile Manufacturing Industry / Eastern Cape, to which Delta is party.

The agreement has not yet been gazetted because of various delays, according to Hartford.

The Delta/Numsa wrangle has already been to court, but the effect of previous decisions on Numsa's demands is not clear.

Repeated attempts to reach Delta spokesmen were unsuccessful.

Meanwhile, it appears that wage talks between Numsa and the other manufacturers could be headed for dispute.

Hartford said the parties remained far apart. A negotiating meeting is scheduled for next week.



# Metal union begins 11-day strike ballot

B1Puy 31/7/90

OWEN MAUBANE

THE National Union of Metal Workers of SA (Numsa) began an 11-day strike ballot yesterday to canvass members on strike action following last week's deadlock with Steel Engineering and Industries' Federation of SA (Seifsa) over wage demands, Numsa national organiser Alistair Smith said yesterday.

He said the union would canvass at least 80 000 of its 115 000 members from July 30 to August 10 on a number of key issues including the union's 56% across-the-board wage increase demand.

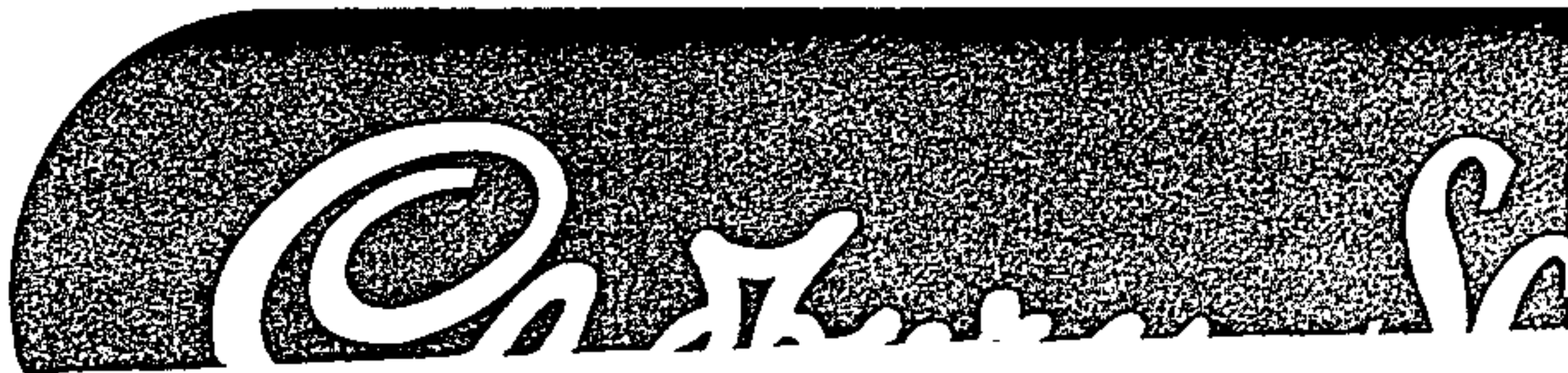
Wage negotiations with Seifsa broke down last week after Numsa turned down Seifsa's offer of a 19% wage increase for labourers and a 15,5% increase for arti-

sans.

Also at issue are Numsa's demands for a 40-hour week, a holiday on March 21 (Sharpeville Day) and child care leave, Smith said.

Seifsa communications head Hendrik van der Heever said Seifsa had sent a letter to the industrial council last Friday requesting that it inform Manpower Minister Eli Louw that negotiations with Numsa had "officially" ended in deadlock.

He added that the 14 other trade unions in the metal industry, representing 100 000 out of the 215 000 employees, had accepted the Seifsa offer.



# R2,5m at stake in union, firm battle

AT LEAST R2,5 million is at stake in a battle by the National Union of Metalworkers to force car giant Delta Motor Corporation to join the motor industry's informal National Bargaining Forum.

Delta has steadfastly refused to implement last year's wage agreement between the union and the NBF on a R1 per hour increase.

Joining the NBF would not be in the interests of the company or its 4 000 employees, Delta said.

Sowetan Correspondent and Sapa

It obtained a Supreme Court interdict earlier this year against the local Industrial Council when it tried to force the motor giant to join the NBF.

The NBF's wage agreement was concluded in July last year, but has not yet been gazetted by Manpower Minister Mr Eli Louw.

Numsa spokesman Mr Gavin Hartford said he believed this was on Delta's request.

Delta instead introduced a 50c raise in August last year and another

50c in February.

If the dispute remains unresolved, Numsa could move to a strike ballot.

Three demands are at issue. They are:

- \* That Delta participate in the NBF with immediate effect;

- \* That it implement last year's wage agreement with retrospective effect from July 1; and that

- \* It implement any agreement made by the NBF and Numsa for the 1990-91 contract period.

Delta spokesman Mr

George Stegmann said yesterday the company was considering taking legal steps because the continued attempts by Numsa to force it into the NBF constituted an unfair labour practice.

The two sides are due to meet the Industrial Council tomorrow, subject to confirmation, to try resolve the issue.

Numsa is scheduled to hold a last-ditch meeting with car and tyre employers later this week over annual wage negotiations and is also conducting a strike ballot in the metal engineering industry involving about 115 000 workers.

BY CHIRBA...  
...ner speakers included represen-  
...on Ntuli was re-elected presi-  
... Ellen Beaumont first vice-  
...ident, while Johnny Malebo  
...stem Cape Cosatu chairperson)  
...elected second vice-president.  
...nnie September from Rex True-  
...factory was elected treasurer.  
...posts were elected unopposed.

MORE than 28 000 workers coun- Meanwhile, more than 5 000 So

# SAB workers list demands

SOUTH African Breweries work-  
ers marched on the SAB head office  
in Johannesburg at the weekend.

Their demands included: a living wage  
South 2/0-4/8/90 (182) (181)

for all SAB workers, an end to all racist  
employment practices, an end to union-  
bashing tactics, and public confirma-  
tion that SAB strikers have the right to  
picket and to hold sympathy strikes.



**Numsa**

**dispute:**

**Delta**  
*South Africa*  
*2/6/90*  
**asks for**

**time**

DELTA Motor Corporation has applied for a postponement of an Industrial Council hearing between it and the National Union of Metalworkers of South Africa.

The meeting was scheduled for today but Delta maintains it has not had sufficient time to prepare and has asked for a postponement to August 16 or 17.

A show-down has been forced between Numsa and Delta over the company's steadfast refusal to join the National Bargaining Forum for the motor industry to which the country's six other major car manufacturers belong.

As a result, Numsa declared a dispute with the company and the matter was referred to the Industrial Council for Automobile Manufacturers in the Eastern Cape.

Meanwhile, industrial action continues at two hotels, liquor companies, a retail chain and at railway depots in the city.

Sympathy strikes have spread to railway operations in other parts of the Eastern Cape.

\* Members of the Natal Liquor and Catering Trades Employees' Union, employed at Durban's Malibu Hotel, were granted an interdict on Tuesday in the Supreme Court, Durban, against being prevented from going to or doing their work at the hotel.

The interdict, confirmed by Mr Justice Levinsohn, follows strike action which started at the Malibu Hotel early in July.

The application was brought by the Natal Liquor and Catering Trades Employees' Union and five members of the union employed at the Malibu.

# No end in sight to liquor firms strike

Sowetan 3/8/90

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AS the longest and largest strike ever to hit the South African liquor industry drags into its fourth week, no plans are in the pipeline to resolve the wage dispute.

The strike by about 3 800 members of the National Union of Wine Spirits and Allied Workers has affected six companies in the industry - Stellenbosch Farmers' Winery, Douglas Green, Henry, Taylor and Ries, Union Wine, Distillers Corporation and Gilbeys.

The workers are

### SOWETAN Correspondent

demanding a R40 weekly wage increase while the SA Wine and Spirit Industry Employers Association is offering R33.

The Association, spokes-

man Mr Charlie Hoeflich said yesterday neither party had made any move to settle the strike.

Union spokesman Mr William Makhunga accused employers of not being interested in settling the strike and said

"the ball is in their court".

"Unfortunately they do not seem to be interested in settling, they prefer to pretend they are not losing anything," he said.

The union called for a nationwide consumer

boycott of products of the six companies and threatened that about 5 000 workers at KWV in Paarl would join the strike if their demands were not met.

Association spokesman Mr Riaan Kruger has repeatedly claimed that the effects of the boycott, which started in Stellenbosch, have not been felt.

"We believe that the companies are suffering and there is a big loss in production and sales. Production is not running smoothly at all, delivery trucks are not fully loaded and not all products are available," Makhunga said.

Sixty-nine strikers have been arrested since the start of the strike.



No. R. 1827

3 Augustus 1990

## WET OP ARBEIDSVERHOUDINGE, 1956

## MEUBELNYWERHEID, OOSTELIKE KAAPROVINSIE.—HERNUWING VAN HOOFOORENKOMS

Ek, Dennis van der Walt, Direkteur: Arbeidsverhoudinge, behoorlik daartoe gemagtig deur die Minister van Mannekrag, verklaar hierby, kragtens artikel 48 (4) (a) (ii) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van Goewermentskennisgewings Nos. R. 1654 van 6 Augustus 1982, R. 33 van 7 Januarie 1983, R. 163 van 3 Februarie 1984, R. 2093 van 21 September 1984, R. 141 van 24 Januarie 1986, R. 843 van 2 Mei 1986, R. 438 van 6 Maart 1987, R. 1704 van 7 Augustus 1987, R. 2808 van 18 Desember 1987, R. 805 van 21 April 1989 en R. 2525 van 17 November 1989, van krag is vanaf die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Desember 1990 eindig.

D. VANDER WALT,  
Direkteur: Arbeidsverhoudinge.

No. R. 1829

3 Augustus 1990

## WET OP ARBEIDSVERHOUDINGE, 1956

## YSTER-, STAAL-, INGENIEURS- EN METALLURGIESE NYWERHEID.—WYSIGING VAN REGISTRASIE- EN ADMINISTRASIEFONDS-OORENKOMS

Ek, Eli van der Merwe Louw, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die eerste Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Maart 1995 eindig, bindend is vir die werkgewersorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of verenigings is; en

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousules 1 (1) (b) en 2, met ingang van die eerste Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Maart 1995 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

E. VANDER MERWE LOUW,  
Minister van Mannekrag.

No. R. 1827

3 August 1990

## LABOUR RELATIONS ACT, 1956

## FURNITURE MANUFACTURING INDUSTRY, EASTERN CAPE PROVINCE.—RENEWAL OF MAIN AGREEMENT

I, Dennis van der Walt, Director: Labour Relations, duly authorised thereto by the Minister of Manpower, hereby, in terms of section 48 (4) (a) (ii) of the Labour Relations Act, 1956, declare the provisions of Government Notices Nos. R. 1654 of 6 August 1982, R. 33 of 7 January 1983, R. 163 of 3 February 1984, R. 2093 of 21 September 1984, R. 141 of 24 January 1986, R. 843 of 2 May 1986, R. 438 of 6 March 1987, R. 1704 of 7 August 1987, R. 2808 of 18 December 1987, R. 805 of 21 April 1989 and R. 2525 of 17 November 1989, to be effective from the date of publication of this notice and for the period ending 31 December 1990.

D. VANDER WALT,  
Director: Labour Relations.

No. R. 1829

3 August 1990

## LABOUR RELATIONS ACT, 1956

## IRON-, STEEL-, ENGINEERING AND METALLURGICAL INDUSTRY.—AMENDMENT OF REGISTRATION AND ADMINISTRATION EXPENSES AGREEMENT

I, Eli van der Merwe Louw, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the first Monday after the date of publication of this notice and for the period ending 31 March 1995, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clauses 1 (1) (b) and 2, shall be binding, with effect from the first Monday after the date of publication of this notice and for the period ending 31 March 1995, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

E. VANDER MERWE LOUW,  
Minister of Manpower.



METAL STRIKES *FIM 3/8/90*

## Brace yourself



Engineering companies are preparing for an industry-wide strike by National Union of Metalworkers of SA members. It could involve up to 115 000 workers.

Seifsa announced last week it would hold a half-day strike workshop for companies in the Transvaal "to assist employers in developing effective strategies to deal with strike balloting and the various forms of strike action."

It will also explore the possibility of a lockout. The strike is expected to start on August 20.

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### Ballot

The union is holding a strike ballot from this week until August 10 after deadlock in Industrial Council wage negotiations. Employers say other unions involved in negotiations — including the Confederation of Metal and Building Unions and the Mineworkers' Union — have accepted their wage offer of 19% for labourers and 15,5% for artisans.

Numsa has repeated its original demand for a R2/hour across-the-board increase and 56% increase in the lowest grades. Also in dispute are hours of work; maternity and child-care benefits; and March 21 as a paid holiday. ■

# Numsa accuses Delta of using 'delaying tactics'

By DREW FORREST

THE National Union of Metalworkers yesterday accused the Delta Motor Corporation of "delaying tactics and intimidation of workers" in a bid to head off a legal strike threat.

Executives of the Port Elizabeth car giant were locked in a meeting yesterday and were unavailable for comment.

Numsa's angry statement followed the postponement of a vital industrial council dispute meeting yesterday because Delta could not attend.

"The company said it needed more time to prepare, but we believe it's trying to take the steam out of the dispute," said Numsa's Gavin Hartford.

Alleging management intimidation of the union's 1 800 members, he said a senior shop steward had been fired for addressing a union gathering on company premises. *W.H.M. 3/8-5/8/90*

# Philips SA to escape the axe

PHILIPS SA hopes to avoid big staff cuts being made by beleaguered Philips International.

Philips of Eindhoven will report a R2-billion loss on R80-billion turnover this year and lay off 10 000 people.

SA managing director Frank Touwen says: "Strategic choices concerning products and drastic cost reductions will be undertaken. Most of the retrenchments will be in Europe."

Two-thirds of the 300 000 global workforce is employed in Europe. Mr Touwen says: "We are profitable in SA and do not expect mass retrenchments. We will continue to evaluate our business and make adjustments where necessary."

"Disinvestment pressure in the past ensured that we provided a satisfactory return to our shareholders."

But Mr Touwen says Philips SA is restructuring its information systems division to cut losses.

Philips SA sees its future information systems market in strategic products, such as PCs, "in which we are only a small player worldwide, but which will be of long-term importance".

## Tubes

"We are a major player in components, the biggest supplier of picture tubes in the world. We are not a big computer vendor, but we will stay in markets which are vital to our long-term future."

"Philips is the dominant player in the South African PABX and mobile radio markets. The recovery programme for the information systems division has no bearing on the strategic position of Philips in communication systems."

"Philips SA is important as an export springboard to sub-

By DIRK TIEMANN

Saharan Africa. We have the manufacturing facilities and are major suppliers to surrounding regions. Agents are in Lesotho, Swaziland, Botswana and Namibia."

The Dutch electronics group faces action by a shareholder group in the US because of the losses.

The London Financial Times last week reported that new Philips NV president Jan Timmer — a former head of Philips SA — said the group will not withdraw entirely from computers or computer chips.

Mr Timmer is reported to have said: "In information systems we will make major reductions in in-house development and in-house assembly. In the long term we do not rule out the possibility of partnerships with others, but not until we have our house in order."

## Sour

Mr Touwen says major problems exist in information systems and components. "Large investments were made, but world prices did not increase in line with them. Data systems and PCs were losing money because of low-volume sales in Europe."

Sour industrial relations in SA have not left Philips SA unaffected. Human resources director Jeremy Pollock says Philips SA faces possible strike action.

"The National Union of Metalworkers of SA has balloted members on whether to call a national strike. A decision will be taken on August 18."



## Hotel and textile strikes resolved

MATTHEW CURTIN

STRIKES by 5 500 workers at 41 Southern Sun/Holiday Inn hotels and 11 000 workers at the Frame Group's Consolidated Cotton Corporation (CCC) ended yesterday.

Southern Sun/Holiday Inn industrial relations consultant Carl Ludick said the dispute with the SA Commercial Catering and Allied Workers' Union (Saccawu) was settled yesterday afternoon and staff would return to work tomorrow.

The union accepted a wage offer of R100 a week or a 15% across-the-board increase, with a further maximum R20 increase from September 1 to bring the annualised increase to R120.

The monthly minimum wage for hotel workers now stands at R710, R90 short of Saccawu's original demand, but up from the existing R590 wage.

Ludick said the major compromise from the company was in the minimum wage agreement, but the company had successfully managed to contain the escalation in the payroll of recent years.

He said the company was pleased Saccawu recognised the impracticality of an end to contract labour and the establishment of fixed-term casual labour given the seasonal nature of the hotel trade.

Ludick said the company's losses during the strike were negligible and industrial relations between the two parties were on a sounder footing as there was now mutual recognition of each other's rights.

□ To Page 2

## Strikes resolved

Saccawu national organiser Alan Horwitz said the union was happy to have secured an improvement on the company's final pay offer and cited breakthroughs on other issues. Southern Sun/Holiday Inn now recognised the right of casual workers to join the union.

The SA Clothing and Textile Workers' Union (Sactwu) accepted a 17,9% to 20% wage increase for its members from Frame management yesterday.

Sactwu national organiser Elias Banda said that at a general meeting on Friday workers had agreed to return to work yesterday and accept Frame's revised pay offer.

Banda said workers at CCC would receive two six-monthly increases, one back-dated to July 1 and another from January 1 1991, of R14, R14,50 and R16 a week for lower, middle and upper grades.

Banda attributed the breakthrough to

the referral of the dispute to mediation two weeks ago, which he said had led to management moving from its final offer.

He said the wage increase was "not great" but satisfactory given the difficult economic conditions in the textile industry.

Sactwu declared a dispute with Frame on June 7, rejecting management's final offer of two six-monthly R13 a week increases for July 1 and January 1 1991. The union had lowered its demand to R20 increases from an initial call for R40.

Frame communications manager Sharon Wagner said staff returned to work yesterday.

Meanwhile, a coal strike by the NUM lay in the balance yesterday as the union awaited a response from the Chamber of Mines on its revised pay demand of 19% across-the-board. A chamber spokesman said the demand was being considered.

□ From Page 1

# Executives' pay declining in world terms

B1 pay 8/8/90

(181)

TANIA LEVY

SA's TOP executives are becoming worse off every year compared with their overseas counterparts, human resource consultants FSA-Contact's annual Executive Remuneration Survey said.

US executives had 125% more purchasing power than SA's top managers, while French and German executives were 68% and 46% better off respectively.

Taking the various countries' inflation and exchange rates into account to equate the purchasing power of executives' total remuneration packages, the survey of 5 300 SA executives in more than 1 200 firms

found local managers lagged 27% behind their British counterparts, as opposed to being 12% ahead of them in 1986. Packages in different countries were taxed at SA rates to make them comparable.

FSA-Contact senior consultant Kira Schaffler said although local tax reform programmes aimed to reduce the maximum marginal rates, this would not be enough to bring SA executives' wages in line with those overseas. Inflation and the exchange rate would need to show marked

improvement before the SA position changed significantly.

The fact that nearly a quarter of SA executives were aged between 30 and 40 made the erosion of executive disposable income more alarming. Younger executives were more mobile and higher wages overseas could sway those who were unsure of SA's future.

Traditionally, management had been dominated by white males who had been promoted quickly, Schaffler said. This, the brain drain and skills shortage had led to SA management being very young.

# Barlow Rand considers a workers' charter

MATTHEW CURTIN

COSATU affiliated unions will present plans for the establishment of a "workers' charter" at Barlow Rand during the union federation's next meeting with the corporation on September 16-18.

Cosatu representative Rob Rees said yesterday Cosatu was seeking to entrench at Barlows worker and trade union rights in areas such as job security, retrenchments and casual labour.

He hoped the discussions would lead to the incorporation of the charter into the group's industrial relations philosophy.

Barlows group public affairs GM Ken Ironside said the group accepted in principle the establishment of a workers' charter

and confirmed "matters of broad principle" would be discussed in September.

The unions involved are the NUM, the National Union of Metalworkers (Numsa), Paper Pulp Wood and Allied Workers' Union (Ppwawu), the SA Clothing and Textile Workers' Union (Sactwu) and the Food and Allied Workers' Union (Fawu).

There is no precedent for such a code in SA, but Cosatu organiser Mark Bennett said the European Social Charter, German industries' 14-point labour code and the code established by the Chemical Workers' Industrial Union with Dutch companies in SA, would be examined.

181

~~181~~

8/18/90  
GTPew



# Second round talks to end Cape strike

~~181~~  
SOWETO  
8/5/90  
181  
~~181~~

EMPLOYERS in the wine and spirit production industry have initiated a second round of talks to resolve a 26-day national wage strike.

The meeting between the SA Wine and Spirit Industry Employers' Association and the National Union of Wine, Spirits and Allied Workers has been scheduled for today, SAWSIEA spokesman Mr Charlie Hoeflich said.

The parties will meet in Stellenbosch, the venue of the first meeting since the legal strike by some 3 800 employees began on July 11.

Hoeflich said

employers would go into today's meeting with an open agenda.

Talks on July 18 ended inconclusively, with the union claiming it would not budge from its mandate of a R40 increase on the weekly wage and vowing to strengthen the strike.

The six companies represented by the SAWSIEA are offering a R33 increase.

They are Stellenbosch Farmers' Winery, Distillers Corporation, Union Wines, Gilbeys, Douglas Green and Henry, Taylor and Ries. - Sapa.

South 918-1518190

# Satchwell talks fail

A TWO-WEEK-LONG strike by about 200 members of the Steel, Engineering and Allied Workers' Union of South Africa is continuing after a second attempt at mediation failed to resolve a wage dispute at Satchwell in Paarl.

The workers have been locked out since the strike began.



gust 15 1990

## South LABOUR

# Strikes: 1 000 fired

By CHIARA CARTER

THE number of workers fired in the Western Cape over the past month for taking procedural strike action is fast approaching 1 000.

About 400 members of the Food and Allied Workers' Union (Fawu) were fired at the end of last week after a stoppage at the abattoirs.

More than 40 metalworkers were fired this week after taking part in

an illegal stoppage at Bremco Productions in Atlantis.

The workers, members of the National Union of Metalworkers of South Africa (Numsa), downed tools over wage demands last Friday.

A shopsteward at the factory, Mr Michael Davids, said the stoppage by the dayshift workers at the factory followed a report-back on mediation in a dispute over annual wage negotiations the previous day.

At the mediation meeting, the company had offered workers an increase of 75c an hour, while Numsa dropped its demand from R2 across the board to

R1.50. Davids said workers were unhappy with the offer, especially because they feared they would have to pay for their own transport to Atlantis next year.

The workers were issued with warning letters before being dismissed on Monday.

Hundreds of Numsa members in Cape Town have recently been fired after similar stoppages.

About 250 workers fired from Gabriel in Retreat following a strike last month have rejected an offer of selective reinstatement for 150 workers and hardship

pay for the other 100.

The union has declared a dispute over the dismissals and is receiving support from the American United Automobile Workers' Union and community organisations.

SA Metal, where workers were fired last month, has also proposed selective re-employment.

About 300 Numsa members downed tools at Gearing foundries in Epping this week after management attempted to introduce short-time measures.

The workers returned to work on Wednesday after the company withdrew the proposal.

Meanwhile, more than 100 000 Numsa members throughout the country are gearing up for strike action over an industrial council wage dispute.

Numsa is presently balloting its membership in the metal industry to canvas support for strike action.

### Deadlock

There are fresh attempts to resolve a marathon strike by about 4 500 members of the National Union of Wine, Spirit and Allied Workers (Nuwsaw) throughout the country.

The union is meeting with management in an attempt to break the deadlock over wage increases.

Another lengthy national strike ended this week when about 6 000 South African Commercial, Catering and Allied Workers' Union members returned to work at Southern Sun hotels.

Following a spirited march by about 600 members of the South African Municipal Workers' Union in Cape Town last Saturday, the Cape Provincial Administration has agreed to meet union representatives to discuss workers' grievances over wage discrepancies.



ABATTOIR STRIKERS: In front of the Fawu offices in Guguletu



The issue of child labour is also a thorny issue on the agenda of

## Dispute called *South 9/8-15/8/90* at beer plants

LESS than a year after a marathon national beer strike, the Food and Allied Workers' Union has declared a dispute with the giant South African Breweries. ~~18/8~~ ~~18/8~~ 18/8

The dispute about overtime arises from annual wage negotiations between the two parties.

Fawu organiser, Mr Rajin Naicker, said that workers were not prepared to agree to contract into overtime.

Naicker said that such an agreement would negate the gains won by workers in shopfloor battles against overtime and an Appellate Court ruling last year which found that workers had the right to refuse to work overtime.

The dispute involves more than 6 000 workers at SAB, which has a virtual monopoly of the industry.

At the time of going to press SAB could not be contacted for comment.

# Union discovers electronic bug in Nampak boardroom

NAMPAK management yesterday admitted that an electronic bugging device had been found in the company's Rosslyn plant boardroom where union officials held their meetings.

Nampak deputy MD Peter Campbell said the company was investigating the incident and would discipline those responsible. At no time had Nampak sanctioned the installation of bugs to spy on unions or customers, he said.

At a Cosatu Press conference yesterday, the union federation disclosed a bug had been found at Nampak, as well as another device in the NUM offices at Rand Mines' Harmony gold mine in Welkom.

NUM Press officer Jerry Majatladi showed journalists a radio transmitter which had allegedly been discovered above the ceiling in Harmony's NUM offices. He said a similar device had been found at the mine in February.

Rand Mines MD Mike Watson was unavailable for comment yesterday, but a Harmony spokesman said management "knew nothing" about the bugs.

Majatladi said a mine worker at Harmony was tuning his radio in his hostel room when he picked up discussions between union officials.

He went to the NUM office where a meeting was in session. Union officials

8104 1081 90  
MATTHEW CURTIN

found a microphone linked to the transmitter in the ceiling.

Majatladi said the NUM approached management, who "dismissed" the affair.

Commenting on the Nampak bugging, Cosatu assistant general secretary Sidney Mafumadi deplored what he called an "emerging trend of industrial espionage at Barlows' subsidiaries".

Barlow Rand group public affairs GM Ken Ironside said bugging was a "completely unacceptable practice", and Barlows expected companies to take appropriate disciplinary action.

## Legal advice

Cosatu-affiliated Paper Pulp and Wood and Allied Workers' Union (Ppwawu) general secretary Siphosiso Kubeka said Nampak's Rosslyn management admitted on August 4 they installed a bug to listen in on meetings with customers. He said the union had been told about the bug by a "senior management person".

The informant said a training centre at Nampak Wadeville was bugged.

Mafumadi said Cosatu intended taking legal advice.

181  
● Comment: Page 8

10 to August 12 1990

By GLENDA DANIELS

A ROW has broken out over allegations that the managements of at least three Barlow Rand subsidiaries have been using electronic listening devices to monitor union activities at their plants.

The Congress of South African Trade Unions says this is in line with a coordinated campaign by the group to undermine militant unionism in its subsidiaries. Group management denies that it is using "bugging" devices against the labour movement.

Bugs were discovered this week at Nampak factories in Rosslyn and Wadeville as well as Harmony Gold Mine, owned by Rand Mines. All three plants belong to subsidiaries of the Barlow Group.

Cosatu yesterday challenged Barlow

to come clean on the alleged buggings and state whether the use of listening devices was part of an anti-union campaign on the part of management.

"Barlow Rand has been saying that it is opposed to apartheid but it has been actively contributing to the production of technology and armaments for the South African Defence Force — does this also include sophisticated listening devices?"

a union representative asked reporters at a press conference in Johannesburg. "We know already that Barlow Rand will deny all knowledge of these activities. Nampak will also try to use the Rosslyn manager as a scapegoat. But

that will not satisfy us at all, because our information is that bugging is a widespread practice at Nampak."

Ken Ironside, Barlow Rand general manager for group public affairs, replied: "Any instance of bugging within the group is unacceptable and contrary to our values. The companies should investigate and take appropriate action. There is no question of us having a policy on bugging. These allegations are as distressing to us as they are to the union."

Nampak manager Nell Cummings said the company was following normal procedures of taking statements and aff-

He added: "From a Nampak point of view we don't condone this sort of thing, we view it seriously and we will decide on what action to take. So far investigations reveal it is an individual thing and not the company."

Cosatu said that on August 5 the Paper Printing Wood and Allied Workers Union shop stewards occupied the board room and managing director's office at the Nampak Corrugated Rosslyn plant acting on information that the board room — used for union caucus meetings

— was bugged. Experts discovered a microphone hidden in a window frame which was linked to a tape recorder in the managing director's office. The managing director admitted that the recording facilities had been installed more than two years ago. At the Wadeville plant the union's informant gave them similar information — but stressed that the managing director intended removing the devices.

PPWA WU official, Sipho Kubheka, said: "The experts were brought in, but the recording devices were no longer there."

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Mines Harmony Gold plant in Welkom a radio transmitter was discovered two weeks ago, accidentally, by a worker who was tuning his radio. He tuned into a National Union of Mineworkers meeting where his comrades were discussing their grievances — 300m away from his hostel room.

Jerry Majatladi, spokesman for the union said: "The worker walked with his radio to the union office and to his amazement discovered the voices got louder and clearer."

The meeting, Majatladi added was immediately terminated and a search began for a bug.

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# Strikers to decide on offer

AFTER intense negotiations to end the longest nationwide strike in the wine industry, thousands of striking workers will decide this week whether to accept a revised management wage offer tabled at talks in Stellenbosch.

The National Union of Wine, Spirits and Allied Workers' Union (Nuwsaw) met the SA Wine and Spirit Industry Employers' Association (Sawsica) last week in an attempt to resolve the five-week strike by more than 3 800 workers.

*Sawetou 14/5/90*  
Association spokesman Mr Riaan Kruger said a revised employers' offer would be communicated to union members by officials.

## New pay offer in wine strike

MATTHEW CURTIN

AS THE strike by 2 800 workers in the wine industry entered its sixth week yesterday the National Union of Wine Spirits and Allied Workers (Nuwsaw) adjourned negotiations with SA Wine and Spirit Industry Employers' Association (Sawsiea) to present a revised pay offer to its members. *61 pay 14/8/90*

Sawsiea spokesman Riaan Kruger said yesterday he was "cautiously optimistic" both sides were on the verge of settling the strike.

He said both Sawsiea and Nuwsaw revised their stances on wages during the talks held last week in Stellenbosch to try and break the deadlock. He gave no details on the new bargaining positions.

Union president November Nkosi was not available for comment yesterday.

Nuwsaw began the strike on July 11 after a 76% ballot in favour of industrial action. The ballot followed a management lock-out after a national go-slow campaign by 5 400 workers began at 83 depots on July 4.

The union's last official demand was for a R40 a week across-the-board wage increase.

Sawsiea's final offer was a R33 or 18,7% increase on lowest rates which Kruger said 1 600 out of 4 400 workers in the industry had accepted.

Support for  
motor giant (181)

178/90  
SUPPORT for Delta Motor Company's stand against joining the motor industry's National Bargaining Forum came from an unexpected source yesterday - the men on the shop floor at Mercedes Benz in East London.

Some of the men have demanded that Mercedes leave the NBF. Their demand took the form of a protest outside the plant last week.

All other motor manufacturers apart from Delta belong to the NBF and Delta is resisting union pressure to join. - Sapa.



## Wine union rejects new wage offer

Bl. Day 15/10/90  
1318/90  
MATTHEW CURTIN

THE National Union of Wine Spirits and Allied Workers (Nuwsaw) yesterday rejected a revised wage offer from the SA Wine and Spirit Industry Employers' Association (Sawsiea), union president November Nkosi said.

More than 2 800 workers continued the five-week-old strike over pay and conditions in the wine industry yesterday.

Nkosi said Sawsiea's scaled wage offer ranging from R33 to R40 for grades one to six was unacceptable. (181)

The union insisted on an across-the-board increase and its demand stood at a R40 increase for all grades, although it made a revised "provisional" demand during last week's talks in Stellenbosch which Sawsiea did not meet.

A Sawsiea spokesman said yesterday Nuwsaw had not informed employers of the rejection, but the two sides had scheduled a meeting in Johannesburg last night to try to break the deadlock.

The employers' offer included R33 a week backpay for the period April 1 to July 4 for strikers

He said 320 workers at Stellenbosch Farmers' Winery plants in the western Cape returned to work yesterday, having accepted management's revised offer.

Nuwsaw began the strike on July 11.

## Union rejects pay offer

PROSPECTS for a quick settlement of the longest ever strike in the wine industry receded yesterday when the National Union of Wine, Spirits and Allied Workers announced they had rejected management's latest wage offer. (181)

Only workers at Stellenbosch Farmers' Winery plant in Stellen-

*Sowetan 15/8/90*  
bosch accepted the offer, returning to work yesterday, said Nuwsaw national president Mr November Nkosi.

About 3 200 workers at plants and depots elsewhere in the Western Cape, Eastern Cape, Northern Cape, the Free State, Transvaal and Natal would continue their 34-day strike, he said. - Sapa.

# No time for overtime

OVERTIME is again a contentious issue among workers at South African Breweries. (S)

Last week, the Food and Allied Workers' Union (Fawu) announced it had declared a dispute with the company about overtime.

The move followed five rounds of talks between the two parties.

A statement issued by Fawu said SAB was insisting that workers agree to contractual overtime and that a refusal to do so would constitute a form of industrial action.

"Workers do not want to be well-paid slaves. We call on SAB to pay a living wage within normal working hours," the statement said.

SAB workers have led the battle against compulsory

overtime. (181)  
Last year, the Appellate Court ruled that an overtime ban during previous wage negotiations at SAB was not a strike. South 16/8-22/8/90

At the time overtime was not part of the contract at the company but, after a lengthy and bitter national strike over wages and working conditions in December last year, Fawu agreed to contractual overtime.

## Status quo

SAB spokesperson Mr Adrian Botha said the company was merely seeking to maintain this status quo in the new agreement.

Botha described the dispute as "premature", saying the company was still willing to talk to the union.

He said the company needed contractual over-

time. (S)  
"Beer is not the kind of product you can stop and start," Botha said.

He said it was unfair of Fawu to link the beer division with other SAB operations such as OK Bazaars because SAB paid "impeccable" wages.

The company is presently offering a basic minimum wage of R1 232.

While the Supreme Court has ruled a refusal to work voluntary overtime is not a strike, the industrial court still has the power to find it is an unfair labour practice.

This is the basis for an interim interdict issued by the industrial court in Cape Town last week against the Transport and General Workers' Union (TGWU) and 11 shopstewards at Fidelity Guards.

Fidelity Guards argued that it rendered an essential service, that it was an historical custom for guards to work on Sundays and it was an unfair labour practice for the union to call meetings on a Sunday.

The company's roster system is built upon Sunday work, with workers working a six-day week and a 12-hour shift on Sunday.

The company says employing more workers would raise costs by almost 20 percent; in the cut-throat security business, it cannot afford this.

The interdict has not yet been served and the company has suggested mediation over the issue.

Low wages paid in the security industry constitutes a serious problem for the union in fighting overtime.

At Fidelity Guards, the company offers R469 a month, while the union is demanding R550.

The two parties are presently in deadlock and the company has warned it cannot afford a strike.

Overtime is governed by the Basic Conditions of Employment Act which provides that no worker can be asked to work more than 10 hours overtime a week or three hours a day.

Industrial Council agreements and wage determinations also regulate overtime.

Unionists argue a reduction in overtime will create more jobs. But many companies argue they cannot afford such a move and in low-paid industries, workers are dependent on overtime earnings.

## REGIONAL PROGRESSIVE HEALTH CARE NETWORK

## REGIONAL PRIMARY HEALTH CARE TRAINER / SERVICE DEVELOPER

The network aims to help build a primary health care service addressing socio-economic causes of ill health, that is accessible, and that offers good quality, available from a cadre of concerned and humble health workers. The network is seeking a primary health care trainer and a service developer to support this effort.

Responsibilities include: developing courses for community and professional health workers, training regional co-ordinators and health workers in different regions and projects.

Requirements include: understanding community organisations on health care needs, identifying regions to establish new projects and consulting on existing projects.

South 16/8-22/8/90  
**Railway racism claimed**

THE South African Railway and Harbour Workers' Union (Sarhwu) in the Western Cape has hit out at racism at Sats/Transnet.

Sarhwu regional organiser Mr N Tilela said workers in the Philippi department were being divided on the grounds of race by an inspector who recently began work at the department.

A Sats spokesperson said the company was investigating the matter.



# Union wants 50 percent hike

By CHIARA CARTER

CLOTHING bosses squared up to the South African Clothing and Textile Workers' Union (Sactwu) for a preliminary round of talks in Cape Town this week. <sup>South</sup> 16/8 - 22/8/90

The talks were a "scene-setter" for annual industrial council wage negotiations in the largest industry in the Western Cape. (12/20/8)

Sactwu is demanding an across-the-board increase of R45 — an increase of almost 50 percent.

The union has asked for a service

bonus of R1 a week for each year of service, five extra days annual leave and a 40-hour working week.

While this year's negotiations are taking place at a regional level, Sactwu wants employers to agree to establish a single national clothing industrial council. (18/1) (12/20/8)

In response to Sactwu's demands, bosses are likely to plead poverty and point to the slump in the industry.

The industry has been hard hit by retrenchments this year, with thousands of workers throughout the country losing their jobs.

The union says a slack pay fund should be established to assist workers placed on short time or retrenched.

It wants basic rights about grievance, disciplinary and retrenchment procedures to be included in the main industrial council agreement.

Sactwu is also asking for an extra paid public holiday, 10 days paid leave a year for shopstewards and free overalls for workers.

The union wants employers to do away with the learning period for Category C workers and reduce all other learning periods to a year.

Wine workers  
take up offer

181 MATTHEW CURTIN

ALL striking liquor industry workers in the western Cape return to work today as the countrywide pay strike by the National Union of Wine and Spirits Allied Workers (Nuwsaw) enters its sixth week.

An SA Wine and Spirit Industry Employers' Association (Sawslea) spokesman said yesterday 750 workers had accepted the employers' latest wage offer in the region while 2 300 Nuwsaw members were still on strike in other parts of the country.

Union president November Nkosi confirmed the return to work of members in the western Cape but said 3 400 were on strike in the Transvaal, Free State and eastern Cape.

Nuwsaw rejected Sawslea's revision of its original final wage offer of a R33 weekly across-the-board hike to scaled increases from R33 to R40 a week.

Nuwsaw is demanding a R40 across-the-board increase.

# Strikers break ranks

181

HUNDREDS of Western Cape workers, involved in the longest strike in the wine industry, have broken ranks with other union members by accepting a revised management wage offer.

Stouten (11/19/90)

While the National Union of Wine, Spirits and Allied Workers rejected the revised offer at a meeting between union officials and the SA Wine and Spirit Industry Employers' Association this week, more than 700 Western Cape and George strikers have accepted the offer.

FOR THE



## Violence hits production in Alrode hard

EDWIN UNDERWOOD

THE business community in Alberton's industrial suburb Alrode was severely disrupted by the violence in the area yesterday as nearly half the work force was absent from work and a significant number of companies reported a plunge in production of up to 50%.

Alberton Industries Association chairman Noel Kent said most factories in the East Rand area had experienced a high degree of absenteeism yesterday and workers from the areas affected by the violence had requested that management allow them to take refuge on company property overnight.

Alrode Components Manufacturers (ACM), supplying refrigeration systems and components to the appliance industry, was hard hit and GM Kevin Kane said ACM expected severe losses.

"We have to be proactive in reaching a peaceful situation in the area as soon as possible," Kane said.

Alrode Steel & Pipe MD Rene de Villiers, whose business relies on the custom of the Phola Park area, said he had experienced a sharp drop in counter sales and walk-in custom had plummeted by at least 40%.

"It is becoming increasingly necessary for the business community to help formulate a peaceful solution in the area," he said.

Kent said he did not believe the business association should become involved in such a conflict.

## PARTICIPATIVE MANAGEMENT

**V**OLKSWAGEN SA is an exceptional example of worker participation in a country which is characterised by an authoritarian style of management and an adversarial style of industrial relations. VW is unique in the way it has accepted the National Union of Metalworkers (Numsa) at the centre of its structure of worker participation.

Usually worker participation schemes in South Africa aim to win over the loyalty and motivation of the workforce to weaken the power of unions. VW is an exceptional case because of the interaction between, on the one hand, a well-organised and militant union and, on the other hand, a pluralist management, influenced by the co-determination practices of their West German principals, and committed to increasing workers' participation in decision-making.

The case of VWSA demonstrates how a union can advance its members' participation in corporate decision-making within and beyond the framework of collective bargaining. It uncovers the potential power of the trade union on the shopfloor to influence decisions about production, discipline and employment conditions. It also demonstrates the potential for unions to influence company policy through the joint committee structures set by management.

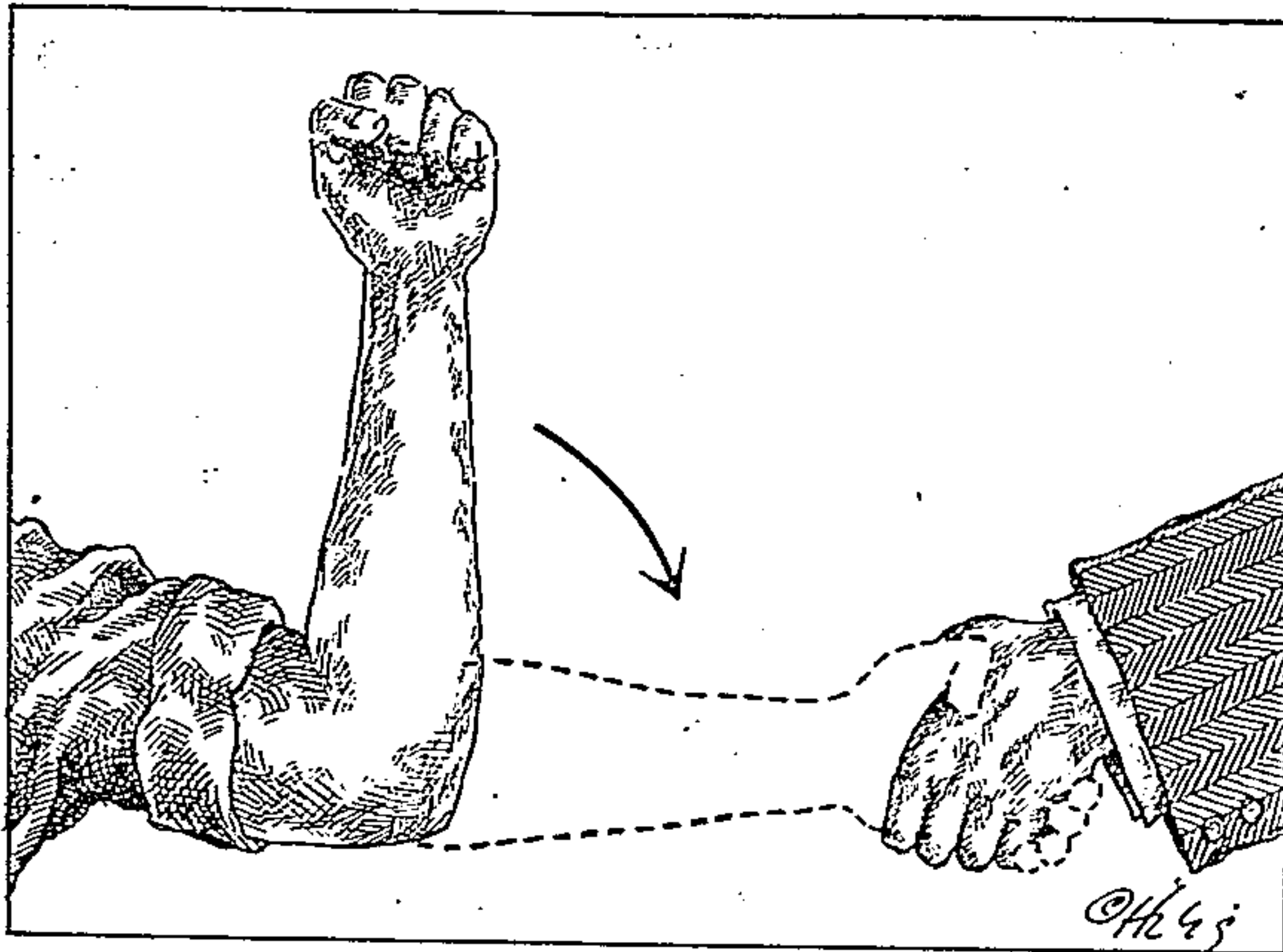
The Uitenhage-based factory employs 8 371 employees. Nearly 30 percent of the workers are classified white, and of the rest nearly two-thirds are African. Of the total, 81 percent are members of the Numsa — the powerful Congress of South African Trade Unions' affiliate.

Industrial relations at VW have been conflict-ridden for most of the eighties. Within the four months of June to September 1989, for example, there were 30 industrial actions, consisting of the following events.

The union has a large number of office bearers on the shopfloor. For every 200 employees there is a part-time shop steward. For every 750 employees there is a full-time shop steward (introduced in 1980 following a period of intense conflict). Twenty-seven part-time shop stewards handle the day-to-day disputes and grievances, while the full-timers undertake negotiations and general disputes.

Shop stewards are provided with extensive facilities by the company: a centralised office with phone, typewriter and furniture; a meeting venue, an outside area to meet with the entire workforce, and offices on the shopfloor for each full-time shop steward and all part-time shop stewards in the department. Shop stewards meet on a daily basis to review events and plan strategy.

Management has set up an elaborate system of joint committees which they see as the beginnings of a co-determination system following



From conflict-ridden industrial relations to full workers' participation on the shopfloor

# And now, VW thinks BIG

W/Mail Suppl 17/8-19/90

*The unique case of the Eastern Cape Volkswagen plant sets an example of how a union can advance its members by participating in corporate decision making.*

**BY JUDY MALLER**  
Department of Sociology at Wits University

conflict. The number of strikes and stoppages in 1989 is testimony to the ongoing militancy of the workforce. Significantly, the Jumecc structure is not the primary forum where workers exert control over production. It is rather on the shopfloor that a situation of workers' control is beginning to emerge.

The shop stewards have become an integral part of the structure of authority on the shopfloor. Many workers believed that social relations on the shopfloor had changed because of the power exacted by union representatives.

Many strikes last year were precipitated by dismissals — all workers interviewed saw this as a major cause of increased industrial action.

But shop stewards, do more than prevent unfair dismissals. Shop ste-

wards are consulted when production management issues instructions to the workforce. In some departments workers will not carry out an instruction unless it is delivered in person by the shop steward.

Shop stewards also have the right to move around the shopfloor without restrictions.

The shop stewards also have access to strategic information from Jumecc which is very rapidly passed through the ranks of the workforce.

Another shopfloor manager observed: "Very often the guys on the line know about a top-level decision before I do because the union passes down information a hell of a lot quicker than management does."

The union also has leverage on the shop floor. Production may be paralysed simply by withdrawing labour from strategic departments in the factory.

VW workers through their union have used the management-initiated structures of participation to push back the frontier of control. They have retained the locus of power of the trade union and participate in joint committee structures as representatives of the union and not as individual members of the company "family".

While the union participates in joint committees and recognises the interdependent relationship between the management and the workforce, it also retains its independent base on the shopfloor, preventing incor-

poration from taking place.

Productivity levels have not been substantially improved by this approach, despite the increase in market share VW has enjoyed. Clearly, relations between management and labour are still based on the traditional conflict model of industrial relations.

Co-operative relationships through Jumecc and other joint committees play an important yet minor role in the overall process of decision-making, and participation in Jumecc is always secondary to the basic mistrust that exists on the shopfloor.

The VW case study represents, the beginning, of a shift away from adversarial collective bargaining, by supplementing such collective bargaining with consultative structures. There is a long way to go, before the mutual benefits of co-operative relations are manifest. But there is already a clear basis for the development of co-operative relations.

The need to move towards a co-operative model of industrial relations, which at the same time does not compromise union independence is widely accepted. The model must be based on the mutual advantages that both labour and capital derive from a productive and efficient enterprise. Unions, for example, can gain greater power through the interventionist role that it plays within such a model, and because of the active input of workplace delegates.

This means a new type of unionism, which empowers workplace delegates rather than centralising decision-making in the hands of union officials. Such unionism also exerts considerable influence over investment decisions and technology design.

This new unionism retains the right to strike and to influence decisions via collective action. The aim would be to democratise the workplace and to improve productivity to the mutual benefit of both labour and capital, and the economy as a whole.

This model entails full and power-centred participation. Full participation involves workers' influence over investment and production policy decisions, and power-centred participation involves a restructuring of the authority and power relations. The VWSA case study shows the centrality of the union in achieving this form of participation.

However, the overall approach presupposes a democratic state and hence its applicability to the South African workplace cannot be divorced from struggles for democracy more broadly.

Workers at VWSA cannot accept co-operative relations with management prior to the extension of political rights and upgrading of their community, which would result from a reallocation of state-controlled resources. These events will form the basis of an extension of VWSA's programme of co-determination based on strong and independent unionism.



**WORKER EMPOWERMENT**

WHILE trade unions in South Africa strive for the empowerment of workers through centralising the bargaining might of employees, wholesale firm Cashbuild has redistributed a degree of power through an elaborate decentralisation process.

Cashbuild is a building materials wholesaler aimed mainly at the black housing market. It supplies traders and builders, and until recently focused on the rural areas of South Africa and its southern African neighbours.

With the increasingly broad acceptance and accommodation of urbanisation in South Africa, Cashbuild has shifted its attention towards the major towns and cities.

Seven years ago the firm introduced a system of decentralised worker power focused on store-based committees called "venturecoms". Each

*W/M at sup*  
**Decentralising worker power** *(181)*

*17/8 - 17/8/90*  
 venturecom is elected by all the workers in a store, and consists of five individuals with a range of personnel-oriented management portfolios.

Each branch manager is appointed by the head office and is responsible for what Cashbuild human resources director, Roy Bagatini, calls the "hard functions": decisions about orders, pricing, and discounts. The elected venturecom makes decisions about employment conditions and employee management relations.

For example, if a worker is considered to have behaved incorrectly the venturecom decides on what action should be taken.

The branch manager is also subject

*not blocked a manager, says Bagatini, but more than one branch manager has been removed at the bidding of the venturecom.*  
*Each year wages are settled at a "great indaba" at which each venturecom has two representatives. Wages are not so much negotiated as discussed. According to Bagatini, because the company has prospered it has been able to offer better wage increases than rivals in the building supplies industry, so major disputes have not emerged.*  
*This looks like a virtuous circle — enlightened management practices leading to successful operations, making adequate wage settlements*

**Store-based committees at Cashbuild make decisions about employment conditions and review management's behaviour**  
**WEEKLY MAIL REPORTER**

to the discipline of the workers. Three months after appointment, the manager is subject to a review process by employees, at which point a head office representative meets with the venturecom. So far workers have

possible, and averting disputes. But it could also be argued that the system has not really been tested.

Very few Cashbuild workers belong to unions. Bagatini says that after a Frasers operation was taken over by Cashbuild a few years ago, workers steadily and voluntarily withdrew from their erstwhile union. Though Bagatini says the firm is not hostile to unions, some researchers have noted a degree of hostility from head office.

How different is the venturecom, from the kind of work's committees the government encouraged black workers to join before it recognised black unions? The decentralisation of power, and anti-union dynamic (if not policy) are features the institutions have in common. But the degree of power exercised, or at least granted the committees is very different.

For power to be effectively exercised by the workers in these circumstances, workers would need a continuing education and training programme.

Bagatini argues that the value system internalised in the company — of the mutual interests of management and workers — also distinguishes the Cashbuild set-up from conventional industrial relations systems. He says, and sociological evidence backs this up, that over the years the firm has won the trust of the workers.

One feature Bagatini regards as critical is the "wealth creation incentive". This operates on the principle that the earnings of shareholders should not rise faster than the earnings of the workers. If payouts to shareholders rise, the same proportional increase in income (over wages) is set aside for the wealth creation fund, which is paid out to workers as an end-of-year bonus.

Another way of getting commitment to the firm's interests is the "loss-prevention bonus", which works by workers combining to take shrinkage below the pre-set loss-provision allowance. The difference between the allowance and actual losses is shared between workers at each branch. Bagatini says shrinkage has shrunk dramatically as a result of the system.

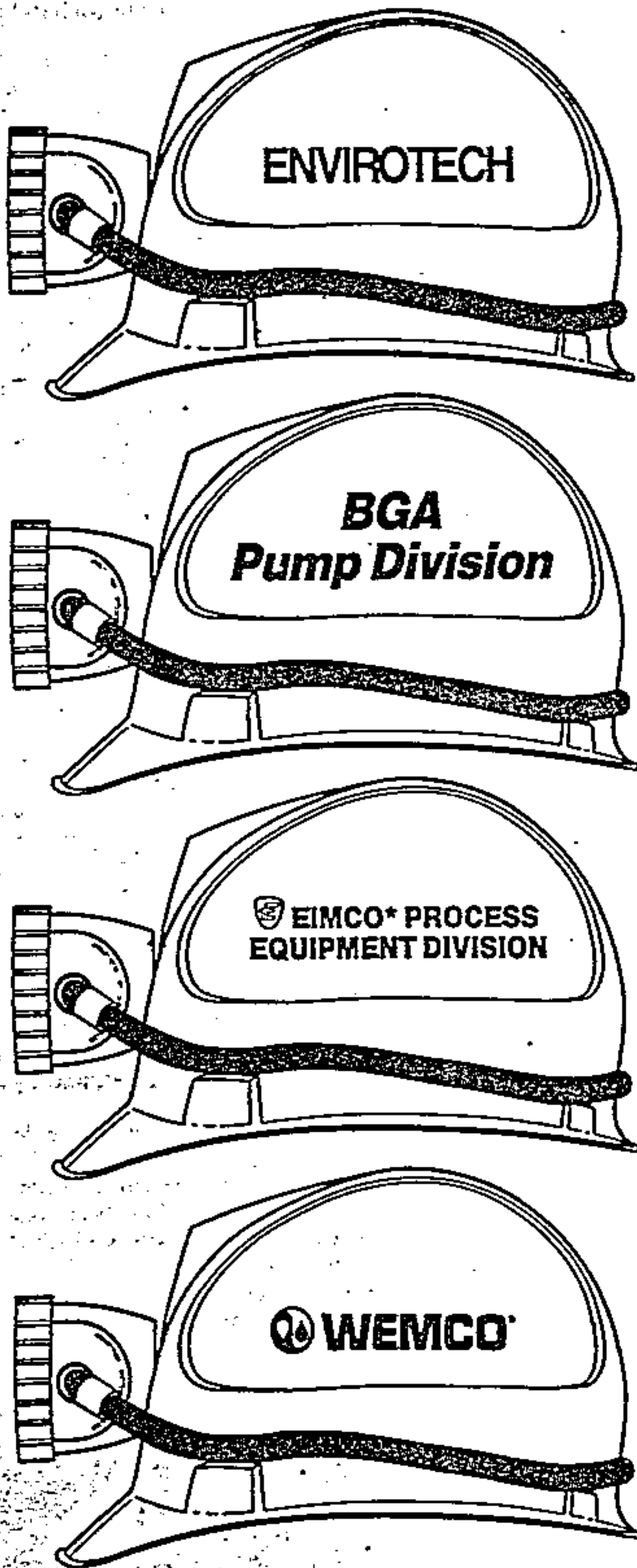
Though profits are shared, workers do not, by their own choice, have representation on the company's board. At the last "great indaba", management raised the question of worker representation, but got a negative response, according to Bagatini.

Cashbuild was listed a few years ago, and is 78 percent owned by Sanlam subsidiary Sankorp. At first, long-serving employees and venturecom members were issued with shares, but this practice has been dropped. Now shares are occasionally awarded to workers for exceptional service. Bagatini says employee share ownership schemes do not work because workers are not educationally equipped to understand and accept share ownership.

A new venture by Cashbuild is taking the concept of empowerment in a different direction. The company is franchising former branch managers who set up their own retail stores building supply stores called "U-Build". Bagatini says the six U-Build outlets now running in Soweto are doing well.

The great achievement of the firm, Bagatini says, is the workers' commitment to the firm which derives from a combination of material incentives and trust between management and labour.

An independent sociologist's analysis indicates that though the system does not always work according to the model, there was a very unusual degree of acceptance by workers that their interests coincided with management's.



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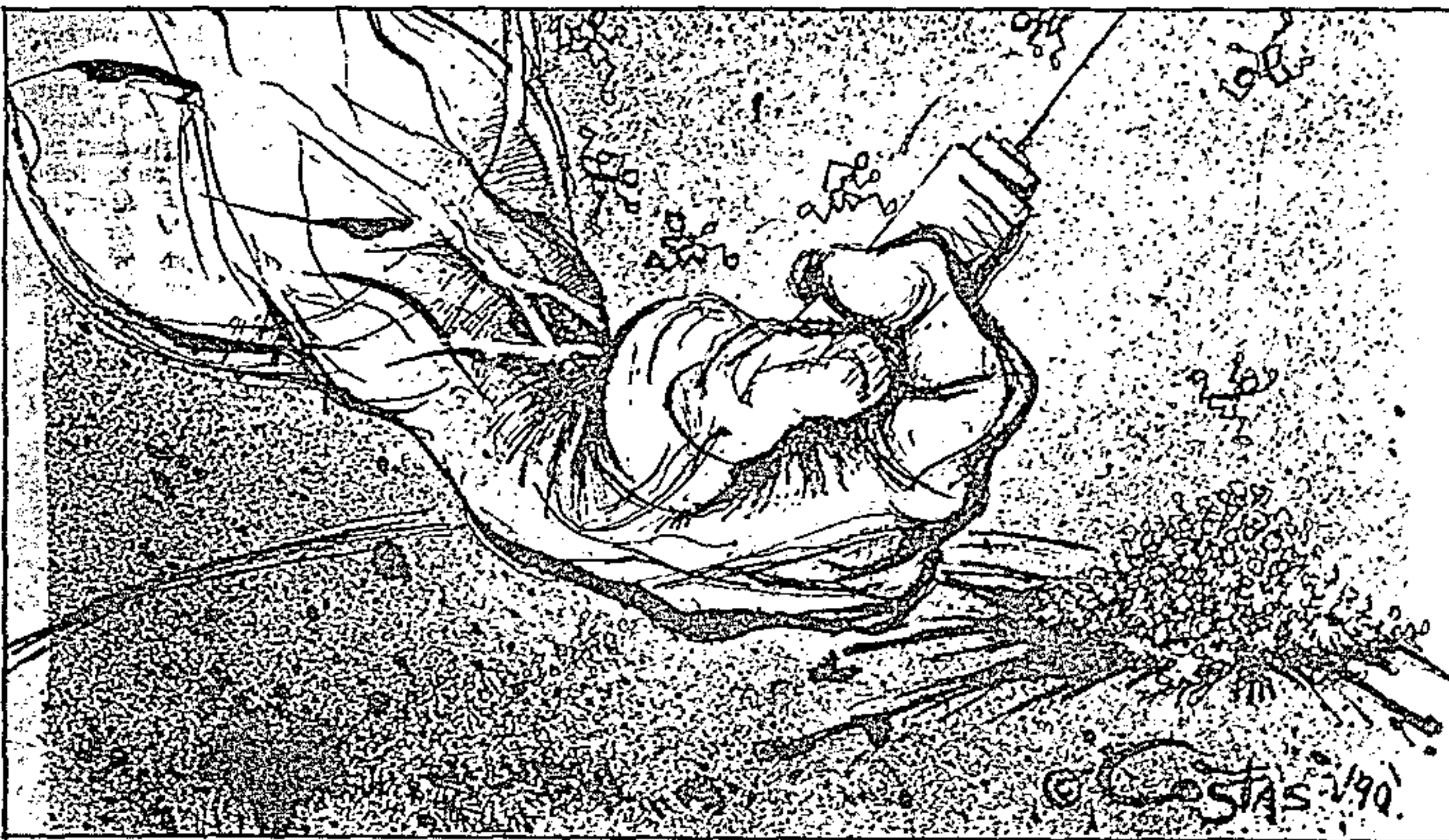
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**SMALL BUSINESS**

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Creating jobs is only one task of Job Creation SA. The company is also often asked to implement small business development programmes

**Laws a big obstacle for job creation company**

*Job Creation SA's first major commission was to create 500 jobs through 100 small businesses. It accomplished the task — and now it has to create another 250 jobs.*  
**WEEKLY MAIL REPORTER**  
 spoke to the two men who started the company

IAN HETHERINGTON and Martin Manala did not believe that politicians were really interested in the development of small businesses so they started a business to do it.

They spoke to *The Weekly Mail* in their Job Creation offices in Rhodes Field (near Jan Smuts Airport), which they share with the non-profit Small Business Advisory Services.

Job Creation SA, set up in late 1985, is jointly owned by Nafcoc and, ironically, Barlow Rand. Its mixed parentage is reflected in the managerial staff, Hetherington, a former Barlow Rand man, and Manala, who came from Nafcoc.

It sells its services to companies and organisations which commission employment creation and small business development.

Its first major commission, from Barlow Rand, was to create 500 jobs through 100 small businesses. This target having been accomplished, Barlow's commissioned another 250 jobs — the current major project for Job Creation.

Manala, Hetherington, and the other staff members of Job Creation are consulted by companies looking for small suppliers, by employers retrenching workers and looking for ways of enabling the laid-off workers to employ themselves, and they are consulted by landlords looking for small business tenants.

As in the Barlow's commission, Job Creation is also prepared to implement small business development programmes. However, they do not loan small entrepreneurs money or house them in their own buildings, as the government sponsored Small Business Development Corporation does.

The link with the Small Business Advisory Service (SBAS), which Hetherington helped set up in the mid-1970s, comes into play when Job Creation is asked to implement projects. Job Creation contracts some of the work out to SBAS.

Job Creation says the Alexandra project, which formed part of the first Barlow's contract, is one of its substantial successes. Job Creation officers sought out entrepreneurs in Alex, some of whom came through Nafcoc, and found an empty factory in Kew which the owner was persuaded to convert into a hive for 35 businesses.

One of Job Creation's toughest tasks was to cut through regulations and other obstacles to make the project viable. Hetherington is a fervent lobbyist for deregulation, having been a member of the Swart Commission which formulated the deregulation of the Ciskei.

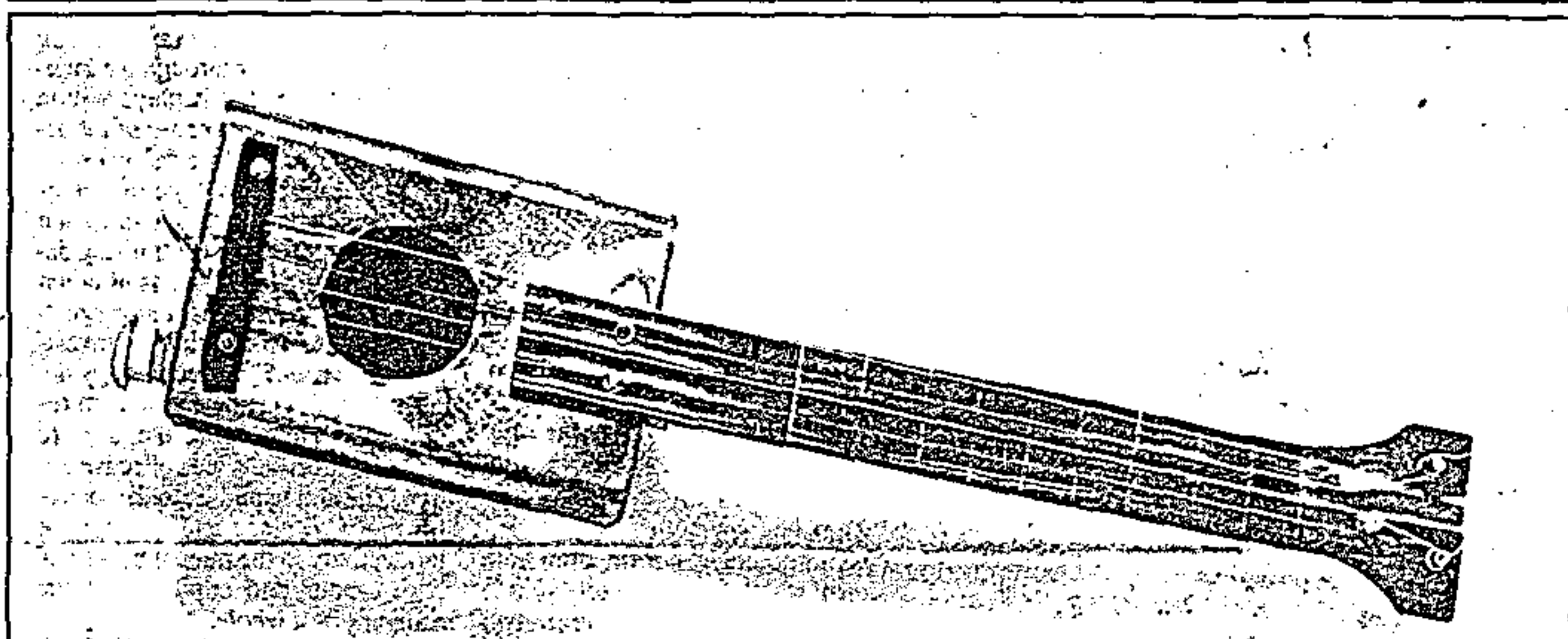
Though he is disappointed that the only element of the Ciskei plan fully implemented was tax reform, he feels that the forces for deregulation in South Africa are winning. The next milestone, apart from the removal of the Group Areas Act, Hetherington believes, is an omnibus Bill due to go before parliament next year which will slice through licensing provisions in 60 existing pieces of legislation.

Manala and Hetherington see a range of areas where small businesses are already effective, and that can accommodate a proliferation of entrepreneurs, most of which are offered by the continuing urbanisation process.

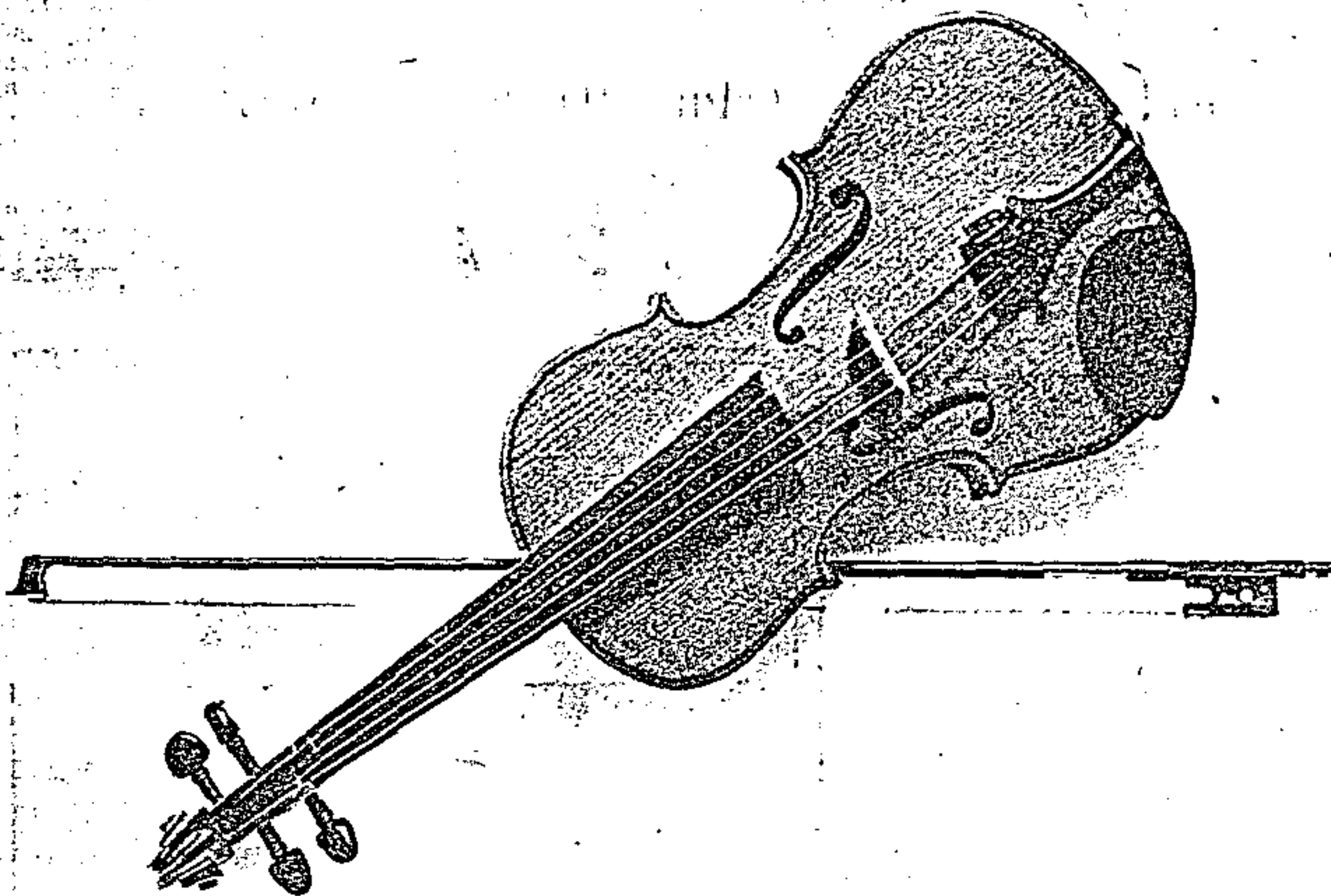
They include: building and building supplies; furniture manufacture and sale; the production of garments; food manufacture, preparation, and sale; transport and its auxiliary services such as tyre repairs, mechanical work, and re-upholstering; and niche markets like computer furniture.

While contracting-out by big firms would seem to be a potentially important source of small business development in South Africa, the experience so far is very disappointing, says Hetherington. A major obstacle is a lack of trust on both sides. The principle expects the sub-contractor to be unreliable, and the small operator expects to be the first to be sacrificed during a recession.

Sub-contracting won't really take off, until the degree of trust between big and small firms is developed here, Hetherington argues.



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LABOUR & CAPITAL

**BEE - something of a business buzzword**

*Black Economic Empowerment, BEE, is becoming something of a buzz word. What does it really mean? It means different things to different people, depending on who is using it.*

**By Rod Crompton**

General secretary of the Chemical Workers Industrial Union

**B**USINESSES are glibly tossing a new phrase around in their glossy company magazines and at business lunches. When businessmen speak of Black Economic Empowerment what they really means is quite different to real empowerment.

Firstly they mean throwing the scraps of the economy to the informal sector and small business. In their magnanimity business see themselves making economic handouts to the have-nots.

It's as ridiculous as giving someone bootstraps and hoping they can pick themselves up by their own bootstraps. The possibility that these black have-nots might have legitimate rights to a say in the economy and that this has been denied them for a very long time is quickly overlooked. Business's version of BEE is a transparent ploy for their favourite hobby horses — privatisation and deregulation. The fact that these initiatives represent a ruthless attack upon the pitiful level of economic empowerment, vulnerable black workers have, is quietly swept under the carpet.

Secondly in business's view, BEE means the introduction on the factory floor of the new "Japanisation" techniques. These techniques are designed to bluff workers into thinking they have a little bit more control over their lives on the shop floor. In practice, business's real objective is to surreptitiously squeeze more productivity out of workers.

Doublespeak from the bosses is something the Chemical Workers Industrial Union (CWIU) has considerable experience in dealing with. In the late 1970s when codes of conduct for foreign companies were all the rage, the CWIU was in the forefront of exposing the false information submitted by some reporting companies.

As those codes of conduct were falling on to the dust bin of history, business and their newspapers became increasingly hysterical about the word disinvestment. The CWIU was at the forefront of exposing the fact that very little, if any, disinvestment was taking place. Instead corporate camouflage was passing for disinvestment. This process of transforming equity to non-equity ties under the guise of disinvestment is now internationally recognised.

Other examples of this myopic doublespeak are close at hand. It is universally accepted that trade unions are the best means of protecting workers' economic interests in society. Instead of empowering the unions, big business and the state forced the union-bashing amendments to the Labour Relations Act on to the unions.

It took a number of major general strikes, including the biggest in South African history to change the employers minds. This resulted in the Congress of South African Trade Unions' (Cosatu) agreement with Saccola, which has still not been gazetted because some powerful employers were able to block it. If business is serious about BEE, they should be advocating more, not less, rights for trade unions.

One might expect the right to work in a safe and healthy environment to be satisfied before economic empowerment. Again legislation, this time

Economic empowerment... Strapping workers to the factory floor or giving them a real say over their lives?

the toothless Machinery and Occupational Safety Act (Mosa) was unilaterally imposed on workers in 1983 just as unions were beginning to do something about the dreadful conditions in which some members have to work.

If business's are serious about BEE they should support the right for workers to defend their lives on the factory floor by supporting the call for Mosa to be replaced with decent legislation.

BEE is just another example of business doublespeak which must be exposed in the media and in practice. On the factory floor in the chemical industry the CWIU is challenging this doublespeak around the issue of retirement funds.

The assets of the private retirement fund industry (excluding the states old age pension) are currently estimated to be over R100-billion. This is larger than the 1990/91 total state budget of R71.9-billion. It is safe to assume that black workers have reasonable stake in that R100-billion, which means that they own a sizeable chunk of SA. Ownership of those assets is not, however, mean control over those assets.

In most Western democracies it is considered reasonable for the members of pension funds to have a say, if not control, over their pension monies and to use them in the members' best interests. However, in South Africa this kind of, albeit limited, economic empowerment has not been the norm.

Instead the ownership of pension assets by the pension fund members has been neatly severed by the mechanism of boards of trustees controlled by employers. Black workers are obliged to put their pension savings into funds over which they have no say and about which they have no information.

To add insult to injury this gigantic fraud is perpetrated in the same magnanimity on the employers part, and workers are expected to be grateful for the favour.

Using the compulsory pension savings of their captive workforces, white business has set about enriching themselves and the white community with investment capital at the expense of blacks. Most dismissed black workers have in real terms got less out of their pension funds than they put in while in some cases white directors have free pensions.

In response to membership dissatisfaction with pension funds, the CWIU, together with some employ-

ers, set up the alternative Chemical Industries National Provident Fund (CINPF). The CINPF is jointly controlled by participating employers and employees and provides a vehicle through which workers' collective

buying power enables them to get more for every retirement Rand.

It also allows some BEE in the sense that half of the trustees are elected by the members. In this way it is hoped that some trustees are elected

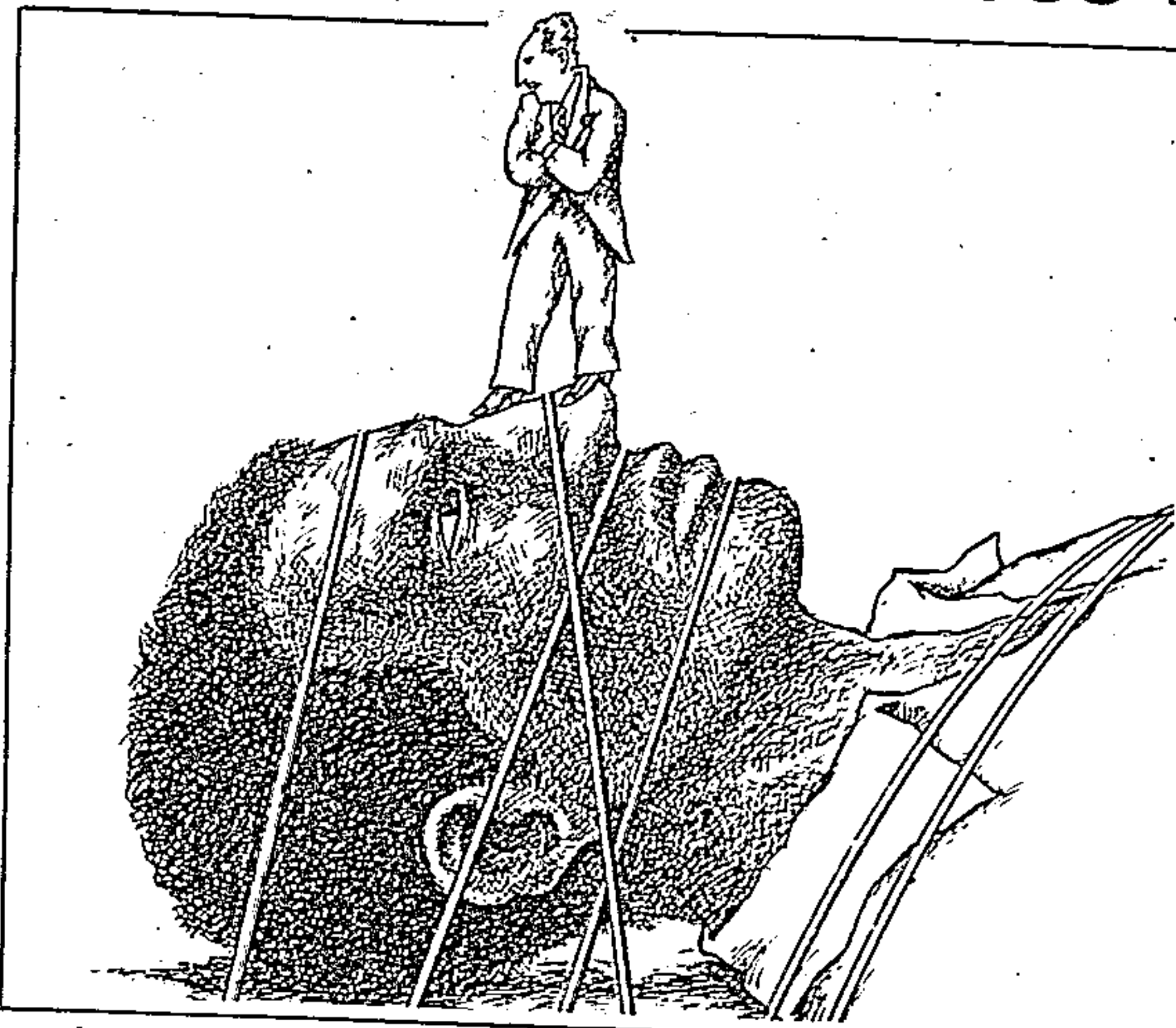
by members. In this way it is hoped that some retirement monies will begin to be used to the advantage of the working class instead of the employers. This represents a very minimal intrusion into the traditional preserves of white power. If businesses were in the least enthusiastic about BEE and the expected new political dispensation, one might expect them to be clamouring to join the CINPF.

Far from it. Many of the negotiations have been long and drawn out as employers grappled with their paternalistic instincts. In several cases particularly the foreign multinationals, the union is facing stiff opposition.

Last year the US-based Cyanamid fired its entire workforce when they took strike action in support of their demands. Union pressure managed to win reinstatement for the strikers after five weeks. Cyanamid used the LRA to prohibit another strike within 12 months. They went even further and attempted to get the workers demand for the CINPF declared an Unfair Labour Practice by the Industrial Court.

Rolfes, the East Rand chalks manufacturer, was the next to take a hard line. They withstood an eight-week strike on the CINPF. Workers returned to work and pursued the issue which has recently led Rolfes to accept the CINPF.

Far from real BEE coming as a handout from liberal companies, black workers are going to have to fight and claw every inch of the way.



**The art of development**

Vincent van Gogh died a pauper. In his day, no one acknowledged his mastery. How tragic to think that an artist of his stature did not have a patron or a market that recognised him.

At the Development Bank of Southern Africa we are constantly looking to become developers of talent that, unnoticed in the present generation, could also go to the grave in sorrowful dispossession rather than in rich heritage. That is why, in addition to supporting economic development in the poor communities of Southern Africa, we selectively acquire works of artists from the areas in which we operate.

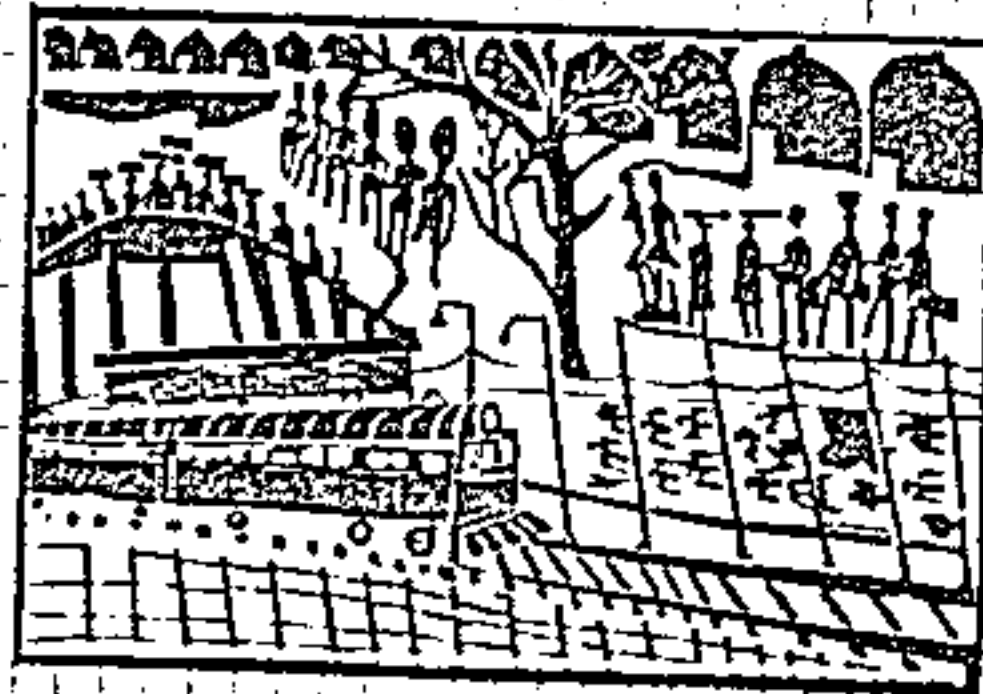
We place some emphasis on artists who may not have ready access to the art market, such as Shikizani Manyoni of Kaitshong whose woodcut below depicts the spectrum of development activities that the Bank supports.

What qualifies this work is its theme: People and Development. That is exactly where we focus. However, our paintbox is somewhat different: it contains various professional skills that can help conceive and structure development projects, and funds to help bring them into being.

Our canvas is Southern Africa: visible in the background are many people - mostly poor. In the explosion of colour and contrast, which is unmistakably Africa, the detail is less attractive. In short, what you see can best be described as social and economic deficits, framed in an economic debate on the future of the region.

We are contributors to the Renaissance of this generation. To those of the other participants, that are making a contribution by working with the poor towards improving their economic condition, we add our brush strokes in the hope that the quality of the picture on the canvas can be improved.

You see, we are in the art of development.



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## Workers reject *Sowetan 21/8/90* Numsa decision

WORKERS at the Mercedes-Benz plant in East London are at loggerheads with their union and management over the company's participation in the motor industry's National Bargaining Forum.

Production was halted on Friday after "unprocedural industrial action" by some workers, the company said.

It is not known how many workers were involved in the action.

### Undemocratic

The National Union of Metalworkers, which represents most the about 3 000 workers at the plant, was the major driving force behind the formation of the NBF in 1989.

Protesting workers accused the union of making undemocratic decisions on their behalf.

But Numsa recommitted itself to centralised bargaining in a statement on Saturday and said Mercedes workers would be "strongly advised" to remain in the NBF. - *Sowetan Correspondent.*



South 23/81 - 29/8/90

(181)

# Conflict at Mercedes Benz

By LOUISE FLANAGAN and CHIARA CARTER

CONFLICT at the Mercedes Benz South Africa (MBSA) plant in East London has highlighted the difficulties unions face in building unity between highly- and lowly-paid workers.

The MBSA plant ground to a halt this week after about 300 workers staged a sleep-in protest against their union's National Bargaining Forum (NBF) over the weekend.

Two union officials were assaulted by workers at the plant after a demonstration against the NBF last week.

The regional secretary of the National Union of Metalworkers of South Africa (Numsa), Mr Msiheli Nonyukela, and Numsa's local organiser, Mr Lawrence Tuluma, were allegedly attacked by workers with planks, sticks and chairs.

In an attempt to narrow the gap between highly- and lowly-paid workers and build worker unity, Numsa has adopted a policy of strengthening centralised bargaining — a move which Cosatu supports.

The union has gone beyond bargaining forums for its different sectors to form a National Bargaining Conference (NBC) which formulates annual wage demands and takes decisions on deadlock and settlements for all union members in the motor, iron, steel, engineering and metal industries.

### Tradition

This year, the NBC decided to demand a basic across-the-board increase of R2 an hour.

Numsa faces a tradition of sectors which have operated with relative autonomy.

There is also a tradition of plant level bargaining in some parts of the country.

This is thought to be an underlying cause of recent wildcat strikes at some factories in the Western Cape.

At this year's industrial council negotiations for the metal industry, Numsa told employers it was prepared to forgo plant level bargaining rights in return for a strengthened NBF.

While Numsa's policy is to build national bargaining forums, MBSA workers say they want separate negotiations.

Earlier this month, they voted to pull out of the NBF for the automobile industry.

The workers, who are demanding an increase of R3,00 an hour, said they wanted to negotiate with MBSA individually because they would get higher wages this way.

MBSA is a party to the IG Metall code on labour relations and MBSA workers are regarded as having among the best working conditions in the country.



Moses Mayekiso

The factory also has a history of bitter industrial conflict, which includes fighting between members of rival unions.

While Numsa's top brass, including general secretary Moses Mayekiso, rushed to the plant this week, the union's national organising and bargaining committee came out strongly in support of centralised bargaining.

### Conditions

The committee said centralised bargaining was the best way to fight for better conditions for all workers in the motor industry.

Numsa president Mr Daniel Dube warned that a pullout from the NBF would damage worker unity.

Numsa official Mr Bernie Fanaroff said companies outside national bargaining forums paid lower wages.

It "strongly advised" workers to remain part of the NBF for the automobile industry.

MBSA also seems unwilling to pull out of the forum.

Company spokesperson Ms Wendy

Hoffman said the company regarded the workers' actions as "unacceptable, not legitimate and entirely contrary to the terms of the agreement".

"The employers wish to make it clear there will not be 'in-plant' negotiations on any issues currently under discussion in the National Bargaining Forum unless formally agreed to at the NBF.

"The employers see no reason to change the status of the forum or the agreed terms of reference," she said.

Meanwhile, MBSA is planning to cut down on staff.

Hoffman confirmed that staff had been offered voluntary resignation or early retirement.

The rationalisation was a result of the general decline in the economy. There was no talk of the company pulling out of South Africa, she said.

Meanwhile, about a fifth of the workforce defied a company interdict and continued the sleep-in.

On Tuesday, workers staged a protest against the NBF and "dictatorial" union officials.

## Dismissal for anti-Inkatha song claimed

THE vice-president of the Paper, Print, Wood and Allied Workers' Union (Ppwawu), Mr D Motha, was dismissed by Mondi last week, allegedly for singing an anti-Inkatha song. South 23/81 - 29/8/90

A Ppwawu spokesperson said two workers at the Mondi factory in Piet Retief had complained to the company that Motha had sung songs which expressed sentiments against Kwazulu's Gatsha Buthelezi and Inkatha.

The spokesperson said the workers had told management Motha incited workers to take part in the July 2 anti-Inkatha stayaway. He claimed that the company favoured Inkatha and said the union was discussing solidarity action for Motha.

A Mondi spokesperson said the company viewed the workplace as politically neutral. Disciplinary procedures had not yet been exhausted. 18/8

Applicable and to...

# Longer strikes may cause more hardships - expert

Souetan 23/8/90



By JOSHUA RABOROKO

CONCERN about the serious damage the wave of strikes, experienced mainly in the manufacturing and retail sectors, can have on the economy is expressed in Sanlam's latest *Economic Survey*.

Sanlam's chief economist, Mr Johan Louw, says it is estimated that more than 1,2 million man-days were lost during the first half of this year - more than three times as many as in the corresponding period last year.

"Particularly worrying is the fact that there has been a sharp increase in the duration of the strikes and that they have been accompanied by a growing measure of violence and loss of life."

Louw says the effect of the strikes is being felt throughout the economy. It can, for example, result in the current downturn in the economy being intensified.

A further rise in unemployment, with an accompanying increase in unrest; attempts to reduce the inflation rate being seriously inhibited; and the external value of the

rand being weakened again are some of the effects.

"Wage demands which have no relation to production can also decrease our competitiveness on international markets and adversely affect the ability of the economy to provide jobs.

"Excessive wage demands by trade unions, which look after the interests of their members only, result in an increasing portion of the wage bill being diverted to members and actually hamper the creation of additional jobs.

"They could even cause businesses to reduce their labour force

and/or becoming more capital intensive."

He says one of the greatest challenges of the future is to increase the number of jobs significantly. This is also a prerequisite for peace and order.

"The trade unions therefore have a very great responsibility in ensuring that labour unrest is restricted to a minimum.

## Wages

"The annual wage negotiations are now in full swing and employers can expect a difficult time. Indications are that wage demands - despite the strong levelling-off in general economic activity - are at a considerably higher level than the increases in the consumer

price index."

Really GDP would show no growth this year.

Any noteworthy improvement in the economy should not be expected before the second half in 1991.

In the meantime, the favourable course taken by the inflation rate during the past 12 months continued into June (13.6 percent compared with 15.7 percent in June 1989). By the end of the year it could reach 12.5 percent.

At this stage he considers that the average inflation rate for 1991 could well be at that level.

He says this expectation could be disappointed if it were to become necessary to increase the petrol price sharply.

## Numsa says 'no strike' in engineering sector

CAPE TOWN: A threatened national strike in the engineering industry seemed to be averted yesterday following a recommendation by the National Union of Metalworkers of SA (Numsa) that its members accept revised employer offers. *W/Mant 24/8 - 26/8/90*

The inter-tribal violence raging through Transvaal townships played a major role in persuading the giant union to reverse its strike plans, Numsa spokesman Bernie Fanaroff said.

However, workers would first have to be canvassed before final agreement could be reached on a series of revised proposals by the Steel and Engineering Industries Employers' Federation.

Numsa and 13 other trade unions in the sector met Seifsa yesterday in a last-ditch bid to settle on wage and other differences. *(181)*

Numsa and the significantly smaller Metal, Engineering and Allied Workers Union of SA were the only trade unions to reject Seifsa's final offer. — Sapa



# SACP backs Numsa in Mercedes dispute

By PATRICK GOODENOUGH

THE SA Communist Party has thrown its weight behind the National Union of Metalworkers in its tussle with worker rebels at the Mercedes-Benz plant in East Lon-

don. U.M.A. 2418 - 2618190

And in another development, Numsa's regional office has condemned Mercedes' dismissal of 200 dissidents sleeping in at the plant as "inflaming the situation".

It has also warned management against using police to evict the workers, who were fired after ignoring a Supreme Court order for their eviction.

Numsa regional secretary Msiteli Nonyukela said the SACP had sent a letter backing the union's stance on centralised bargaining.

The Mercedes plant has been closed for a week after work stoppages and demonstrations by a worker faction demanding the company's withdrawal from the

national bargaining forum (NBF) in the auto assembly industry — in flat contradiction of Numsa policy.

Yesterday Automobile Manufacturers Employers Organisation chairman Theo van der Bergh said

NBF negotiations this week had been postponed until next Tuesday "due to the situation at Mercedes".

Both Mercedes management and shop stewards had been absent.

"We need to have everyone there to proceed," he said.

Nonyukela said the company had reacted "emotionally" by dismissing workers and had given no prior warning of the dismissals.

It had also threatened to call in the police to evict workers, he said, saying it was "unprofessional to involve police in a labour matter".

Company comment could not be obtained yesterday, but it has confirmed that workers occupying the plant caused damage at the weekend.

# Liquor industry strike ends after seven weeks

THE longest strike in the liquor industry — almost seven weeks — ended yesterday when the National Union of Wine Spirits and Allied Workers accepted a revised wage offer by employers.

Union president November Nkosi said he expected the 3 200 strikers to report today for work around the country.

He said Nuwsaw notified the SA Wine and Spirits Employers' Association (Sawsiea) yesterday of its acceptance of weekly wage increases of between R33 and R40 for the lowest and highest grades. Workers in Grade 1 and Grade 6 will receive monthly wages of R905 and R1 470 respectively.

Nkosi said the union asked Sawsiea to end the contracts of casual "scab" labourers from yesterday evening.

Sapa reported that a Sawsiea spokesman said employer representatives met yesterday to discuss conditions necessary for a return to work.

Nkosi said if an immediate return to work was not feasible, the union would recommend union members delay their return for three days as long as management agreed to pay them from today.

The union's last wage demand was for an across-the-board increase of R40.

Nkosi said he was disappointed the union had not achieved an across-the-board in-

MATTHEW CURTIN

crease, but said the strike was a positive experience for Nuwsaw.

The union had won improvements in maternity benefits and overtime allowances for its members, and employers had agreed to reducing weekly working hours from 45 hours to 44 hours.

Nuwsaw began the strike on July 11 after a 76% ballot in favour of industrial action, which followed a management lock-out after a week-long national go-slow campaign by 5 400 workers.

Nuwsaw sought to rally community support for a consumer boycott of Sawsiea members' products to strengthen the union's campaign. But Sapa reported management denied that the township boycott had had any affect on sales, and said deliveries had continued uninterrupted except in the Transvaal.

The union said liquor supplies to the Transvaal and the Cape were maintained by companies trucking supplies from Natal, where union support was limited.

Companies involved in the dispute were Stellenbosch Farmers' Winery, Distillers' Corporation Ltd, Gilbey's Distillers and Vintners, Union Wine Ltd, Douglas Green of Paarl, and Henry Taylor and Ries.

# Numsa dispute 'nears end'

Day 28/8/90  
THE five-month wage dispute between Steel and Engineering Industry Federation of SA (Seifsa) and National Union of Metalworkers of SA (Numsa) yesterday looked set to end soon, pending Numsa's decision on a wage amendment reached on Friday.

Numsa national organiser Alistair Smith said it was agreed to refer the amendment to members for ratification.

"We have set a meeting with Seifsa for Wednesday and it is likely the dispute will be resolved at that meeting." (18/)

Numsa, representing 115 000 of the 215 000 employees in the giant metal industry, and the Metal and Electrical Workers Union (Mewusa) were the only unions of the 15 involved in the industry's national bargaining forum not to accept Seifsa's final wage offer of an increase of between 15,5% and 19%.

After a successful strike ballot over its

OWEN MAUBANE

R2 an hour across-the-board wage demand — representing a 56% hike on lowest rates — Numsa delayed strike action pending further negotiations with Seifsa.

Seifsa's amended wage offer included a reduction in the industry's 45-hour working week to 44 hours, with no change in the wage rates of hourly paid employees, and one hour's compulsory overtime a week, paid at a rate of time and a third; March 21 (Sharpeville Day) would be treated on a "no work, no pay" basis with no disciplinary action; and certain maternity benefits. Seifsa's original wage offer remained.

In a statement yesterday Mewusa agreed to Seifsa's terms but asked that employers consider full payment for the reduced hours of work, without the supplementary, compulsory overtime.



# Strikers at liquor firms return today

MORE than 3 200 striking workers in the wine industry will return to work today after downing tools for nearly two months.

This was disclosed by National Union of Wine Spirits and Allied Workers president Mr November Nkosi disclosed yesterday.

The decision to return work coincides with workers' acceptance of weekly wage increases varying between R33 and R40 and marks the end of the longest strike in the sector.

## Work

"In spite of the fact that that our members are not happy with the situation, they have decided to return to work," the union said in a letter to the SA Wine and Spirits Industry Employers Association yesterday.

A Sawsiea spokesman confirmed receipt of the letter, adding that employers were due to meet yesterday to decide whether certain conditions relating to a return-to-work were acceptable.

Six firms locked in a national wage dispute were hit by a countrywide legal strike on July 11, when nearly 3 800 workers stopped work in support of a R40 increase on the weekly wage.

Shopfloor industrial action was presaged by a national lockout, imposed on July 5, and by mid-August workers in the Western Cape had opted to accept a revised management offer.

In its letter of acceptance, Nuwsaw demanded that employers terminate the contracts of casual, "scab" labour at affected

plants by 5pm yesterday.

This, the union claimed, was "to avoid problems - especially at Distillers Corporation, Wadeville".

The union also demanded that back-pay be paid by Thursday, August 30, and that it be advised of the tax formula by which back-pay will be assessed. - Sapa

Sowetan 28/8/90

181  
~~181~~  
~~181~~

## Grace for strikers



WORKERS at two East Rand wine production plants who took part in the longest strike in the industry have been given two days' paid leave and until tomorrow to resume their jobs, a senior trade union source said yesterday. *Sowetan 29/8/90*

Ms Fay Mandy, general secretary of the National Union of Wine, Spirits and Allied Workers, said some 1 200 union members at Distillers Corporation and Stellenboch Farmers' Winery plants in Wadeville had been affected by the ruling.

THE MOST GOAL  
SCORED IN A FA  
CUP GAME WAS  
NINE BY FOOT  
BATTER EDWAR

# 200 sleep-in strikers damage motor plant

Sowetan 20/8/90

181

FAC

MERCEDES Benz South Africa yesterday confirmed that striking workers occupying the plant in East London had caused damage inside the premises.

Company spokesman Mrs Wendy Hoffman said they did not know what the extent of the damage was.

She said the company was committed to resolving the problem at their manufacturing plant.

The sleep-in strike by some 200 workers has entered its second week. Production was suspended on August 16.

Workers have remained in the grounds since then to pressure MBSA into withdrawing from the motor industry's National Bargaining Forum.

The National Union of Metalworkers of South Africa supports the NBF.

Several meetings have taken place between shop stewards representing the sleep-in contingent and Numsa officials.

The union's general secretary, Mr Moses Mayekiso, said MBSA had rejected a proposal that the company temporarily suspend their membership of the NBF to give the union an opportunity to sort out its internal difficulties.

He said the company had rejected the proposal, saying management had an obligation to other industry managements with whom it had co-operated in establishing the NBF.

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STORIES

PIC. MOTTAT ZONGU

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Sowetan 20/8/90

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## Seifsa waits on one union's reply

181 MATTHEW CURTIN

ANNUAL wage negotiations affecting the 380 000 employees in the metal industry moved a step closer to agreement yesterday.

Seifsa executive director Brian Angus said yesterday only the Metal and Electrical Workers' Union (Mewusa) had still to accept the employers' final wage offer, after a special meeting of the industry's industrial council yesterday.

All 13 other unions, which include the National Union of Metal Workers (Numsa) which called off threatened strike action by its 115 000 members this week, confirmed their acceptance of Seifsa's wage offer, Angus said.

The agreement on the wage settlement would be finalised at a meeting scheduled for tomorrow and a full report on the final settlement package would be released if the meeting was successful, he said.

All unions have accepted Seifsa's wage offer of a 15.5% increase for artisans and 19% increase for labourers.

Angus said Mewusa, which represents 30 000 employees, had expressed dissatisfaction over the issue of a 45-hour work week.

Employers had said they were not able to accede to its demand for a 44-hour week without loss of pay.

Mewusa spokesmen were unavailable for comment last night.

ALAN FINE

NUMSA executive members flew to Port Elizabeth yesterday for internal union consultations on the Mercedes Benz crisis and for talks with employers party to the national bargaining forum (NBF).

Several hundred Numsa members have kept the Mercedes East London plant at a standstill for the last two weeks in protest against the union's participation in the forum. Strikers believe they can win a better deal in negotiations at company level.

Union and management representatives held negotiations into the night yesterday and details of the discussions could not be ascertained.

Talks between management and Numsa have been at a standstill since last week

## Urgent talks on Mercedes strike

when management rejected a Numsa proposal that the company temporarily suspend membership of the forum while the union resolved its problem with the dissident members.

KIN BENTLEY reports from London that Daimler-Benz of West Germany warned yesterday that the future of its plant in East London could be jeopardised by the strike.

However, a senior Press spokesman at its Stuttgart head office stressed that no decision had been taken for the company to withdraw from SA.

02/8/90  
8/10 am

(181)



## SOWETAN BUSINESS

# Workers are a valuable asset

Most business owners spend a lot of time and money in hiring, training and developing their employees. This is a real investment even if it doesn't show on a balance sheet.

Well-trained, experienced workers are a most valuable asset. They are not easily replaceable.

So owners do not want their workers to be injured in an accident and they take care to see that the chance of an accident is reduced as far as possible. Machines have proper guards. Workers must have proper protective clothing.

*Sowetan*  
**Safety** 30/8/90

They are also shown how to use equipment safely. Nothing is left lying around where people could trip over it. Unsafe electric cables are replaced. Motor vehicle are roadworthy.

But even with all the care in the world, accidents can happen. What then? If one of your employees is injured as a result of working for you, and assuming that the injury was not because of the blatant stupidity or drunkenness of the employee, then the employee can take you to court and claim damages from you. It can cost you a lot of money.

If, however, you have registered, as you are sup-



The  
Nuts  
&  
Bolts

By IAN HETHERINGTON

posed to, under Workmen's Compensation, the employee cannot sue you. Instead, he can claim and receive compensation for his injury from the Workmen's Compensation Fund. This include compensation for medical expenses, and it includes financial provision for his wife and children if he should die.

### Register

Every employer who employs one or more employees, other than domestic servants or employees earning more than R36 000 a year, is required to register for Workmen's Compensation.

This is not just employers who run manufacturing businesses. It includes employers running shops, offices, transport businesses and farms as well.

You register as an employer on a registration form obtained from your nearest office of the De-

partment of Manpower. One of these offices is on the 11th floor of Conlyn House, 156 President Street, Johannesburg.

You must then keep records of wages paid and of any accidents. And you must pay a small percentage of your wage bill, annually, to the Workmen's Compensation Commissioner. You cannot deduct these payments from your employees. You must pay them.

### Cost

But it does not cost very much. The amount varies according to the danger inherent in your business. Thus a dressmaker or tailor has to pay only 0.15 percent of the annual wage bill; an upholsterer has to pay 0.55 percent and a welder has to pay 0.75 percent.

If you are careful and have very few accident claims, you can get a partial rebate every three years.

# Motor industry withdraws threat to pull out of national wage talks

MOTOR industry employers have accepted Numsa's response to an ultimatum on the Mercedes Benz (MBSA) crisis, and yesterday withdrew a threat to halt wage talks at the industry's national bargaining forum. 6 (2) 24; 3118 | 90

But the two-week-old sit-in at Mercedes's East London plant by 400 Numsa dissidents demanding in-company wage talks appeared no closer to resolution. There were signs the union went some way towards meeting management demands that it denounce the action, but there was no public announcement to this effect.

Mercedes management said yesterday if the union was unable to persuade members

to vacate the plant it would "have no alternative but to take whatever steps it believes necessary" to ensure that they left.

"We understand Numsa's dilemma, but the employees' conduct is unacceptable. The situation cannot be accepted any longer without causing irreparable harm to the company," a Mercedes official said.

She was unwilling to set a time limit for Numsa to solve the problem or say what type of intervention management was considering, as the company did not wish to inflame the situation.

Numsa officials involved in the talks have been unavailable for comment, but general secretary Moses Mayekiso said in

ALAN FINE

Johannesburg the negotiating team had held talks with members both inside and outside the plant yesterday trying to thrash out an understanding.

It is understood that 10 shop stewards from other motor companies spent much of yesterday inside the plant attempting to convince the rebels to end the action.

These developments occurred following a meeting between senior Numsa officials and employers in Port Elizabeth which lasted into the early hours of yesterday morning.

Mercedes offered to refer the dismissals

of strikers to arbitration after Numsa negotiators said the dismissals were unfair labour practices. Management said it believed the arbitration proposal should put Numsa in a position to influence its members to leave the plant.

The management ultimatum presented to Numsa on Wednesday took the form of a demand for a "clear and unambiguous response" from Numsa to six questions.

Management demanded that Numsa state whether it supported the rebels' demands; whether it condoned in any way the unlawful occupation of Mercedes' plant by some of its members; whether it condoned in any way the unacceptable conduct of

those members; what action it intended taking against them; what steps the union intended taking to ensure that its members urgently vacated the plant; and whether it was in a position to conclude a national bargaining forum agreement which would be binding on all hourly-paid Mercedes employees.

At Numsa's request, management did not publish Numsa's replies, but released its responses to those replies, from which some of Numsa's positions became clear.

The union obviously gave the necessary assurances that it would consider all members bound by any forum agreement, thus

To Page 2

## Motor industry b... 3118 | 90

opening the way for the resumption of the 1990 wage talks.

Management also recognised that Numsa had adopted a "constructive approach" to the problem, which suggests the union went an some way towards denouncing the industrial action and the "unacceptable behaviour".

Mercedes has alleged this behaviour, has included taking control of the plant by force, wielding an assortment of dangerous weapons; carrying mock arms such as AK 47 and bazooka replicas; damaging and stealing company property, and threatening and intimidating other employees and contractors.

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# Nampak hit by strike over 'bugging'

31/8/90

AT LEAST 150 workers at three Nampak plants had gone on strike over the use of "bugging devices to monitor union meetings" at the company's plants, the Paper, Printing, Wood and Allied Workers' Union (Ppwawu) said yesterday.

The plants involved are Nampak Corrugated Wadeville, Boxcraft and Transvaal Box. Ppwawu said the strike started on Tuesday.

"Workers at Boxcraft and Transvaal Box have strong reason to believe that their union meetings were bugged. Nampak has already acknowledged that bugging devices were used to monitor union meetings at the Wadeville plant (in addition to the bug found at the Rosslyn corrugated plant)," the union said.

Ppwawu said it had received information that Nampak management had been employing trained informers at the Wadeville plant.

"The union has met Nampak management on two occasions to demand a full investigation into the whole of Nampak,

WILSON ZWANE

which should be preceded by management supplying the union with reports on all the security companies that they are employing. Management refuses this, and has argued that the bugging is restricted to the corrugated division," Ppwawu said.

Nampak human resources manager Neil Cumming said he was "shocked and dismayed" that the union had again chosen to attack his firm in the media on claims that were part of a smear campaign.

"We have held productive meetings on the matter with Ppwawu. We not only provided the union with background on the bugging and fraud inquiries but we also gave Ppwawu's attorney full access to all facts and papers on the investigation," Cumming said.

Bugging was an unacceptable practice, Cumming said, adding "that is why we have sought the union's co-operation in helping us get the matter sorted out once and for all".



## Police evict Mercedes Benz sleep-in strikers

POLICE moved into the Mercedes Benz plant in East London early yesterday morning to remove about 150 striking workers who had occupied the premises for some time. (181)

A police spokesman said about 260 policemen had given the strikers the choice of leaving voluntarily or facing arrest.

The workers then left voluntarily with the exception of a man who was arrested for allegedly possessing dagga.

Production at the plant has been severely affected by the strike, which has cost the company about R120 million, it has been reported. - Sapa.

Urgent negotiations get under way

# Police step in to end siege at Mercedes

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THE Mercedes Benz siege — which cost R13m a day in lost production — ended yesterday when 400 workers, who had been sitting in at the East London plant for 17 days in defiance of a Supreme Court order, quietly left the premises after a police warning.

But Mercedes CE Christoph Köpke and Numsa negotiator Les Kettledas agreed the underlying causes of the crisis remained and a great deal needed to be done to restore normality at the factory.

The sit-in by the workers — who represent about 12% of the hourly-paid workforce — was a rebellion against Numsa policy supporting national wage bargaining. The dissidents wanted to bargain solely with their own management.

Köpke said the police arrived at 6am and the plant was vacated within half an hour. Before entering the plant, the police said they would use minimum force, and Köpke said it was "refreshing" that there had been no conflict.

Although it would take three days to fully assess the state of the plant, Köpke said there was no immediately apparent damage to plant and machinery, or to completed or half-completed vehicles. However, units in the body shop had decayed and would have to be scrapped.

The timing of the re-opening of the plant would depend on the assessment, but Köpke said he wished to resume production as soon as possible.

The question of the dismissal of strikers threatened to be a point of conflict. Köpke said yesterday that the dismissals would not be reconsidered.

ALAN FINE

He said the dismissal of those responsible for the events of the past two-and-a-half weeks would assist in restoring normality at the plant. However, the offer of arbitration to determine whether the dismissals were, as Numsa alleged, an unfair labour practice, still stood.

Kettledas said yesterday the union believed the dismissals had only exacerbated the entire situation.

Köpke said this and a number of other matters would be discussed with Numsa today. He said Mercedes wanted a reaffirmation from Numsa of its commitment to the industry's national bargaining forum and confirmation that all those who did not participate in the sit-in were willing to resume work in terms of the Mercedes/Numsa collective agreements.

Köpke said there were other matters, which had been a drain on the company for the past four years, which had to be resolved to ensure the company's future.

"We are not prepared to continue running the factory the way it has been running," he said.

Management required total commitment from Numsa to all collective agreements. It also believed factory problems had consistently prevented it from reaching production targets.

"If we are unable to produce the numbers we are looking for, we will have no choice but to start cutting back on the numbers we employ," Köpke said.

Kettledas agreed there were serious

□ To Page 2

## Mercedes

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problems to address. One was to convince the dissidents about the validity of Numsa's policy on national bargaining, he said. But others, he maintained, were related to Mercedes' poor industrial relations record.

Köpke conceded Mercedes has had an "unhappy industrial relations history" — the company suffered more than a dozen strikes and stoppages in 1987 and 1988.

But he believed management had done its utmost to address these problems.

"We have taken drastic action against members of management who did not believe in our mission statement, who believed in baaskap and who were not committed to a nonracial SA.

"But we also expect a similar approach from the union," Köpke said.

Neither he nor Kettledas would discuss internal union problems at the plant. But it is a matter of record that before the 1987

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merger of a number of unions to form Numsa, the Mercedes workforce was divided into supporters of the National Automobile and Allied Workers' Union (Naawu) and the SA Allied Workers' Union (Saawu).

It is widely believed that most participants in the sit-in were former Saawu members and shop stewards, suggesting that the sentiments behind the merger have not yet filtered down to all union members at Mercedes.

Such divisions would help explain why senior Numsa leaders such as Moses Mayekiso, John Gomomo, Daniel Dube, Kettledas and Bernie Fanaroff — all from a non-Saawu background — were unable to make any impression on the strikers.

Despite the complexity of the problems facing both parties, Kettledas and Köpke expressed confidence that, by "putting their heads together" they would find ways of resolving them.

## One union out of step with metal industry accord

Blom 4/9/90 (181)

MATTHEW CURTIN

EMPLOYERS and all but one of the unions party to the metal industry's main agreement reached a settlement in the industry's annual wage negotiations yesterday.

Seifsa executive director Brian Angus said in a statement that the agreement cleared the way for the implementation of a comprehensive range of improvements to conditions of employment for the industry's 380 000 employees.

Angus said only the Metal and Electrical Workers' Union (Mewusa), whose 30 000 members represent 7,8% of employees in the industry, would not accept the employers' final offer. (355)

Sapa reported that Mewusa reaffirmed its deadlock with Seifsa over shortened working hours yesterday.

Mewusa assistant general secretary Zithulele Cindi said the union would refer the matter to the Minister of Manpower for a strike ballot.

Numsa national organiser Alistair Smith said the new main agreement contained "major breakthroughs" for the union.

The 19% wage increase for labourers, and 15,5% increase for artisans, with a new minimum of R4,18 an hour, were the highest yet achieved in the industry.

The reduction of the working week from 45 to 44 hours, with earnings made up by an hour's compulsory overtime, was another breakthrough. From 1991 the extra hour would drop away.



# Job market 'still needs skilled people'

Blog 5/9/90

MARIETTE DU PLESSIS

THE job market in SA was not flooded with skilled people, despite the economic downturn, Colin Katz Associates MD Colin Katz said in a recent interview.

Companies in general falsely believed a tight economy would necessarily imply the industry was inundated with highly qualified people available at "bargain basement" prices.

However, Katz said the law of supply and demand did not apply in times of recession and the existing skills shortage in all sectors made it more difficult for personnel consultancies to recruit people with the

relevant qualifications and experience.

The economy was growing despite recession, leading to a demand for graduates which exceeded the turnout.

He said an estimated 50% of graduates were leaving the country.

Katz said people were "job-hunting out of necessity and not out of choice" and attributed this trend to the changing political and economic situation in SA in terms of job insecurity.

An age restriction contained in many adverts

made it almost impossible for men over 45 and women over 35 to find employment.

Katz felt women's role in middle management was almost non-existent with a negligible percentage of the Top 100 companies having female directors in management.

But, he said, many companies were rapidly changing their perceptions about employing people of all races.

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## Numsa members gear up for wage strike

61029 519190  
STRIKE action involving more than 13 000 Numsa members was either under way or on the cards for later this week, industry sources said yesterday.

This was despite Monday's wage settlement by employers and unions party to the metal industry's main agreement.

Numsa assistant national organiser Bernie Fanaroff said 2 000 members were on strike at Samancor's Meyerton and Witbank plants, 1 600 workers were striking at Usko's steel plant, and strike ballot results were being processed at Iscor.

Fanaroff said the three companies in-

(181) (122)  
MATTHEW CURTIN

involved were members of the metal industry's industrial council, but had house agreements with Numsa.

Iscor industrial relations director Neels Howatt said yesterday Iscor was awaiting the result of the strike ballot at its Vanderbijlpark, Pretoria and Newcastle plants.

Usko MD Johann Kaltwasser yesterday said 1 600 Numsa members were locked out on Monday after deciding to strike.

A Samancor spokesman confirmed striking in Witbank and Meyerton.

# Precedent at Mercedes Benz?

By CHIARA CARTER  
PEOPLE are asking whether the revolt against central bargaining by rebel workers at Mercedes Benz of South Africa (MBSA) is an isolated incident or a sign of things to come.

The MBSA plant ground to a halt last month after up to 500 workers staged a sleep-in protest against the national bargaining forum (NBF) for the automobile industry.

## Complicated

After Numsa discussed the issue with workers and tried to persuade the company to withdraw the dismissals, management called in the police to evict the protesters.

The MBSA protest was complicated by the factory's conflict-prone history.

However, this does not serve to explain away a rebellion against union policy by a significant minority of the workforce — including almost half Numsa's shopstewards.

## Rebels

While Numsa has spearheaded the move towards centralised bargaining, the union is not alone in adopting such a policy.

The MBSA rebels' argument that they would win greater gains from plant level bargaining flies in the face of the trend in Cosatu.

Unions have recently moved towards industrial/sectoral/regional bargaining on the one hand and corporate/company/divisional on the other.

Most Cosatu affiliates have waged lengthy battles for national bargaining forums, with employers ranging

from clothing manufacturers to the Delta motor corporation and petroleum companies.

Unions have joined hands to campaign against corporations like Barlow Rand, whom they claim are out to smash centralised bargaining.

However, these moves contrast with a tradition of sectors operating with relative autonomy and plant-and-company-level bargaining which lives on in the minds of many union members, if not with the union hierarchies.

Cosatu views plant bargaining alone as inadequate because it stretches union resources, does not allow unions to develop a national presence and limits their capacity to shut down an industry in a strike.

Plant-level bargaining

does not allow bargaining on national issues such as training and restructuring — aspects Numsa regards as crucial.

While industrial council negotiations offer these advantages and allow agreements to cover non-parties, the wages set are always the lowest common denominator in the industry.

The Mercedes case indicates that some workers might not be happy to accept less than they are used to in the interests of abstract strategic advantages.

## LABOUR INDEPTH

It does not seem possible to have the best of both worlds and sustain a myriad of bargaining levels.

Employers, too, will not tolerate industry bargaining if wage bargaining continues at other levels.

Seifsa has demanded that Numsa abandon plant-level bargaining. The union refused and the matter is being discussed.

## Blundered

The union's counterpart in Nactu, the Metal and Electrical Workers' Union of South Africa (Mewusa), thinks Numsa has blundered in opting for centralised bargaining to the exclusion of plant level negotiations.

A Mewusa spokesperson described waiving plant level rights as "a serious strategic error" and warned that "rights surrendered will need an entire struggle to win back".

The spokesperson said it was only at the factory level that workers could be di-

rectly involved in negotiations in a concrete way and worker militancy could be sustained.

He said Mewusa regarded plant-level bargaining as a "basic worker right" and that it was only at this level that the specifics characteristic to each company could be negotiated.

## Predictable

He said cutting off plant level negotiations in favour of a single bargaining level suited capital.

Negotiations were then predictable and orderly, while companies could build up a relationship with union negotiators.

The spokesperson said the move had to be seen in the light of the national climate of political negotiations in which both the ANC and the SA Communist Party wanted industrial peace.

## Spectre

Mewusa's viewpoint could be coloured by their failure to develop a national presence.

Unlike Numsa, Mewusa has not demonstrated a capacity to pull off a national strike.

Cosatu is aware that the removal of plant-level bargaining weakens shopsteward structures and raises the spectre of unions becoming increasingly bureaucratic and reformist on the lines of those in Western Europe.

## Mandates

Following a workshop held by its Living Wage Committee, Cosatu warned that democracy was critical in industry-level bargaining.

## Bursary Council of South Africa

### CO-ORDINATOR

Applications are invited for appointment to the position of Co-ordinator of the office of the Bursary Council of South Africa. The Bursary Council was established in 1989 among other reasons to be a forum for consultation, co-ordination and debate between bursary organisations; to examine ways and means of strengthening support to students and to facilitate consultation between member organisations, students and the broader community.

Applicants should have demonstrated office management skills and be committed to advancing the aims and objectives of the Council and promoting education in a post-apartheid democratic South Africa.

The salary package is in the region of R30 000 per annum. The location of the office is still to be decided. Applications should include a curriculum vitae and be sent to:

The Secretary  
c/o PO Box 349  
Salt River 7925

Closing date for receipt of applications is 15 October 1990.



# TV factory troubles

By CHIARA CARTER  
MEMBERS of the Metal and Electrical Workers' Union of South Africa (Mewusa) have been interdicted from activities which could cause damage to employers and property at National Panasonic in Parow.

About 250 workers were locked out at the factory this week.

The company claims that workers have been involved in acts of violence including stone

throwing and assault.

Meanwhile, Mewusa organiser Mr Brian Williams has laid a charge of attempted murder at the Ravensmead police station in connection with a car which drove out of the National Panasonic company gates at high speed on Tuesday morning while workers were gathered outside.

### Bitten

Williams claims the car drove directly towards him.

Ms Edna Sherike, one of the workers locked out, was bitten by a security guard's dog, also on Tuesday morning.

National Panasonic claims workers threw stones at cars.

South 6/9 - 12/9/90

"We are worried that a situation which will result in further violence is developing at the factory," Williams said.

He claimed that a "siege situation" existed at the factory, saying the company was using armed guards and had called in the police on Monday.

National Panasonic has confirmed that it has instituted a "legal lockout" and union members are not being allowed onto the premises.

### Settlement

A company spokesperson said the move followed a deadlock in annual wage negotiations, after which all dispute-settlement procedures including mediation were exhausted.

He said the company had reached a settlement with about 280 hourly-paid employees but not with the union.

"We trust that the lockout will encourage Mewusa members to accept the company's offer and that the situation will return to nor-

mal soon." (181)

According to Mewusa, about 270 workers are presently locked out. Williams alleges that the lockout is an attempt to "break the union" and is part of a wider attempt by Barlow Rand and other companies to undermine unions.

### Sinister

Describing the lockout as "sinister", Williams said the move was not productive in terms of improving labour relations at the plant which last year experienced the lengthiest strike in the country.

A Mewusa shopsteward said workers were not given prior warning of the lockout and were "astonished" when they arrived at work and found the gates closed.

He said the company was using the LRA against workers. Workers regarded their demands as reasonable and were particularly unhappy about managements proposal to change the disciplinary code.

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# Work stoppages at Nampak

MATTHEW CURTIN

MORE than 3 000 Paper Pulp Wood and Allied Workers' Union (Ppwawu) members took part in work stoppages at 20 Nampak plants nationwide, the union's national organiser Rob Rees said yesterday.

Rees said a strike by union members at Nampak's Rosslyn paper plant would enter its second week today.

He said the industrial action was taken in protest against Nampak's opposition to centralised bargaining — in line with the Cosatu campaign in the Barlow Rand group — and at the company's use of bugging devices to monitor union meetings.

Rees said Ppwawu intended declaring a dispute with Nampak over these issues today, as well as notifying management of a new wage demand for a R3 an hour, across-the-board increase to bring minimum rates to R8 an hour.

Management at Nampak's Wadeville and Rosslyn corrugated plants acknowledged union meetings were bugged.

Last week Ppwawu claimed the company had also employed "trained informants" at Wadeville.

Rees said Ppwawu was satisfied with a company investigation of the bugging inci-

dent at Rosslyn, but shop-floor resentment was running high with fears that bugging was not confined to Nampak's corrugated division.

Nampak human resources manager Neil Cumming yesterday downplayed the extent of the industrial action.

He said he was aware of only six hour-long stoppages by employees at six of Nampak's more than 100 plants.

Cumming said production was hardly affected and he understood the principal grievance was on the decentralised bargaining issue.

The bugging incident was now "dead" and the two managers at Rosslyn responsible were no longer with the company, he said.

Cumming said he felt the union was taking advantage of the wider problems at Nampak — police are investigating an alleged over-invoicing fraud at Nampak which, market sources say, could run into millions of rands.

Rees tagged this suggestion 'dishonest'.

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"We are facing many deviations in the struggle for liberation from exploitation; many of these come from inside ourselves. One danger ... is sectionalism, which I call 'factory tribalism'. It means that the workers in one factory think only of themselves — they are not very interested in the rest of the union, or the rest of the working class."

This warning, in a keynote address by senior National Union of Metalworkers official Dr Bernie Fanaroff at Numsa's first national bargaining conference early this year, seems prophetic in the light of recent events at the Mercedes-Benz plant in East London.

On August 16, about 200 workers occupied the plant, without following procedures, over demands that the company pull out of the car industry's national bargaining forum (NBF) and bargain in-house.

The plant remains closed, despite the dismissal and subsequent eviction of the workers in a police raid last weekend, and the company says it will not re-open

# Mercedes dispute: A case of 'factory tribalism'?

WJ May 7/9-13/9/90

until certain key concerns have been addressed in negotiations with Numsa. Management wants the union's assurance that the "problem relating to Mercedes' participation in the NBF" has been resolved. But it is also looking for agreement on a "practical process to remove the problems impacting on the growth and viability of the company".

Alleging that the dispute is costing it R13-million a day, management has bluntly warned that its future in South Africa is at stake.

The sit-in is a widely used union tactic but this is no ordinary dispute. Last year's formation of the NBF, involving all motor firms except Delta Motor Corporation, was a breakthrough in Numsa's drive for centralised bargaining, and was partly achieved by strike action. In a further embarrassment, the sit-in erupted in the middle of a concerted push

*Sectional interests seem to lie behind the current upheavals at the Mercedes plant in East London. But the threat of closure could yield an accommodation.*  
By DREW FORREST

to bring Delta into the forum — wages at Delta have been depressed by the firm's non-participation, Numsa argues. And for a period, the Mercedes action also stalled NBF wage talks.

Local officials who visited the plant to explain the policy were attacked, and the sit-in persisted despite the intervention of national leadership.

As a condition for joining the NBF, employers stipulated that they would bargain centrally for real wages and that plant negotiations would only take place

by agreement. The union agreed because single-tier bargaining made sense where real, rather than minimum pay, was at issue, and in an industry comprising a handful of large employers with similar resources.

But the Mercedes rebels believe they can clinch a more favourable deal for themselves — a R3,50-an-hour figure has been mentioned — in talks with their own management.

Numsa accepts that plant bargaining can bring short-term gains. "But we explained to members that a national forum is a more stable floor for wages. If there is only bargaining at the plant, levels can fluctuate substantially," said Fanaroff.

The current dispute has surprised some observers, coming as it does against the background of moves towards accommodation at Mercedes, including the launch of a relationship-

building exercise last year and the signing of a recognition agreement based on West German norms.

Politics and personal ambition also seem to have fuelled the rebellion. Mercedes appears more strife-prone than other motor firms, and this in part is due to high levels of militancy in the Border region. The rebels hoisted flags of the African National Congress and South African Communist Party — despite the SACP's support for Numsa and Cosatu's stand on central bargaining.

Numsa has hotly disputed suggestions that residual rivalry between members of the SA Allied Workers Union and the National Automobile and Allied Workers Union — unions absorbed into Numsa at its launch — are a factor, but sources insist some of the key dissidents are former Sawu men. There are also hints that activists involved in the East-

ern Cape split of the Food and Allied Workers Union may be involved. Pamphlets distributed to workers attack alleged union bureaucracy in the name of worker control. Observers also suggest a small hard-line faction is making a last-ditch effort to sabotage moves towards a more co-operative union-management relationship at Mercedes.

The fate of the East London plant is undoubted in the balance but commentators stress that the rebellion has not achieved its objectives. They also believe the relationship initiative launched last year has borne fruit.

"Management has now started getting its act together, with the result that relations and production have improved," said one source.

Mercedes chief executive Christoph Kopke said that for the first time in many years of industrial strife, the company had been able to act "fully in line with structures we have been able to establish ... notably the recognition agreement we signed with Numsa in July last year".



# MBSA's labour troubles come at a bad time

W/Mail 7/9-13/9/90

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By REG RUMNEY

THE recent costly sit-in by maverick workers could arguably not have come at a worse time for luxury carmaker Mercedes Benz SA.

Over recent years labour trouble at Mercedes Benz has been so frequent it was reminiscent of strife-torn British Leyland in the heyday of UK trade unionism. So endemic was it that newspaper posters which proclaimed "MBSA not on strike" would have been more surprising than the opposite.

Rumours have surfaced from time to time that MBSA would relocate its plant from East London to elsewhere in the country, such as Pretoria where Mazda and Ford maker Samcor has its plant, or Durban where Toyota is sited.

MBSA seemed to have partly made up the backlog before the present shut-down. The company is losing R13,5-million a day in lost revenue (quite apart from the damage done to materials in plant) every day it is shut down. The shut-down could last up to 27 days, with a consequent loss of revenue of R351-million.

Under its new chairman Christophe Kopke MBSA seemed to have reversed the tide.

However, MBSA is also under pressure from:

- The government's commitment to phasing out of fringe benefit tax for cars
- Most recently, the steady appreciation of the Deutschemark against the rand
- The need for new investment to cope with the Phase 6 local content programme.

To take the first, the government appears resolute in its desire to phase out all

perks. In South Africa, the use of company cars as perks for executives to escape tax has skewed the place of the car in society.

The demand for luxury cars as perks is nowhere near as prevalent in the UK, for example, as in South Africa.

Secondly, like other manufacturers of cars of European origins, Mercedes Benz' competitive position in South Africa is worsened by the strong Deutsche-mark. Imported components make up around 50 percent of South African cars by value.

While the mark has gained against the rand, the yen has weakened.

To a certain extent, MBSA is cushioned by its agreement to make and sell the Honda Ballade range in South Africa.

MBSA's third problem, that of coping with the local content programme, is tied up with the mark's appreciation.

According to Kopke, MBSA labours under a 22 percent disadvantage against Japanese manufacturers on imported content. Because foreign content is now calculated by value rather than mass, this means MBSA would have to invest far larger sums in local manufacture than its Japanese competitors to close the gap. Under the new programme manufacturers have to have a local content of 65 percent by value or suffer penalties.

The other avenue open to motor manufacturers under the new programme is to raise the wholesale price of their vehicles to get the local content/foreign content equation right.

But affordability is already a problem for Mercedes and will become more so as the recession bites.

At the launch of the new Mercedes Benz

200E and 300TE this week in Johannesburg, Kopke admitted in answering a question about MBSA's return on assets: "You wouldn't want to buy shares in Mercedes Benz SA."

Why then does MBSA's parent company Daimler Benz stay in South Africa? If Kopke isn't crying for luck, the answer must be that Daimler Benz is taking a long-term view.

Margins in the competitive South African motor industry have been thin for some time now (the forthcoming report of the results of Toyota, the only listed motor company, will give a sign of how the winds are blowing).

The idea has been that MBSA's dominance in the truck market might make it unwilling to leave our shores. But Kopke says that up to 1980 the truck division accounted for the lion's share of MBSA's profits. This is no longer so.

Kopke this week also put paid to rumours that MBSA is relocating. Windhoek or somewhere in Botswana have both been mentioned, but both are too far from the PWV, the main market in southern Africa, and pose insurmountable transport problems.

One compelling reason for not relocating is that the replacement value of the fixed investment in MBSA's plant in East London stands at R500-million.

Another, equally compelling reason, says Kopke has nothing to do with money but with the future of South Africa as an attractive area for foreign investors. "The workforce may be a bit more difficult, but the labour problems we have had are not unique to the Eastern Cape.

"If we don't make East London work, we won't make South Africa work."

LIQUOR STRIKE FIM 719/90

## BACK TO WORK

The liquor industry strike — lasting almost seven weeks and involving 3 200 workers — ended last week when the National Union of

FIM 719/90

(181)



(388)

Wine, Spirits & Allied Workers accepted a revised wage offer.

The decision to return to work was announced last Monday. Workers at Distillers Corp and Stellenbosch Farmers' Winery plant in Wadeville were given two days' paid leave before returning to work — mainly so that casual labour could be phased out, according to union president November Nkosi.

In terms of the final offer by the Wine & Spirits Industry Employers' Association, there will be weekly wage increases of between R33 and R40 for the lowest and highest grades. Workers in grade 1 and grade 6 will now receive monthly wages of R905 and R1 470 respectively. The union's final demand had been for a R40 across-the-board increase for all grades. Other terms include:

- The working week reduced from 45 to 44 hours;
- Women workers to be granted 12 weeks of maternity leave at 15% of salary, in addition to guaranteed job security, no break in service and "clinic leave."
- Fathers to be given two days of paternity leave on the birth of a child; and
- Improvement in retrenchment benefits.

In its letter of acceptance, the union demanded that employers terminate the contracts of casual "scab" labour at affected plants; and asked that companies ensure that middle and floor management do not "provoke members regarding their strike action."

Employers (Stellenbosch Farmers' Winery, Distillers Corp, Gilbeys, Union Wine, Douglas Green and Henry Tayler & Ries) and the union still have to agree on an implementation date of the terms of settlement. ■

# PEACE OR WE QUIT, MERCEDDES WARNS

B1299 9/9/90

MERCEDES-BENZ SA (MBSA) has given Numsa a final warning — settle now, or the company could withdraw from SA.

MBSA's warning is backed by IG Metall, Germany's largest trade union, which has associated itself with the National Union of Metal Workers of SA (Numsa) in the past.

Launching a revamped 200E sedan and the 300TE station wagon this week, managing director Christoph Kopke said that if negotiations between MBSA and Numsa were not resolved, parent company Daimler-Benz would "seriously look at its investment in SA".

## Dreams

But he added: "Not in my wildest dreams do I expect Daimler-Benz to leave."

The crisis at the plant follows a 17-day "sleep-in" by a few hundred rebel workers who brought production to a halt. The group varied between 150 and 600 and demanded that wage negotiations be conducted internally and not through the national bargaining forum (NBF).

BY DON ROBERTSON

through which most motor manufacturers decide pay. MBSA joined the NBF at Numsa's request.

The action by the workers was declared unlawful by the Supreme Court and police were called in last Sunday to evict them.

New discussions with Numsa are expected to take another six days before work can resume.

Worker militancy in the Eastern Cape is already affecting investment there. A Germany company has cancelled plans to build a laminated wood-board factory at Berlin, near East London, giving strikes at MBSA and boycotts as the reason. About 200 jobs have been lost.

Revenue losses at the MBSA plant are about R13,5-million a day, totalling almost R230-million in the latest stoppage. Lost wages total about R300 000 a day.

About 180 vehicles on the assembly line will have to be scrapped because they will not meet quality standards. The dip tank is also damaged and could cost millions.

The company's profitability has also been hit. Asked how the labour problems had affected the company, Mr Kopke said: "If I were an investment man, I would not invest in MBSA."

Mr Kopke has repeatedly warned that the company's viability and growth would be endangered if labour problems were not solved.

## Turning

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Mr Kopke says, however, that if negotiations are successful they could mark a turning point in relations between the company and the union.

In the last four years MBSA has lost R2,4-billion in revenue because of strikes. The factory has been closed for at least two months a year because of labour problems.

This does not take into account the annual one-month shutdown over Christmas.

Mr Kopke discounts suggestions that the East London plant will be moved. He says it would cost too much to move the R500-million operation.



# SA workers 'need to be taught basic economics'

PRETORIA — The biggest challenge facing managers in SA was educating workers on basic economics, former Minorco CE Sir Michael Edwardes told an Afrikaanse Sakekamer meeting in Pretoria at the weekend.

Edwardes, who is on the boards of several international companies, said SA companies were far ahead of their UK counterparts with regards to social responsibility programmes. But they were far behind when it came to the economic education of their workforce.

He said workers should be taught that unless they were productive, there would be no jobs for them.

Managers had to use every legitimate means to protect their businesses. Moderate workers should be rewarded but the disruptive element should be punished.

Sapa reports that Edwardes told the meeting it was an inescapable fact that attempts to halt the decline of British industry over the past 20 years had failed.

While management in the US developed 15-million jobs between 1973 and 1983 and Japan developed 4-million, the EC lost 2-million jobs.

Something British industry was depressingly good at was compromise. "The Japanese, Germans and

GERALD REILLY

Americans were more frank and did not accommodate failure or make a virtue of compromise and "as a result they take us to the cleaners at every point", he said.

"We have led the world in techniques and technologies in countless industries and products only to lose the initiative to others who are more determined, more direct and more courageous or bold."

Talent in Britain was probably only 40% utilised. There was a hypocritical attitude abroad in Britain which played down the importance of money as an incentive.

"By making a virtue of pretending to ignore money we have ended up as among the worst payers for performance in the Western world," he said.

Motivation had much to do with demotivation. The quickest way to demotivate everyone from director to tea boy was to be petty.

Large head offices did not only cost money but tended to be hothouses of bureaucracy "and many an operating company has lost good men because of the second and third guessing by headquarter bureaucrats who have never run a business", he said.

# SAB refuses to intervene in Da Gama row

SAB Holdings will not intervene in the dispute over the refusal of subsidiary Da Gama Textiles to recognise the SA Clothing and Textile Workers Union (Sactwu), despite union and Cosatu pressure for it to do so.

SAB group public affairs manager Dunbar Bucknall said on Friday Sactwu realised the group was highly decentralised and it was not "SAB style" to intervene in the labour relations of subsidiary companies.

Sactwu's campaign to secure company recognition at Da Gama began two years ago and negotiations started in November 1989. The next meeting between Sactwu and Da Gama is scheduled for September 13.

Union national organiser Mark Bennett said on Friday Sactwu be-

MATTHEW CURTIN

lieved Da Gama had entered the negotiations in bad faith, as they were insisting on changes to a previously settled draft agreement.

He said Sactwu approached chambers of commerce in East London to intervene in the dispute and held a protest march in the city on Wednesday before submitting a memorandum to Da Gama management.

## Crises

Bennett said Sactwu and Cosatu had appealed to SAB to intervene and break the impasse in negotiations, but the group had declined a meeting with a Sactwu delegation, reiterating

its decentralised stance.

Bucknall acknowledged the group had received letters from Sactwu, but said SAB remained confident Da Gama and the union would reach a settlement on their own accord.

He noted SAB had not intervened even in crises involving strikes at their brewery division and subsidiary companies OK Bazaars and Southern Sun/Holiday Inn this year.

Bennett said Sactwu membership at the Da Gama East London plant stood at 1 200 out of a work force of about 1 400.

Da Gama CE Harry Pearce was unavailable for comment, but in a report last week he would only confirm the company and Sactwu were meeting later this week.

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197/101  
1507

# On-going strike threatens motor giant

ABOUT 100 000 jobs would be lost if Mercedes-Benz (MBSA) was forced to permanently close its East London plant, a local business leader said last week.

Production has been paralysed since August 16 when rebel workers occupied the plant demanding the company pull out of the motor industry's National Bargaining Forum (NBF).

Although they were peacefully

*Sowetan 11/9/90*  
evicted on September 2, MBSA has kept the plant closed, saying it would not resume production until the workers sorted out their position with their union, the National Union of Metalworkers (Numsa), which played a major part in establishing the NBF.

Cost of closure for the company is enormous - more than R330 million if one takes MBSA's figure of R13,5 million

in production lost a day.

Over the last four years Mercedes has lost R2,4 million because of strikes.

The factory's temporary closure sparked off nightmare rumours that MBSA was considering relocating to Namibia or other areas where the industrial relations atmosphere was more friendly. MBSA's statement dur-

ing the occupation that its viability was being threatened did nothing to allay these fears.

The company has since denied it has any intention of relocating and dismissed rumours that it has held meetings with the Namibian government, but the situation has once again emphasised how reliant the region is on the motor-giant. - *Sowetan Correspondent*



# 100 000 may lose jobs in East London

*Sowetan  
12/9/90*

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THOUSANDS of workers could lose their jobs if Mercedes Benz, a car manufacturing plant in East London closes.

Union and management representatives were still locked in talks yesterday.

The company's loss in revenue is so far reported at R230-million.

Both management and the National Union of Metalworkers of SA (Numsa) have refused to comment on progress made in negotiations to resolve the crisis.

Production came to a halt on August 16 when workers occupied the premises for about two weeks, demanding the company withdraw from the motor industry's National Bargaining Forum (NBF).

Police are reported to have raided the premises and ended the unlawful siege on September 2 but company chief executive

Mr Christoph Kopke announced the plant would remain closed.

Public relations officer for the company, Mrs Wendy Hoffman said Mercedes-Benz would not release any statement until progress had been achieved in the negotiations.

## Advertisement

In a full-page advertisement addressed to workers, Kopke said it would not open until:

\* Management had been able to assess damage caused.

\* The company and Numsa had agreed on a process to determine the fairness of the company's decision to dismiss "the rebel workers" under the circumstances.

\* The union had

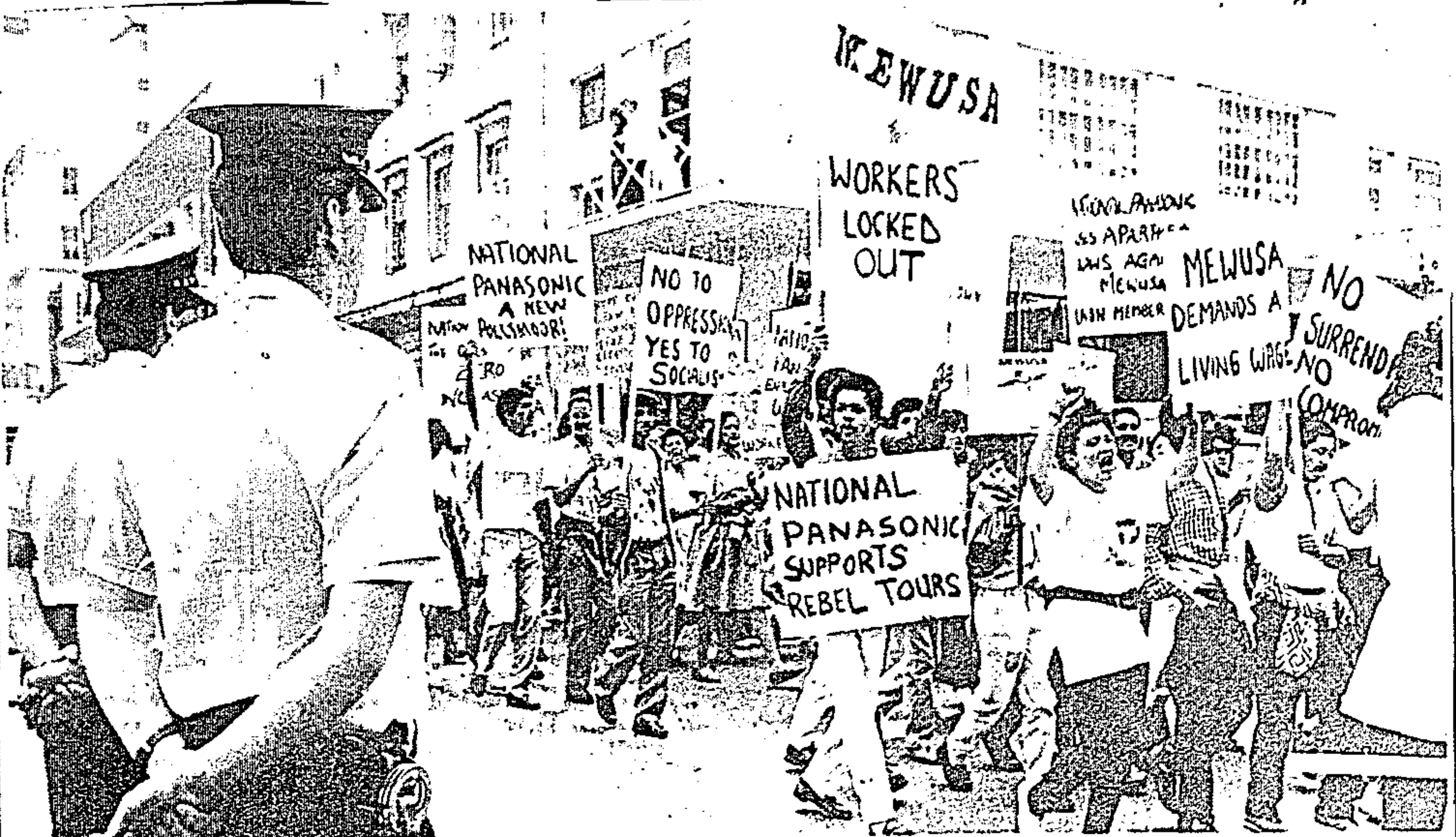
satisfied management that all hourly-paid workers in the bargaining unit whom it represented, excluding the dismissed workers, were prepared to resume work in accordance with their conditions of employment, company procedures and all collective agreements con-

cluded between the two parties.

\* Management and the union had agreed on a "practical process" to remove the problems which were "impacting on the growth and viability of the company.

Said Kopke: "I believe that it is imperative

that the above points are effectively addressed prior to the plant reopening, if we are going to honestly build a company which we are all proud of, and which can contribute to the development of a viable democratic, non-racial future."  
- Sapa.



**SPIRITED:** Police closely monitor a spirited march by National Panasonic strikers in Cape Town this week  
 PIC: YUNUS MOHAMED

# Workers lay charges against firm

AT least two charges have been laid against a television manufacturer where violence erupted last week.

A spokesperson for the Metal and Electrical Workers' Union of South Africa (Mewusa) said the union had laid two charges relating to a worker who was bitten by

a dog and another worker hit with a brick in incidents at the National Panasonic factory in Parow last week.

About 40 workers and Mewusa organiser Mr Brian Williams were removed by police from the factory premises.

Williams said he intended suing the company for alle-

gations it made about him in a press statement issued to a Cape Town daily newspaper.

On Monday more than 100 strikers marched through the city centre to protest against the involvement of the police in the dispute.

The company is meeting with the union later this

week. <sup>South</sup> 1319-1717/90  
 A wide range of political organisations have expressed support for the strike and, according to Williams, the union intended mobilising "consumer support" for the strikers.

Community support is also being sought for about

45 Mewusa members who downed tools at the Allens Metal and Wire Company at Blackheath this week.

The strike is over plant level bargaining but a Mewusa organiser said workers at the company had a range of grievances.

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# Labour trouble brews at Grapnel

TROUBLE is again brewing at an Atlantis silencer company where violent confrontations occurred between workers and police earlier this year.

Management at Grapnel Silencers and the National Union of Metalworkers of South Africa (Numsa) have been locked in conflict since wage negotiations began at the company in May this year.

In July, workers downed tools after the company had refused to budge from its final offer of a 16,5 percent in-

crease for workers with more than a year's service and who earned less than R1 000 a month and 14,5 percent for workers with more than a year's service and who earned more than R1 000.

Several workers were injured after police had fired birdshot at workers involved in a sit-in at the factory. The factory then closed for several days.

After peace was restored negotiations resumed. A deadlock was declared after the workers again rejected the company's offer.

The dispute was heard last week at the Motor Industrial Council. *Sowk* 13/9 - 19/9/90

At the hearing, the company refused to budge from its offer and demanded that workers sign individual contracts of overtime and agree that they would be dismissed if they took part in an illegal strike. The two parties are to report back to the industrial council later this week.

A Numsa spokesperson said the union was consulting its members but did not see a resolution to the dispute.





EMPLOYERS are bracing themselves for a new wave of industrial unrest following a call by Cosatu for three days of mass action including a national stayaway.

The call for mass action to pressure the government to meet demands on labour legislation and to end the

intermicine violence in Natal and the Transvaal, follows the second meeting of Cosatu's campaigns conference in Johannesburg last weekend.

More than 300 delegates to the conference agreed to

strations and rallies to lead up to the October action.

If the call is heeded, employers face losses which will run into millions of rands.

The federation's decision

# Stayaway set for October 8

to resume mass action follows an effective breakdown in negotiations between the federation and the government over the controversial Labour Relations Amendment Act (LRA).

A working party was

formed at the end of June to attempt to resolve the deadlock between the two sides.

Delegates also expressed the view that the national minimum wage issue needed to be considered in the context of demands for the restructuring of the economy.

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# Job numbers drop in major sectors

• 131004 • 14/9/90  
GERALD REILLY

PRETORIA — Employment in three major sectors of the economy — mining, manufacturing and construction — is sharply declining and economists expect the trend to continue.

Volkscas chief economist At Engelbrecht said latest official CSS figures showed that in the manufacturing sector in the four months to end-June the numbers employed decreased by 10 000 to 1 462 000.

In the construction industry in the same four months the number of workers decreased by 2 200 to 417 500.

And although official figures for the mining industry are not available for the four months, the expectation is that the work force would have declined by at least 15 000 to around 690 000.

The official CSS figures for the mining industry show a decrease of 91 113 to 613 527 between March and May. However, this figure is subject to review and there is doubt about its accuracy.

Engelbrecht said there was no way the economy could escape further unemployment. The latest figures mirrored the slump — "and all indications are that the depressed conditions will continue until at least mid-1990/91".

However, he said, insolvency figures for the May-July period showed a decrease of 91% compared with the same three months last year.

"But this we believe is a hiccup and the number of liquidations will continue to increase."

According to the CSS, the number of insolvencies in the second quarter of the year increased by 9,7% to 732 compared with April-June last year.

# Metal industry employers ready to lock out strikers, says Seifsa

CAPE TOWN — Metal industry employers have rallied along a countrywide front in response to threats of a national strike following deadlocked wage talks with 117 000-member Numsa.

Seifsa says the deadlock has since been resolved.

Disclosing the outcome of a ballot on a countrywide lockout, Seifsa executive director Brian Angus said yesterday the ballot was the first successful industrywide vote embracing an employer constituency of its size.

The ballot reflected 53,3% support among Seifsa members for a lockout and was considered a significant show of solidarity among employers in the industry, Angus said in a statement.

Forty-nine Seifsa associations, representing 3 200 member companies,

were balloted in anticipation of large-scale industrial action by Numsa and the Metal and Electrical Union of SA (Mewusa).

Ballot results were counted on September 6 with Mewusa general secretary Tommy Olliphant present. Numsa was invited, but did not attend.

The Labour Relations Act requires a simple majority decision in favour of a lockout before this can be implemented.

An industry-wide strike was averted two weeks ago when agreement was reached with Numsa, the largest union in the national bargaining forum.

"In this respect, the result of the lock-out ballot may be somewhat academic unless Mewusa, the only trade union which remains in dispute,

decides to ballot for strike action.

"Should the union pursue this course of action, employers will be in a position to lock out Mewusa members," Angus said.

The union, which has about 30 000 members in the industry, was not available for comment.

Seifsa said a total of 32 member associations achieved successful lock-out ballots of between 50,7% and 100%.

Seventeen associations recorded unsuccessful ballots. Four of those obtained ballots of exactly 50% and required only one additional positive vote per association to make the ballots successful.

Of the 1 959 votes cast in a 61,2% poll, only 21 negative votes were received. — Sapa



g experience in a man- and three years commercial experience are prerequisites

# BUSINESS M

## Strike action looms at Nampak group

By DREW FORREST

W/Mar 14/9- 20/9/90

MAJOR confrontation is looming in the Nampak group over the issues of centralised bargaining and industrial espionage, the Paper, Printing, Wood and Allied Workers' Union warned this week.

Reacting, Nampak group human resources manager Neil Cumming said conflict was neither in the interests of the union nor the group.

Ppwawu national organiser Rob Rees said the union had declared a dispute with Nampak and group-wide strike action was in prospect over demands for corporate bargaining on wages and an independent, company-wide investigation into bugging of union activities.

He said another electronic bug had been found at Nampak's Transvaal Box in Industria. This followed the discovery of a bug at a plant in Rosslyn and an alleged management admission of bugging at Nampak Corrugated in Wadeville.

The dispute also concerns demands that Nampak commit itself to rebuilding defunct industrial councils in the printing and paper sectors. Ppwawu sees Nampak as a key player in the collapse of the printing council last year.

There was "fierce militancy on the ground", Rees said. Last week, 3 000 Nampak workers took part in a national stoppage of one to two hours over the central bargaining and bugging issues.

In addition, a 10-day strike was in progress at Nampak Paper in Rosslyn; workers sitting in at Printpak Gravure in Industria faced eviction, and stoppages had been reported at Box Craft in Leondale and Nampak Recycling and Nampak Corrugated in the Cape.

Nampak confirmed court action aimed at binding Box Craft workers to agreed procedures was planned for today.

Cumming said the re-establishment of the councils "was not on the cards".

On the bugging he said: "The union had full access to our probe in the corrugated division. The bugging incidents are a thing of the past, and the individuals responsible are no longer with Nampak."

Detachments follow setting of Venda minimum wage

NAMPAK DISPUTE

## STRIKING BACK

*FIM 1419190*  
The Paper, Printing, Wood & Allied Workers' Union (Ppwawu) last week declared a dispute with the Barlow Rand-owned Nampak group. The issues were centralised bargaining, wages and admitted electronic bugging of trade union meetings, according to Ppwawu national organiser Rob Rees.

Last Thursday, Nampak plants nationwide were hit by work stoppages involving over 3 000 workers at 20 plants, Rees said. The union represents between 5 000 and 6 000 workers in the Nampak group.

A spokesman for the company's Johannesburg office said a number of short work stoppages had occurred at some plants — mainly in the Transvaal — involving about 10 operations. These appeared to be related to the issue of centralised bargaining, he said.

In line with Barlow Rand bargaining policy, Nampak has refused to concede to union demands for national talks in the paper and

*FIM 1419190*

printing division, insisting negotiations be conducted at plant level.

According to Rees, the issue of centralised bargaining has been under discussion since 1987 and has become increasingly important as the union has spread out in a number of plants. It is linked to the demand that the Nampak group commit itself "in principle" to rebuilding the National Industrial Council for the Printing & Newspaper Industry, which collapsed at the end of last year. Nampak played a leading role in the destruction of the council, the union alleges.

The company maintains the union has — since its inception — negotiated with Nampak businesses at plant level, even when the council was in existence. It says it has been prepared to negotiate with Ppwawu in the past despite the existence of a statutory SA Typographical Union (SATU) "closed shop" arrangement.

According to a Nampak spokesman "this is consistent with the group's philosophy on freedom of association and the belief that industrial relations structures should reflect the diversity of our business structures."

After two confirmed cases of bugging at two Transvaal plants, the union has called for a full investigation into the whole of Nampak — with management supplying reports on private security companies hired and their tasks. The company has refused to do this, the union says.

A company spokesman said the group has repeatedly admitted to Ppwawu the existence of an electronic device at two businesses in the Transvaal and that the individuals responsible for — among other things — the installation of these devices were no longer employed by the group.

*Vera van Lieres*

# R297m—AND CLIMBING

By DON ROBERTSON

LOSSES continue to mount at strike-stricken Mercedes-Benz (MBSA) in East London. Lost production after 22 days is R297-million and workers are R45-million out of pocket.

The National Union of Metal Workers of SA (Numsa) and MBSA will continue their talks in the coming week.

Component suppliers in East London are working short-time. If MBSA quit, suppliers of materials and components could lose about R700-million a year. Thousands of jobs would be lost and many suppliers would move.

When the plant is reopened, it is ex-

pected to take at least two weeks to return to full production. Some work has been done to prepare for a start-up.

Motor dealers are suffering from reduced revenue. Already some potential buyers of Mercs and Honda Ballades have switched to other up-market models. *S/Times 16/9/90*

Waiting lists of between three months and 18 months—longer for the Mercedes S range—are lengthening.

It is unlikely that the reopened plant will be able to make up the backlog because the luxury tradition of the two cars requires a slow assembly line.

The plant was closed when a handful of rebel unionists occupied the premises after rejection of their demands for wage negotiations to be conducted with MBSA management and not through the National Bargaining Forum (NBF). Six motor manufacturers negotiate through the NBF, which was introduced at the request of Numsa.

The plant is reported to have been badly damaged.



# Samancor orders not hit by strike

g 10w 179190  
A TWO-week strike by 2 000 metal workers at Samancor had led to a production loss of about 4 000 tons of ferrochrome, MD Hans Smith said.

"One of our plants, Ferrrometals in Witbank, is running at 70% capacity, which means a loss of production of about 8 000 tons a month," he said.

The loss amounted to about one-sixth of Samancor's total ferrochrome output and would not affect the company's ability to fill its orders.

"It's not significant.

"We have four months' stock," he said.

The other strike-affected plant,

Metalloys, was running at full capacity, he said.

The strikers, all members of the National Union of Metalworkers of SA, are demanding a 36% wage increase for the lowest paid workers and 15% for the highest paid workers.

The company is offering 15% across the board.

The union is also calling for increased job security.

Smith said the company would dismiss the strikers if an agreement was not reached.

Its offer would bring the monthly minimum wage to R1 200 a month, including a housing allowance and

attendance bonus. (181)

The union, whose members represent two-thirds of the workforce at the two plants, accused the company of using "high-handed" tactics against strikers and said it would do everything in its power to protect the interests of workers.

Last month Samancor reported earnings a share of 322c for the year to end-June compared with 379c for the previous 15 months.

The commodities producer said it expected lower group earnings for the coming year because of bleak prospects for ferrochrome prices. — Reuter.

# Wage rally

181

South 22/9 - 26/9/90

A SOUTH African Clothing and Textile Workers' Union (Sactwu) rally on the living wage campaign will be held in Bellville on Sunday.

Although the rally will deal with the present negotiations for clothing workers, it should have wide appeal for workers in the leather and textile sectors, said a Sactwu spokesperson.

The rally at UWC, which begins at 2pm, will be addressed by union leaders. Transport has been arranged for union members.

# Trailblazing agreement

South 20/9 - 26/9/90

~~20/9~~

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By CHIARA CARTER  
A TRAILBLAZING agreement which provides for a childcare allowance has been reached at a major clothing store company.

In terms of the settlement signed between the South African Commercial, Catering and Allied Workers' Union (Saccawu) and the Foschini Group earlier this week, the company has agreed to pay female employees an allowance of R620 to cover the costs of

childcare for three months after the mother has returned to work.

The agreement, which covers about 5 000 workers at Foschini, American Swiss, Pages and Markhams, provides for six months' paid parental leave to be taken by any female employee or shared with a legal or common-law husband also employed by the company.

Saccawu usually negotiates for nine months' paid leave with provision for further unpaid leave.

A Saccawu spokesperson said the company's operational limitations, which include small staff complements, meant that the allowance was a compromise between the company's constraints and the union's concern that babies were adequately cared for.

Women constitute about 80 percent of the company's work force.

All women at Foschini will have their jobs guaranteed on their return from parental leave.

Those who have worked

for the company for eight months will receive a third of their normal salaries on maternity leave and the childcare allowance when they return to work.

Other provisions of the agreement, which took eight months to negotiate, are in line with the signing of the first-ever parental rights agreement between Ccawusa and Pick 'n Pay in 1987.

These include the extension of parental benefits to adoptive and foster parents as well as the parents of illegitimate children.

The principle of paternity leave is included in the agreement.

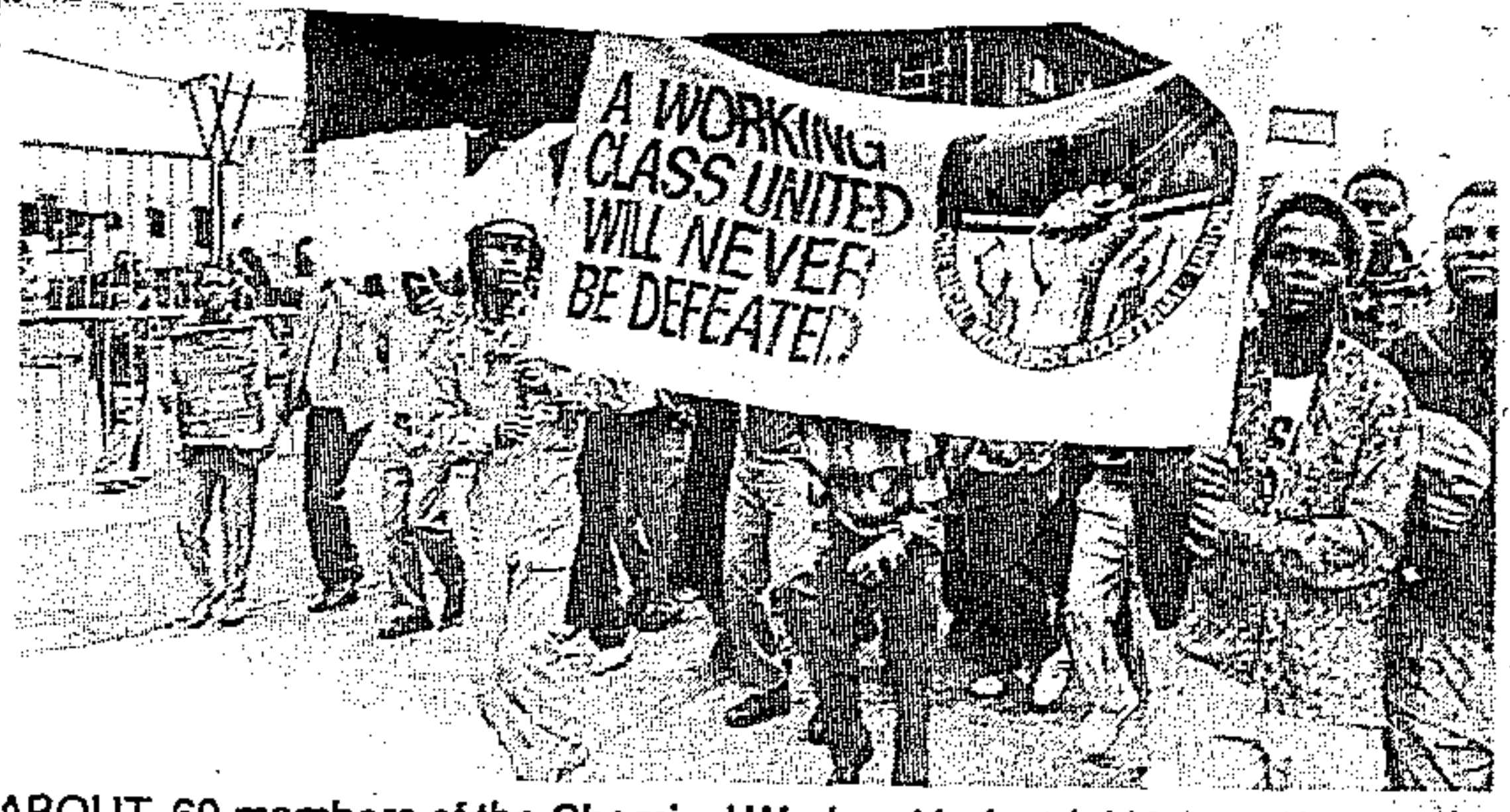
Fathers will get a week's paid leave and an optional 18 days' unpaid leave with the possibility of an additional five days' paid leave in the event of serious illness of the mother or baby.

The company has agreed to give women paid time off for ante-natal care and to pay medical aid contributions in full.

The company has also committed itself to cooperate with the union in a campaign to raise awareness about how to prevent cervical cancer.



South 20/9-26/9/90



ABOUT 60 members of the Chemical Workers' Industrial Union (CWIU) were locked out of Cape Gas in Woodstock this week. The move came as the workers were about to take industrial action in support of wage demands. A CWIU spokesperson said that 99 percent of union members at the plant had voted in favour of industrial action. The company has offered an increase of 50 cents an hour, bringing the minimum rate to R3,25 an hour. The union is demanding an increase of R1,25 an hour. (181)

# Sasol agrees to mediation to end strike

SASOL accepted a SA Chemical Workers Union (Sacwu) offer of mediation yesterday to resolve the strike by 2 000 workers at its Sigma colliery and extended yesterday's deadline to today for the dismissed strikers to reapply for employment.

Sacwu national organiser Manene Samela said the decision to undertake mediation by the Independent Mediation Service of SA (Imssa) yesterday was a breakthrough.

A picket by 200 Sigma workers at head office and a petition spurred Sasol to accept mediation, he said.

Sasol spokesman Jan Krynauw said the deadline for the 2 000 strikers

MATTHEW CURTIN

dismissed last week to reapply for their jobs was extended to 9am today.

Sacwu has rejected a Sasol offer of 20% to 23% increases, which would take minimum monthly wages for underground and surface workers to R500 and R454, and demanded a 258% hike to take the minimum wage to R1 050 a month.

Samela said the union decided yesterday to hold a strike ballot on Monday among its 2 500 members at the Sasol 1, Saschem, Sasol Fertiliser and Natref chemical plants.

02/11/70  
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# NBF reaches accord for car industry

Weekly Mail Reporter (181) ~~181~~  
AGREEMENT has been reached in the car industry's national bargaining forum (NBF), the focus of labour disruption at Mercedes-Benz's plant in East London.

Unions, including the National Union of Metalworkers, and six major vehicle manufacturers have agreed on wage increases of between R1,15 an hour at the bottom and R1,75 at the top, backdated to July 1. The deal is to be signed next Friday.

In line with its national bargaining conference decision early this year, Numsa demanded an across-the-board increase of R2.

According to a statement by Mercedes, whose East London plant re-

mains closed following a sit-in over demands that the company withdraw from the NBF, management is awaiting Numsa's confirmation that the agreement is binding on all Mercedes workers.

In terms of the NBF deal, employers will abide by all clauses of the "Saccola accord" on the Labour Relations Act, regardless of whether these are legislated. The NBF agreement also provides for:

- Maternity leave amounting to 25 percent of the employee's basic wage for 18 weeks and eight weeks' unpaid leave, as well as one day's paid paternity leave.

- The formation of an employer-union committee to discuss job crea-

tion, job security, productivity and the future viability of the car industry. The first meeting will be on October 5.

- The development of industry guidelines for non-discriminatory recruitment, selection, training and testing.

Employers have also agreed to review their support for discriminatory training institutions.

- That workers who are detained or imprisoned under security laws will have their wages paid and jobs guaranteed, provided their incarceration contravenes "internationally accepted principles of the rule of law".

- One free and compulsory pap smear for women workers every year.



# LITERACY TO THE FORE IN BATTLE FOR SKILLS

*S/Times 23/9/90*

**CORPORATE** social responsibility schemes (CSR) in the US — they took off there after race riots in the late 1960s — have great relevance for South Africa, says an American authority, Myra Alperson.

SA's economy, which desperately seeks higher productivity, needs to tackle its literacy problem and related skills shortage.

As part of the solution companies could encourage on-site literacy programmes in terms of CSR schemes.

A survey on trends in CSR in SA indicates that housing and education enjoy the greatest priority. The study was undertaken by FSA-Contact and covered 101 companies.

Miss Alperson says in the Innes Labour Brief that some companies in the US place such a high priority on CSR that they appoint social responsibility committees on their boards.

Corporations, such as Coca-Cola and IBM, have made multimillion-dollar



## MANPOWER MIRROR

By Adrian Hersch

grants for public education. But other methods are also used.

Some companies that are retrenching, such as Polaroid and Chevron, are funding schemes to encourage employees to become teachers. Polaroid also takes care of on-site literacy training.

### Mentor

In the automobile industry management and unions have developed on-site educational programmes. Ford employees can even obtain university degrees at the workplace.

The "mentor" system is encouraged by General Electric Company. This scheme encourages employ-

ees to volunteer — even in company time — as mentors for those interested in science or engineering careers.

Support for minority (black or Hispanic) businesses and banks is a major component of CSR, fostering support for a middle-class of minority entrepreneurs.

In 1989 General Motors spent more than \$1-billion on purchases from minority suppliers. It also deposited more than \$900-million in accounts of 83 minority-owned banks.

Miss Alperson is project director, corporate social responsibility, at the Council on Economic Priorities in New York. She will be in SA for two years from October, and will be attached to the

Labour Brief offices. The publication is edited by Professor Duncan Innes of Wits University.

The FSA-Contact survey shows that 80% of organisations provide housing benefits, whether to their employees or to interest groups the company has identified.

Of those providing housing benefits, 38% are involved in housing schemes in the townships and with community housing self-help schemes (32%).

### Priority

About three-quarters of the companies provide education benefits, whether to employees or some other interest group. About 50% assist in the development of schools in areas where their employees live, and an equal proportion help in upgrading teaching skills in the community.

Nearly two-thirds of companies place a priority on health care. But less than half place high priority on the development of small business.

# Labour 'put Mercedes off target for past five years'

MERCEDES-Benz SA's East London plant had not met its weekly production targets once in the past five years because of industrial relations problems, Mercedes-Benz official Wendy Hoffman said at the weekend.

Hoffman said go-slows and absenteeism at the East London plant were responsible for the shortfalls in production. She said chairman Chris Kopke had expressed concern that labour problems were the single greatest threat to the firm's viability.

But the firm was confident the National Union of Metalworkers (Numsa) would agree to procedures under discussion, which would provide a stable future for all plant employees.

Production has been at a standstill since mid-August, when Numsa members staged a sit-in to demand the company withdraw from the industry's national collective bargaining forum.

Our East London correspondent reports that companies ancillary to the Mercedes-Benz plant are bracing themselves for the possibility that production at the factory will not be resumed this year.

MATTHEW CURTIN

Two weeks ago these companies, which supply components to Mercedes-Benz, began laying off workers as no end to negotiations between management and Numsa was in sight. It was feared that if Mercedes-Benz was not back on stream by the end of the month, it might not open until next year as it would have to close for the Christmas industrial holiday during December.

## Two days

Turin, which supplies engine blocks to Mercedes-Benz, has laid off 155 of its 250 workers. The Wilsonia factory's financial manager, Jan Mans, said last week his company was preparing for "the worst scenario".

"We have indefinitely laid off people and the arrangement is that as soon as Mercedes is back to normal production then we will reconsider and call them back," he said.

Mike Crosby, financial director of National Converter Industries (NCI) — which makes Mercedes-Benz interior fittings — said his people were working two days a week until there

was "something definite to go on".

If production was suspended until the end of the year NCI would probably retrench staff.

The department manufacturing wire-harnesses for Mercedes-Benz at Kromberg and Schubert had been closed.

And Roger Wass, GM of Feltex — which manufactures seating foam rubber — said he was aware of the talk about no production until next year, but did not believe it.

If it did happen Feltex would have to retrench 40% to 50% of its workforce. However, it was managing to keep people employed by finding alternative work.

None of the companies would disclose losses suffered since several hundred Mercedes-Benz workers went on strike on August 16.

Kromberg and Schubert, Turin and Faltex said they would consider releasing the figures soon.

Mercedes-Benz had said its plant was losing R13.5m a day.

East London Chamber of Commerce director David Groom said the region could lose up to R700m a year and up to 10 000 jobs if Mercedes-Benz closed down its plant.

## Police break up protest <sup>sowetan</sup> 26/9/90

WORKERS from Select-a-shoe went to work yesterday after their protest demonstration at the company's head office in Elandsfontein was allegedly disrupted when police fired teargas to disperse them. (181) (S)

Captain Ida van Zweet of East Rand police yesterday said the police took action to disperse the workers because the demonstration was illegal.

The demonstration, according to Hotelicca spokesman (Hotel, Liquor, Catering and Commercial and Allied

workers union) was held as a "warm-up" to a national action and to put pressure on management to negotiate with the union.

Mr Oscar Malgas said the union wanted to negotiate wages and "substantive issues", such as working conditions with the company.

He said the union had applied to the Conciliation Board to intervene following the company's refusal to negotiate with them.



# Undisciplined workers 'could be Achilles heel'

181

810ay 26/9/90

AN UNDISCIPLINED labour force could be the Achilles heel of future SA development and economic growth, the Stellenbosch University-based Bureau for Economic Research (BER) warns.

In its latest survey of the manufacturing sector for the quarter ended September, the bureau says economic instability will prevail until consensus has been reached on a new economic and political system.

It says 25% of manufacturers representing 21 sub-sectors reported a year-on-year drop in hours worked. A "still higher" percentage expect that trend to continue.

While the decline in labour input could not be ascribed to work stoppages alone — the recession also took

SYLVIA DU PLESSIS

its toll — sectors such as motor and transport were "riddled with impromptu strikes" and 58% of manufacturers there reported a decline in labour input.

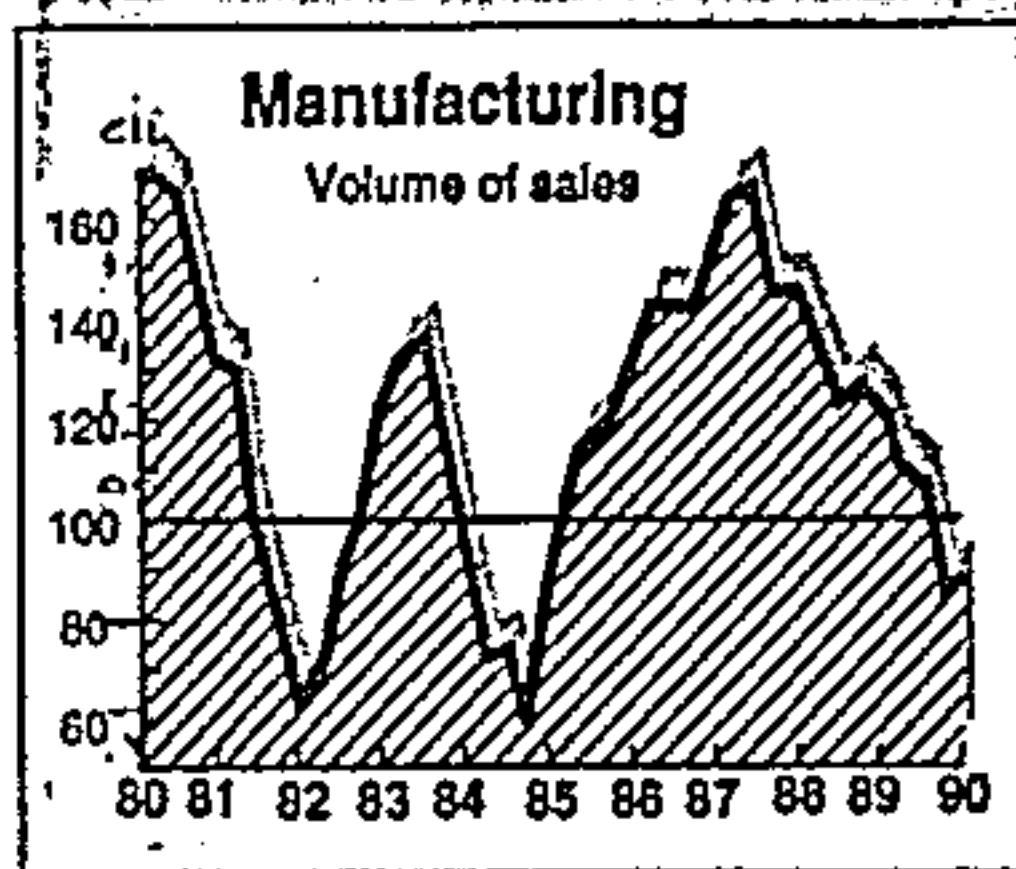
"Labour unrest, if left uncontrolled, could surpass sanctions as the greatest destroyer of the SA economy, particularly as it affects multinationals whose perceptions of the host country's internal social, political and economic stability are of the utmost importance," it says.

"Until labour disruptions have been curbed, further attempts at economic development will continue to be inhibited."

The bureau says political uncertainty is the most destabilising factor in the SA economic arena, with the index measuring the extent to which political constraints hamper business edging up to 36 points from 30.

"Not only is development capital being withheld for want of clarity on the post-apartheid economic system and political power structure, but the initiatives of local entrepreneurs are also being dampened by fears of possible future business restrictions."

Labour, on the other hand, is pursuing "unrealistic" remuneration goals.



Graphic: LEE EMERTON Source: BER

# Black salaries are lagging far behind

DESPITE the pace of political reform, the average black employee is almost six years behind his white counterpart in salary.

Black Jobs MD Dalene Stiff says over the past two years her company has monitored salaries paid in Johannesburg in several categories.

"Based on a portfolio of more than 10 000 black job applications, we have found blacks are earning the equivalent of what white workers with similar qualifications and experience were being paid during 1984," Stiff says.

"This is particularly true in small to medium-sized companies and in posts such as administration

clerks, telephonists and general office secretaries.

"The major corporations are an exception, upholding their claim of equal pay for equal work and equal opportunity regardless of race, sex or creed."

~~188~~ **No option**

A company can often save up to 50% on a salary by employing a qualified and experienced black person.

At the same time, economies dictate that many black people have no option but to take the job at a below-average salary.

"The gap can be attributed to a perceived supply and demand situation,

Stiff says.

"The perception is that there is a shortage of skilled staff — and if an employer insists a white person be recruited, the employee could be in a position to demand remuneration at an inflated level.

"On the other hand, the oversupply of black job-seekers ensures black employees accept what they can get because the alternative is no job at all."

Other factors also put the employer into a strong bargaining position when recruiting a black employee, she says.

For example, few blacks below senior management level are recruited through

traditional channels, such as recruitment agencies.

This is partly because many agencies prefer not to devote their resources to job categories that pay less than R1 500 a month.

~~217~~ **Explosive**

As a result, black people in these fields are recruited by word of mouth, by answering classified advertisements and by knocking on doors.

"The salary gap between white and black staff is a potentially explosive issue that could become important in the SA of tomorrow," Stiff says.

"Political parties to the left are already calling for

the redistribution of wealth and accelerated black advancement.

"Pressure from the political quarter to redress salary imbalances will be led by trade unions."

"The personnel recruitment industry, she says, has a part to play in defusing this situation.

"By bringing together black office staff and employers, the industry can play a mediating role.

"The opportunity is there to help close the salary gap, ease unemployment and help employers discover the skills shortage is not as drastic as many would have us believe," she says.

Sowetan 27/9/90

## Strikers picket Nampak

ABOUT 200 striking workers held a demonstration outside the Nampak head office in Sandton yesterday and vowed they would not leave until senior executives met their representatives.

The Printing, Paper, Wood and Allied Workers Union said about 3 000 workers were on strike at 19 Nampak plants to demand centralised bargaining.

Protesters demanded to be addressed by senior executives.

A delegation held discussions with management representatives.

The workers said they knew that senior executives were in the building because they had informed the company last week about the demonstration.



## Spareco employees' court bid for wages

*(181)*  
MARCIA KLEIN

EMPLOYEES of troubled motor spares distributor Spareco are taking the company and a number of banks to the industrial court in a bid to obtain a court order to enforce the payment of wages.

The application — due to be heard by the industrial court this morning — names one employee as applicant and is backed by a large number of the company's 683 staff members, an employees' spokesman said.

The spokesman said last night staff believed they were eligible for payment as the business was not in liquidation, no jobs had been terminated and staff had been doing their duties.

He said there had been no previous indication that they would not be paid and employees had been asked to help with stock counts over the past month.

The spokesman said black employees had been paid on a weekly basis over the past few weeks, but did not expect to be paid this week. *BID 279/90*

While Spareco has been cited as the first respondent, it is not clear who would be responsible for the payment of wages as the other respondents — Bankorp, First National Bank and Alpha Bank — hold all Spareco's assets in terms of a court decision on September 4.

The International Bank of Johannesburg (IBJ) was also cited as a respondent but, although it is owed a substantial amount of money by Spareco, it was not part of the

To Page 2

## Spareco

*BID 279/90*  
consortium of banks involved.

During September, monies had been collected by the company and had been deposited by the banks, the spokesman said. However cheques had not been processed by the company's computer room as was usually the case at this time of month.

He said about 10% of Spareco's staff had left during the month and most of the employees were looking for jobs.

*(181)*  
 From Page 1

The spokesman said employees were also concerned that while there had been many offers for a takeover and offers of compromise to concurrent creditors, none had been acceptable to the banks.

He said one of the first takeover offers — by the Schreiber Group — had not been accepted after a deposit was put down.

Singapore-based German businessman Hans Schreiber, owner of Neethlingshof wine estate, has many interests in SA.

# Mercedes-Benz prepares for production to resume

01064 27/9/90 (181)

THE first signs of a possible end to the deadlock between management and workers, which has halted production at Mercedes-Benz SA's East London plant, emerged yesterday.

Mercedes-Benz official Wendy Hoffman said the company would ask employees not in possession of a valid company identity card to report to company personnel office for a new document today.

She said this instruction was to "prepare the East London plant for production to restart".

The company would run a local newspaper advertisement addressed to Mercedes-Benz employees this morning, she added.

But, she said, while management was committed to reopening the plant as soon as possible, the National Union of Metal Workers of SA (Numsa) had yet to fulfil all the conditions Mercedes-Benz set down

MATTHEW CURTIN

for production would resume.

Production stopped in mid-August when Numsa members staged a sit-in to demand the company withdraw from the industry's national collective bargaining forum.

Numsa held meetings throughout the week in East London, but regional organiser Les Kettle was unavailable for comment last night.

Mercedes-Benz has rejected Numsa demands that 538 workers, dismissed for their participation in the protest, be reinstated.

The company also insisted on union guarantees of its commitment to all collective agreements and an agreement on a process to determine the fairness of dismissals as preconditions for the plant reopening.

Mercedes-Benz chairman Chris Kopke has said the plant was losing R13.5m a day.

# Abattoir picket

South 2719 - 3110/90  
Dismissed Cape Slaughter workers and members of the Western Cape Unemployed Workers' Union (Wecuwu) intend holding a picket outside the Maitland abattoir in Cape Town this week.

The workers are campaigning for reinstatement.

Meanwhile more than 70 locked out Woodstock workers and Wecuwu members this week demonstrated outside the Cape Gas premises.



## LABOUR BRIEFS

# Strike support for union

South 2719 - 3110190  
MORE than 2 000 workers from 18 Nampak factories in the Transvaal and Port Elizabeth last week downed tools in support of their union, the Paper, Print, Wood and Allied Workers' Union (Ppwawu).

A Ppwawu spokesperson said the workers were unhappy about a range of issues and felt the union was "under attack".

There were several stoppages last month at Nampak plants to protest against the bugging of union meetings at Nampak's Wadeville and Rosslyn plants.

# Workers' music

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MEMBERS of the Music Project of the Movement of Christian Workers (MCW) took their talent to what some may call an incongruous event:

They were invited by the Metal and Electrical Workers' Union of South Africa (Mewusa) to assist union members during a picket outside the factory gates of a television manufacturer, National Panasonic, this week.

27/9 - 3/10/90

"The impact of the Music Project was just what the workers needed to boost their morale," said MCW spokesperson, Mr Marcus Rogers.

# LABOUR FOCUS

## Wildcat strikes bring Nampak around on central bargaining

By DREW FORREST

AGAINST the background of spiralling wildcat strike action, Nampak has agreed to start talks with the Paper, Printing, Wood and Allied Workers Union on central bargaining within the giant packaging group.

This is according to Ppwawu national organiser Rob Rees, who said on Wednesday 3 000 workers were now on strike at 20 Nampak factories over demands for central bargaining; a Nampak pledge to help rebuild the defunct printing and paper industrial councils and a company-wide probe into "bugging" of union activities.

The week-long strike looks set to spread. The union is organised in about 40 plants — close to half those in the group.

Although company confirmation could not be obtained, the offer of talks comes as a surprise.

W/Mail 28/9 - 4110/90  
Nampak earlier signalled its continued rejection of group-wide wage bargaining.

The company last week broke off negotiations with the union, accusing it of a deliberate bid to undermine labour practices and attacking the union's "premature decision to declare a legal dispute ... which is totally at odds with the illegal industrial action".

Rees said the talks offer, made at a meeting this week, would be discussed by workers. However, a pledge to discuss alternative bargaining levels represented a shift.

He added that Nampak head office had offered to take up the sacking of 400 strikers at Nampak plants in Vereeniging, Industria and Edenvale with local managements.

"Workers will want a greater commitment to the unconditional reinstatement of these workers," he warned.



# New NMC labour proposals likely to draw flak from unions, small business

W/MAIL 28/9 - 4/10/90

By ALAN HIRSCH

PROPOSALS emanating from the National Manpower Commission (NMC) on modifying labour laws to suit small business development will probably meet criticism from both interested parties — small businesses and organised workers. Small business will probably think the proposals do not go nearly far enough, while trade unions may feel workers in small businesses will have even less protection from exploitation.

Trade unions, employer organisations, and small business lobby groups will soon have to respond to a set of proposals for amending the conditions under which workers are employed in small businesses.

The proposals are contained in a "working document" issued by the NMC project committee on small business, designed to provoke discussion and responses, and culminate in amendments to existing laws.

Proposals cover amendments to a wide range of laws regulating labour relations on issues extending from minimum wage measures to safety regulations and unemployment insurance.

A minority of the committee members favoured the blanket exemption of small businesses from labour laws, but most plumped for exemptions for individual firms on application. This is possible under existing law, but could be made easier for small businesses.

The other major thrust of the proposals is the simplification of labour regulations to make it easier for small businesses to comply.

Though it had a fairly open-ended brief from the Manpower Minister, the committee decided to focus on "micro-

businesses".

"Independent micro-businesses" are defined as firms which are entirely independent, owner-managed, employing no more than 10 permanent employees, and having an annual turnover of up to R250 000.

NMC chairman Frans Barker, who is a member of the committee, explained that in firms of 10 or fewer people it was likely that the owner-manager would be responsible for all aspects of management. For this reason he, or she, would not have special knowledge of labour regulations, and probably would not have the time to learn them.

Larger firms were likely to have the managerial capacity to cope with the myriad labour regulations and did not need special treatment, though they would also be considered for exemptions.

One of the novel proposals of the committee is that a "facilitator" should be appointed by the Department of Manpower to receive all applications for exemption from micro-businesses, and to hear appeals on decisions by individual industrial councils on exemptions. Barker said employers and employees could draw on the services of the facilitator for advice on procedure in their dealings with industrial councils.

Another innovation the committee has put forward is subsidised arbitration in the case of disputes over dismissals. The idea is to avoid the extended and complex bureaucratic dispute settlement procedure entailed in the Labour Relations Act. If both parties agreed, the NMC could subsidise the costs of an arbitrator.

In response to the suggestion that such a system might be open to financial

abuse, Barker said it might help to have a fixed-sum subsidy, and to have a register of arbitrators.

Disputes might also be settled in "small claims labour courts" which should be available in outlying areas.

Where an employee had been found to have been unfairly dismissed, the committee felt a monetary settlement might be preferable to a reinstatement order, depending on the size of the firm and "the degree of personal relationship between employer and employee".

Perhaps the most controversial element of the committee's proposal is that it be written into the Wage Act that the size of the firm be taken into account when exemptions from minimum wage determinations are applied for. This suggests small businesses may expect automatic exemption from minimum wage rules, which, as a labour lawyer pointed out, means no wage protection, as few small firms are unionised.

As far as health and safety regulations, and unemployment and accident insurance are concerned, the committee was divided between die-hard deregulationists, and those who thought the regulations could be simplified enough to make compliance by small firms feasible. The moderates generally won out, though in several cases alternative proposals were put forward without preference.

Barker said summary responses to the committee's proposals must be submitted by October 8, and that oral representations would be heard by the committee a week later.

The next step is for the committee to take its proposals to the NMC, which will decide what to submit to the minister.

## MBSA scotches rumours that it will soon re-open

*w/mant 28/9 - 4/10/90*  
By DREW FORREST and  
LOUISE FLANAGAN (S) (181) (S)

MERCEDES-BENZ has scotched speculation that its strife-torn East London plant would re-open on Monday, as lost revenue due to the plant's six-week closure topped the R400-million mark.

In an advertisement in the East London press today, MBSA said further talks were scheduled with the National Union of Metalworkers on Monday.

However, the advertisement said Numsa members had accepted arbitration on the dismissal of 538 workers whose sit-in strike precipitated the closure on August 16.

And on Thursday, MBSA called on workers to collect backpay and identity cards, and fired strikers to remove their possessions from the premises.

Numsa has secured shop-steward support for its stand on the car industry's national bargaining forum (NBF). The strikers, allegedly backed by most Mercedes stewards, had demanded the firm's withdrawal from the NBF.

MBSA chairman Christoph Kopke told Sapa last week the company had failed to meet production targets for the past five years because of labour conflict, and the East London Chamber of Commerce says the closure of MBSA could threaten 10 000 jobs. Some suppliers have already laid off staff.

In a statement presaging possible tensions between the African National Congress and the unions, local ANC official Arnold Stofile told Sapa that "irresponsible" labour action could scare off existing employers and potential investors.

He said the legalisation of the ANC meant that Cosatu could now leave the political arena to the ANC and SA Communist Party.

## Spareco must pay salaries

MARCIA KLEIN

181

SPARECO — whose assets are held by its creditors — must pay all September salaries and other payments due to all its 683 employees, the Industrial Court ruled yesterday after an action for relief was heard. *By 28/7/90*

Despite the favourable ruling, staff of the motor spares distributor have planned a march to Trust-Bank today to cash their cheques — which the salaries department will draw, a spokesman for the employees said yesterday.

This was because Spareco "had no money available" as its assets were held by its creditors.

The company will be issued with a court order today to pay out wages to employees.



# Manufacturers 'replacing workers with machinery'

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B10M 28/9/90

GRETA STEYN

MANUFACTURERS in sectors that are usually labour-intensive — furniture, leather, footwear, clothing — are committed to replacing labour with machinery because of perceived "labour inefficiency".

That is one of the findings of a Bureau for Economic Research study, based on surveys among manufacturers, into the reasons for the growing capital intensity of the SA manufacturing sector. The fact that manufacturing had become more capital intensive during the '80s was confirmed by 77,3% of respondents to the survey.

Study author Leon Welcher saw as "particularly worrying" the trend among smaller businesses and traditionally labour-intensive industries to replace labour with capital.

"The rising 'cost' of labour is reflected in increased union activity, rising wages, perceived low labour productivity and increased political activity. Consequently, manufacturers have opted for what was considered the 'cheaper' option and replaced labour with machinery."

But Welcher cautioned against "simplistically blaming organised labour" for the replacement of labour with capital and noted that a range of other factors had contributed to the overall capital deepening.

These were technological advancement, growth factors and concern about future availability of machinery. Capital intensity in larger manufacturers was motivated by technological developments. The prime motivating factor for purchasing new technology was to maintain cost competitiveness.

## Stagnation

Welcher found that the policy of import substitution was a major contributor to capital intensity as many of the tariffs and duties imposed by government were a direct result of government's desire to develop capital intensive industries.

"The cost to the economy in 1990 is high unemployment coupled with high capital intensity."

The stagnation over the past decade of employment growth in the manufacturing sector — traditionally the main provider of jobs in SA — reflected the increasing rate at which labour was replaced by capital in the past decade.

Capital was being used to replace labour rather than boost output and that was why no job creation was taking place in the manufacturing sector.

"A startling statistic of the Central Statistical Service shows that between 1980 and 1990 there was hardly any growth in the number of people employed in the manufacturing sector. During the same period, the capital stock of the country grew in real terms by about 15,7%."

The policy implications of the BER study's findings were that policies should encourage capital investment in industries where SA had a competitive advantage.

"Perceived labour inefficiencies need to be resolved through consultation between management and workers."

# Mercedes-Benz, Numsa edge closer to a solution

8 10 am 28/9/90

MERCEDES-BENZ SA and the National Union of Metalworkers (Numsa) edged closer to an agreement yesterday which would allow production to resume at the company's East London plant.

A Mercedes-Benz spokesman said yesterday Numsa confirmed its members at the plant accepted the wage agreement concluded at the industry's national bargaining forum (NBF).

The company suspended production at the plant on August 16 after a group of Numsa members began a protest against Mercedes-Benz's participation in the NBF.

Mercedes-Benz insisted the union guarantee it would abide by all collective agreements as a precondition for reopening the plant.

Numsa had demanded the 538 workers dismissed for their involvement in the protest be reinstated, but the company spokes-

MATTHEW CURTIN

man said the union agreed negotiations over the dismissals should be referred to arbitration.

He said Numsa told the company it did not foresee another meeting with management before Monday.

Numsa officials were unavailable for comment last night.

Mercedes-Benz CE Chris Kopke issued a statement to all employees yesterday in which he warned the rate of progress of these negotiations "would determine whether or not the company would be able to continue to do business in SA".

Kopke has denied the company has any plans to relocate from East London, but said labour relations problems, responsible for Mercedes-Benz's failure to meet weekly production targets since 1986, threatened the viability of the East London operation.

13 Day 28/9/90  
28/9/90  
Six more Nampak plants hit by strike

(18) MATTHEW CURTIN (18)

A STRIKE by more than 3500 Paper Printing Wood and Allied Workers' Union (Ppwawu) members campaigning for centralised bargaining at Barlow Rand subsidiary Nampak yesterday spread to six more plants, bringing to 25 the number affected. (18)

Ppwawu national organiser Rob Rees said the union had received a written response from the company proposing ways to resolve the dispute. This would probably be discussed with the company today.

A Nampak spokesman said yesterday the company was prepared to discuss national forums for negotiating issues such as provident funds, medical aid and training.

It nevertheless believed plant-level bargaining over wages and conditions of employment best suited the interests of the company's employees because of the diverse nature of Nampak companies, their products and markets.



# Merc work hope

By DON ROBERTSON

MERCEDES-BENZ SA (MBSA) chairman Christoph Kopke is confident that work at the East London factory will resume on Wednesday.

Production has been halted for 32 working days after a sleep-in by rebel union workers demanding that wage negotiations be conducted internally with management and not through the National Bargaining Forum (NBF). The NBF method was approved by the National Union of Metalworkers of SA (Numsa).

MBSA had lost R432-million in revenue by Friday. The stoppage has cost hourly paid workers almost R10-million in wages.

Mr Kopke has warned three times that MBSA could quit SA.

But he believes negotiations which continue tomorrow will be successful.

"The revised proposals have been in the hands of Numsa for the past 10 days.

"I am optimistic that we will be able to notify our workers, most of whom are in Transkei, that we will start production on Wednesday or Thursday."

The stoppage has affected component suppliers and retrenchments and short working weeks have been introduced by several companies. It is estimated that if MBSA were to withdraw, these companies could lose about R700-million a year in sales.

MBSA carries insurance for loss of profits. But it will have to be decided whether damage to the plant was caused by a politically motivated action or by valid

labour protest before a claim can be submitted.

The cost of salaries and

essential maintenance at the plant is being financed by normal lines of credit.

# Concern at Mercedes Benz warning

181  
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THE National Union of Metalworkers of South Africa (Numsa) is concerned about a warning by Mercedes Benz that an ongoing sleep-in by dissident Numsa members at the company's East London factory could lead to the plant's closure.

About 600 workers have been sleeping-in at the plant for the past two weeks in support of a demand that the company pull out of the National Bargaining Forum for the motor industry.

Mercedes Benz this week said the strike had cost R121,5m in loss of production and if it continued, the company's future would be at stake.

With some 3 000 employees, the firm is one of the city's largest employers.

Numsa official Mr Sitheli Nonyukela said the union was taking the threat of closure seriously.

He said all 23 shop stewards from the company this week met with national and regional union officials to

discuss the situation.

The meeting followed Mercedes' rejection of a union proposal that the company temporarily suspend participation in the bargaining forum to give the union a chance to sort out its internal differences on the issue.

Numsa has found itself in the ironic position of negotiating over an issue where it disagrees with the workers' demand.

The bargaining forum was set up at Numsa's insistence to centralise negotiations throughout the motor industry.

However, some Mercedes Benz workers believe they can get better wages by plant level negotiations.

The dispute at Mercedes erupted just as the union was involved in legal moves to force Delta Motor Corporation in Port Elizabeth to participate in the forum.

Last week, the company dismissed 200 workers for ignoring a court order to leave the premises.

Numsa general secretary Moses Mayekiso said: "We decided we had to be flexible because our members are divided".

Mayekiso said management refused to suspend participation in the NBF on the grounds that it had an obligation to other employers in the industry.

The company has refused to comment on the progress of negotiations. — ECNA

Soult  
3018-519/70

# LABOUR NEWS

DAILY UPDATE ON LABOUR RELATIONS, UNION  
POLITICS AND INDUSTRIAL DISPUTES

## Mercedes proposes arbitration on firing of sit-in employees

W/ mail 3118-219/90

By DREW FORREST

MERCEDES-BENZ management has proposed arbitration on the dismissal of 200 workers whose occupation of its East London plant has brought production to a standstill over the past fortnight. Mercedes has also warned the National Union of Metalworkers that if the union is unable to persuade workers to vacate the plant, it will take "whatever steps it believes necessary" to ensure they leave.

At the same time, six car companies in the industry's national bargaining forum (NBF) are adamant that no wage deal will be concluded in the NBF which does not cover the Mercedes workforce.

This emerges from an advertisement to be published by Mercedes in the press today. In a statement releasing the text of the advertisement, Mercedes said the position regarding "unprocedural industrial action" at the plant remained unchanged and that management and Numsa were continuing their efforts to resolve the crisis. Numsa could not be reached for comment.

On Wednesday Numsa top brass, including key officials Les Keteldas, Bernie Fanaroff and John Gomomo, met Mercedes shop stewards in Port Elizabeth over the dispute.

In the advertisement, Mercedes lists a number of demands made at a meeting of the NBF this week. In defiance of Numsa policy, the workers occupying the plant have demanded Mercedes' withdrawal from the national forum and a move to plant-based pay negotiations.

The demands were that Numsa:

• State whether it supports workers' demands that the company withdraw

from the NBF, and whether it condones the "unlawful occupation" of the plant and the "unacceptable conduct" of workers participating in it.

Mercedes says the workers are wielding an assortment of dangerous weapons, have damaged and stolen property and have threatened and intimidated other workers and contractors.

• State what action it intends taking against members who have "defied and undermined" union policy, the NBF, the company, Numsa shop stewards and the Supreme Court, and what it intends doing to ensure that members vacate the plant.

• State whether it can reach a wage deal in the NBF binding all Mercedes workers.

Numsa replied to the demands, the company said, but had asked that its response remain confidential.

Giving details of its subsequent response, Mercedes said it shared Numsa's view that dismissed workers should have a fair hearing. The union should convince workers to leave the plant and allow arbitration to take place in terms of the recognition agreement.

The workers' rejection of this proposal was not conducive to resolving problems, it said.

The company said employers in the NBF were committed to concluding an agreement in the NBF which included Mercedes.

No agreement would be reached "until Numsa confirms that such an agreement has been accepted as binding on all employees for whom it is negotiating in the forum", it said.



# Union fury over Nampak 'spying' erupts in strikes

By DREW FORREST

UNION fury over management espionage within the Nampak group erupted in strikes by over 500 workers at three Transvaal plants of Nampak Corrugated Containers this week.

At the same time, Nampak has suggested that a manager suspended in connection with an alleged multimillion-rand fraud is leaking information to unionists as part of a "smear campaign".

In the latest development in the spying saga, the Paper, Printing, Wood and Allied Workers Union (Ppwawu) said it had been leaked reports by "paid management informers" on union activities at Nampak Corrugated's Wadeville plant.

This follows the discovery of an electronic listening device at a Nampak plant in Rosslyn, planted in a room used for union caucuses, and a management admission that "bugging" had also taken place in Wadeville.

Nampak has denied that espionage is a group-wide practice, stressing that the bugs at the two factories were the work of managers now under suspension, pending disciplinary hearings. It also said union lawyers had been invited to

take part in probes into bugging practices.

Ppwawu national organiser Rob Rees said more than 500 workers downed tools on Wednesday at the Wadeville plant, Box Craft in Germiston and Transvaal Box in Industria over the bugging issue. The Nampak head office had acknowledged electronic eavesdropping may also have happened at the latter two plants, he said.

In addition, protests had been staged by up to 5 000 union members at 39 Nampak plants countrywide, Rees said.

Workers were demanding the removal of all bugs, a Nampak-wide investigation on bugging and, at Wadeville, that management surrender any other reports on union activities by "informers".

As the information gathered by "spies" must have been relayed to head office, he added that it was hard to believe the claim that top management was unaware of spying activities.

Rejecting this allegation "with the contempt it deserves", Nampak human resources manager Neil Cumming said a group-wide investigation was "unwarranted and logistically impossible", as there were 100 sites in the group.

# Numsa campaigns for voting rights

THE National Union of Metal Workers (Numsa) is campaigning for the abolition of the one union, one vote system on the National Industrial Council for the Iron, Steel and Metallurgical Industries (Nici-semi).

Numsa national organiser Alistair Smith said yesterday the move would reduce the influence of white-dominated unions in industrial council activities.

Numsa wanted to introduce proportional representation for the election of members to the Nicisemi national executive and regional committees, he said.

With more than 130 000 members ac-

MATTHEW CURTIN

counting for almost half the industry's employees, Numsa was just one of 14 unions on the council. Numsa and the 30 000-strong Nactu affiliate the Metal and Electrical Workers Union are the only predominantly black unions.

Smith said the Steel and Engineering Industries Federation (Seifsa), but not the white-dominated unions, had accepted the principle of proportional representation.

Mine Workers' Union (MWU) general secretary Piet Ungerer said his union and all other parties to the industrial council were opposed to the new voting scheme.

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# Nampak likely to reject mediation offer

NAMPAK was likely to turn down a Printing Paper and Allied Workers' Union (Ppwawu) proposal for mediation to resolve the dispute and two-week strike by 3 600 workers at 26 plants, management indicated yesterday.

Nampak group human resources manager Neil Cumming said the com-

**MATTHEW CURTIN**

pany was seeking clarification on the mediation offer.

However, it was unlikely mediation would help break the deadlock as Ppwawu members had embarked on illegal strike action in defiance of dispute resolution procedures laid down in plant-level recog-

nition agreements, he said.

Ppwawu is campaigning for Nampak to agree to centralised collective bargaining. Cumming said the company still insisted that it would consider group level bargaining only on issues other than wages and conditions of employment.

The diversified character of Nampak's operations made centralised wage negotiations impractical.

Union national organiser Rob Rees said yesterday about 50 workers were dismissed at Nampak's Cape Town recycling plant.

Cumming said only 29 were dismissed for their failure to meet a return-to-work deadline.



# SAB workers win pay hike

MATTHEW CURTIN

THE Food and Allied Workers' Union (Fawu) had won a 16.5% wage increase for its 6 000 members at SAB beer division in a negotiated settlement, the company said yesterday.

An SAB spokesman said that after mediation by the Industrial Mediation Services of SA (Imssa), the minimum wage was increased from R1 063 a month to R1 238 a month for beer division employees. 8/10/90

Long service allowances had also been improved and a new overtime agreement negotiated.

SAB and Fawu have had

several disputes on the overtime issue, the last of which ended in an Appeal Court hearing last year.

SAB's human resources director Rob Childs said yesterday the new agreement was a realistic compromise between "SAB's operational requirements and the genuine needs of SAB employees".

Fawu spokesman Rajin Naicker was unavailable for comment last night.

A nine-week strike by Fawu over wages and conditions in the beer division was resolved in December last year after mediation.

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# STRIKE

South 4/10 - 10/10/90



# SPREADS

THE countrywide strike by 3600 workers at 28 Nampak plants continued this week despite mass dismissals.

The workers, from plants throughout the country, have downed tools in support of centralised bargaining.

Among the strikers are about 350 workers from

three plants in the Western Cape, as well as workers from two plants in the Eastern Cape and four in Natal.

The company has not responded uniformly at all the plants, and some unionists view this as an attempt to fragment the strike.

Four hundred workers were dismissed at three Transvaal plants, while all

the strikers at Nampak Recycling in Cape Town have been dismissed.

Strikers at Nampak Corrugated plants in Epping and Paarl have been interdicted from entering company premises.

Already the nationwide strike is having a ripple effect. This week Transport and General Workers' Union members refused to transport Nampak products, while workers at Kohler pressured management into agreeing not to use Nampak paper. Workers at JS Packaging in Port Elizabeth this week refused to handle Nampak products.

Tensions between the Ppwawu and management have been inflamed by the discovery that union meetings were bugged at two Nampak factories, ongoing strike action at Nampak Rosslyn and an ongoing strike over dismissals at Printpak Gravure.

The company is demanding that the union ends the dispute and agrees to plant-level bargaining in return for an undertaking to look at reinstatement and the opening of discussions about centralised bargaining.

A Nampak spokesperson confirmed that the strike had affected 25 of the company's plants.

Failure to heed ultimatums to cease illegal strike action resulted in the dismissal of workers at six plants, the spokesperson said.

"The dismissals came after repeated written requests to the union to intervene and facilitate a return to work by its members at these businesses. These requests were ignored entirely."

## WORKER CO-ORDINATOR

(POST)

Montagu and Ashton (MACS), a dynamic and dynamic community development, is awaiting approval vacancy that offices.

The fieldworkers range of needs in our offices of Montagu and inter alia: adult development; community development; training.

Now looking for an ambitious, bilingual person (it will be an advantage); 30 years old, who has an equivalent qualification, at least 3 years experience in a development environment in a senior capacity. Will also offer strong leadership and managerial

inter alia be responsible for the co-ordinating field-work programmes and the presentation and worker's training.

Ongoing formal and informal on-the-job training and development package, attractive career prospects and opportunities.

Applications, including a detailed Curriculum Vitae, and a contact telephone number should be sent to the General Secretary, MAG, PO Box 365, Montagu 6115 to reach us by no later than 12 October 1990. For more information about this excellent opportunity, call (0234) 41175 between 09:00 and 13:00.





EAST LONDON. — About 2 000 workers at Wilson-Rowntree this week downed tools in a legal strike in support of wage demands.

Food and Allied Workers Union (Fawu) branch secretary Lizo Mzendana said the strike involved most of the weekly-paid workers.

Mzenda said in addition to unhappiness with the company's wage offer, workers wanted casual employees to be paid at the same rates as permanent staff.

Company officials were unavailable for comment.

Meanwhile, the National Union of Metalworkers of South Africa (Numsa) has agreed to submit the issue of dismissed Mercedes Benz strikers to arbitration.

The strikers were dismissed after a sit-in strike to protest Mercedes Benz of

2 000 down

tools for

more pay

4/10 - 10/10/90

(181)

South



4/10 - 10/10/90

South Africa's (MBSA) participation in the national bargaining forum for the motor industry — a position in defiance of their union's support for the forum.

Talks between Numsa and MBSA are due to continue this week and the company has refused to open the factory until the outstanding issues are resolved.

However, MBSA is clearly preparing for a re-opening.

Last week the company ran adverts in a local newspaper calling on workers to collect their backpay and company identity cards so that they would be allowed

into the factory when production re-started.

MBSA still wants Numsa to satisfy it that all Numsa's hourly paid members at the factory (excluding the fired strikers) are prepared to resume work in accordance with agreements.

MBSA is also demanding agreement on a "practical process to remove the problems impacting on the growth and viability of the company".

The company has emphasised that unprocedural industrial action is beginning to make it impossible to run the factory and may oblige it to pull out.— ELNEWS

# Bid to avoid strike

South 4/10 - 10/10/90

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By HEATHER ROBERTSON

In a last ditch bid to avert strike action in the clothing industry, a wage dispute affecting thousands of workers has been referred to mediation.

A professional mediation firm is assisting the union and factory management to come to an agreement.

South African Clothing and Textile Workers Union (SACTWU) general secretary, Mr Howard Gabriels, said on Wednesday that a failure to settle the dispute may lead to the union going ahead with a strike ballot.

After the latest round of mediation talks on Wednesday night, the unions demand still remained an across-the-board increase of R30.

Employers have at this stage agreed to an increase of R26 for qualified machinists (grade B), 14 percent or R20 for categories below Grade B and 14 percent for higher categories.

Employers have in principle agreed on postponement of the 1991 negotiations to April/May 1992.

The offer was made provisional on the union dropping all its demands on other cost items (such as leave and bonuses).

"It is expected that mediation will be concluded on Friday, but if a settlement is not reached, we are open to further meetings," said Gabriels.

# Numsa sit-in prompts firm to freeze talks

B10am  
5/10/90 MATTHEW CURTIN (181)

BARLOW Rand subsidiary ATC yesterday suspended talks aimed at resolving an eight-week strike at its Brits plant after a group of 50 National Union of Metalworkers (Numsa) members staged a sit-in at the Barlows head office in Sandton yesterday.

An ATC spokesman said the Numsa members occupied offices of Reunert, an ATC shareholder, at Barlows Park.

He said the action was a demonstration of bad faith by the union, which had undertaken to urge its members at ATC not to use "unprocedural action".

Numsa and ATC had arranged a meeting yesterday morning in the hope of resolving the dispute.

He said the Numsa action also reflected "negatively" on Cosatu's undertaking not to use "disruptive tactics" to settle industrial relations matters.

A Numsa spokesman said yesterday the sit-in was called to highlight its campaign against ATC.

The union went on strike over the dismissal of three senior shop stewards from the Brits plant.

Numsa claims the three were victimised after the entire work force walked off the job when management refused to allow them to leave work early during unrest three months ago in Ga-Rankuwa.



## More than 27 000 jobs lost

PRETORIA — Job losses in the four major employment areas of the economy amounted to a massive 27 786 in the first quarter of this year, statistics released yesterday showed.

Central Statistical Service figures showed total employment in the four categories — mining, manufacturing, construction and electricity — amounted to 2 634 907 in April. By end-June this had fallen to 2 607 121. (181) ~~2 607 121~~

In the four months to end-July employment in the mining industry fell

GERALD REILLY

sharply by 19 486 to 676 621.

In manufacturing the loss was 7 600 to 1 461 900 and in construction employment fell from 417 900 to 415 900 — a loss of 2 000.

About 400 jobs were lost in the electricity industry during the same four-month period to reduce employment in the industry to 51 000. 8/04 5/10/70

Economists have predicted that the decline in total employment is likely to continue well into next year.

# Police step in as Nampak strike spreads countrywide

By DREW FORREST

W/Mant 5/10 - 11/10/90  
EIGHT workers were hurt when police fired rubber bullets at a Cape Town union march on Wednesday, as conflict around countrywide wildcat strikes in the Nampak group continued to mount.

Major Jan Calitz denied Paper, Wood and Allied Workers' Union charges that no warning had been given before police acted against about 250 strikers outside Nampak Corrugated in Epping. Two people were held after the "illegal" demonstration, he said.

Also on Wednesday, police fired rubber bullets at workers outside Nampak Polyfoil in Nancefield, Soweto, injuring several.

Ppwawu also says kwaZulu police dispersed workers at a Nampak factory in Isithebe. It claimed policemen had visited workers' homes in a bid to "intimidate" them into resuming work.

The strike, which centres on demands for centralised wage bargaining, has spread to 29 factories and involves close to 3 700 workers, according to the union. Nampak says 2 500 are on strike.

The company has indicated a willingness to discuss non-wage issues such as housing and medical benefits in a central forum — an offer the union welcomes — but is resisting national pay talks.

There are ominous signs that action may spread beyond the group. It is understood that the shop stewards' council of Nampak parent Barlow Rand is to meet at the weekend to decide on broader solidarity action within Barlows. The strike was also discussed at a Cosatu executive committee meeting yesterday.

Ppwawu national organiser Rob Rees said sympathy action had been taken at a number of Metal Box factories and at a Port Elizabeth firm, J and S Packaging.

In a statement yesterday, in which it attacked Ppwawu's "wanton disregard for its members' job security and right to earn a living", Nampak said it rejected a union proposal of mediation.

Despite clear dispute-resolving procedures in recognition agreements, the union had resorted to illegal strike action and sidestepped conciliation mechanisms in the Labour Relations Act, it said. "Why did it not suggest mediation before it mobilised members for an illegal strike?" it asked.

Nampak confirmed securing supreme court interdicts at three Natal plants restraining picketing strikers from interfering with company operations and workers on the sites.

See PAGE 11



# Ethnic violence shifts to factories

WIMCO 5(10) - 11/10/90

(181) (181) (181)

ON September 4, 300 men wearing cloth headbands, shouting "Usuthu!" and allegedly backed by balaclava-clad whites, launched an armed raid on the Sebokeng hostel complex. In the ensuing carnage, 19 members of the National Union of Metalworkers (Numsa) died.

Ominously, two of the hostel blocks singled out by the vigilantes housed Usco and Samancor workers on a wage strike. Other residents were employed at Iscor's Vanderbijlpark works, the scene of a strike ballot. The Usco strike was suspended the next day.

The hostel violence may be fading from the front pages but its legacy — profound sectarian bitterness and suspicion — lives on in the hostels and the workplace. "Overt township violence has been suppressed but the tensions are simmering below the surface," said Numsa official Bernie Fanaroff.

The emergence of ethnic rifts poses a wholly new threat to the labour movement, whose sole strength lies in worker unity. The Transvaal violence represents a departure from the pattern in Natal, where ethnicity was not a factor.

Numsa reports that all Zulu workers, including members of Numsa and other Cosatu unions, have been driven from the Sebokeng hostel and are now living in a camp controlled by the police. At the same time, in certain Vaal metal plants — including Usco — union members are seeking to oust Zulu colleagues.

The union adds that either all Zulu or all Xhosa workers have quit certain factories in the region, or are sleeping on factory premises to avoid hostel conflict.

Numsa general secretary Moses Mayekiso reports shop-floor clashes between Inkatha-supporting and non-Inkatha workers at at least five plants, with unconfirmed violence at others. Some members have quit the union, apparently in response to an Inkatha call for workers to shun Cosatu.

With its large hostel-dwelling membership on the Reef, Numsa has been especially hard-hit by factional strife, and Mayekiso warns that its survival as a force in the region is under threat.

A document flowing from a recent executive committee meeting of the union graphically underscores the disruption of union structures. Shop steward councils throughout the Rand are unable to meet or are not quorate, while in the Katchong local, severely affected by the fighting in nearby townships, three offi-

*Fuelled by the Reef violence, ethnic rifts are opening up on the shop floor. Worst hit is the National Union of Metalworkers, which accuses employers of showing little interest in defusing conflict. By DREW FORREST*



Numsa general secretary Moses Mayekiso

cialists are unable to work — one is "being hunted and is in hiding".

In a sense, the strife-hit factories are a microcosm of the broader national picture, where recent market research showed negligible Inkatha support outside Natal. Numsa says supporters of Inkatha and its labour wing, the United Workers Union, are a small minority but are heavily armed, and that Numsa members are "demoralised and fearful".

Other Cosatu unions with migrant worker members, although not as badly affected, also report that the violence is filtering down to the workplace. National Education, Health and Allied Workers Union general secretary Sisa Njikelana says tensions are undermining the shop-stewards committee at the Johannesburg Hospital, and the Transport and General Workers Union also reports problems.

Particular attention appears to be focused on union leaders of Zulu origin. Two attempts have been made on the life of Nehawu president Robert Mkhize, active in the African National Congress and the Reef peace initiative, while a hit squad recently invaded the offices of Cosatu's postal affiliate, Potwa, seeking its general secretary Vusi Khumalo.

"The feeling appears to be that Potwa's

national leadership has sold out the Zulu people," said Potwa vice-president Floyd Mashele.

He says that as grievances centre on national leaders, conflict is difficult to resolve within union structures. "Inkatha people say they won't be satisfied until Nelson Mandela and Mangosuthu Buthelezi shake hands on television."

How can the unions repair the damage? One option is to discipline or expel members implicated in sectarian violence, but unionists warn that this could further alienate offenders, or remove them completely from the union's sphere of influence.

In proposals adopted at its recent National Executive Committee, Numsa suggested that workers had to be reunited around issues of common concern. As an immediate firefighting tactic, it proposed the formation of a crisis unit, to monitor violence and intervene at hostels and factories through union locals.

And believing that violence will remain endemic as long as urban hostels exist — it describes them as a "focus for tribal feelings and forced recruitment" — the union has drafted ambitious plans involving the state and private sector for alternative migrant worker housing to be integrated into communities.

At the same time, the union is attempting to involve employers in efforts to defuse conflict — but complains of a poor response. Said Fanaroff: "We've been saying the same thing for years: as long as production is not disrupted, employers are not interested."

Cosatu and the employer body Saccola have met twice on the violence and, according to Saccola's Bokkie Botha, member associations are still debating the issue. Fanaroff says elements within Saccola see no role for the organisation, in the light of talks between the government and the ANC.

Numsa also bewails the refusal of Samancor, Usco and Dorhyl's Tosa, whose workers were attacked in Sebokeng, to participate in a joint probe of the hostel violence. Samancor said police were handling the matter and the company had no jurisdiction in the township.

Numsa also resolved at its NEC to ask the metal industries' employer body, the Steel and Engineering Industries Federation, to set up a joint investigating body, and to arrange union access to strife-hit workplaces and the release of shop-stewards for peace work.



# Spy vs spy in the packaging industry

By ROBERT LAING <sup>w/Mark</sup> 5110-11110190  
 BIZARRE tales of industrial espionage, warring security companies and anonymous intimidation are emerging from Nampak Holdings' investigation into a multi-million fraud scam.

Nampak has suggested that a manager suspended for allegedly defrauding the company is leaking information to unionists as part of a smear campaign.

A Nampak representative said: "We don't know if one of our dismissed senior executives or their associates told the union about the bug in the Rosslyn boardroom.

"However, the union knew exactly where the listening device was. Somebody must have informed them."

The listening device, linking a boardroom where union officials held their meetings with the MD's office, was discovered by workers.

Nampak's Rosslyn management admitted on August 4 that they installed the bug — claiming they used it to eavesdrop on customers.

The plant's MD and two senior managers were suspended. Nampak deputy MD Peter Campbell said the company did not sanction installing bugs to spy on unions or customers. Union fury over espionage within the Nampak group erupted into strikes, now involving 3 700 Nampak workers at 29 plants.

Apparently the union's tip-off about the Rosslyn bug came shortly after Nampak began probing an alleged scam involving

an engineering company over-invoicing Nampak's Corrugated Containers division.

Security Service Consultants employee Declan Condon, hired by Nampak to probe the scam, claims Total Security chief Don Masterson and a bodyguard stormed into his Wynberg office shortly after he started the case in mid-July, demanding to know who had asked him to conduct the investigation and to reveal what he had found.

In August, Nampak director Gavin Duffey alleged that two cheques amounting to just less than R2,4-million had fraudulently been paid into the account of Corrugating Machinery Services (CMS).

CMS was allegedly paid the money following a conspiracy between its members and Nampak's Corrugated Division CEO, Adrian Barker, and two other Nampak employees, Ralph Lee Webb and Gerasinos Germanus.

Suspended Nampak CEO Barker alleges he is subject to continuous harassment. He said he now goes everywhere with his bodyguard and carries a weapon for protection. He claims his house and telephone were bugged.

Barker said his bodyguard, Louis Koch, was forced off the road by a white BMW and seriously injured.

Condon claims his life is being threatened by three men, one of whom was implicated in the covert Civil Cooperation Bureau (CCB). Two of these

men, accompanied by two others, forced their way into his flat one evening and intimidated him.

Masterson said he and Barker had gone to Condon's home with two bodyguards to present evidence of his involvement in tapping Barker's phone.

Condon said the men were chased from the flat after his son produced a firearm.

He said he later received a call from a man asking him if he was investigating Nampak's dismissed executives and if he had anything to do with an accident in which hit squad members were involved.

Masterson said in a statement: "When telephone poles next to Barker's home were examined, a line tap was discovered. We decided to leave the tap to see what happened.

"We followed up several clues and are in possession of the names of everyone involved in the bugging — from those who gave the instructions to those who carried out the work."

Barker and Masterson said they were being harassed by callgirls who phone their homes to ask for payment for supposed services rendered and their wives were told about fictitious indiscretions.

Judgment in the fraud case was to be given last week, but the parties asked the judge to refer to trial where the disputes of fact could be heard. Mr Justice Streicher extended Nampak's interim interdict but ordered Nampak to pay Barker and the other respondents' legal costs.

# Mercedes plant set to reopen this week

MERCEDES-Benz SA's East London plant is set to reopen this week after being at a standstill for almost two months.

National Union of Metalworkers (Numsa) regional organiser Les Kettle said yesterday there was nothing to prevent the plant reopening in a matter of days. *B/DGM 8/10/90*

He said Numsa and Mercedes-Benz management had reached agreement on outstanding issues which had prevented plant production resuming.

Once Numsa leaders had consulted union members at Mercedes-Benz this morning and received their mandate, the union could sign a final agreement.

The two sides met twice last week to discuss a draft agreement put forward by Mercedes-Benz as a basis for a settlement. Neither party has been prepared to comment on the agreement's content.

The East London plant was closed on August 16 after a sit-in protest by a group of disaffected Numsa members demanding the company withdraw from the motor industry's national bargaining forum.

The company dismissed 538 workers who took part in the protest.

Chairman Chris Köpke said the plant's closure had cost R13,5m a day.

# Strike-hit Nampak 'booms'

Monday 8/10/90  
NAMPAK's strike-hit Rosslyn paper mill broke productivity records in September despite the six-week absence of its shop-floor workforce, Nampak industrial relations director Tony Mercer said at the weekend.

He said strike action by 136 Ppwawu members had improved the Rosslyn plant's performance.

But he admitted Ppwawu's strike action at 28 other Nampak plants over demands for centralised bargaining was affecting production although the exact cost was difficult to quantify.

## Disputes

Rosslyn GM Peter Hartley said on Friday paper production reached 4 780 tons in September, 150 tons more than the previous record.

He said the company on Friday dismissed striking workers, who downed tools on August 30 after protracted disputes at the plant going back to March last year. The workers failed to meet a return-to-work deadline.

Rosslyn management was discussing a 37% reduction in shopfloor staff, he said.

Union national organiser Rob Rees said last week he was sceptical about company claims of increased production. To train unskilled staff to perform skilled workers'

MATTHEW CURTIN

tasks in six weeks and so maintain production would be difficult.

Hartley said production was able to run smoothly because the company, faced with frequent industrial action over the years, had perfected contingency plans.

Administrative and engineering staff were drafted to the shopfloor and staff maximised the use of automated machinery. The company had hired only six extra temporary workers.

On Friday Nampak Tissue said it would cancel and suspend workers' benefits of 250 Ppwawu members on strike for 10 days at its Pretoria plant unless they returned to work today.

Ppwawu has said almost 500 workers have been dismissed during the strike and Nampak has served several court orders prohibiting strikers from company premises unless they intend to resume work.

Nampak has insisted that the industrial action, in breach of plant-level recognition agreements, must end before it will negotiate with Ppwawu, although plant-level bargaining over wages and conditions remained non-negotiable.

Mercer said Ppwawu's suggestion of mediation to find a solution to its demands for centralised collective bargaining at Nampak was inappropriate.



# Letters of dismissal sent to Spareco's 683 staff members

B1024 8/10/90

SPARECO staff were told in a letter at the weekend that their services had been summarily terminated, former Spareco GM Oscar Taub said at the weekend.

ZILLA EFRAT

Many of the dismissed workers protested outside TrustBank last Friday against the non-payment by the bank of their salary cheques.

Taub estimated that provisionally liquidated Spareco had lost R500 000 a day in September. However, Spareco's staff managed to collect R1,5m in outstanding debt during the period.

But while Spareco's 683 staff members had conducted themselves loyally and honestly under extremely difficult circumstances in September, none had been paid for that month, he said.

Meanwhile, offers for Spareco's business as a going concern, its individual branches or its investment in Eddies Motor Spares

have been called for by the joint provisional liquidators.

Offers for Spareco's business have to be submitted to the liquidators by Friday and should be based on an offer for the stock in trade of respective branches. Fixed assets are to be negotiated separately at a later stage, say the liquidators.

An announcement published today details the estimated stock at cost of 25 branches of Spareco. The total cost of this stock is about R25m and the liquidators warn that some of it may be subject to Reservation of Ownership.

Last week Spareco staff had meetings with motor group Vaaltrucar (Valcar) in an attempt to save the group. The rescue package proposed by Lakewood Corporation has reportedly lapsed in terms of the scheme of arrangement.

# Mercs to start rolling off the production line after nine-week dispute

MERCEDES-Benz SA's East London plant resumes production today after the company and the National Union of Metal Workers (Numsa) reached an agreement resolving their nine-week-old dispute.

The accord was signed yesterday after the union obtained a mandate from its members to accept the settlement thrashed out in the past month.

Company official Renee Killian said more than R500m was lost during the 37 days in which production was suspended.

Mercedes-Benz and Numsa agreed to

meet as soon as possible to finalise and put into action a new housing, education and social responsibility programme.

Numsa also agreed to arbitration to settle the issue of the reinstatement of 538 dismissed workers. Union regional organiser Les Kettleidas was unavailable for comment last night.

Passenger car division manager Peter Cleary said the waiting period for Mercedes-Benz cars, which was down to three months on some models because of the decline in the SA economy, would be ex-

by Day 2/10/90

MATTHEW CURTIN

tended by the length of the dispute.

This meant the waiting period for Mercedes-Benz W124 series (the 200E, 230E, 260E and 300E models) was at least six months and at least 21 months for S-class cars. Orders for Honda models would take more than two months to fill.

Cleary said vehicles held up in production by the dispute would not be affected by a decision on price increases, delayed by

the suspension in production.

The company and the union have agreed to address the "growth and viability" of the company through jointly created structures by giving the structures "credibility through the training and development of all employees".

Without giving details, the company said the parties had agreed on how other "operational issues" affecting the company's viability would be addressed, such as the need to reach production schedules and ensure discipline.

The plant was closed on August 16 when hundreds of Numsa members, subsequently dismissed, began a sit-in to press for the firm's withdrawal from the motor industry's national bargaining forum.

Numsa leaders who rushed to East London were unable to end the protest, which was in defiance of the union's commitment to centralised collective bargaining. Police evicted the workers on September 2. The union and management then set about meeting conditions stipulated by the company for the reopening of the plant.

# Strike talks deadlock

*Sowetan 9/10/90*  
EFFORTS to end a countrywide strike by 2 800 Nampak employees demanding centralised bargaining remained deadlocked yesterday.

Cosatu threatened solidarity action against the Barlow Rand subsidiary's "iron-fist attitude".

About 130 workers at the Nampak Spicers plant in Johannesburg returned to work yesterday, leaving about 2 800 employees at 28 plants still on strike, Nampak industrial relations director Mr Tony Mercer said. - Sapa.



# Strike action looms over Cape clothing industry

181  
255  
THE western Cape clothing industry faces major industrial action as the SA Clothing and Textile Workers' Union (Sactwu) said yesterday it would ballot its 56 000 members on strike action to press wage demands.

Sactwu spokesman Shahid Teladia said yesterday the union had called an urgent industrial council meeting today to discuss strike ballot procedures and strike rules.

Mediation between Sactwu and the Cape Clothing Manufacturers' Association and the Cape Knitting Industries' Association broke down at the weekend, even though the union modified its demands, he said.

Johan Bart, chief negotiator of the employers' associations, said mediation under the aegis of the Independent Mediation Services (Imssa) had failed despite informal exchanges between the two sides throughout the weekend.

In an attempt to meet workers' concerns, employers offered three different wage packages, each

MATTHEW CURTIN

amounting to increases worth from 15% to 19,4% on the present minimum wage of R155 a month.

Employers proposed a R29 a month increase for machinists, who make up 70% to 75% of the industries' workforce, and 16,5% increases for other grades. Alternatively, they offered a R30 increase for machinists and either a 15% increase for other grades from December 13 or 15% to 16% increases from the first pay week in January.

Teladia said Sactwu would accept a R30 a month increase for machinists, R25 for lower grades and a R30 or 15% increase, whichever was greater, for higher grades.

But the employers' proposal to meet these demands on condition the implementation date was shifted from the traditional date, December 13, to the first pay week in January was unacceptable, as workers would face "immense hardships" over the festive season.

# Mercedes strike ends

*Somehan 11/10/90*  
THE industrial dispute at the Mercedes Benz factory in East London has ended. (131)

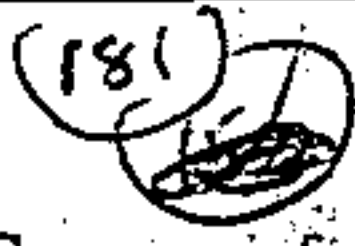
According to a statement by the company, management and the National Union of Metalworkers of SA had reached an agreement.

All hourly paid workers will report for work today.

The strike began on August 16 with a sit-in at the factory premises, but it was ended two weeks later by police at the request of the management.

Since then, all business activities have been suspended by management. - *Sapa*.

# Protest march



THE Barlow Rand shop stewards council have decided to embark on a march tomorrow in protest against Barlow Rand's "iron-fist" policies, a statement from Congress of South African Trade Unions said. Cosatu has blamed Barlow Rand and its subsidiaries, for employing "union-bashing tactics".



# Garment wage deal

THE first ever industry-wide strike in the Western Cape clothing industry was averted this week when a last-minute accord on a wage agreement was reached after an earlier mediation attempt failed.

The compromise was struck while the South African Clothing and Textile Workers Union (Sactwu) and employers were working out strike ballot procedures which could have resulted in industrial action.

Ratification of the wage agreement was not finalised by the time of going to press, but sources indicated that a compromise was reached on the following:

- A R29,50 a week increase for grade B (machinists);
- A 15 percent increase for workers above grade B;
- A R25 increase for workers below grade B;
- A R22 increase for all learnership categories.

These increases would be effective for the first 12 months of an 18-month agreement to be implemented from December 13 this year.

South 11/10 - 17/10/90  
An increase of R15 (or eight percent) will be effected during the last six months of the agreement.

A mediation attempt had failed at the weekend after the union modified its demand for the 1990/91 main agreement which, at that stage, included increases of R30 for machinists, R25 for categories below machinists and R30 or 15 percent for categories above machinists.

The talks broke down over the implementation date of wage increases and increasing the workers' annual leave from 13 to 14 days.

The union had insisted on implementation in December, which meant the in-

creases would be included in holiday pay packets, while the managements wanted the new wage levels effected in January 1991.

The union subsequently dropped its demand for an extra day's leave.

Industrial relations in the clothing industry, which employ about 55 000 people in the Western Cape, has been turned on its head since the formation of the Garment and Allied Workers' Union in December 1987.

Used to dealing with what was considered a "sweetheart union", clothing manufacturers had to contend with increased worker militancy, specially after the launch of Gawu's "Living Wage Cam-



TALKING TOUGH: Sactwu shopstewards consider a fresh wage offer from employers on Tuesday

PIC: Y MOHAMED

paign".

The union received a further boost last year with the formation of Sactwu which involved a national merger and more than 180 000 workers. The merger led to affiliation to Cosatu.

The union's growing militancy is attributed to greater democratic worker participation in decisionmaking and other matters.

This was spearheaded by a new shopsteward structure which dealt with issues such as the Living Wage Campaign.

The Living Wage Campaign was intensified in 1989 and with the signing of a wage agreement in December 1989 — bringing the wage level for machinists to R155 a week — income, in real terms, was the highest in 40 years.

Sactwu's regional secretary, Mr Howard Gabriels, said this year's original demand of R45 across-the-board was an attempt to bring clothing workers' wage levels closer to that in the manufacturing industry.

"We believe our original demand was reasonable and fair because even semi-skilled workers should earn at least R200 a week.

"We, however, moderated our demand to effect a settlement, even going beyond our mandated position."

Mr Johan Baard, chief negotiator for the Cape Clothing (and Knitting) Manufacturers Association, said although relations with the union had "matured significantly over the past three years", employers had several concerns about the fu-

ture. "While we are committed to bring about an improvement, in real terms, in the living standards of our employees, it must be seen in the context of the clothing industry nationally and internationally.

"The government is clearly moving from its isolationist thinking which means greater competition for the industry, specially from the Far East.

"The difficulty is that as the situation worsens, the trade union's leadership finds it difficult to moderate the aspirations and expectations of its membership."

Baard said the employers were also concerned about the "unprocedural industrial action" in the industry in recent years.

## Numsa 'shakeup' after Benz dispute

South 11/10 - 17/10/90  
EAST LONDON.— The National Union of Metalworkers of South Africa (Numsa) has elected a new Border regional secretary in what appears to be part of a "shakeup" in the region.

The appointment of Mr Enoch Godongwana, who has been moved to the area from Johannesburg, is seen as an attempt to address worker dissatisfaction with regional officials.

Workers at Mercedes-

Benz South Africa (MBSA) here went back to work on Tuesday this week after a seven-week dispute.

In terms of the agreement hammered out by Mercedes and Numsa, the company will remain in the National Bargaining Forum (NBF) and the current wage agreement will stand.

The issue of the 538 dismissed strikers will be taken to arbitration, which will decide who actually participated in the strike and what disciplinary action will be taken.

CAP MEDIA PROJECT FULL TIME MEDIA COURSE FOR



# Boycott threat

South 11/10/1 - 17/10/90 (181)

BOYCOTT action against suppliers of red meat is looming as a dispute, involving about 300 dismissed workers at Cape Slaughtering in Maitland, remains deadlocked.

A bid by their union, the Food and Allied Workers' union (Fawu), to send a "high-powered" delegation to meet the firm's management on Friday, has been rebuffed.

A spokesperson for Cape Slaughtering confirmed that a request for a meeting was not acceptable as it had "arrived too late" and because a court matter was pending next week. The workers were dismissed On August 1 after a dispute over back pay. The dispute originally arose in April this year when the workers had gone on a "go slow" strike and Cape Slaughtering sued them for lost production.

The union said the workers had been dismissed in an "arbitrary and dictatorial manner".

"From all accounts, the company seemed to adopt an anti-union stand.

Apart from the delegation, the union's strategy is to brief fraternal organisations, affiliates and other organisations to "elicit various forms of support" and to discuss a possible red meat boycott if the dispute is not resolved soon.

The spokesperson for Cape Slaughtering said the dispute was "irretrievable".

"Discipline among the workers had broken down completely and their relationship with the firm deteriorated to such an extent that I don't think a solution can be found."

taken. (181)

In addition, Numsa and MBSA restated their commitment to the recognition agreement and to the use of negotiation structures to resolve disputes.

## Jobless on march in Cape

A NEW round of consumer boycotts is on the cards if the authorities do not respond to the demands of unemployed workers who are marching in several southern Cape towns this weekend.

A spokesperson for the Western Cape Unemployed Workers' Union (Wecuwu) said the march would be to the Department of Manpower offices in George and Knysna on Friday and in Plettenberg Bay and Beaufort West on Saturday.

He said the marches were a follow-up to previous demonstrations in support of Wecuwu's demands.

# Last-minute wage agreement averts textile workers' strike

CAPE TOWN — A last-minute wage agreement in the clothing and knitting industry dispute has averted the threatened strike by about 56 000 Western Cape garment workers.

SA Clothing and Textile Workers Union (Sactwu) spokesman Ronald Bernickow said yesterday the agreement included a R29,50 a week wage hike for Grade B machinists, R25 for Grade C machinists, R22 for learner machinists and R29,50 or 15%, whichever is greater, for machinists above the grade system.

The increase for Grade B machinists — about 70% of the workforce which earns a minimum wage of R155 a week — is 50 cents less than the amount initially demanded.

Settlement was reached yesterday morning when Sactwu and clothing and knitting industry employers accepted revised options decided upon at a special meeting on Tuesday.

## Departure

Sapa reports that chief negotiator for the Cape Clothing Manufacturers' Association Johann Baard said yesterday collective bargaining emerged as the real victor in Western Cape garment industry talks.

The industry's weekly wage bill would now increase by R15m from R8,6m to R10,1m.

In a departure from previous practice, the agreement would remain in effect for 18 months instead of a year, and in future apply from July 1 to the end of June, said Baard.

Besides assuring employers of a longer period of industrial peace, the new arrangement was seen as a union strategy to raise basic wages

Own Correspondent

spread over a longer period.

For employers, the altered currency of the industrial council agreement moved wage talks out of the end-of-year peak period into the first quarter, making them less vulnerable to shopfloor disruption.

"The possibility of a strike was never ruled out, but on balance our assessment was that the union would have experienced tremendous difficulties and obstacles in engaging the majority of its members in a trial of strength."

The employer caucus revealed a "very strong stream of sentiment" that a strike would have caused an effective 20% permanent loss of jobs in the local region, due to factory closures and retrenchments.

Meanwhile, our Durban correspondent reports that more than 12 000 clothing factory workers began a strike in Durban yesterday which could cripple the clothing industry's end of year sales.

Sactwu spokesman Paul Hartley said a dispute had been declared after five meetings with the National Clothing Manufacturers Association. Workers had gone on strike "in response to the employers' position".

Natal Clothing Manufacturers' Association executive director Len Smart said there was a "technical deadlock" which happened every year at this time.

He said although the strikes were illegal, his association would not take any action against the strikers. Negotiations would continue until a settlement had been reached.



## Union clinches recognition at Da Gama plant

100 MATTHEW CURTIN 181

THE SA Clothing and Textile Workers' Union (Sactwu) has won recognition at Da Gama Textiles' East London plant, one of the largest employers in the area.

The union was involved in a three-year campaign and 10 months of negotiations with management.

Sactwu national organiser Mark Bennett said yesterday the union and management signed a formal agreement at the end of September.

The union was in the process of signing up its paid membership at the plant before the agreement recognising the union's collective bargaining rights was formally put into effect.

Da Gama spokesman Nick Peterson said yesterday he expected the union would represent 1 200 employees out of the plant's 1 400 workforce.

The union's campaign for recognition included a request that SAB Holdings, of which Da Gama is a subsidiary, intervene in the dispute at the beginning of September.

SAB refused but the union also held demonstrations in East London, petitioned the East London Chamber of Commerce, and picketed SAB's Johannesburg head office. b/om 12/10/90

Peterson said the recognition agreement was simply the fruit of careful negotiations since November last year.

No. R. 2408

12 October 1990

## LABOUR RELATIONS ACT, 1956

FURNITURE MANUFACTURING INDUSTRY,  
ORANGE FREE STATE AMENDMENT OF MAIN  
AGREEMENT

I, Eli van der Merwe Louw, Minister of Manpower, hereby—

(16) (a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 April 1993, upon the employers' organisation and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisation or union; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) (a), shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 April 1993, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

E. VAN DER M. LOUW,  
Minister of Manpower.

## SCHEDULE

INDUSTRIAL COUNCIL FOR THE FURNITURE MANUFACTURING INDUSTRY OF THE ORANGE FREE STATE  
AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the

Vereniging van Meubelfabrikante en Stoffeerdere, O.V.S. (hereinafter referred to as the "employers" or the "employers' organisation"), of the one part, and the

National Union of Furniture and Allied Workers of South Africa

(hereinafter referred to as the "employees" or the "trade union"), of the other part,

being the parties to the Industrial Council for the Furniture Manufacturing Industry of the Orange Free State,

to amend the Main agreement published under Government Notice No. R. 2435 of 10 November 1989.

## 1. SCOPE OF APPLICATION OF AGREEMENT

(1) The terms of this Agreement shall be observed in the Furniture Manufacturing Industry of the Orange Free State—

(a) by all employers who are members of the employers' organisation and by all employees who are members of the trade union who are engaged or employed therein;

(b) in the Province of the Orange Free State.

(2) Notwithstanding the provisions of subclause (1), the provisions of this Agreement—

(a) shall only apply to employees for whom wages are prescribed in this Agreement and to the employers of such employees;

No. R. 2408

12 Oktober 1990

## WET OP ARBEIDSVERHOUDINGE, 1956

MEUBELNYWERHEID, ORANJE VRYSTAAT  
WYSIGING VAN HOOFOOREENKOMS

Ek, Eli van der Merwe Louw, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1993 eindig, bindend is vir die werkgewersorganisasie en die vakvereniging wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasie of vereniging is; en

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousule 1 (1) (a), met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1993 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

E. VAN DER M. LOUW,  
Minister van Mannekrag.

## BYLAE

NYWERHEIDSRAAD VIR DIE MEUBELNYWERHEID  
VAN DIE ORANJE-VRYSTAAT

## OOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen die

Vereniging van Meubelfabrikante en Stoffeerdere, O.V.S.

(hierna die "werkgewers" of die "werkgewersorganisasie" genoem), aan die een kant, en die

National Union of Furniture and Allied Workers of South Africa

(hierna die "werknemers" of die "vakvereniging" genoem), aan die ander kant,

wat die partye is by die Nywerheidsraad vir die Meubelnywerheid van die Oranje-Vrystaat,

om die Hofooreenkoms, gepubliseer by Goewermentskennisgewing No. R. 2435 van 10 November 1989, te wysig.

## 1. TOEPASSINGSBESTEK VAN OOREENKOMS

(1) Hierdie Ooreenkoms moet in die Meubelnywerheid van die Oranje-Vrystaat nagekom word—

(a) deur alle werkgewers wat lede is van die werkgewersorganisasie en deur alle werknemers wat lede is van die vakvereniging en wat onderskeidelik by die Nywerheid betrokke of daarin werksaam is;

(b) in die provinsie die Oranje-Vrystaat.

(2) Ondanks subklousule (1), is hierdie Ooreenkoms—

(a) slegs van toepassing op werknemers vir wie lone in hierdie Ooreenkoms voorgeskryf word, en op die werkgewers van sodanige werknemers;



(b) shall, unless inconsistent with the terms of the Manpower Training Act, 1981, or any contract entered into thereunder or any condition imposed in terms of the said Act, apply to apprentices.

**2. CLAUSE 7.—HOURS OF WORK, ORDINARY AND OVERTIME, REST INTERVALS AND PAYMENT FOR OVERTIME**

Substitute the following for clause (5) (a):

181  
“(5) (a) *Overtime*.—All time worked outside the weekly or daily hours of work laid down in subclause (1), or worked outside the ordinary hours of work as specified in the notice which is required to be displayed in terms of subclause (10) shall be regarded as overtime. Normal hours worked cannot be replenished by overtime hours: Provided that where an employee is absent from work with the consent of his employer or where he is absent because of illness or circumstances beyond his control, this subclause shall not apply and that hours of overtime worked in such a case shall be paid for at the overtime rate applicable to the hours of overtime worked by him: Provided that an employer may after two days' absence require an employee to submit a medical certificate as proof of the cause of his absence.”

3. Insert the following clause 37:

**“37. GENERAL REGULATIONS**

Should any amount due in terms of clauses 12, 16 and 27 of this Agreement not be received by the Council by the 15th day of the month following the month in respect of which it is payable, the employer shall forthwith be liable for and be required to pay interest on such amount or on such lesser amount as remains unpaid, at two per cent per month, subject to the provisions of the Prescribed Rate of Interest Act, Act No. 55 of 1975, calculated from such 15th day until the day upon which payment is actually received by the Council: Provided that the Council shall be entitled in its absolute discretion to waive payment of such interest or part thereof in any individual instance. Any interest payable in terms of this subclause shall be paid into the general funds of the Council.”

This Agreement signed at Bloemfontein, on behalf of the parties, this 30th day of March 1990.

**P. I. LABUSCHANGE,**  
Chairman of the Council.

**T. C. SOLOMON,**  
Vice-Chairman of the Council.

**H. G. COMBRINCK,**  
Secretary of the Council.

No. R. 2409

12 October 1990

**LABOUR RELATIONS ACT, 1956**

**FURNITURE MANUFACTURING INDUSTRY,  
ORANGE FREE STATE AMENDMENT OF  
FUNDS AGREEMENT**

I, Eli van der Merwe Louw, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 September 1999, upon the employers' organisation and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisation or union; and

(b) van toepassing op vakleerlinge vir sover dit nie met die Wet op Mannekrageopleiding, 1981, of met 'n kontrak wat daarvolgens aangegaan is of met 'n voorwaarde wat daarkragtens gestel is, onbestaanbaar is nie.

**2. KLOUSULE 7.—WERKURE, GEWONE EN OORTYD, RUSPOUSES EN BETALING VIR OORTYDWERK**

Vervang klousule (5) (a) deur die volgende:

(5) (a) *Oortydwerk*.—Alle tyd wat gewerk word buite die wecklikse of daaglikse werkure voorgeskryf in subklousule (1) of wat gewerk word buite die gewone werkure soos bepaal in die kennisgewing wat ingevolge subklousule (10) vertoon moet word, word geag oortydwerk te wees. Gewone ure gewerk kan nie met oortydure aangevul word nie: Met dien verstande dat waar 'n werknemer van sy werk afwesig is met toestemming van sy werkgever of waar hy afwesig is weens siekte of omstandighede buite sy beheer, hierdie subklousule nie van toepassing is nie en dat daar vir die oortydure wat in so 'n geval gewerk is, betaal moet word teen die oortydloon wat van toepassing is op die oortydure wat hy gewerk het: Met dien verstande dat 'n werkgever na twee dae afwesigheid kan vereis dat 'n werknemer 'n mediese sertifikaat moet voorlê as bewys van die oorsaak van sy afwesigheid.”

3. Voeg die volgende klousule 37 in:

**“37. ALGEMENE BEPALINGS**

Indien die Raad 'n bedrag wat ingevolge klousules 12, 16 en 27 van hierdie Ooreenkoms verskuldig is, nie ontvang teen die 15de dag van die maand wat volg op die maand ten opsigte waarvan dit betaalbaar is nie, is die werkgever onverwyld aanspreeklik vir en moet hy rente betaal op sodanige bedrag of op sodanige mindere bedrag as wat nog nie betaal is nie, teen twee persent per maand, behoudens die bepaling van die Wet op die Voorgeskrewe Rentekoers, Wet. No. 55 van 1975, bereken vanaf sodanige 15de dag tot die dag waarop die betaling werklik deur die Raad ontvang word: Met dien verstande dat die Raad na goeddunke betaling van sodanige rente of 'n gedeelte daarvan in 'n individuele geval kan kwytsteld. Rente betaalbaar ingevolge hierdie subklousule moet in die algemene fondse van die Raad gestort word.”

Hierdie Ooreenkoms is namens die partye op hede die 30ste dag van Maart 1990 in Bloemfontein onderteken.

**P. I. LABUSCHAGNE,**  
Voorsitter van die Raad.

**T. C. SOLOMON,**  
Ondervoorsitter van die Raad.

**H. G. COMBRINCK,**  
Sekretaris van die Raad.

No. R. 2409

12 Oktober 1990

**WET OP ARBEIDSVERHOUDINGE, 1956**

**MEUBELNYWERHEID, ORANJE-VRYSTAAT  
WYSIGING VAN FONDSE-OOREENKOMS**

Ek, Eli van der Merwe Louw, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepaling van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 September 1999 eindig, bindend is vir die werkgeversorganisasie en die vakvereniging wat die Wysigingsooreenkoms aangegaan het en vir die werkgevers en werknemers wat lede van genoemde organisasie of vereniging is; en



**12. CLAUSE 4-bis.—GUARANTEED MINIMUM INCREASES AND OFFSET**

Substitute the following for subclause (1) and the table of rates:

“(1) Every employee for whom wages are prescribed in this Agreement and who on 1 May 1990 is employed by an employer in the Industry shall, whilst in the employ of the same employer and whether or not his actual rate of pay immediately prior to the said date was in excess of the rate prescribed for him in this Agreement, be paid not less than the actual wage rate he was receiving immediately prior to the said date, plus, as a guaranteed personal minimum increase, an additional amount as follows:

	<i>Amount per hour</i>
	<i>Cents</i>
Master electrician .....	123
Electrician and artisan.....	101
Elconop 3 .....	—
Elconop 2 .....	71
Elconop 1 .....	53
Driver of a vehicle, the unladen mass of which is—	
(a) up to 3 500 kg.....	42
(b) from 3 501 kg to 9 000 kg .....	48
(c) 9 001 kg and over .....	54
Labourer .....	70—but only 75 per cent of the amount by which the R4,00 is exceeded.”.

**13. CLAUSE 5.—LEAVE BONUS**

In subclause (1), substitute the following for the existing table:

“Master electrician, electrician and artisan .....	16 working days
Elconop 3 and Elconop 2 .....	11 working days
Driver .....	11 working days
Elconop 1 at the end of his first leave cycle .....	6 working days
Elconop 1 at the end of his second and subsequent leave cycles .....	11 working days
Final year apprentice .....	11 working days.”.

Signed at Cape Town, as authorised, for and on behalf of the parties to the Council, this 26th day of June 1990.

**M. LEWIS,**

Chairman of the Council.

**A. A. STANLEY-BEST,**

Vice-Chairman of the Council.

**G. J. J. VAN DER MERWE,**

Secretary of the Council.

No. R. 2407.

12 October 1990

**LABOUR RELATIONS ACT, 1956**

**LEATHER INDUSTRY, REPUBLIC OF SOUTH AFRICA AMENDMENT OF SICK BENEFIT FUND AGREEMENT**

I, Eli van der Merwe Louw, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking,

**12. KLOUSULE 4-bis.—GEWAARBORGDE MINIMUM VERHOOGINGS EN VERGOEDING**

Vervang subklousule (1) en die tabel van tariewe deur die volgende:

“(1) Elke werknemer vir wie daar in hierdie Ooreenkoms lone voorgeskryf word en wat op 1 Mei 1990 in diens is by 'n werkgewer in die Nywerheid moet, terwyl hy in diens van dieselfde werkgewer is en afgesien daarvan of sy werklike loon onmiddellik voor genoemde datum hoër was as die loon wat vir hom in hierdie Ooreenkoms voorgeskryf word, minstens die werklike loon betaal word wat hy onmiddellik voor genoemde datum ontvang het, plus, as 'n gewaarborgde persoonlike minimum verhoging, die volgende addisionele bedrag:

	<i>Bedrag per uur</i>
	<i>Sent</i>
Meester-elektrisiën .....	123
Elektrisiën en ambagsman .....	101
Elkonop 3 .....	—
Elkonop 2 .....	71
Elkonop 1 .....	53
Drywer van 'n voertuig waarvan die onbelaste massa—	
(a) tot en met 3 500 kg is.....	42
(b) vanaf 3 501 kg tot 9 000 kg is.....	48
(c) 9 001 kg en meer is .....	54
Arbeider.....	70—waar slegs 75 persent van die bedrag waarmee die R4,00 oorskry word.”.

**13. KLOUSULE 5.—VERLOFBONUS**

In subklousule (1) vervang die bestaande tabel deur die volgende:

“Meester-elektrisiën, elektrisiën en ambagsman .....	16 werkdag
Elkonop 3 en Elkonop 2 .....	11 werkdag
Drywer.....	11 werkdag
Elkonop 1 aan die einde van sy eerste verlofsiklus.....	6 werkdag
Elkonop 1 aan die einde van sy tweede en daaropvolgende verlofsiklusse .....	11 werkdag
Vakleerlinge in sy finale jaar .....	11 werkdag.”.

Soos gemagtig, vir en namens die partye by die Raad, op hede die ses-en-twintigste dag van Junie 1990 te Kaapstad onderteken.

**M. LEWIS,**

Voorsitter van die Raad.

**A. A. STANLEY-BEST,**

Ondervoorsitter van die Raad.

**G. J. J. VAN DER MERWE,**

Sekretaris van die Raad.

No. R. 2407

12 Oktober 1990

**WET OP ARBEIDSVERHOUDINGE, 1956**

**LEERNYWERHEID, REPUBLIEK VAN SUID-AFRIKA WYSIGING VAN SIEKTEBYSTANDSFONDSOOREENKOMS**

Ek, Eli van der Merwe Louw, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid,

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(18) Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 April 1992, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1), shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 April 1992, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

E. VANDER M. LOUW,  
Minister of Manpower.

#### SCHEDULE

#### NATIONAL INDUSTRIAL COUNCIL OF THE LEATHER INDUSTRY OF SOUTH AFRICA

#### SICK BENEFIT FUND AGREEMENT

in accordance with the Labour Relations Act, 1956, made and entered into by and between

- (a) The Midland and Border Leather Industry Manufacturers' Association;
- (b) Western Cape Leather Industries Association;
- (c) The Transvaal Footwear, Tanning and Leather Trades Association;
- (d) The South African Tanning Employers' Organisation;
- (e) Footwear Manufacturers' Federation of South Africa;
- (f) Association of South African Manufacturers of Luggage, Handbags and General Goods

(hereinafter referred to as the "employers" or the "employers' organisations"), of the one part, and

- (g) The National Union of Leather Workers;
  - (h) South African Clothing and Textile Workers' Union
- and

- (i) The Transvaal Leather and Allied Trades Industrial Union

(hereinafter referred to as the "employees" or the "trade unions"), of the other part,

being the parties to the National Industrial Council of the Leather Industry of South Africa.

to amend the Sick Benefit Fund Agreement published under Government Notice No. R. 1301 of 1 July 1988 (hereinafter referred to as the Re-enacting Agreement), as amended by Government Notice No. R. 570 of 31 March 1989.

#### 1. SCOPE OF APPLICATION OF AGREEMENT

The terms of this Agreement shall be observed in the Leather Industry—

- (1) by all employers who are members of the employers' organisations and by all employees who are members of the trade unions who are engaged or employed in the said Industry, respectively;

Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1992 eindig, bindend is vir die werkgewersorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of verenigings is; en

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousule 1 (1), met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1992 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

E. VANDER M. LOUW,  
Minister van Mannekrag.

#### BYLAE

#### NASIONALE NYWERHEIDSRAAD VIR DIE LEER- NYWERHEID VAN SUID-AFRIKA

#### SIKTEBYSTANDSFONDS-OOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen

- (a) The Midland and Border Leather Industry Manufacturers' Association;
- (b) Western Cape Leather Industries Association;
- (c) The Transvaal Footwear, Tanning and Leather Trades Association;
- (d) The South African Tanning Employers' Organisation;
- (e) Footwear Manufacturers' Federation of South Africa;
- (f) Association of South African Manufacturers of Luggage, Handbags and General Goods

(hierna die "werkgewers" of die "werkgewersorganisasie" genoem), aan die een kant, en

- (g) The National Union of Leather Workers;
  - (h) South African Clothing and Textile Workers' Union
- en

- (i) The Transvaal Leather and Allied Trades Industrial Union

(hierna die "werknemers" of die "vakverenigings" genoem), aan die ander kant,

wat die partye is by die Nasionale Nywerheidsraad vir die Leernywerheid van Suid-Afrika.

om die Siektebystandsfonds-ooreenkoms gepubliseer by Goewermentskennisgewing No. R. 1301 van 1 Julie 1988 (hierna die Herbekragtigingsooreenkoms genoem), soos gewysig deur Goewermentskennisgewing No. R. 570 van 31 Maart 1989, te wysig.

#### 1. TOEPASSINGSBESTEK VAN OOREENKOMS

Hierdie Ooreenkoms moet in die Leernywerheid nagekom word—

- (1) deur alle werkgewers wat lede van die werkgewersorganisasies is en deur alle werknemers wat lede van die vakverenigings is en wat onderskeidelik by die Nywerheid betrokke of daarin werksaam is;



(2) in the Republic of South Africa, excluding the port and settlement of Walvis Bay: Provided that, on the operations set forth in paragraph (6) of the definition of "Industry" or "Leather Industry", as contained in clause 1 of the Agreement published under Government Notice No. R. 1792 of 3 September 1982, it shall be observed only in the Magisterial Districts of Bellville, including that portion of the Magisterial District of Kuils River which, prior to the publication of Government Notice No. 1683 of 7 August 1987, fell within the Magisterial District of Bellville, The Cape, Goodwood and Durban, including that portion of the Magisterial District of Chatsworth which, prior to the publication of Government Notice No. 501 of 8 March 1985, fell within the Magisterial District of Durban, but excluding that portion of the Magisterial District of Durban which, prior to the publication of Government Notices Nos. 1939 and 2067 of 10 September 1982 and 1 October 1982 respectively, fell within the Magisterial District of Inanda, and Johannesburg: Provided further that on the operations set forth in paragraph (7) (a) of the definition of "Industry" or "Leather Industry" as contained in the said Agreement, it shall be observed only in the Magisterial Districts of Bellville, including that portion of the Magisterial District of Kuils River which, prior to the publication of Government Notice No. 1683 of 7 August 1987, fell within the Magisterial District of Bellville, Goodwood and Durban, including that portion of the Magisterial District of Chatsworth which, prior to the publication of Government Notice No. 501 of 8 March 1985, fell within the Magisterial District of Durban, but excluding that portion of the Magisterial District of Durban which, prior to the publication of Government Notices Nos. 1939 and 2067 of 10 September 1982 and 1 October 1982 respectively, fell within the Magisterial District of Inanda, and on the operations set forth in paragraph (7) (b) of the said definition, it shall be observed only in the Magisterial District of Wynberg: Provided further that, on the operations set forth in paragraph (8) of the definition of "Industry" or "Leather Industry", it shall be observed in the Magisterial Districts of Bellville, including that portion of the Magisterial District of Kuils River which prior to the publication of Government Notice No. 1683 of 7 August 1987 fell within the Magisterial District of Bellville), Germiston, Goodwood, Johannesburg, Middelburg (Transvaal), Pretoria, Roodepoort and The Cape: Provided further that, on the operations set forth in paragraph (9) of the definition of "Industry" or "Leather Industry", it shall be observed in the Magisterial Districts of Bellville (including those portions of the Magisterial Districts of Goodwood and Kuils River which prior to the publication of Government Notice No. 1683 of 7 August 1987 fell within the Magisterial District of Bellville), Paarl, Oudtshoorn, Wellington, George, Uitenhage, Port Elizabeth, King William's Town and Pietermaritzburg.

## 2. CLAUSE 6.—CONTRIBUTIONS

In subclause (1), substitute the figure "R1,33" for the figure "90c" and the figure "R1,43" for the figure "R1,00."

Signed at Port Elizabeth, on behalf of the parties, this 4th day of May 1990.

**D. J. F. LINDE,**  
Member of the Council.

**E. B. HURTER,**  
Member of the Council.

**L. M. VAN LOGGERENBERG,**  
General Secretary of the Council.

(2) in die Republiek van Suid-Afrika, uitgesonderd die hawe en nedersetting van Walvisbaai: Met dien verstande dat, in verband met die werksaamhede uiteengesit in paragraaf (6) van die omskrywing van "Nywerheid" of "Leernywerheid", soos vervat in klousule 1 van die Ooreenkoms gepubliseer by Goewermentskennisgewing No. R. 1792 van 3 September 1982, dit nagekom moet word slegs in die landdrostdistrikte Bellville, met inbegrip van daardie gedeelte van die landdrostdistrik Kuilsrivier wat voor die publikasie van Goewermentskennisgewing No. 1683 van 7 Augustus 1987 binne die landdrostdistrik Bellville geval het, Die Kaap, Goodwood en Durban, met inbegrip van daardie gedeelte van die landdrostdistrik Chatsworth wat voor die publikasie van Goewermentskennisgewing No. 501 van 8 Maart 1985 binne die landdrostdistrik Durban geval het, maar uitgesonderd daardie gedeelte van die landdrostdistrik Durban wat voor die publikasie van Goewermentskennisgewings Nos. 1939 en 2067 van onderskeidelik 10 September 1982 en 1 Oktober 1982, binne die landdrostdistrik Inanda geval het, en Johannesburg: Voorts met dien verstande, dat in verband met die werksaamhede uiteengesit in paragraaf (7) (a) van die omskrywing van "Nywerheid" of "Leernywerheid", soos vervat in genoemde Ooreenkoms, dit nagekom moet word slegs in die landdrostdistrikte Bellville, met inbegrip van daardie gedeelte van die landdrostdistrik Kuilsrivier wat voor die publikasie van Goewermentskennisgewing No. 1683 van 7 Augustus 1987 binne die landdrostdistrik Bellville geval het, Goodwood en Durban, met inbegrip van daardie gedeelte van die landdrostdistrik Chatsworth wat voor die publikasie van Goewermentskennisgewing No. 501 van 8 Maart 1985 binne die landdrostdistrik Durban geval het, maar uitgesonderd daardie gedeelte van die landdrostdistrik Durban wat voor die publikasie van Goewermentskennisgewings Nos. 1939 en 2067 van onderskeidelik 10 September 1982 en 1 Oktober 1982, binne die landdrostdistrik Inanda geval het, en in verband met die werksaamhede uiteengesit in paragraaf (7) (b) van die genoemde omskrywing, dit slegs in die landdrostdistrik Wynberg nagekom moet word: Voorts met dien verstande dat, in verband met die werksaamhede uiteengesit in paragraaf (8) van die omskrywing van "Nywerheid" of "Leernywerheid", dit nagekom moet word in die landdrostdistrikte Bellville (met inbegrip van daardie gedeelte van die landdrostdistrik Kuilsrivier wat voor die publikasie van Goewermentskennisgewing No. 1683 van 7 Augustus 1987 binne die landdrostdistrik Bellville geval het), Germiston, Goodwood, Johannesburg, Middelburg (Transvaal), Pretoria, Roodepoort en Die Kaap: Voorts met dien verstande dat, in verband met die werksaamhede uiteengesit in paragraaf (9) van die omskrywing van "Nywerheid" of "Leernywerheid", dit nagekom moet word in die landdrostdistrikte Bellville (met inbegrip van daardie gedeeltes van die landdrostdistrikte Goodwood en Kuilsrivier wat voor die publikasie van Goewermentskennisgewing No. 1683 van 7 Augustus 1987 binne die landdrostdistrik Bellville geval het), Paarl, Oudtshoorn, Wellington, George, Uitenhage, Port Elizabeth, King William's Town en Pietermaritzburg.

## 2. KLOUSULE 6.—BYDRAES

In subklousule (1), vervang die syfer "90c" deur die syfer "R1,33" en die syfer "R1,00" deur die syfer "R1,43."

Namens die partye op hede die 4de dag van Mei 1990 te Port Elizabeth onderteken.

**D. J. F. LINDE,**  
Lid van die Raad.

**E. B. HURTER,**  
Lid van die Raad.

**L. M. VAN LOGGERENBERG,**  
Hoofsekretaris van die Raad.



FIM 12/10/90

(181)

to be familiar with management-union agreements and labour law.

These are among the conclusions of a study by Ros Hirschowitz, of the Institute of Labour Economics Research, at the Human Sciences Research Council. She interviewed 123 shop stewards in Pretoria and the East Rand, as well as seven industrial relations managers and nine trade union officials. The report says shop stewards believe management is "not prepared to improve the career development prospects of the workers."

Hirschowitz's findings show 93% of shop stewards have some high school education and 31% are matriculants. However, they tend to work in low-level unskilled or semi-skilled posts. This poor placement of well-educated workers makes their role as unionists doubly important to them, Hirschowitz notes.

Contrary to management belief that shop stewards are troublemakers, she writes, 81% of those interviewed have worked for only one other employer and most have been in the same work place for a number of years. While 57% received training from unions, none has received any management training nor briefings about the nature of a free-enterprise system. ■

LABOUR FIM 12/10/90

**SILENT PREACHERS**

(181)

A researcher says employers underestimate the complex role of shop stewards and fail to give them the training in management principles and free-market systems which, they complain, the stewards lack.

She adds that shop stewards are, in fact, the main link between labour and management. They also keep records on incidents at work, including discipline and the financial performance of the company, and deal with the personal problems of workers. They have

LABOUR F/M 12/10/90  
**NOT PROMISING**



Tension mounted last week in the Nampak strike as police stepped in to disperse workers outside Nampak Polyfoil in Nancefield, Soweto — injuring several, according to Paper, Printing, Wood & Allied Workers' Union national organiser Rob Rees. He also claims workers were injured when police fired bird-shot last week at a union march in Epping, Cape Town.

A Nampak spokesman confirms that police had been called in at plants in Cape Town and Durban last week.

He adds that workers at Nampak's Spicers plant in Johannesburg have returned to work after an illegal strike and that other workers have indicated their willingness to return.

F/M 12/10/90

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The strike — now in its third week — hinges on union demands for centralised bargaining.

It has spread to 29 factories, involving almost 3 700 workers, says Rees. But the company claims 2 800 workers are on strike at 28 plants.

Nampak says it is prepared to discuss non-wage issues such as training, housing and medical aid on a national basis but is opposing national pay talks. The company believes plant-level bargaining over wages and working conditions to be in the best interest of employees and management because of "the diverse nature of Nampak companies, their products and markets."

Indications are that the strike could spread beyond the Nampak group. Rees confirms that there has been a commitment from workers at Barlow Rand factories to begin solidarity demonstrations and work stoppages.

Last week the company rejected a union proposal for mediation to resolve the dispute over centralised bargaining. It hit out at the union's "wanton disregard for its members' interests by promoting illegal strikes," adding that, in spite of negotiated procedures for settling disputes in recognition agreements, the union has chosen illegal strike action and side-stepped conciliatory mechanisms of the Labour Relations Act.

According to the union, 1 000 workers have been dismissed so far and the company has secured Supreme Court orders calling on workers to return to work and prevent picketing.

Nampak says 500 workers at eight plants have been dismissed for failing to comply with court orders and ultimatums to return to work.

# Work resumes at Benz plant

*Sowetan 12/10/90*  
PRODUCTION at the Mercedes-Benz plant resumed yesterday after National Union of Metalworkers of South Africa members accepted the company's continued participation in the National Bargaining Forum.

A statement from Mercedes-Benz said 90 percent of the hourly paid workforce returned to work at the East London plant on Tuesday and production resumed at the usual times yesterday.

The company's chief executive, Mr Christoph Kopke, said he appreciated the spirit of cooperation displayed by all employees in dealing with the problems.



## Barlows proposes union rights deal

By DREW FORREST (18)

BARLOW Rand has offered Cosatu unions a range of union rights — including strike and picketing rights — in return for co-operation in building the group's prosperity, Cosatu negotiator Rob Rees revealed this week.

Rees said the proposals, which still had to be unravelled and discussed by workers, were Barlows' response to a charter of workers' rights tabled by Cosatu during talks.


Cosatu is engaged in a campaign against Barlows, centring on claims that the group has undermined central bargaining. However other issues, including mass dismissals at subsidiaries and union rights, are also at stake.

Against the background of the campaign, Cosatu workers plan to march on Barlows' Johannesburg headquarters on Tuesday to protest against the handling of strikes at subsidiaries Nampak and ATC. Rees said the protest would also focus on sackings at Barlows Manufacturing in Kew and Rand Mines' Duvha colliery. A simultaneous march is planned on the Union Buildings.

On the latest Barlows' proposals, Rees said they appeared to link an offer of union rights, including workplace access, stop-orders and strike and picketing rights, to a Cosatu commitment to the group's prosperity.

Barlows' view remained that the issue of bargaining levels should be addressed by subsidiaries, he said.

Confirmation and comment could not be obtained from the company.



# Union wins <sup>(18)</sup> recognition <sup>(18)</sup> at Da Gama

By DREW FORREST <sup>12/10 - 18/10/90</sup>

IN a breakthrough after three years of conflict, the SA Clothing and Textile Workers Union (Sactwu) has won recognition at the East London plant of Da Gama Textiles.

The agreement between Sactwu and Da Gama — described by the union as the only major textile firm in South Africa to have resisted unionisation — follows a union campaign launched last month involving worker marches in East London, letters of protest to MPs and a Cosatu call to SA Breweries, Da Gama's parent, to intervene in the dispute.

The company confirmed in a statement that a recognition agreement had been concluded "subject to the union providing evidence of membership in good standing".

The latest issue of *Sactwu News* says the deal grants a range of rights previously denied the union, including recognition of Sactwu and its shop stewards, agreed grievance and disciplinary procedures, wage negotiating rights, workplace access for officials and stop-order facilities.

Before the rights are implemented, the journal says, workers will have to sign fresh membership forms and pay five week's arrear subscriptions. More than 1 000 workers are employed at the plant.

## 1 200 jobs at risk when factory shuts

LESLEY LAMBERT

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CAPE TOWN — The closure of Gants Holdings' Strand canning factory, announced this week as part of a major rationalisation programme to restore profitability, could result in the loss of about 1 200 jobs.

Although the factory is scheduled to close in June next year, a number of employees have already been retrenched as the winding down process begins. Others will hear their fate later this week.

While the closure means the end of Gants' food processing activities in the western Cape, the company plans to relocate major elements of the Strand factory to its factories in the Transvaal and Swaziland. 8 (17) 16 (10) 90

Gants, a subsidiary of Tollgate Holdings which was acquired recently by a consortium lead by Julian Askin and Hugo Biermann, has been battling to overcome financial difficulties for some time. In the six months to end-June it reported a decline in earnings from 9,2c a share to a loss of 5,7c a share.

Gants MD Alf Robinson said yesterday steady increases in the cost of raw materials and punitive trade agreements with wholesale buyers, which made it impossible to pass on costs to the consumer, had virtually wiped out profit margins on business in the domestic market. And exports, which made up about 20% of the company's business, were hard to maintain.



## Nampak strike prompts march

(181) MATTHEW CURTIN

MEMBERS of several Cosatu affiliates including the Paper Printing Wood and Allied Workers' Union (Ppwawu) marched on Barlow Rand head office yesterday in support of calls for the group to intervene in the six-week Nampak strike and other disputes.

A Ppwawu spokesman said several thousand workers joined the march on Barlows' head office in Sandton, after which they submitted a memorandum detailing grievances relating to disputes at Nampak, ATC's Brits plant, Barlows Kew and the Duvah colliery.

Barlows undertook to respond by the end of next week.

Ppwawu said yesterday progress towards ending the strike over union demands for centralised bargaining at Nampak was mixed. BDM 17/10/90

The union would meet Nampak Business Forms today.

Sapa reports two final orders were granted against Ppwawu in the Supreme Court in Durban yesterday restraining Nampak workers from striking at its plants in Natal.

# Numsa official axed after bitter Mercedes strike

By LOUISE FLANAGAN  
and DREW FORREST

MERCEDES-BENZ workers have axed a key union official following the settlement of the bitter seven-week dispute at the East London car giant.

The National Union of Metalworkers (Numsa) denied any connection between the strike and the axing of Numsa's Border regional secretary, Msiteli Nonyukela, in elections at the weekend.

But workers were known to be critical of Nonyukela's alleged dictatorial style during the dispute, and at one stage carried his mock coffin through the plant. Mercedes has hotly denied rumours that it insisted on his removal during negotiations with Numsa.

The dispute, centring on worker demands that Mercedes pull out of the car industry's national bargaining forum (NBF), has cost the company close to R500-million in lost revenue — but this takes no account of savings on wages and materials while the plant was closed. Mercedes said actual losses were being assessed.

Mercedes said 90 percent of workers returned to work on Tuesday in terms of the settlement. This does not include 538 dismissed strikers, whose fate will be decided by arbitration.

The settlement deal, reached after protracted negotiations, contains key provisions aimed at improving relations at Mercedes. Both sides have committed themselves to the company's continued participation in the NBF, and Numsa has confirmed that a recent NBF wage deal binds all its Mercedes members.

It also provides for joint union-management structures to address the grievances and agreement has been reached on how to handle operational issues such as absenteeism and discipline.

It is believed the company has also agreed to drop the retrenchment of about 800 workers countrywide announced during the strike.

The strike threw into sharp relief the union's problems with a "labour aristocracy" in this highly paid sector.

The threat that the plant might close also brought to the surface potential rifts between labour and the African National Congress. ANC leader Arnold Stoffie was sharply critical of the workers, suggesting they had a political agenda. He said the Congress of South African Trade Unions should withdraw from the political arena now that the ANC and SA Communist Party had been unbanned.

# Barlow <sup>(181)</sup> workers <sup>Sowetan 17/10/90</sup> protest

ABOUT 1 200 workers at Barlow Rand subsidiary companies yesterday held a rally at Alexandra stadium and marched to the company's offices in Sandton to protest the dismissals of workers.

## Cuts

The rally, attended by ANC veteran Mr Govan Mbeki and shopstewards from Nampak, ATC factory and Barlow Rand, planned to persuade Barlow Rand to reinstate the dismissed workers.

A memorandum was handed to Barlow Rand management.



# Management quits Nampak talks

MANAGEMENT from Nampak's Business Forms division walked out of talks with Paper Printing Wood and Allied Workers' Union (Ppwawu) representatives yesterday as the strike by almost 4 000 workers spread to another two Nampak plants.

A Nampak spokesman said yesterday the company was "appalled by the union's couldn't-care-less attitude" to the negotiations.

He said the union's "refusal" to allow shop stewards from its two plants to join its official negotiating

MATTHEW CURTIN

team showed a lack of concern for the 135 workers on strike at Business Forms who had lost almost R250 000 in wages. (181)

Ppwawu spokesman Edgar Lentswe said yesterday Business Forms' management's action had dealt a severe blow to the chances of resolving the dispute.

The issue at stake was centralised bargaining at the group and not issues specific to the Business Forms division.

17/10/78  
S/D

# Business 'must redress housing imbalances'

19/10/70 Own Correspondent

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DURBAN — Business would have to redress the imbalances in housing and address low standards of medical treatment, Standard Bank Investment Corporation group MD Conrad Strauss said yesterday.

He was the closing speaker at the annual Building Industries' Federation of SA (Bifsa) congress.

Strauss said it was no longer enough to be a "good corporate citizen" — more was required.

The key would lie in human resources management. Inadequate training was a major constraint on development and coupled with unrealistic expectations in disadvantaged communities, serious conflict could ensue unless business took steps to redress the imbalance.

Imbalances occurred in housing, low standards of medical treatment, inadequate infrastructure and communications. Management would have to take corrective action — something new for most in SA.

The provision of housing, health care, pre-primary schooling and other social services had been a feature of business operations in several leading manufacturing countries for a long time.

Small business should be promoted because it created jobs and it made people aware of the market system. Managements could spread their buying to this sector.

Discussing the trends towards increased mechanisation, Strauss said it had been promoted in the past for political ends.

However, business was faced with militancy from trade unions, which resulted in rapidly rising labour costs, while importing machinery strained the balance of payments and was costly because of a weak rand.

He said the next five years would be difficult economically for the country while it was undergoing rapid change.

## NOTICE 881 OF 1990

## DEPARTMENT OF MANPOWER

## LABOUR RELATIONS ACT, 1956

APPLICATION FOR VARIATION OF SCOPE OF  
REGISTRATION OF A TRADE UNION

I, David William James, Industrial Registrar, do hereby, in terms of section 4 (2) as applied by section 7 (5) of the Labor Relations Act, 1956, give notice that an application for the variation of its scope of registration has been received from the Paper, Printing, Wood and Allied Workers' Union. Particulars of the application are reflected in the subjoined table.

Any registered trade union which objects to the application is invited to lodge its objection in writing with me, c/o the Department of Manpower, 123A Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001), within one month of the date of publication of this notice.

## TABLE

*Name of trade Union:* Paper, Printing, Wood and Allied Workers' Union.

*Date on which application was lodged:* 12 February 1990.

*Interests and area in respect of which application is made:* All employees who are paid weekly and who are employed in the Furniture industry as undertaken by—

1. Twopal Pine Industries (Pty) Ltd, in the Magisterial District of Boksburg;
2. Afman Bedding (Natal) (Pty) Ltd in the Magisterial District of Durban;
3. Bebel Investments (Pty) Ltd and Cupboard Centre CC, in the Magisterial District of East London;
4. Primfurn Interiors (Pty) Ltd, Elandsfontein, and G. Jancor and Co., Wadeville, in the Magisterial District of Germiston;
5. Transvaal Mattress and Furnishing Company Ltd, Booyens, Edblo (Tvl) Ltd, Industria, Festival Furniture Manufacturers, Industria West, Highpoint Furniture Industries (Pty) Ltd, Industria, Powercraft Upholstery Products (Pty) Ltd, Industria, Rand Upholsterers (Pty) Ltd, Industria, S & S Woodware (Pty) Ltd, Heriotdale, and Woodmet Dashing (Pty) Ltd, Robertsville, in the Magisterial District of Johannesburg;
6. Baileys Furniture Manufacturers (Pty) Ltd, Mason Mill, and Dizzamics (Pty) Ltd, Woodlands, in the Magisterial District of Pietermaritzburg;
7. Bonanza Catering Equipment (Pty) Ltd and Sealy of South Africa (Pty) Ltd, in the Magisterial District of Pietersburg (Tvl);

## KENNISGEWING 881 VAN 1990

## DEPARTEMENT VAN MANNEKRAG

## WET OP ARBEIDSVERHOUDINGE, 1956

AANSOEK OM VERANDERING VAN DIE REGI-  
STRASIEBESTEK VAN 'N VAKVERENIGING

Ek, David William James, Nywerheidsregistrateur, maak ingevolge artikel 4 (2) soos toegepas by artikel 7 (5) van die Wet op Arbeidsverhoudinge, 1956, hierby bekend dat 'n aansoek om die verandering van sy registrasiebestek ontvang is van die Paper, Printing, Wood and Allied Workers' Union. Besonderhede van die aansoek word in onderstaande tabel verstrek.

Enige geregistreerde vakvereniging wat teen die aansoek beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p.a. die Departement van Mannekrag, Mannekraggebou 123A, Schoemanstraat 215, Pretoria (posadres: Privaatsak X117, Pretoria, 0001).

## TABEL

*Naam van vakvereniging:* Paper, Printing, Wood and Allied Workers' Union.

*Datum waarop aansoek ingedien is:* 12 Februarie 1990.

*Belange en gebied ten opsigte waarvan aansoek gedoen word:* Alle werknemers wat weekliks besoldig word en wat in diens is in die Meubelnywerheid soos onderneem deur—

1. Twopal Pine Industries (Edms.) Bpk., in die landdrostdistrik Boksburg;
2. Afman Bedding (Natal) (Edms.) Bpk., in die landdrostdistrik Durban;
3. Bebel Investments (Edms.) Bpk. en Cupboard Centre BK, in die landdrostdistrik Oos-Londen;
4. Primfurn Interiors (Edms.) Bpk., Elandsfontein, en G. Jancor and Co., Wadeville, in die landdrostdistrik Germiston;
5. Transvaal Mattress and Furnishing Company Bpk., Booyens, Edblo (Tvl.) Bpk., Industria, Festival Furniture Manufacturers, Industria-Wes, Highpoint Furniture Industries (Edms.) Bpk., Industria, Powercraft Upholtery Products (Edms.) Bpk., Industria, Rand Upholsterers (Edms.) Bpk., Industria, S & S Woodware (Edms.) Bpk., Heriotdale, en Woodmet Dashing (Edms.) Bpk., Robertsville, in die landdrostdistrik Johannesburg;
6. Baileys Furniture Manufacturers (Edms.) Bpk., Mason Mill, en Dizzamics (Edms.) Bpk., Woodlands, in die landdrostdistrik Pietermaritzburg;
7. Bonanza Catering Equipment (Edms.) Bpk., en Sealy of South Africa (Edms.) Bpk., in die landdrostdistrik Pietersburg (Tvl.);



8. Isaac Brothers Furniture Manufacturing (Pty) Ltd and Madison Upholsterers (Pty) Ltd, Deal Party, in the Magisterial District of Port Elizabeth;
9. Erfdeel Meubelvervaardigers (Edms.) Bpk., Silverton and Motani Industries (Pty) Ltd, in the Magisterial District of Pretoria;
10. Modular Components (Pty) Ltd, in the Magisterial District of Randburg;
11. BF King Manufacturing (Pty) Ltd, in the Magisterial District of Springs;
12. Strandfoam (Pty) Ltd, in the Magisterial District of Wonderboom;
13. Edblo Ltd and Reliable Furniture (Pty) Ltd, in the Magisterial District of Bloemfontein.

For the purposes hereof—

Furniture Industry means, without in any way limiting the ordinary meaning of the expression, the industry in which employers and their employees are associated for the manufacture either in whole or in part of all types of furniture, irrespective of the materials used, the manufacture of bedding and upholstery and includes all associated activities.

*Postal address of applicant:* Paper, Printing, Wood and Allied Workers' Union, P.O. Box 3258, Johannesburg, 2000.

*Office address of applicant:* 33 Becker Street, Johannesburg.

Attention is drawn to the following requirements of sections 4 and 7 of the Act:

(a) The representativeness of any trade union which objects to the application shall in terms of section 4 (4) as applied by section 7 (5) be determined on the facts as they existed at the date on which the application was lodged and, as far as membership is concerned, only members who were in good standing in terms of section 1 (2) of the Act as at the aforesaid date shall be taken into consideration.

(b) The procedure laid down in section 4 (2) must be followed in connection with any objection lodged.

D. W. JAMES,  
Industrial Registrar.

(19 October 1990)

8. Isaac Brothers Furniture Manufacturing (Edms.) Bpk., en Madison Upholsterers (Edms.) Bpk., Deal Party, in die landdrostdistrik Port Elizabeth;
9. Erfdeel Meubelvervaardigers (Edms.) Bpk., Silverton, en Motani Industries (Edms.) Bpk., in die landdrostdistrik Pretoria;
10. Modular Components (Edms.) Bpk., in die landdrostdistrik Randburg;
11. BF King Manufacturing (Edms.) Bpk., in die landdrostdistrik Springs;
12. Strandfoam (Edms.) Bpk., in die landdrostdistrik Wonderboom;
13. Edblo Bpk., en Reliable Furniture (Edms.) Bpk., in die landdrostdistrik Bloemfontein.

Vir die doeleindes hiervan beteken—

"Meubelnywerheid", sonder om die gewone betekenis van die uitdrukking enigszins te beperk, die nywerheid waarin werkgewers en hul werknemers met mekaar geassosieer is vir die vervaardiging, hetsy in die geheel of gedeeltelik, van alle tipes meubels ongeag die materiaal wat gebruik word, en omvat dit onder meer die vervaardiging van beddegoed en stoffering en sluit alle gepaardgaande bedrywighede in.

*Posadres van applikant:* Paper, Printing, Wood and Allied Workers' Union, Posbus 3258, Johannesburg, 2000.

*Kantooradres van applikant:* Beckerstraat 33, Johannesburg.

Die aandag word gevestig op onderstaande vereistes van artikels 4 en 7 van die Wet:

(a) Die mate waarin 'n beswaarmakende vakvereniging verteenwoordigend is, word ingevolge artikel 4 (4), soos toegepas by artikel 7 (5), bepaal volgens die feite soos hulle bestaan het op die datum waarop die aansoek ingedien is, en wat die lidmaatskap betref, word alleen lede wat ingevolge artikel 1 (2) van die Wet op voormelde datum volwaardig lede was, in aanmerking geneem.

(b) Die prosedure voorgeskryf by artikel 4 (2) moet gevolg word in verband met 'n beswaar wat ingedien word.

D. W. JAMES,  
Nywerheidsregistrator.

(19 Oktober 1990)

Use it.

Don't abuse  it.

water is for everybody

Werk mooi daarmee.

Ons leef  daarvan.

water is kosbaar

**DRAWING CIRCLES**

Do Japanese management and production techniques make sense in SA's dispute-riddled labour atmosphere?

Akira Goshi, a management professor at Japan's Nihon University who recently visited SA and consulted for several local companies, says Japanese management programmes are adaptable to SA. But many unionists disagree. They see Japanese management programmes such as quality circles and "total quality control" as a tool for busting unions and denying worker rights. Their fear is that programmes aimed at boosting productivity will come at the price of retrenchments. *F/M 19/10/90*

The hallmarks of the Japanese approach should allay those fears:

- Companies avoid lay-offs and try to provide workers with life-long employment. In the slump of the mid-Seventies, Detroit's vehicle makers laid off thousands of workers while management at some Japanese companies, such as Nissan, took pay cuts. Rank-and-file workers were unaffected;
- Workers and management co-operate closely and understand that "if the boat sinks, we all sink together;" and
- As they expand, companies share profits with workers.

In line with these principles, Japanese companies liberally employ quality circles — small groups of employees from different departments that meet regularly with management to discuss workplace issues. The goal is to improve product quality, increase productivity and curb worker alienation.

Goshi is quick to point out, however, that a good management programme may not suffice. "It takes a lot of morale building. Simply having a brilliant philosophy isn't enough." He believes that a major stumbling block to good labour relations in SA is the bloated status of management. "SA's top management has too many perks. It seems to be some sort of hangover from colonial British management techniques."

Iscor is one local company that has a comprehensive total quality control programme. "We select specific groups that have tackled a problem well and award them prizes," says spokesman Piet du Plessis.

Unionists dismiss Japanese techniques as the Japanisation of SA. Alistair Smith, a national organiser at the National Union of Metal Workers of SA, says: "Total quality control is linked to the whole question of restructuring production in SA. It's simply another attempt to undermine the collective bargaining process."

Manie Spoelstra, a professor at the Unisa

School of Business Leadership, says quality circle programmes "have been more successful than unsuccessful" in increasing productivity and worker satisfaction. One example, he says, is Eskom, where a group of gardeners sought to improve their working conditions. A less time-consuming commuting system was initiated and worker absenteeism decreased sharply.

Mistrust of Japanese management programmes is largely a result of SA's embattled labour history. Companies have in the past acted like cowboys, unionists claim, unilaterally imposing total quality control pro-

grammes and alienating workers.

Duncan Innes, a Wits professor of industrial sociology, points to Highveld Steel. In the early Eighties, the steel giant unilaterally established a worker-management liaison committee. Such decisions have cast a dark cloud over total quality control programmes, which in fact dictate that companies should not act unilaterally. Labour observers viewed the Highveld effort as a bid to undermine unionisation. Union fears must be allayed, Innes says; apartheid has left in its wake considerable tension between unions and management. ■



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FIM  
19/10/90

**Mercedes-Benz's** East London plant is working again after a bitter seven-week dispute.

The agreement last week between Mercedes and the National Union of Metalworkers contains important conditions to improve relations at the plant. Included is an acceptance of the company's continued participation in the National Bargaining Forum and of a recent NBF wage agreement.

Provision has also been made for joint union-management structures to address the "growth and viability" of the company and agreement has been reached on how "other operational issues" will be addressed. These include the need to meet production schedules; discipline; and absenteeism.

The parties agreed to finalise jointly a new housing, education and social responsibility programme. The issue of dismissed workers will also be referred to arbitration under the Independent Mediation Service. (They were dismissed after taking part in a sleep-in.)

The dispute centred on workers' demands that the company should withdraw from the motor industry's NBF. Hundreds of hourly paid workers began a sit-in on August 16 to protest against Mercedes' involvement in central bargaining. They argued that they could negotiate higher wages at plant level.

Ironically, the union had previously waged a prolonged campaign pushing for central bargaining in the industry. The strike highlighted the problem of a minority of the work force wanting to maintain the pay differentials that have traditionally existed in the sector.

Mercedes has been hit hard by the strike. It estimates the stoppage has cost nearly R500m in revenue with about R13,5m lost each day.

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**CURRENT AFFAIRS**

□ There has been no relief in the four-week strike by the Paper, Printing, Wood & Allied Workers' Union at Nampak, a Barlow Rand subsidiary. The strike involves about 3 000 workers and has spread to 28 Nampak plants.

At the time of going to press, a Cosatu march on Barlows' Johannesburg head office was planned to protest against the handling of disputes at subsidiaries such as Nampak and ATC. Cosatu is involved in a campaign against Barlows because of centralised bar-

gaining which, it alleges, the company has continually undermined.

Barlows group public affairs GM Ken Ironside says the company has in fact shown a strong support for collective bargaining in all forms since the issue became relevant in 1980. He says Barlows has agreed with Cosatu that the federation will take concerns with levels of bargaining to the various divisions. At Nampak the process is now under way and talks are at different stages.

A meeting last week between the union

FIM 19/10/90

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and the corrugated containers division of Nampak failed to resolve the deadlock, with the company warning that it would employ new workers. ■

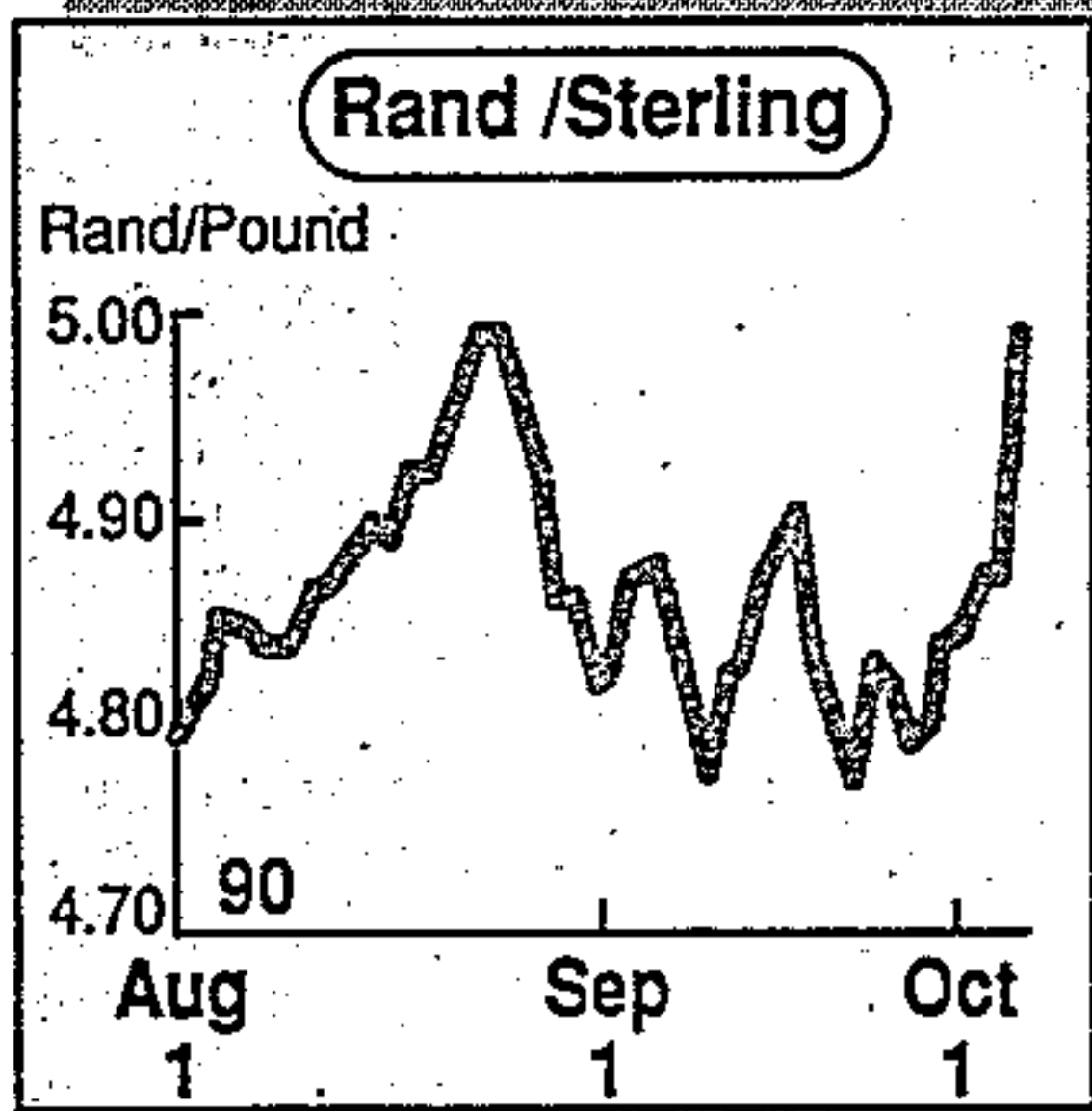


## Dissidents challenge Satu

■ Cape dissidents in the SA Typographical Union have formed a lobby group to challenge alleged undemocratic practices in the 40 000-strong union. (181)

At a weekend meeting of Satu members from 23 Western Cape printing firms, workers complained Satu was racially constituted, denied lower-grade workers full voting rights and did not train members in conducting pay and recognition negotiations. WIM 19/10-25/10/70

It is understood the rebels aim to oust the mainly white Satu leadership, as well as seeking the re-establishment of the disbanded printing industrial council. Satu's Martin Deyssel was unavailable for comment. 4/73



Graphic: LEE EMERTON

## Sterling soars on ties to EC rates

GRETA STEYN

BRITAIN's entry into the European Exchange Rate Mechanism (ERM) and a cut in its interest rates saw the rand fall 2% against the pound while interest rate sentiment turned more bullish.

The pound closed at R4,99 to the rand on Friday from Thursday's R4,8737 finish, following a similarly bullish run for the pound on world markets.

Sterling soared about eight pfennigs against the Deutschmark to a high of DM3,02 and more than 4c against the dollar to DM1,96 on the news.

The pound joins the ERM today at a central level of DM2,95 with a 6% trading band.

The move came too late for the SA money and capital markets to be affected, but dealers said the cut in UK interest rates added impetus to the sentiment that SA was also due for a cut in interest rates.

Standard Bank international division GM Rocco Rossouw said yesterday: "The cut in UK interest rates is surprising given the IMF's strong call for high positive real interest rates to fight inflation. But whether SA will follow suit remains to be seen."

"The IMF argued nominal interest rates should be at least 50% higher than the inflation rate. With SA prime at 21%, that means Reserve Bank Governor Chris Stals can hold out for longer."

The inflationary implications of a strong pound are minimal, given the strong weighting of the dollar in a basket of currencies of SA's main trading partners.

● See Page 5

Wimant 19/10 - 25/10/90

# Axe for 1 200 as canning giant closes factory

By GLENDA DANIELS: Cape Town

THE closure of giant fruit canning factory Gants Holdings, at the Strand near Somerset West, means about 1 200 workers will be left jobless, exacerbating the serious unemployment problem in the Cape.

The canning factory will be closed next June but major retrenchments have already taken place.

The managing director of Gants Holding, Ralph Robinson has refuted rumours that the company is negotiating to sell its Somerset West plant to the Heinz group.

The canning company, which has been in operation since 1955, last year closed its factory in kwaZulu because of financial problems. Next month the Gants factory in Transkei is due to close.

Robinson blames sanctions, inflation, fewer exports, high interest rates, the slow turnaround of fruit and tough conditions in the trade for the closure of the company, which has been running at a loss for the past six months.

He adds that the company will honour its contracts with farmers.

The plant will be taken apart and used at other factories in the Transvaal.

Last year the company was taken over by Tollgate Holdings.

The Food and Allied Workers' Union said the closure of the factory would increase poverty levels and social problems in the Cape.



# Tensions rise as motor industry talks drag on

By DREW FORREST (181)  
TENSIONS are rising in the motor industry as industrial council wage talks covering 250 000 workers drag into their seventh month.

Covering component and garage workers, these are the last industry-wide negotiations involving the National Union of Metalworkers to remain unsettled. Numsa has about 80 000 members in the industry.

Last week, about 30 Numsa shop stewards staged a sit-in at the Pretoria offices of the SA Motor Industry Employers Association, demanding that Samiea speed up talks and make "substantial" offers to avert confrontation.

The current agreement has been once extended and expires at the end of next month. Negotiations, also involving two white unions, have been prolonged by discussions on job grade rationalisation. WIM 19/10 - 25/10/90

Numsa's Les Kettledas said progress

had been made in reducing the almost 100 wage rates in the agreement. Samiea had proposed 10 grades, while Numsa wanted this further cut to eight.

But wages remained a key bone of contention, particularly Samiea's refusal to grant a guaranteed personal increase in addition to rises in the scheduled rates.

Numsa had moderated its original demand for R2-an-hour on actual earnings, but Kettledas declined to elaborate.

The union also wanted one national rate, rather than the current three-tier system for cities, small towns and rural areas. "This cuts across the principle of rate for the job, which employers accepted in restructuring the agreement," he said.

In line with its national bargaining strategy, Numsa also demanded a 40-hour week and six months' maternity leave on full pay — since moderated to 30 percent of wages. Employers wanted no change in the current provisions.

Negotiations resume on November 7.

## Nampak's strike may be 'exported' to UK retail giant

By DREW FORREST

(181)

BRITISH supermarket giant Sainsbury's is being sucked into the bitter four-week Nampak strike — and could face South African-initiated boycott action.

The Paper, Printing, Wood and Allied Workers' Union is to approach Sainsbury's and British supermarket chain Asda — both major purchasers of plastic bags made by Nampak Polyfoil — to pressure the South African packaging group to settle the strike.

If this failed, the next step could be a boycott, warned union general secretary Siphon Kubheka, adding that contact was being established with British unions and the Anti-Apartheid Movement.

Kubheka said action could be broadened to target the overseas interests of Nampak's parent, Barlow Rand, and Nampak customers in France and other European countries.

"It's about time the company sat down to address our serious long-term differences," he said. Nampak complains that the strike was unprocedural had to be measured against its bugging of union activities.

The union says Nampak's export market is crucial to its profitability. Concerns over the impact of the strike on exports are mentioned in several applications for court interdicts against strikers.

Yesterday Nampak slammed as "desperate acts" union moves to internationalise the dispute, which affects about 3 700 workers at 29 plants and centres on demands for central bargaining. The union says about 1 000 strikers have been fired in eight mass dismissals.

Asserting its "remarkable restraint in dealing with the strike", Nampak said attempts to undermine it in the marketplace could only jeopardise the job security of hundreds of employees.

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(181)

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## FORMATION TECHNOLO

### **Tough competition sees PDS lay off half its staff**

ALMOST half of Malbak company Protea Technologies' division Protea Data Systems' (PDS) 90 staff members will be laid off within the next few weeks. Most, in fact, have already gone. (181)

This is because of fierce competition and small growth in demand for PC products, Malbak's Hugh Brown says. (2)

Brown says all options are open now with regard to PDS's future.

"We're not closed to notions such as a management buyout," he says. Bidem 25/10/90

PDS's contribution to Malbak Group turnover is very small. Brown says the group's entry into the PC market seemed a good idea at the time because of massive projections that were made for the industry's growth during the late 1980s.

"Growth was grossly overestimated, and hasn't materialised. At last count, we found about 35 distributors in the market which are doing precisely what PDS is doing," he says.

PDS has local distribution rights for Taiwan's top-selling PC range, Acer, as well as Star and Data-products printers.

Acer representatives will be in SA soon for discussions about the distributorship's future in SA.

There have also been retrenchments at Protea Technologies' division Protea Electronics in line with shrinking market demand.



FIGHTING BACK . . . former Nampak men Gerry Germanis, Adrian Barker and Ralph Webb

# Now Nampak faces a R1m counter suit

S/Times 2/11/10

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A MILLION rand damages suit is being brought against Barlows subsidiary Nampak in a sequel to the bitter battle between the packaging giant and its employees.

But Nampak says it is not intimidated and will defend any action brought against it.

Gerry Germanis, one of the respondents in the recent application brought by Nampak against senior members of its Corrugated division and an engineering company, says he is suing Nampak for defamation.

And the other respondents, former CEO of Nampak Corrugated, Adrian Barker and former Corrugated branch manager Ralph Webb are considering similar defamation suits.

Mr Germanis gives as his reasons for suing Nampak: "Reckless remarks made both in the court papers and by Nampak lawyers in court branded me a thief and a fraud."

## Ploy

"There is no evidence to suggest that I was involved in anything underhand or shady. I feel that I have to clear my name."

He says that at least 60% of his work as a business analyst/consultant was for Nampak.

"My business has been destroyed and the chances of my working again are slim."

Nampak managing director Don McCartan says he regards the decision to sue the company as "a tactical ploy".

"We deny that we acted wrongfully. Mr Germanis must issue his summons and let the court decide on the facts."

Late last month Mr Justice Streicher found against Nampak in an application hearing, ordering them to pay costs including those of Mr Germanis, Mr Barker and Mr Webb.

He ruled that Nampak should not have gone to court by way of motion proceedings when disputes of fact should have been anticipated. For this reason he ruled against Nampak.

The application to freeze the bank account of engineering company Corrugated Ma-

By CHARMAIN NAIDOO

achinery Services (CMS) was nevertheless upheld and the interdict extended.

Mr Germanis says he was the financial director elect of Nampak Corrugated Engineering (NCE), the new operation in the Corrugated division which was formed to take over the maintenance aspect of CMS.

"There was an agreement that CMS would sell the maintenance aspect of the engineering company and that NCE would purchase the assets, spares and consumables."

"As the financial director elect, I was closely involved in the negotiations."

"I've not been notified that I have been dismissed by Nampak, because I was told I was never employed."

"It is true that I was not issued a letter of appointment but we had an agreement and everyone was well aware that I was in the sys-

tem and working for Nampak. Nampak agreed to the purchase of the maintenance section of CMS and R3-million was allocated — R2,4-million for workshop equipment, spares etc, and the balance for working capital.

"It was an arm's length deal with independent evaluators assessing the value of the equipment being purchased," Mr Germanis says.

## Denial

Nampak believed the deal to be fraudulent and brought an urgent application against CMS, Mr Barker, Mr Germanis, Mr Webb and Trust-Bank (the bank where CMS had its account).

Mr McCartan says: "Nampak denies the allegations made by Mr Germanis. But I am not surprised that exaggerated claims of this nature are being made, given the background to the litigation and the acrimonious nature of the dispute."

# Death threats cast sinister shadow on factory discipline

SITimes  
2/1/49

"If your husband doesn't leave this company, you and your baby are going to die."

This telephone message, and variations on it, were recently received by the wife of a middle-management employee of a large manufacturing company on the Reef.

The husband had the misfortune of having to chair a disciplinary hearing at which a long-serving employee was dismissed for drunken driving a company vehicle on company business.

Before the hearing, a union shop steward who was involved in representing the driver was himself late back at work in the plant, and he too faced a disciplinary hearing under the same chairman.

The shop steward was already on a warning for previous misconduct. He refused to answer questions, and his silence was taken as an admission. He was given a final warning.

The next week when the chairman of the hearing sought the shop steward to serve the written final warning he was again missing from his work place.

When he reappeared, the chairman approached him with the letter. He claims he was subjected to a volley of abuse, insolence and non-cooperation.

## Idle

As the shop steward tried to leave his desk, the chairman says he grasped his lapels and seated him firmly on the desk.

That was to be his undoing. Realising the possibility of a technical assault, he left to report the incident to the personnel department.

Meanwhile, the shop steward also lodged a report, his initial version matching the chairman's to a fair degree. Then the union man saw an opportunity to remove what he regarded as his antagonist.

The next day the entire workforce came out on strike, and remained idle for a week. The procedure of airing grievances was not followed, but eventually, the union demanded a disciplinary hearing for an al-

**BUSINESS TIMES** looks at an incident reflecting the parlous state of industrial relations

leged assault by a manager on an employee.

The chairman chose to conduct his own defence, but found it impossible to secure statements from witnesses. Intimidation was rife, and all workers carried placards with death threats against him. Telephone calls were made to his wife.

At the hearing, the alleged assault was embellished to a high degree, answers were fabricated and new witnesses were procured for the plaintiff, backing his version.

 **Illegal** 

The chairman of that meeting — a member of top management and obviously anxious to get the workforce back into production — resolved the issue by giving the shop steward yet another final warning, and suspending his antagonist for a week without pay.

The chairman found that the plaintiff's arguments were without credibility, that the union had called an illegal strike, but that the workers would be paid for two of the eight days they were on strike.

How much did a jostling of a shop steward by a sorely provoked manager cost that company? A week's lost production, half a week's pay for the workers who did not want to strike but who came under a great deal of intimidation, and a manager's pay.

Had the incident not occurred, how would the chairman have served the first final warning on the shop steward again guilty of the very offence for which he had been twice reprimanded? Would there have been a strike anyway if he had been dismissed?

Whatever the rights and wrongs of the actions, the fact remains that there were no winners in the time-consuming and costly dispute.



# Pointers to sluggish growth in the manufacturing sector

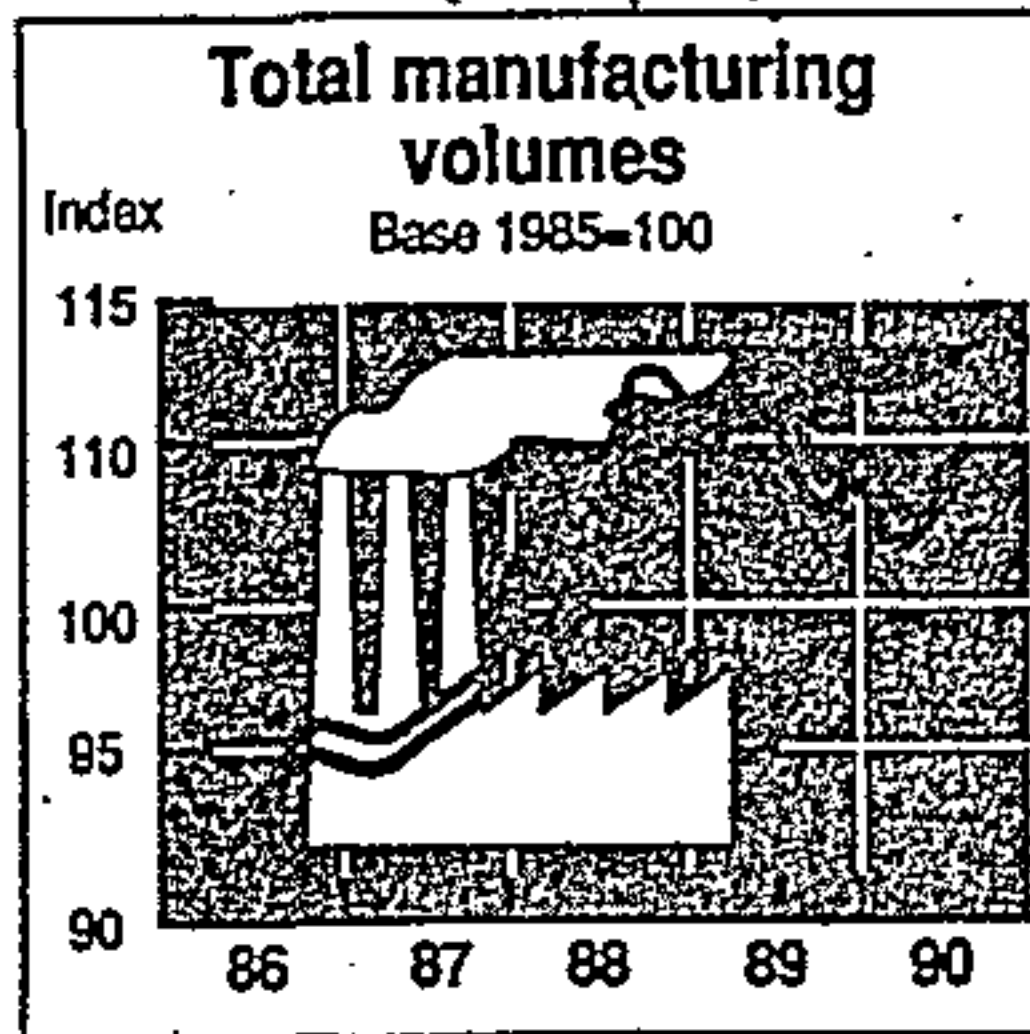
181  
MARCIA KLEIN

MANUFACTURING production in July decreased by nearly 2% on last year with the textile, footwear, industrial chemicals and non-ferrous basic metal industries recording the largest decreases, Central Statistical Service figures show.

A Bank of Lisbon Economic Focus says over the past decade, growth in the manufacturing sector — at 0,7% — has been sluggish, falling from 3% a year in the 1970s.

And while the total growth in employment in the manufacturing sector was 23% in the 1970s, it rose by only 2% between 1980 and 1989.

The manufacturing sector is seen as the provider of direct employment opportunities, and it is "disconcerting" that the number of people employed in the industry in 1988 is 3,7%



Graphic: LEE EMERTON Source: CSS

lower than in 1981, the report says.

The relationship between an increasing share of manufacturing production in the economy and rising per capita incomes — which existed for several decades in SA — has been eroded in the past 10 years.

Capital intensity has increased

sharply in the same period while new employment opportunities have "virtually disappeared".

The report says the increase in capital stock per worker has only marginally benefited productivity of labour, and real output per worker increased by only 1,6% a year between 1970 and 1986.

It says this points to an under-utilisation of capital in the sector.

For a long time, import substitutions in the manufacturing sector were an important aspect of economic development strategy.

However, this role has diminished considerably in the past 30 years, and future scope for import substitution is limited.

Now the shift is towards a policy of promoting exports of manufactured goods where the prospects are improving in the wake of a new political dispensation.

# Strikers turn to UK for aid

THE strike by 3 000 workers at the Barlow Rand subsidiary Nampak took another turn yesterday when the Paper, Printing, Wood and Allied Workers Union said it had asked British unions and anti-apartheid organisations for help.

Ppwawu said at a Press conference the action had been taken after

repeated attempts to meet Nampak had failed.

"In the latest attempt, a representative of Business Forms, a division of Nampak, walked out of the meeting because of the delegation workers had chosen.

Union

The union alleged Nampak had engaged "in a host of heavy-handed tactics".

A Nampak spokesman said its companies were willing to meet Ppwawu, "but meetings so far, for example with Business

Forms, had not taken the matter further".

The boycott by the union "is another example of a confrontational tactic and could involve our businesses responding appropriately", said the spokesman. - *Sowetan Correspondent.*

24/10/90  
Sowetan

(181)

Blpny 25/10/90  
Award for 18/1  
Anglo-Alpha



Anglo-Alpha group manager Johan Pretorius.

Picture: ROBYN RYAN

TANIA LEVY

THE high percentage of women in top positions at Anglo-Alpha has earned the building materials producer the SA Federation of Business and Professional Women Gold Award.

The award, made in Johannesburg last night, has become a yardstick of equal opportunity in SA.

The proportion of women in top positions at Anglo-Alpha and its enlightened attitude at all levels had earned it the award, judging panel chairman Nedbank executive GM Phillip Bacchioni said.

Although women made up only 6,5% of the company's 4 821 staff complement, they occupied 5% of executive positions and 21% of senior places.

Anglo-Alpha group MD Johan Pretorius said this was a big achievement given the typically "macho" industry in which the group operated.

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# Steep fall in jobs in computer industry

~~181~~ (181)  
B Day 25/10/90

Reports by  
MELANIE SERGEANT

THE number of jobs available in the computer industry could be almost 50% down on six months ago.

According to CPL permanent placements MD Peter Maybury, the situation is deteriorating, in line with slower growth in industry generally.

"Projects are being put on ice or even cancelled in industries ranging from insurance to manufacturing," he says.

Employment decisions are being postponed, leading a few smaller agencies to rationalise or even shut down.

Computer Users Council (CUC) president Cees Roon says for the first time since the council started its exams for the industry there is an oversupply of entry-level programmers.

Maybury agrees: "One of the large schools is asking us to find jobs for its graduates — a function normally performed by themselves without difficulty."

Intake figures for recent exams increased to 1 140, a 26% increase on May 1989 figures and an 8% increase on November 1989 figures.

With this scenario it's easy to under-

stand that second-rate people are not getting a showing, and many who would normally have a job in line before their notice period is up no longer find themselves in this position," says Maybury.

Apart from this, a growing number of job applications are filtering through from East Europe.

Maybury says he receives about five applications a day, way up on figures six months ago.

"Most of these are Bulgarians and Russians, and we've been able to help a few, placing three last month," he says.

Don Gray Careers MD Allan Gordon says his company receives five to 10 applications a month from people in various countries, but this is not significantly higher than in previous months.

He is less pessimistic about the industry's shrink-rate, saying it is about 30% down on six months ago.

Maybury says the cutbacks are not limited to the computer industry, but are endemic across all sectors.

NAMPAK STRIKE

## HARD BARGAIN

F17 26/10/90

The union involved in a bitter dispute with Barlow Rand subsidiary Nampak has asked for help from British trade unions and anti-apartheid organisations.

The Paper, Printing, Wood & Allied Workers' Union has announced that it will call for a product boycott of Nampak, to pressure the company into settlement. British supermarket group Sainsbury's and chain store Asda could be involved.

Nampak says the union's plans are confrontational and warns against boycotts. Attempts to undermine sales will only jeopardise job security for hundreds of employees, says the company.

The union is also planning demonstrations and work stoppages and has asked for support from community and political organisations. Trade union federation Cosatu is planning national protest action — focusing on the Nampak strike — in its campaign for centralised bargaining at Barlow Rand.

Industrial action by nearly 4 000 workers at 29 Nampak plants was sparked by the centralised bargaining issue; there is no sign of settlement and the dispute is in its second month.

This week, Cosatu approached Barlows head office to request an urgent meeting between the group and the various Nampak divisions. Cosatu general-secretary Sidney Mafumadi stressed the need to bring about "a speedy resolution of the strike."

The paper union estimates that over 1 000 workers have been dismissed so far, and says some members have lost up to a month's wages because of the strike. ■

NAMPAK management this week slammed a threatened union boycott of its products in the Western Cape as "flying in the face" of an offer by a senior Cosatu official to facilitate resolving a six-week strike.

The proposed "blacklisting" of Nampak products and supplies was announced by a member of the Paper, Printing, Wood and Allied Workers Union at a Press briefing in Cape Town on Wednesday.

Hosted by Cosatu (Western Cape) the Press conference was called to publicise the recently-launched "campaign in defence of the working class".

Nampak industrial relations director Mr Tony Mercer said Cosatu assistant-general secretary Mr Sydney Mafumadi had written to the company on Monday, offering to play a "facilitating role" in the dispute.

"If (the boycott) was called by Cosatu, the company is extremely disappointed in the lead they have taken in this matter. It is clearly a grossly unfair and illegal use of pressure against the company," he said.

He hoped the "Cosatu head office" position would prevail, and that the federation would "bring PPWAWU to its senses to stop undermining due processes".

Ms Lucy Nyembe, Cosatu (Western Cape) regional secretary, told the Press conference the union was spearheading action against companies in dispute with Cosatu affiliates.

About 4 000 PPWAWU members at Nampak plants countrywide have been on strike for nearly six weeks in support of a union demand for centralised bargaining. Up to 1 000 workers at eight plants have been dismissed.

Cosatu head office spokesman Mr Neil Coleman

# Boycott of Nampak is challenged

Sowetan 26/10/90

said there was no contradiction between Mafumadi's letter and the campaign announced by the union.

"This comes in the context of the union-bashing practices of Barlow Rand (of which Nampak is a subsidiary).

"The Barlow Rand shop stewards council met to discuss solidarity action, and this included the question of blacklisting." - Sapa.

## Nactu denies claims

THE National Council of Trade Unions denied on Wednesday that its expulsion of the Black Allied Mining and Construction Workers Union' was related to BAMCWU's attendance of the Conference for a Democratic Future last year.

A spokesman for Nactu, Mr Mahlomola Skhosana, said the attendance of the CDF was not an issue in BAMCWU's expulsion.

He said BAMCWU failed to meet its constitutional obligations by not paying its affiliation fees for a whole year.

Earlier BAMCWU argued in a statement arguing that its expulsion was based on its attendance of the CDF. - Sapa. Sowetan 26/10/90

We simply need



# The executive drones interface: Ordinary people merely talk

W/E May 26/10 - 1/11/90  
THE impression executives like to give of their business lives is one of constant cut and thrust, of bustle and hurry and crucial, snap decisions.

This may be so. If the language of business communication is any clue to the process of modern business then the whole affair is drearily unimpassioned.

This is despite attempts to spice up corporate communications and presentations with words like "pro-active" (which means nothing more than active), "concept" (idea) and "innovative" (new), by using phrases like "window of opportunity" for opportunity, or "structured management portfolios" (what's an unstructured management portfolio?).

Business rhubarb offends not simply because it fudges and complicates the clear transfer of information between people. It also dehumanises. By virtue of its impersonality modern corporate communication lends itself wonderfully to the veiled threat.

For instance, a top-flight personnel consultant was once quoted as saying: "Employees must focus on adding value. If value is not added opportunities for rationalisation will occur."

In short, "If you don't work hard, your job is at risk."

Is being thanked for your "input" the same as being thanked for one's "contribution"? Input emanates from a computer rather than from a human being. Computer jargon has spilt over into the business world. Would you prefer to "interface" with your customers than talk to them?

Telling employees their "productivity levels are too low" may be intended to be less insulting than "You are not earning your pay", but its obliqueness has overtones of ruthless impartiality. ("It's not up to me, you understand. The marketplace is responsible for your being without a job.")

Earlier this year in the National Productivity Institute's publication, *Productivity SA*, engineer and writer Andrew Kenny flubbed the phenomenon "executive drone". He identified the baneful "input" of sociology.

"Twenty years ago, social scientists with beards and corduroy jackets would take painfully obvious propositions and, by means of suitably obscure jargon, turn them into unreadable PhD theses. Today, business managers with suits and MBAs take painfully obvious propositions and turn them into two-hour presentations illustrated with overhead slides and flip charts."

Kenny notes that many scientific terms have come to be misused: "negative feedback" is, strictly speaking, not as we all think "unfavourable response". Whatever "parameter" means in the business world, it isn't the dictionary definition.

Economics has understandably left its mark as well.

Corporate communication has not only made the world of business inaccessible to 'ordinary' people; it also obstructs interaction between people — and it dehumanises this process.

By REG RUMNEY

All this is not to say all the study in business schools is worth naught. Management as an academic discipline has produced much for businessmen to ponder.

But what seemed at first to be a splendid tool for unlocking business skills is snapped up with such enthusiasm that it soon becomes blunted with overuse, its original meaning forgotten.

"Focus" may once have hinted at intense concentration and clarity of vision. It now merely means concentrate. "Adding value", a nifty way of thinking about making money by processing products for resale, means doing something well instead of badly. True, improvements in "productivity" could mean a company turning profits into losses, but the misunderstanding of its multi-faceted meaning to be equivalent merely to whipping the lazy workers into shape debases it and ensures labour views the idea with suspicion. The theory of the "learning curve" has a wealth of valuable meaning, but is often taken to mean only an education, as in "becoming a journalist meant a steep learning curve".

Sometimes the use of certain words seems like incantation to appease Mammon or the shareholders. Does any business, reporting profits or forecasting them not "concentrate on core business" these days? Or is not "highly-focused"? How many, having seen their businesses shrink in a slump, are not "well-positioned to participate in the coming economic upturn"?

Related is the constant use of euphemism and vagueness for the sake of sensitivity. Worst offenders are phrases such as: "This impacted negatively on profits," for "profits fell/plunged/dropped".

The result of the indiscriminate use of jargon, of hazy sentences with passive construction where things happen to people and profits, is often unintended vagueness and imprecision. Or is it unintended?

Sir Ernest Gowers, author of a masterful book on English style, *The Complete Plain Words*, quotes an anonymous diplomat as saying: "What appears to be a sloppy or meaningless use of words may well be a correct use of words to express sloppy or meaningless ideas."

When one looks at the statements that accompany the results of listed firms, this is the most worrying thought.



# Carrots that keep the skilled in their places

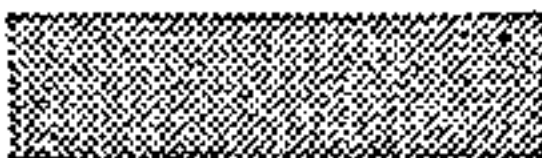
SITimes 28/10/90

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**F**FRINGE benefit schemes are increasingly being used to attract and retain skilled personnel. Coopers Theron du Toit tax partner Bronwyn Allan says several companies have non-contributory medical schemes. The 100% employer contribution is allowed as a company expense.

Contributions to schemes are such that the employee may only claim medical expenditure to the extent that it exceeds the greater of R1 000 or 5% of income. This applies to those under the age of 65.

But the medical-aid rules have to be amended for the company to contribute the employee's portion to avoid the contribution being seen as a settlement of debt which would be a taxable benefit.



Mrs Allan says a pension fund can also be non-contributory. It makes the fund tax efficient for the employee because the seventh schedule does not seek to tax this benefit.

"The major advantage of a non-contributory scheme is that it enables an employee to maximise his overall retirement provision by taking out more personal retirement annuity contracts.

"For employees who are members of a contributory pension fund the maximum tax-deductible contribution to a retirement annuity scheme is generally R1 750. But members of a non-contributory pension fund can secure a tax deduction of R3 500 for retirement annuity contributions."

Deferred compensation — where employees contribute a percentage of their remuneration which is invested by the company in a life-assurance policy — is tax neutral for the employer. The expense — either the salary



or the assurance premium — may be deducted.

On retirement the policy's proceeds are given to the employee as a "golden handshake" and he is taxed at generous rates.

Mrs Allan says deferred compensation schemes are of interest to employees when they are aged 50 or above and have about 10 years to retirement.

Accommodation rented to an employee by the employer "is one of the most favourable and enduring fringe benefits an employee can receive".

"Furnished or unfurnished residential accommodation, with or without food, meals, fuel, power or water, when provided by an employer to his employee, is treated as a taxable benefit."

The benefit is so attractive that the employee who owns a house may think of letting it and moving into rented accommodation to qualify.

High interest rates have caused a reassessment of the

company car as a fringe benefit.

The private car allowance, although an attractive alternative, shuts out the "desk-bound" employee because in general it is granted to those who cover at least 25 000km a year and have to travel for business.

Low-interest loans — soft loans — allow a tax benefit to accrue if the money is lent to an employee by the employer and either no interest is payable, or is payable at lower than the official rate.



Mrs Allan says other perks are bursaries and scholarships for children, housing subsidies, provident funds and share schemes.

Minor fringe benefits include expenses for maintaining a study at home where company work is done, telephone payments related to work, entertainment allowances and professional journals.

## Ellerines opens up

ELLERINES is opening two stores at a cost of R2-million in the Northern Transvaal as part of the largest expansion programme in the furniture group's history.

An Oxford store has opened in Pietersburg and a Royal Furnishers store will start soon in Tzaneen.

Expansion planned in the next few years will give the group 400 stores by 1995.

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# Concern about SA jobs after Philips announces cutbacks

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MATTHEW CURTIN

WORKERS at Philips SA might face large scale retrenchments after the Dutch international company's announcement last week that between 35 000 and 45 000 jobs worldwide would go by the end of 1991.

Confederation of Metal and Building Unions (CMBU) chairman Ben Nicholson said at the weekend that while the company had yet to inform unions of any job cuts, Philips SA had closed its Johannesburg training department last week without warning.

CMBU affiliate, the Radio, Television and Electronics Workers' Union, was given no reason for the closure.

The CMBU was concerned because Philips SA had been a leading proponent of training in the electronics industry.

Nicholson believed Philips SA, which employed 2 500 people, was on the verge of "drastically" reducing its television manufacturing operation as part of the international company's relocation of this sector to

Brazil.

In reports last week, Philips president Johan Timmer said the company, after its third quarter results, showed a R2,6bn loss.

This compared with a R30m loss in the first six months of the year and a R400m profit in the first nine months of last year.

The company has blamed an international slump in its business, which has prompted radical restructuring and job losses amounting to 16% of Philips' 286 000-strong international workforce.

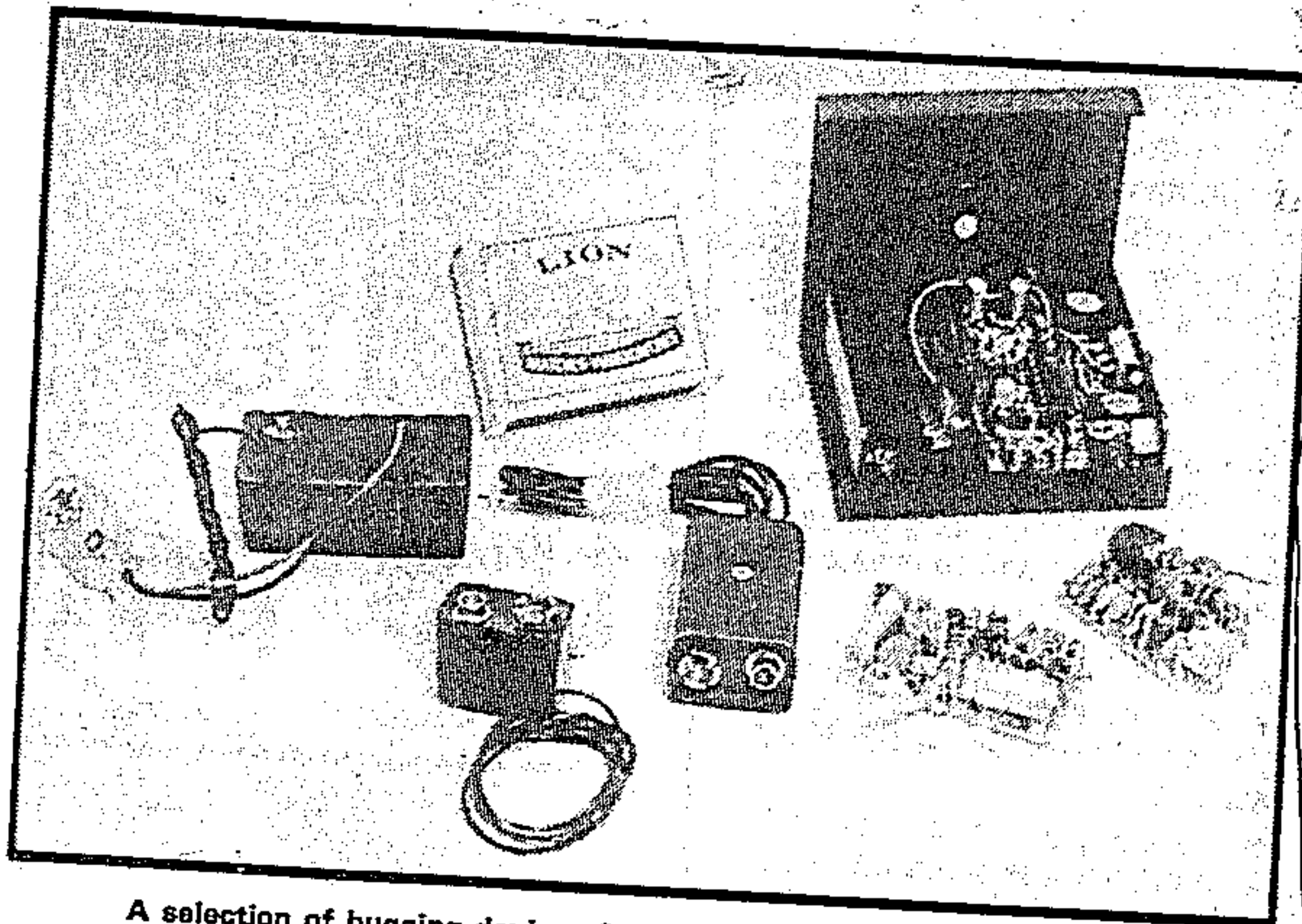
But in August, Philips SA MD Frank Touwen said operations were profitable here and he expected no "mass retrenchments".

The company did cut working hours at its Martindale plant in June.

Philips SA chairman Frank Manders is expected to comment today.

REPORT 29/10/90





A selection of bugging devices found during sweeping operations.

# Measures to ensure staff are not led into temptation

B 104 29/10/90

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MOST staff theft is caused by inefficient systems which allow employees to steal.

Lodge Service MD Errol Ashman says experience has shown that 10% of staff members will steal anyway, 10% will never steal but a staggering 80% will steal if tempted.

"We specialise in handling stock shrinkage for retailers as well as some of the larger industrial companies.

"Stock losses are countered by following the goods through every phase of movement through the company. When stock moves, an opportunity is created for theft.

"The efficiency of the receiving system is checked and we make sure the system is applied correctly until the goods leave the company in the normal course of business.

"Till procedures are checked to ensure they are followed.

"Test purchases are also made as a support to the

people checking systems.

"The use of the rotating trolley system is checked to ensure goods are not slipping through the tills without being rung.

"Cashiers will sometimes ring up a pile of shirts, taking the price from the top shirt and assuming the others are priced the same," says Ashman.

## Pocketed

Cashier theft can occur when a customer tenders the exact amount for a single item — the product is not rung on the till and the cash is pocketed.

Ashman says the greater percentage of stock losses is due to members of staff.

"We study the staff movement within the company and identify opportunities for theft.

"We become management's conscience, making sure the systems are good and that they are adhered to."

# Keeping management in the picture

INVESTIGATIVE security can be a great help to management, bridging the gap between executives and the workforce.

However, Security Service Consultants director Howard Griffiths says commerce and industry make too little use of the industry's services.

"There is always a budget for new fences or more guards, but investigative security is last in line.

"We investigate problems such as shrinkage, labour problems and industrial espionage. We are the client's ears.

"When looking into la-

bour problems, we do not offer advice, that's the industrial relations expert's job.

"We look at the general feeling in the work force and pass the information on to the clients.

## Pre-empt

"Often this information will enable the employer to pre-empt a strike.

"We are often accused of union bashing, but that is not our role and we have no problem with the unions.

"Unfortunately, with unions acting as the go-between in management-worker negotiations, man-

agement has tended to lose touch with its work force and its mood.

"We provide management with a new source of information.

"Another part of our task is to identify those who are intimidating the work force as well as those engaged in sabotage."

Griffiths says the company has many sources of information, such as undercover agents.

Information from the agent network is correlated and often useful for putting together an overall picture.

SSC pays for information

and has good contacts in the townships. It also maintains good contacts with industrial relations consultants and universities.

## Cautious

"A lot of companies are cautious about putting an undercover person into a company to investigate sabotage and labour difficulties.

"They are happy to use such skills for theft investigation, but the risk of exposure is the same.

"Our agents are fully aware of the risks they are running and are very careful," says Griffiths.

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(181)

# Too early to assess (181) job cuts Philips SA

By 10am 30/10/90

PHILIPS SA was involved in a radical cost-cutting programme but it was too early to assess the implications of its Dutch parent's announcement of worldwide job cuts last week, SA company chairman Frank Manders said yesterday.

Manders said Philips SA was "trying to reduce costs drastically by working more efficiently".

Philips International president Johan Timmer said last week 35 000 to 45 000 jobs worldwide would go by the end of 1991. The company recorded a R2,6bn loss after the first three quarters of this year.

Manders denied there was any truth in the suggestion made last week by Confederation of Metal and Building Unions chairman Ben Nicholson that Philips intended cutting back its television manufacturing operation in SA.

MATTHEW CURTIN

He said the company had scrapped an in-house apprenticeship training scheme recently because better facilities were available from outside sources.

Numsa local organiser Tony Kgobe said yesterday the union, which organises workers at Philips, did not know what the implications of the international re-trenchments would be for its members there.

But nine Numsa members had already been re-trenched at the company's Wadeville plant last week and the union expected more would follow.

Numsa was aware there was a general slump in the electronics industry in SA.

Numsa went on strike in June over the company's decision to reduce working hours to 40 a week.



## Revamp at Iscor works to cost 1 800 jobs <sup>(18)</sup>

A TOTAL of 1 800 jobs at Iscor's Pretoria works — about 25% of the total — will be lost during the steel giant's modernisation and rationalisation programme.

A statement issued yesterday said the reduction in the number of employees would take place during the next three years through transfers to other Iscor centres and not filling vacancies. However, some retrenchments would be necessary.

The modernisation programme aims to change technologically obsolete processes.

The programme will also contribute towards Iscor's total environment protection

LIZ ROUSE

programme by limiting pollution. ~~(20)~~

The commissioning earlier this year of the technologically advanced Corex plant for production of liquid iron was part of the programme. ~~(17)~~ ~~(18)~~

Also planned is the commissioning of a continuous slab caster and ladle furnace for the steel melting plant; the decommissioning of plants for the conventional casting of steel, soaking pits, blooming mill and rod mill; and the commissioning of a heavy mill reheating furnace.

09/10/11  
Liz Rouse  
3/11/10

## Bid to curb layoffs

THE Metal and Electrical Workers' Union of South Africa (Mewusa) is gearing up for a "job security campaign" to fight a threat of large-scale layoffs at the Plessey SA electronics company.

The company intends retrenching about a fifth of the workforce at its factory in Diep River.

A Mewusa spokesperson said the union intended to fight for the workers' jobs.

The retrenchment threat is the latest in a wave of layoffs which has hit the Western Cape this year.

Major retrenchments in the last month include about 300 workers from Atlantis



Mr Brian Williams

Diesel Engineering, the closure of a West Coast canning factory and the news that Somerset West's largest employer, Gants, intends closing.

### Recognition

Meanwhile Mewusa is involved in a conflict over recognition with Cape Manufacturing Engineering.

The union staged daily demonstrations at the Epping factory in support of recognition earlier this year. The matter has now been taken to the industrial court by the union, which claims to have about 450 members at the factory.

Mewusa is presently negotiating recognition with Tedalex and is involved in its first ever plant level negotiations at Cape Gate.

# Fawu member to be charged after protest outside embassy

CAPE TOWN — Police are to charge Food and Allied Workers' Union national executive member Nosey Pieterse for allegedly failing to meet magisterial conditions imposed on a demonstration outside the Taiwanese embassy yesterday.

Cape Town police district commissioner Col Philip Delpont confirmed this after monitoring the noisy, placard-bearing demonstration on Festival Square outside the Standard Bank Centre yesterday.

He said a docket of failing to comply with the conditions — which included no more than 50 demonstrators be allowed to gather and that they stand 5m apart — would be opened against Pieterse.

Pieterse said the demonstration of the estimated 250 Irving & Johnson workers and Fawu members was to demand compensation for the 40

Own Correspondent

local fishermen who had lost fingers while working in the cold rooms of Taiwanese gill-netting trawlers.

It was also to draw government's attention to the "crisis" in the fishing industry caused by gill netting along the SA coast. This included massive retrenchments and companies introducing "short-time" — labourers working only two-and-a-half days a week.

Fawu was also demanding that anti-gill-netting legislation be tabled in Parliament as soon as the new session opened.

Pieterse was allowed to see consular official Tom Chou, who told him that he was awaiting a reply from his seniors in Pretoria about Fawu's compensation demands.



1 800

posts

at Iscor

to go

A TOTAL of 1 800 posts at Iscor's Pretoria works are to be abolished because of a modernisation project.

The number of affected posts constitutes 25 percent of the current work force.

Iscor said the rationalisation would take place over the next three years through retrenchments, transfers to other Iscor centres and the non-filling of vacancies.

The works modernisation project was aimed at ensuring an economic operation and a continued supply of high quality products. - Sapa.

# Unionists meet US officials

A DELEGATION of the National Workers Union of South Africa on Wednesday discussed certain labour practices of a United States-owned company, Vametco Mineral Corporation, with US Embassy officials in Pretoria.

The group, led by regional organiser of Nawusa Mr Tsheko Ngalo, are concerned over alleged low wages and poor working conditions.

The embassy said in a statement its officials had undertaken to continue discussions with the employees and their union's legal advisors. - Sapa.

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Journal

**C**ONSULTANTS expect that 4-million mandays will be lost through strikes this year — a 33% increase on last year.

In 1989, 3-million mandays were lost. By the end of the third quarter this year the figure had already been exceeded, Levy Piron Associates calculating a total of 3.5-million.

But this year's projection of 4-million lost days will be less than half the all-time high of 1987 when the figure was 9-million. It was the year when the largest and costliest action in SA's history occurred — the three-week miners' strike over wages. The year was also marked by the three-month Sats strike, triggered by a dismissal.

In 1988, mandays lost declined to 1.6-million, but rose last year to 3-million. This year's 4-million projection is cause for concern.

Economists and cabinet ministers continuously stress the harmful effects of strikes on the economy.

Stellenbosch University's Bureau for Economic Research (BER) warns: "Labour unrest, if left uncontrolled, could surpass sanctions as the greatest destroyer of the South African economy, particularly as it affects multi-nationals whose perceptions of the host country's internal social,

# Strike toll rising despite trade-union moderation

S/Time 4/11/90



political and economic stability are of the utmost importance.

"Until labour disruptions have been curbed, further attempts at economic development will continue to be inhibited."

Consultant FSA Contact believes that the recent agreement between the Manpower Department, the National Manpower Commission, Cosatu, Nactu and Saccola over the Labour

Relations Act (LRA) will defuse tensions in industrial relations. But demands for higher wages are unlikely to be reduced.

Manpower Minister Eli Louw says economic education on the shopfloor is crucial for labour relations. He believes that the low industrial action rate in Germany can be ascribed to the high level of economic education there.

Mr Louw is particularly

impressed by the economic awareness of German trade unionists.

Cosatu's decision to "postpone for further discussion" the setting of a statutory national minimum wage rate perhaps reflects a more realistic economic approach.

The postponement was made after opposition from the SA Clothing and Textile Workers Union (SACTWU), one of its larger affiliates. The threat to job security of those earning less than the proposed minimum wage was one of the major reasons for the postponement decision.

Many trade unionists still surprisingly refuse to accept that unrealistically high wages can cost jobs.

Wage issues are responsible for most of the mandays lost in strikes. Trade unionists often seek wage increases of well above the inflation rate.

By all accounts, negotiations have been tough this year. The average pay in-

crease for the year is 17.4% — the same as last year — in spite of a worsening economic climate.

Levy Piron Associates reports that industrial action occurred in 64% of negotiations conducted between July and October this year — the highest ever. Last year's figure was 56% and it was 36% in 1988.

Between July and October the overtime ban was the most common form of action (30%), followed by strikes (26%) and the go-slows (22%).

Disputes were declared in 58% of these negotiations. Most were resolved without intervention by a third party. Only 37% of the disputes went to mediation, and 5% to conciliation boards.

There was a sharp drop in the average opening level of pay claims. It declined from 90% last year to 51% for 1990. This is not seen as a modification of expectations but merely as a shift to a new bargaining approach.

It is based on accepting reality. Trade unions are able to avoid making huge changes in their bargaining positions and thus losing credibility with their members.

This year the Chamber of Mines and the National Union of Mineworkers reached agreement without a strike. This is ascribed to the particularly harsh climate in the industry, marked by large-scale retrenchment.



## Union signals move in Nampak strike

Biday 6/11/90

MATTHEW CURTIN

THE strike by more than 3500 Nampak employees entered its seventh week yesterday with the Paper, Printing Wood and Allied Workers' Union (Ppwawu) indicating movement away from its deadlock with management.

A Ppwawu spokesman said yesterday the union presented a "settlement position" to Nampak head office in which it outlined a shift in position over its demands for centralised bargaining. (181)

He gave no details but said Ppwawu

would meet Nampak's Corrugated division tomorrow, and he expected another meeting soon with Nampak Business Forms.

But Nampak's paper division yesterday announced it had declared a dispute with Ppwawu over its illegal strike action and demands for centralised bargaining.

Paper human resources director Steve Meyer said the division had applied for a conciliation board hearing. (182)

# Saficon hit by Mercedes strikes

STRIKES and work stoppages at the Mercedes-Benz factory caused a sharp fall in profits for Saficon Investments Limited.

The luxury motor retail company reported a 65% drop in earnings a share to 31c (89c) for the six months ended September.

Saficon chairman Sidney Borsook said in a statement that despite warning shareholders erratic vehicle supplies would affect group results, Saficon could not have anticipated the strike, which meant no Mercedes-Benz or Honda vehicles were received for the last six weeks of the financial period.

As 81% of Saficon's earnings were derived from the motor industry, the limited amount of vehicles available for sale dras-

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MARC HASENFUSS  
tically reduced attributable income to R8,9m (R22,4m) when sales dipped 16% below forecast to R760m (R795m).

Commenting on prospects for the rest of the year, Borsook said he expected trading conditions to worsen as the economy deteriorated at a faster rate than originally expected. \$ 109 611190

The group, whose subsidiaries include the Cargo Group, Lindsay Saker, LSM Distributors and a substantial investment in Boumat, had little chance of building up stocks of Mercedes-Benz and Honda vehicles to facilitate sales during the plant closedown in December despite the supply being resumed from mid-October.

# Breakthrough in talks with union Nampak

8/1/90 7/11/90  
A NEW proposal by the Paper Printing Wood and Allied Workers' Union (Ppwawu) to resolve the seven-week-old strike by more than 3 500 workers at 29 Nampak plants represented a breakthrough in negotiations, Nampak human resources director Neil Cumming said yesterday.

He said if the union was willing to negotiate at divisional level as its latest proposals suggested, "the strike is heading in the right direction". Nampak yesterday "noted the constructive tone of the proposals".

A union spokesman said Ppwawu was prepared to negotiate at divisional level as long as Nampak committed itself to negotiations.

The union went on strike over demands for centralised bargaining at Nampak. The company has repeatedly refused to negotiate wages and conditions at head office level, citing the diversified nature of the group's operations as grounds for its insistence on plant-level bargaining.

Sapa reports Nampak industrial relations director Tony Mercer said yesterday Ppwawu's latest proposals reflected worker pressure on the

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union to adopt a "conciliatory path".

The Ppwawu proposals for a return-to-work included an unconditional reinstatement of fired workers, the setting up of a working committee to deal with the question of centralised bargaining, and a company investigation into electronic bugging, uncovered in August.

Three weeks ago Nampak's Corrugated division and Ppwawu held talks. The parties meet again today and the union is to meet Nampak's Business Forms division soon.

Cumming said Nampak head office would let divisional management decide whether the company's four other divisions should meet the union.

Nampak's Paper and Tissue divisions, least affected by the strike, have said they see no need for divisional negotiations.

Cumming said Nampak was concerned over the fate of the strikers — who have lost R8m in wages — as Christmas approached and shopfloor antipathy to the strike grew.



## Call to promote profit motive

BID 7/11/90

MARIETTE DU PLESSIS

BUSINESSES should work towards removing existing mistrust in the profit motive among employees to prevent unrealistic high wage demands, says pharmaceutical manufacturer Noristan's MD Hugo Snyckers.

In a recent address to members of the Computer Users' Council, he said industry was faced with the challenge of establishing a common purpose between management and employees so that both could attain their objectives.

He said values were the underlying force from which attitudes and behaviours sprang. He cited a National Productivity Institute paper which highlighted the need to adopt work systems appropriate to indigenous values in a society.

"Within SA corporations, increasing emphasis is being placed on matching the range of managerial systems employed to the prevailing value systems held both by the work force and management corps," he said.

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Parity



The local endemic skills shortage and large numbers of unskilled and unemployed people therefore called for strategies to achieve parity in education. Without that business would have to invest heavily in on-the-job training and skills improvement to recruit and keep qualified employees.

Snyckers said that it was impossible to negotiate wages or create understanding of an organisation's strategies and structure if there was no basic understanding of the process of business.

# Should business be neutral?

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movement or cause it to close ranks against capital?

Is business now in any way relieved of guilt for apartheid which hitherto flavoured much of its approach in dealing with trade unions? Is "union-bashing" now an any more legitimate response to "management-bashing", since the labour movement has openly affiliated to an organisation committed to defeat the ascendancy of capital? Or is this all outdated "rooi gevaar" thinking? Should business simply exercise more patience while the SACP comes to grips with new local and global realities which ridicule its formal economic credo?

What of factional political violence — does Inkatha deserve any more explicit support because of its pro-free enterprise platform and if so will this encourage more purposeless violence or greater prospects of its victory? Or does this stance simply disguise a possibly more dangerous and divisive Zulu nationalism?

How much longer can business continue to fret fruitlessly over the plethora of stayaways and boycotts which has now become so wide-

THE debate over just what role business can or should play in the political arena has shifted in search of a new focus recently. The moral imperatives which fuelled the debate, especially from 1984, are fast dissipating and now that the apartheid demon is, statutorily at least, on its last legs, the differences between erstwhile anti-apartheid allies are emerging.

Assuming that matters constitutional are not properly the preserve of business, and that other forums are emerging for this purpose, it seems more legitimate for business to finally start rejecting more aggressive union demands that it take positions in the strictly political sphere.

The greatest challenge to the political neutrality of business clearly lies in the industrial relations arena. Within the space of a few months a large part of the black labour movement has shifted from being the internally legitimate voice of black political resistance into a formal and significant bloc within the reconstituted SA Communist Party.

Does this tactically or morally allow business to more explicitly oppose the union movement's ideology? Will such opposition stimulate economic debate within the labour

cal nature are happily left in the hands of, for example, Sacob, where the influence of the mega-corporations is also dominant.

However, things are not so esoteric in industrial relations. Individual businesses are the primary actors and they require a coherent and detailed platform and programme of action to project into their workforce and, in some industries, the community in which they function.

It seems most likely that the political content of industrial relations will continue to be dominant for some time and thus the question of political neutrality will face its most immediate challenges in this arena.

The most immediate and unavoidable problems for business will not come in the form of constitutional questions but rather will be present in the demands of customers and unionised employees.

For the moment at least, the political positions of business might best be deprioritised in favour of these more practical matters, pending at least a little more clarity on the composition and platforms of the teams going into the political finals.

□ Brown is an industrial relations consultant. This is an edited version of an article to be published in the next edition of the Innes Labour Brief.

## GAVIN BROWN

spread and diffuse as to promote little but economic decline?

The labour movement, despite its considerable success in advancing the political and micro-economic interests of its members, has yet to display any inclination or capacity for using its "mass" power for expansionist economic objectives.

Aside from the commercial realities of mass action on the ground, can or should employers continue to support moves to adapt labour legislation which in some aspects legitimises and protects this mass action? Is enlightened labour legislation relevant in an economy with real unemployment levels around 25% and perhaps much higher?

The labour movement's economic behaviour more and more highlights the contradictions between the tenets of its espoused socialism and the fact that the trade unions have effectively established a new economic aristocracy which acts daily against the creation of employment and saps

There are few historical examples of business successfully projecting itself into a volatile political milieu. Internationally, business probably plays its most effective (legitimate) political role as an interest group undertaking lobbying activities. But its interests are sectional and seldom lend themselves to the formation of a holistic political strategy.

At this level, self-interest and not political ethics will continue to spur business involvement in for example — housing, education and social responsibility programmes.

Perhaps there are mega-corporations in SA which have national or regional political agendas and the resources to promote them, but for the most part it would seem that sticking to business is the most natural political platform for most companies.

Like it or not, South African "monopoly capitalism" exists and the political voice of business is largely in its hands. For the vast majority of employers, debates over national strategies of a quasi-politi-

## LETTERS



# Union sets terms to break strike deadlock at Nampak

THE Paper, Pulp and Wood Allied Workers Union, (Ppwawau) has made a renewed attempt to restart negotiations with Nampak in an attempt to break the seven-week strike by 3 500 workers.

However Nampak management is reluctant to enter into negotiations with the union until it has re-established its good faith.

A union spokesman said it had sent a letter to Nampak setting out its position on opening negotiations with Nampak.

The union requested Nampak's agreement to three points. These were the reinstatement of workers who were dismissed during strike action, the establishment of a working committee to deal with the issue of collective bargaining

and an investigation by Nampak into union allegations that its meetings were bugged.

The spokesman said the union was hoping for a positive response from Nampak.

However the director of human resource in the paper division of Nampak, Mr Steve Meyer, said management was unlikely to agree to the conditions set in the letter.

He said the union would have to re-establish its bone fides and show its good intentions by tackling the problems it had created by its industrial action.

He said the company was also concerned about the level of intimidation in strike action. - Sapa.

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## More funds for apprenticeships

METAL industry employers had received a huge hike in industry grants for training apprentices, Steel and Engineering Industries Federation (Seifsa) executive director Brian Angus said yesterday.

Angus said in a statement the Metal and Engineering Industries Education and Training Fund (MEIETF) had raised grants by 33,3%, a R6m increase to R21m.

Employers were now entitled to grant payments of up to R14 400 a year for every artisan trained to apprentice status.

The move was designed to stimulate apprentice intake in the industry, particularly after the withdrawal of tax concessions for training in July this year. *By Day 8/11/90*

Seifsa education and training director Janet Lopes said the metal industry was worst affected by the withdrawal of the concessions. It was the leading sector engaged in training, with 11 400 apprentices, compared with 6 300 in the mining indus-

MATTHEW CURTIN

try — its nearest rival.

She said a 50% hike in training grants in September 1989 helped trigger a 70% rise in new apprentice intake, with numbers growing from 2 665 in 1988, (2 993 in 1987), to 4 030 last year. *181*

Numsa vocational training project co-ordinator Adrian Bird said yesterday the union approved of the increased grant but believed the focus on apprenticeships was too narrow.

Numsa and Cosatu were compiling a comprehensive document setting out training strategies needed to make better use of human resources.

The union believed the reliance on cash incentives to induce employers to hire apprentices was an indication of the deep-rooted reluctance to train people.

The fund is financed by employer contributions worked out according to the ratio of apprentices to artisans employed by the company.

# Political groups speak out on strike

THE ANC, Cosatu and the SA Communist Party yesterday expressed concern at what they said was the refusal by Nampak and its parent company, Barlow Rand, to resolve a seven-week labour dispute at Nampak involving more than 4 000 workers.

The alliance's political committee is to meet next Tuesday to decide on "combined concrete action to ensure the speedy resolution of the dispute".

A Barlow Rand spokesman said in a statement yesterday the directors would meet early today to formulate a reply from Barlow Rand and Nampak.

The alliance's statement said union attempts at mediation and negotiation "have

<sup>Barlow Rand still go</sup>  
consistently been refused or frustrated by the company".

"We call on Barlow Rand and Nampak to reconsider the course they have embarked on. From our side, the tripartite alliance is willing to contribute to ensure the speedy resolution of the dispute."

A Nampak statement said an offer by the Paper, Printing, Wood and Allied Workers' Union for a return to work was encouraging in some respects.

"But it is unrealistic of the union to propose a return to the position prior to the strike while the dispute remains unsettled," it said.

The statement said Nampak hoped to see an early resolution of the dispute. — Sapa.

# Terms offer to Nampak

South 8/11 - 14/11/90

**BOTTOM-LINE** terms for a return to work by more than 4 000 paper industry workers, involved in a marathon nationwide strike, have been presented to a Barlow Rand subsidiary, Nampak, but the company has said the proposals are "unrealistic".

The Paper, Print, Wood and Allied Workers' Union (Ppwawu) has offered to end the strike in support of centralised bargaining at the company if Nampak agrees to negotiate a central bargaining arrangement to be implemented next year.

Ppwawu wants negotiations with Nampak's paper, corrugated and printing divisions to include discussing the establishment of industrial councils — a move which

By CHIARA CARTER

flies in the face of Barlow Rand industrial policy. (18)

In return, Ppwawu will agree to plant-based wage negotiations for this year.

A company spokesperson said while the offer was "encouraging" in some aspects it was "unrealistic" to revert to the pre-strike position with the dispute unsettled.

The spokesperson said the company was concerned at the impact the strike was having on employees who had lost more than R8-million and called on the union to pursue settlement with the company's divisions.

He said the company challenged the union to submit its allegations that the company is a "union basher" which provoked the strike to arbitration.

The solidarity action taken around the strike has been unprecedented in Cosatu's history but Ppwawu has appealed for more assistance.

In part, the relatively slow pace of support action can be attributed to differences between the unions involved in the Barlow Rand campaign over strategic approaches to the corporation.

Cosatu also does not have a history of strong solidarity action, although the federation has recently made moves to emphasise building strike support.

A special Cosatu executive committee meeting this Friday will discuss the strike and the Barlow Rand campaign. A final decision will be taken on a proposal for a stayaway.

Meanwhile the ANC and SACP have entered the fray.

A joint statement issued by the alliance called on Barlow Rand to reconsider its approach, saying the alliance was willing to contribute to resolve the dispute and would examine "concrete support action".



**D**URING the violence that swept the Reef over the past two months, businesses started asking what they could do to reduce the violence and limit the psychological devastation their employees experienced.

The question remains relevant, for the violence has abated, not gone away. I have no doubt that in coming months we will see another upsurge as the contest for power increases and the recession bites deeper.

Business's contribution should ideally range from the political and socio-economic domain to programmes directed specifically at employees. The current political chaos makes it impossible to devise and implement national plans with long-term goals. Our practical work has short-term vision and involves crisis management.

To begin to move national reconstruction, a political settlement which safeguards democracy is required as quickly as possible. Business as an organised force is well placed actively to encourage this.

**O**ne practical reason violence has not plagued the workplace as it has the community is that conflict resolution in the labour sphere has been institutionalised relatively effectively. Unlike the political realm, the labour arena has two groups (employers and employees) who in most cases can deliver on their agreements and who have developed experience in negotiation.

This is distinct from the civic and political domain where negotiation politics is new, and where local level structures are often not strong enough to enforce accords. Since both business and trade unions have developed sound organisational and negotiation skills, they are well placed to assist community activists in these areas.

I am well aware of extreme caution within the business community in implementing specific programmes in the workplace, for fear of being labelled partisan by members of the workforce who belong to different political factions which may not have benefited from the assistance provided by a particular

# Workers affected by the violence need business's aid

LLOYD VOGELMAN

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company. Obviously if the risks are too great, the implementation of programmes is not feasible. However, assessment of the risks should not be intuitive; it requires extensive consultation with the relevant trade unions. The reason some companies get caught in the middle is because sufficient consultation has not taken place.

If business is to respond appropriately to the violence its employees face, it must educate itself about the nature of the violence and the circumstances that surround it. This should be done not only by reading newspapers but also through joint discussions with staff about social issues in the townships. Companies can establish joint monitoring teams with trade unions, which would also help foster a relationship of trust and common purpose with employee organisations.

Visiting townships is another means of obtaining information about the living experience of employees. It is refreshing to hear about the visit of a number of chief executives to hostels in the townships. The hostels were the breeding grounds or starting points for much of the violence, and they need to be converted into more comfortable living areas.

A prime difficulty individuals face when living in war zones is transport and travel. Venturing out may lead

them destroyed. Death too, is costly in SA — funeral charges are high. The provision of financial assistance to employees who have had houses damaged or have lost members of the family would go a long way to lessen the trauma that come with such losses.

Much can be done to assist victims employed with medical, psychological and legal problems. Assistance for employees who have been permanently disabled in the violence would be pivotal in improving the quality of life for those who face long-term difficulties. Such measures also communicate to other members of the workforce that the company's concern with them extends beyond the scope of their physical capacity.

The provision of psychological counselling through, for example, the employment of a social worker would help decrease some of the psychological difficulties arising from the violence. Heightened stress can have a significant impact on the family; it leads to irritability, conflict and frequently to violence in the form of wife battery and child abuse.

On an individual level, sleep disturbance, appetite problems, concentration difficulties, anxiety about the welfare of the family and an obsession with developments in the townships are common. Counselling, as well as home visits by the social

worker to employees would make a small contribution to dealing with some of these problems. Structured social support helps combat some of the long-term symptoms of extreme stress.

A psychological problem which impinges on the legal domain is the inability of victims to extract retribution. When retribution has occurred, it has frequently been informal. Necklacing has been one tragic example of the politics and psychology of revenge.

To foster the process of judicial retribution, black employees will need encouragement to report their victimisation, and they will want some results for their trouble. Business can promote this process by giving time off or by accompanying the victim in the reporting of an offence. When there is evidence of little progress in the police investigation, management needs to ask why.

Even if such a programme results in only a few offenders being apprehended, it makes two vital points: it tells employees that the company is sympathetic about their plight and their desire for retribution, and it tells the police that they are accountable and that lack of progress is acceptable only if they have exhausted their resources.

**T**emporary accommodation for workers who have lost homes or who are unable to return home, is another useful aid. Employees looking for more permanent accommodation need mattresses and a place to sleep. Holding memorial services at the workplace for employees who have been killed provides an opportunity for workplace friends to mourn their loss. It again intimates that the company respects its employees beyond their working lives.

All these solutions have their problems, and their execution involves a lengthy and arduous process. However, the implementation of even a few is likely to make a positive contribution to working relationships. At a broader level they add value to human life — and in SA we can do with a lot more of that.

□ Vogelman is director for the Project for the Study of Violence at Wits University.

# Job numbers down, wages up figures

*9/11/90*  
**PRETORIA** — Employment in the manufacturing, electricity, mining and quarrying sectors declined between August 1985 and August this year, while construction jobs rose only marginally, latest Central Statistical Service figures show.

The figures illustrate the extent of stagnation in the SA economy in the 1980s.

The swift escalation of wages and salaries in the four sectors, much of it unaccompanied by higher productivity, was a major factor in keeping inflation at a high level in the past decade, economists said.

Mining and quarrying were worst hit.

Between August 1985 and August this year, the sector's work force decreased by 52 120 to 682 001.

However, total wage earnings for August this year increased by R486,418m to R903,195m compared with August 1985.

In the manufacturing industry, employment in the six years decreased by 8 000 to 1,4-million.

Employment in the construction industry in the period increased marginally by 5 100 to 413 900.

**GERALD REILLY**

And for August this year compared with August 1985, the total payout was up by R193,7m to R453,8m.

In electricity, the numbers employed fell sharply by 15 900 to 50 900 reflecting Eskom's rationalisation efforts.

However, pay for August this year increased by R47,8m to R141,3m compared with August 1985.

Figures show a dramatic fall of 31 000 to 1,4-million in employment in the manufacturing industry between May this year and August.

Stellenbosch Bureau for Economic Research chief Ockie Stuart said the figures reflected a virtual economic standstill over the six years in the major employment sectors.

Stuart said they also showed that many companies had been compelled to expand their degree of mechanisation because of the huge and often crippling burden of wage and salary increases in the eighties.

Also disturbing, he said, was that in those six years up to 1,4-million new workers entered the labour market.

*Traction sales slide towards...*



MATTHEW CURTIN

PROSPECTS for a settlement in the 50-day nationwide Nampak strike receded yesterday as both sides declared each other's proposals to end the dispute over centralised bargaining "unacceptable".

A Paper Printing Wood and Allied Workers' Union (Ppwawu) spokesman said yesterday the meeting between the union and the company's corrugated division this week ended in stalemate.

He said management's position amounted to an out-of-hand rejection

**Nampak strike settlement hopes recede**  
13 Day 7/11/90

A Nampak spokesman said yesterday the company could not accept the union's demands. He said any return-to-work agreement would have to be determined at plant level and the company could not guarantee "all strikers would be re-employed in view of the loss of market share" caused by the strike.

Nampak human resources director Neil Cumming and a senior

**Nampak strike settlement hopes recede**

1000 workers dismissed during the strike should be reinstated and negotiations should proceed.

Nar-pak has insisted that strikers return to work and undertake to refrain from further "illegal strike action" by abiding by existing plant-level recognition agreements.

Once operations returned to normal, the company would discuss alternative bargaining levels in March next year.

Ppwawu officials agreed yesterday the key issue in the dispute was obtaining a return-to-work undertaking by union members in exchange for a management commitment to negotiate centralised bargaining.

Ppwawu has demanded Nampak commit itself to negotiating centralised bargaining and for a working committee to be set up to work on proposals with a report-back date of February 1991. The



# Cracks appear in eight-week Nampak strike

By DREW FORREST

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THE Paper, Printing, Wood and Allied Workers' Union is facing a mounting crisis over the eight-week strike at the Nampak packaging giant.

Cracks are appearing in the strike solidarity amid hardening management attitudes. Nampak says full or partial returns to work have occurred at six plants, involving 500 workers. About 3 300 are still out at 29 factories.

Rising alarm is shown in statements by both Cosatu and the Cosatu-ANC-Communist Party alliance this week, attacking Nampak and its parent, Barlow Rand, for their "anti-democratic and union-bashing" tactics.

Accusing Nampak of undermining progress towards a new industrial relations era, the alliance secretariat — the ANC's Alfred Nzo, Cosatu's Jay Naidoo and the SACP's Joe Slovo — offers to help in the speedy resolution of the dispute.

It also warns that the political committee of the alliance will meet on Tuesday to decide further action if the impasse continues.

The current balance of power emerges from the tough Nampak response to union compromise terms for an end to the strike, offered this week.

Dropping demands for immediate central pay bargaining, Ppwawu asked for a commitment to negotiate separate central bargaining arrangements for next year in Nampak's paper, corrugated and printing divisions. Plant-based pay talks should continue this year, it said.

It also softened demands for a group-wide probe of "bugging", asking only that negotiations proceed with head office. A further demand was for the reinstatement of about 1 000 dismissed strikers.

In response, Nampak attacks the union for striking illegally and in breach



Joe Slovo ...attacks Nampak for 'anti-democratic and union-bashing tactics'

of agreed procedures and derailing exploratory talks on bargaining levels. It does not respond to Ppwawu's proposals, merely referring the union to its divisions.

Stressing there could be no simple return to the pre-strike position, it says: "You have chosen a path designed to compel settlement on your terms ... We believe you should accept the results."

The strike has strengthened the hand of divisional management, which is determined to ride it out, sources say. Attitudes to bargaining are known to have hardened at divisional level, notably in tissue, which wants no part of a central forum.

Ppwawu also has a tough battle on its hands on dismissals. At two plants where strike interdicts were ignored, Polyfoil in Nancefield and Box Craft in Leondale, management is known to be strongly opposed to reinstating about 300 strikers.

Ppwawu general secretary Siphon Kubheka stressed that the unprocedural character of the strikes had to be measured against Nampak's bugging of the union over a two-year period and Barlows' spearhead role in "bashing central bargaining".

As strikers had been out for many weeks, it was possible that some were returning to work. "But Nampak should not make the mistake of thinking that the problem is over. If people go back, the struggle continues."

# Plastics training

STimes 11.11.90

THE plastics industry has set up a national training board to investigate its skills needs and co-ordinate training. (2/1)

Plastics Federation chief executive Bill Naude says the board is seeking accreditation from the Department of Manpower. It hopes to develop vocational qualifications which will be recognised abroad.

Board chairman Ralph Oxenham says the plastics industry is one of the fastest-growing sectors of the economy. "The major constraint on the maintenance of this high growth rate is a shortage of skills at all levels of a highly technical business." (1/2)

The training board initially aims to give tuition to 240 trainees each year along guidelines which will form the basis of a long-term national strategy. (1/5)

# Engineers in demand

AT LEAST two posts are available for every engineering graduate and this state of affairs is likely to continue for the foreseeable future, says Philip Lloyd, head of Industrial & Petrochemical Consultants.

In particular, the demands in civil engineering and heavy-current electrical engineering are such that every young engineer has at least three jobs awaiting him when he graduates.

Although the universities have increased the number of

graduates by more than 25% in the past 10 years, many more are needed if SA is to avoid demand-driven cycles of boom and bust.

There is a direct relationship between the demand for engineers and that for goods, says Dr Lloyd. Between 1987 and 1989 the index of physical volume of manufacturing increased by more than 6% and the demand for engineers rose by 20%. (181) (182)

"We do not have enough engineers to deliver more goods on demand, so when demand increases we merely import more — then the Government has to cool the economy to keep our balance of payments positive." (183)



**MANPOWER  
MIRROR**  
by **ADRIAN  
HERSCH**



# Ethics have a place at work

INTEREST in business ethics is at a historic high in the United States. It is not yet the same in South Africa — but there are signs of change.

Written codes of ethics are the norm in the US. More than 70% of large corporations used them in 1979, says Moira Katz of Kavan Consultants in an award-winning article in the Institute of Personnel Management (IPM) Journal.

P-E Corporate Services managing director Martin Westcott says few SA companies have a separate code of ethics. Many, however, refer briefly to ethics in policy manuals and the like.

Mrs Katz outlines the advantages of a code. The limits of acceptable behaviour can be defined. For example, Ford and General Motors stipulate that gifts exceeding \$25 cannot be given or received.

A code provides an opportunity for employees to refuse to take part in an unethical action.

But a code will not automatically improve ethics. Mrs Katz says codes are often too generalised to be of specific value. Management must acknowledge and reward desirable behaviour.

Several issues including corporate culture will ultimately determine its success. The personal influence of the chief executive is vital.

Mr Westcott says: "What happens in reality is largely based on how the leader behaves, what he does cascades down the organisation."

Training in ethics, including employee workshop sessions, is advised. Mrs Katz says: "The time has come to take ethics out of the closet and encourage employees to talk about ethics on the job, to examine fully the range of options available in specific situations, and to resolve ways out of dilemmas."

Mr Westcott says that the changing structure of the SA workforce is likely to bring about greater emphasis on ethics.

In the wider society, all should do their duty — including parents and schoolteachers.

"Mary, get the kids ready — we're going out for supper. We can afford it. Jackson cancelled lunch today — we're eating on the company tonight. It's OK son, everybody does it."

What kind of manager will little Johnnie become?

# Car allowances gaining favour

*ST. Time 11/11/90 181*

A SURVEY by FSA-Contact shows a swing from the company-provided car to allowance schemes.

The number of car allowance schemes increased from 40% in 1988 to 53% in 1990. Reasons include increased perks tax on vehicles provided by a company and higher rates for deductions (about 18%) for allowances.

Companies say the increased cost of vehicles is a burden, affecting ratios such as return on capital and gearing. As a result, off-balance-sheet funding becomes attractive. Because of high interest rates, companies also find it sensible to release capital instead of holding it in depreciating assets such as vehicles.

Where companies have both types of scheme and allow employees a choice, the survey indicates a trend to car allowances.

FSA-Contact says VAT should not result in car allowances becoming a less favourable benefit for the employee.

A draft Bill requires that VAT be payable on the "cash value" of an instalment sale agreement. The term "cash value" is defined as the cost price of the goods to the financier and does not include any finance costs.

Therefore, where a vehicle is bought on an instalment sale agreement, for example, VAT will not be payable on the finance costs as occurs with GST.

In spite of these patterns, growth in the size of vehicle fleets is detected in several companies. More than a quarter indicate an increase in the size of their fleets because of the provision of cars or allowances for lower-level employees.

Although the cash purchase is still the most popular method of financing company cars, and the percentage of them using this method increased by 10% in the past 12 months, the full maintenance lease method rose by 50%.

The survey discloses that 10% of companies provide cars for non-executive directors.

## Nampak strikers

take 'hard line'

BY MATTHEW CURTIN

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SHOPFLOOR resolve to continue the strike at 29 Nampak plants was stiffening, a Paper Printing Wood and Allied Workers' Union (Ppawu) spokesman said at the weekend. *31 Dec 12/11/93*

He said after a union meeting workers' position on the strike had become "more hard-line" as a meeting between Nampak's Corrugated Division and the union ended in stalemate last week.

The spokesman said Ppawu wanted Nampak to move on the issue of reinstating 1 000 dismissed workers.

Last week the Corrugated Division said it could not guarantee the re-employment of all strikers.

A Nampak Corrugated Division spokesman said at the weekend the division, at which Ppawu has its strongest representation and where there are more than 2 500 workers on strike, said that only after a return-to-work and resumption of "normal working conditions" would the firm agree to establishing a forum to discuss centralised bargaining.



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# Azapo march to put focus on Vametco

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THE Azanian People's Organisation yesterday said it supports the planned march by Nawusa to Vametco in Mothutlong, near Britz in Bophuthatswana, today.

The march is scheduled to start at 8am at Garankuwa Zone 16 shopping centre.

The march is meant to highlight Vametco's insensitivity to the plight of over 400 of its workers who have been on strike since September 3.

The workers are in dispute with the company over wage demands and adequate health and safety measures.

Vametco is a subsidiary of Union Carbide, the US company which

fell into disrepute after a disaster in India.

The company was subsequently found guilty of negligence which caused death of more than 3 000 people and disfigurement of tens of thousands of Indians.

Vametco in South Africa has been accused of using union bashing tactics.

At the beginning of the strike, Bophuthatswana police detained four union men at the company's request.

# Mercedes-Benz begins meeting production targets — after three years

MERCEDES-BENZ was meeting its production targets for the first time in more than three years and management was cautiously optimistic that the company's severe labour problems had been resolved.

This was disclosed at the weekend by Mercedes human resources manager Ian Russell.

He was speaking a month after the resumption of production at the firm's East London plant, which was shut for almost eight weeks because of a revolt by some employees against the collective bargain-

ing policies of their union, Numsa. <sup>81 Dec 1990</sup> A central feature of the company/union agreement was that productivity problems be addressed, with management suggesting the company's continued operations in SA depended on it.

Russell was unwilling to specify production levels reached because he was still in discussions with Numsa aimed at agreeing on optimal production levels.

However, he said: "Expectations raised in the dispute settlement process have been met."

ALAN FINE

In addition to the plant meeting production targets, Russell said absenteeism, previously extremely high, was now within industry norms.

Quality in commercial vehicle production had reached the German record of 1,28 faults a vehicle.

"There is a real effort from everyone, a very good improvement on the shop floor."

"And we are in the process of negotiat-

ing housing and educational policies which will add to the potential for long term stability," Russell said.

Production had not met pre-dispute targets as there had been a great deal of training in the past month to teach employees new functions. ~~181~~ (181)

This was necessary because of the dismissal of the 530 people who allegedly participated in the factory occupation, and re-trenchments just before the dispute flared.

Because of the slow build-up in produc-

tion, no component shortages were expected. Russell said some component manufacturers had been forced to cut back drastically during the strike.

He said arbitration on the dismissals — as per the dispute settlement — was expected to begin early next year.

An in-principle arbitration agreement had been concluded between Mercedes and Numsa, although it had not been signed.

The agreement suggested the identity of an arbitrator and set out his terms of reference.

## Three deaths in Iscor attacks

5/10/90 14/11/90  
MATTHEW CURTIN

THE toll from three armed attacks on Iscor workers in Sebokeng last week rose to three yesterday, National Union of Metal Workers (Numsa) organiser Alfred Woodington said.

He said a second Numsa member died yesterday from injuries sustained in an attack on Iscor workers returning home to the Kwa-Masize hostel in the township last Thursday.

An Iscor mini-bus driver died in a gun attack on Saturday near the hostel.

Yesterday Woodington appealed for Iscor to submit to independent investigation.

An Iscor spokesman said yesterday it had accepted union proposals for Independent Mediation Services intervention between rival hostel groups and an independent investigation of workplace violence.



## 2 000 jobs to be lost as Frame shuts factories

~~2~~ Business Day Reporter 181

THE Frame group would close three factories and retrench 2 000 people before the end of the year, the company announced yesterday.

The factories are the group's blanket mill in Harrismith, a cotton spinning mill and part of a cotton weaving shed in East London. *Binary 15/11/90*

A statement from Frame yesterday quoted Harrismith residents as saying the move would mean the death knell of the town. Shopkeepers said it was the final straw in an already bleak trading environment, with some believing they would have to close their stores.

Management said meetings were being held with trade union leaders to finalise the terms of retrenchment. The SA Clothing and Textile Workers' Union (Sactwu) could not be reached for comment.

The extraordinary losses from write-offs, the costs of closure and the losses from the discontinued operations would exceed R90m, Frame group executive chairman Mervyn King said.

"It is obvious that, in the circumstances, the group will not be in profit for this financial year."

King said it was imperative to reduce the size of the group's balance sheet and eradicate unprofitable plant. It was unfortunate this had to be done in the present economic climate, but it was in the group's best long-term interests.

The group had enormous potential as a fully integrated textile operation. This objective required a five-year programme and major restructuring.

King said the situation had been exacerbated by the level of textile imports into SA. In the first six months of 1990, 6,98-million kilograms of imported spun yarns had been imported into SA compared with 3,96-million kilograms in the same period in 1989.

"Perhaps the final straw that broke the camel's back in regard to the blanket mill in Harrismith was when we were advised a few weeks ago by a large customer that it was to import its blankets from Turkey."

# Major union backs move on bargaining

Soulton 16/11/90

THE Food and Allied Workers Union has thrown its weight behind a trade union campaign for centralised bargaining in the Barlow Rand Group, including its subsidiaries.

Fawu national organiser Mr Alan Roberts said yesterday the decision was made at a time when the countrywide strike for centralised bargaining in the Nampak group, a Barlow Rand subsidiary, enters its third month.

Fawu held a major conference representing about 10 000 workers from 108 factories in the Barlow group over the past weekend, the union said in a statement.

After the three-day conference, workers resolved to reject Barlow

Rand's policy of decentralised bargaining.

The union said the policy of decentralisation was aimed at isolating workers of the same employer, with "the employer then getting away with retrenchments and paying starvation wages".

Workers would pressure Nampak into settling with the Paper, Printing, Wood and Allied Workers Union at factories where Fawu is represented.

The union said it would also demand a meeting with the Barlow Rand subsidiary, Pork Packers in Oliphantsfontien, where there had been two mass dismissals in the last three years. - Sapa.

## Residents flee camp

TERRIFIED residents of war-ravaged Zonk'izizwe near Katilehong are fleeing the East Rand squatter camp following renewed faction fighting in the area.

The death toll rose to 16 yesterday with the discovery of four bodies in a bullet-riddled minibus early yesterday.

Police spokesman Captain Eugene Opperman said police came across the kombi in Plot 85, Waterland, near Vosloorus.

He said police found the bodies of a man and

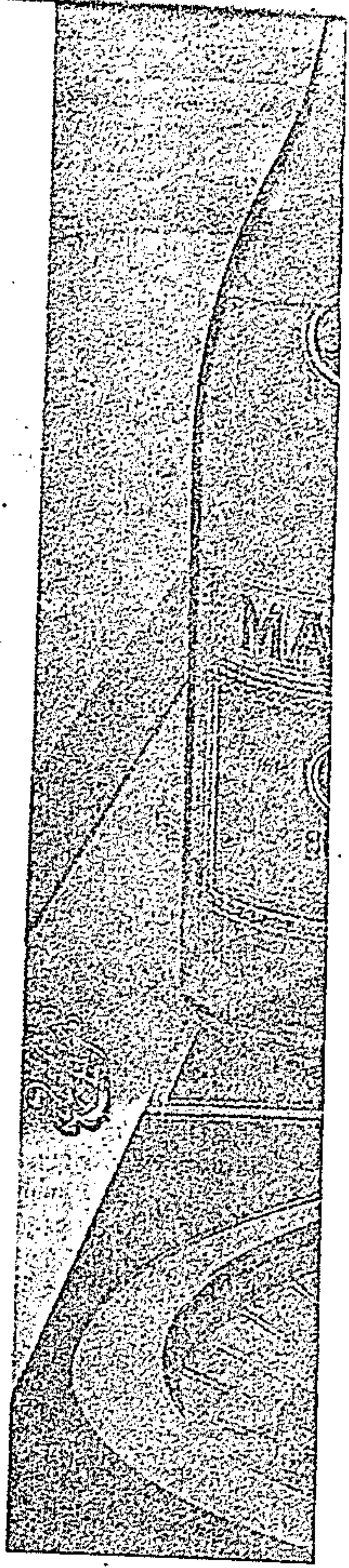
By MATSHUBE MFOLOE and IKE MOTSAPI

three women inside.

Opperman said it appeared the victims were refugees from Zonk'izizwe and that two men were found wounded in the vehicle.

Police said it was alleged that a man armed with an AK-47 rifle had attacked the minibus.

The fighting in the area is apparently related to disputes between Xhosas and Inkatha supporters.



M  
MAF

# Fawu steps up Barlows campaign

Bl-Daw 16/11/90 (18)

MATTHEW CURTIN

THE FOOD and Allied Workers' Union (Fawu) stepped up its campaign yesterday for centralised bargaining at Barlow Rand subsidiaries by issuing a letter of demand to Barlows for a centralised recognition agreement.

Fawu national organiser Allan Roberts said the union resolved to take this action after a special conference at the weekend rationalised Fawu's contribution to Cosatu's Barlows campaign.

But Barlow Rand spokesman Andre Lamprecht said yesterday while the group had not had chance to examine Fawu's proposals, "they

seemed at odds with the agreement Cosatu and Barlow Rand were in the process of discussing".

Barlows would approach Cosatu for clarification on Fawu's position.

Roberts said until now Fawu's contribution to the campaign for centralised bargaining had been "weak".

Fawu is one of several affiliates — including the National Union of Mineworkers (NUM), the National Union of Metalworkers (Numsa), the SA Clothing and Textile Workers' Union (Sactwu) and the Paper Printing Wood and Allied Workers Union (Ppwawu) — taking part in the cam-

paign against Barlows, which the unions allege is committed to undermining centralised bargaining.

The weekend conference established new local and regional structures, "more reliant on workers than officials", to mobilise Fawu.

Sapa reports the conference represented 10 000 workers from 108 factories in the Barlows group.

Workers resolved to intensify efforts to centralise the process in Barlow Rand divisions. They would exert pressure on Nampak to settle the nine-week strike with Ppwawu through "blacking" action at factories where Fawu was represented.



# Metalworkers flee hostels as Inkatha supporters move in

W/Head 16/11 - 22/11/90



HUNDREDS of metalworkers have fled hostels in the PWV area following tensions sparked by a continuing Inkatha recruitment drive.

This is according to Alfred Woodington, co-ordinator of the National Union of Metalworkers' "crisis unit", set up recently to deal with ethnic/political conflict among the union's members.

The disclosure comes against the backdrop of violent conflict at Iscor hostels in Vanderbijlpark, in which three people have died in three separate attacks in the past week.

Numsa suspects a "mini-commando" is operating out of the disused kwaMadala hostel, where a small number of Inkatha supporters fled in July. Their numbers have swollen to 600, half of whom are not

Ethnic/political violence has spread from Iscor's Natal collieries to the Reef, reports  
**DREW FORREST**

Iscor employees. Numsa suggests unemployed workers were bused in from kwaZulu.

Two of the attacks have been on workers at Iscor's kwaMasize hostel, where the Inkatha fugitives were originally housed. "We see this as an extension of events in the Natal collieries," Woodington said. "The aim is apparently to get all Inkatha supporters to resign from Cosatu."

Woodington said 300 of the Iscor hostel fugitives have quit the union.

On the broader problem, he said:

● About 200 workers, some Zulu,

some Xhosa, had been displaced following hostel conflict in Tembisa

● About 100 workers had quit hostels in the Benoni area. Tensions were running high in the Vosloorus hostel

● Local organisers had managed to contain problems in the kwaThema hostel, but some workers may have moved to the Tsakane squatter camp

● Some hostel dwellers were displaced in West Rand townships, while members had been threatened and their houses attacked.

Woodington said serious problems were not currently being experienced on the shopfloor.

In a statement this week, Numsa said Iscor had tried to portray the Vanderbijlpark violence as a tribal clash, but believed it had enabled management to "take a hard line in wage negotiations and retrenchments without fear of effective strike action".

A key demand is for the immediate removal of non-employees from the kwaMadala hostel, and Iscor's Piet du Plessis said every effort was being made to do this.

Iscor had in principle agreed to a union proposal for an independent investigation of the violence, but wanted clarity on its terms of reference.

The company also favoured the idea of mediation to resolve differences between the two hostels.

● Iscor is to appoint an outside investigator to probe National Union of Mineworkers allegations of management complicity in conflict at its Duracoll and Hlobane collieries in Natal.

MATTHEW CURTIN

SEVERAL thousand Nampak employees are due to return to work today — with no apparent gains — in terms of a weekend settlement between the company, Cosatu and the Paper, Printing, Wood and Allied Workers' Union (Ppwawu) of the two-month strike. *h Dec 19/11/90*

Cosatu general secretary Jay Naidoo said yesterday the strike — in support of union demands for centralised bargaining — was settled after “extensive negotiations” last week. The settlement was based on resolving procedural issues related to the strike, which then allowed Cosatu and Ppwawu to recommend that workers go

## Nampak strikers due back at work

back to work. *(181)*

Nampak human resources manager Neil Cumming said yesterday the agreement provided for the reinstatement of most of the 1 000 workers dismissed during the strike and the referral of other cases to mediation and arbitration. Negotiations focused on the unprocedural aspects of the strike and the way in which it was conducted rather than the issues at stake.

Cumming said the company had given no undertaking to discuss the question of centralised bargaining.

# VW assembly lines remain at a standstill

MATTHEW CURTIN

ASSEMBLY lines at Volkswagen's Uitenhage plant are at a standstill today for the third day running as talks between management and unionists aimed at securing "uninterrupted production" continue.

National Union of Metalworkers (Numsa) senior shop steward John Gomomo said at the weekend members would not work today as the union would consult them to obtain a mandate for future talks.

He said management's leaking of the dispute to the media "violated" existing agreements. Shop stewards' attempts to consult the workforce on Friday were frustrated as many did not report for duty when they read in the Press the plant had been closed.

VW human resources director Brian Smith would not comment on the talks.

On Friday management advised Numsa production would not resume until the company secured "a written agreement" from the union to ensure "uninterrupted production".

The plant, which employs 6 000 people, was closed on Thursday when about 600 engine room workers walked out in what the company described as "unprocedural action". The workers left to attend a court case concerning a dispute in the engine room last year.

In a statement the company said the plant would be reopened only if Numsa agreed to a "commitment to the viability of Volkswagen SA and industrial peace and stability".

(181)



# Nampak stoppage ends after 8 weeks

AN estimated 4 000 striking workers at Nampak ended their eight-week-old stoppage on Monday, when they ratified a draft agreement reached after intensive talks with employers, the company said.

Spokesman Tony Mercer said union representatives signed the agreement on Monday morning. Leaders of the Paper Printing, Wood and Allied Workers Union could not comment immediately.

Under the agreement about 700 dismissed workers get their jobs back, but lose 50 percent of their annual bonus, Mercer said. The cases of the remaining 500 will be determined at mediation and arbitration forums.

"This (discrepancy) is as a result of differences in circumstances leading up to their involvement in the strike," he said.

The breakthrough came early on Friday morning after talks lasting several hours. The workers walked out eight weeks ago to support a demand that negotiations on wages and working conditions be conducted at head office level. *Jowelan 20/11/90*

"We agreed on a moratorium on the issue of alternative bargaining levels for at least nine months." He said workers had agreed to drop their demand for centralised bargaining. - *Sapa*

Standstill  
at VW  
factory

~~181~~  
181

THE Volkswagen factory in Uitenhage was closed for the third day yesterday following the walkout by 600 workers on Thursday.

Talks are continuing between management and trade unions to secure "uninterrupted production". *Sowetan 20/11/90*

Management advised the National Union of Metalworkers on Friday that production would not resume until the company had a "written agreement" from the union ensuring "uninterrupted production".

The plant, which employs about 6 000, closed when 600 engine plant workers left to attend a court case.

## No victory in Nampak strike <sup>(181)</sup> union

THE "long and bitter" two-month strike at Nampak ended in victory for neither side, a Paper Printing Wood and Allied Workers' Union (Ppwawu) spokesman said yesterday. *by Ppwawu 28/11/90*

A nine-month moratorium on discussion of centralised bargaining at Nampak was agreed to.

The spokesman said the willingness of Ppwawu's rank and file membership to strike for as long as they did demonstrated the strength of support for centralised bargaining. Nampak estimated strikers lost R10,5m in wages. But the spokesman admitted a major impact of the strike and the settlement achieved at the weekend after long discussions between Cosatu, Nampak and Ppwawu, was the importance of "due process" in industrial action.

Nampak insisted throughout the strike by several thousand workers at as many as 32 plants that Ppwawu's action was illegal. The company said at the weekend the settlement was based on resolving unprocedural aspects of the strike.

MATTHEW CURTIN

Ppwawu said all but 150 of the 1 200 workers dismissed during the strike were guaranteed re-employment. The cases of 500 dismissed workers would be referred to mediation and arbitration but in 150 cases "the question of dismissal would not be part of the terms of reference".

Cosatu, Ppwawu, Nampak and Independent Mediation Services would meet for "post-strike examination" discussions.

A Nampak spokesman said yesterday the agreement provided for a joint accord between the company, Cosatu and Ppwawu stating "their abhorrence of bugging" as a practice in industrial relations and committing themselves to outlawing the practice in Nampak businesses.

Sapa reported Nampak industrial relations director Tony Mercer said yesterday the company agreed on the moratorium "for at least nine months".

● Comment: Page 10



**T**HE Comprehensive Anti-Apartheid Act not only imposes sanctions. It also obliges American companies with majority-owned operations in SA that have more than 25 employees to see to it that those operations abide by one of two employment codes.

The codes themselves, both derived from the principles established by the Rev Leon Sullivan in 1977, differ in certain details. The more obvious divergence, however, is in the way in which each is supervised. One set, known as the Guidelines, is administered by the State Department. The other, the so-called Statement of Principles, was overseen by Sullivan himself until 1987, when, under pressure from Randall Robinson and other activists, he abandoned the system he had so painstakingly nurtured and called on all US companies to leave SA.

The companies that had adopted the Sullivan Code decided to keep it alive notwithstanding its author's departure. For a while, they tried to find some figure of his stature to sanctify their continued presence in SA. The effort proved vain and costly.

**T**oday, the system is essentially run by the companies themselves through an entity set up for the purpose, the Industry Support Unit. Credibility is supplied — and the requirements of the CAAA satisfied — by the Massachusetts auditing firm of Arthur D Little.

The Statement of Principles currently has 54 signatories; 27 other firms subscribe to the Guidelines. Every year, all receive questionnaires from either Arthur D Little or the State Department, which then issue reports scoring the companies on their performance.

The State Department gives three grades: satisfactory, probation, and fail. To earn a "satisfactory" mark, a company must show that it is implementing five basic principles. These are: workplace desegregation; the provision of equal employment opportunities and benefits; equal pay for equal work; a minimum wage 30% above subsistence levels in urban areas and at least double such

# US subsidiaries irked by costly codes of conduct

B1 Day 20/11/90

SIMON BARBER in Washington

levels in rural areas; and the recognition of black trades unions.

In addition, the company must demonstrate that it is "actively" seeking to train and promote black employees while at the same time improving their "quality of life" beyond the workplace.

In its latest report, covering 1989, the State Department concludes that nine firms have met all seven requirements. Seventeen are deemed to have satisfied only the first five criteria and have been placed "on probation".

This means they have scored enough points to avoid the penalty attached to failure, loss of US government export assistance. One failed outright by returning an incomplete questionnaire.

The system, run by one part-time official, is not that rigorous. The Arthur D Little regime, by contrast, has of late been described by the Johannesburg-based Signatory Association, which represents the US parent companies' local managements, as "an administrative nightmare".

As of the latest reporting period — the year ending June 30 — signatories may be placed into one of three categories: I) Making good progress; II) Making progress; and III) Needs to become more active. The last is divided into IIIA, which is similar to

the State Department "probationary" status, and IIIB, failure to meet even basic requirements.

For the record, 36 of the 54 received category I ratings this time around. There were 13 IIIs, five IIIBs and no IIIBs.

Arthur D Little's "basic requirements" are not much different from the State Department's. The real rocket science starts for those companies — evidently the majority — anxious to make it into categories I and II.

This entails spending sums equivalent to 12% of total payroll on education for non-employees and community development, and attaining a sufficient "arithmetic average" of managerial, supervisory, sales and professional vacancies filled by what the auditors refer to as BCAs (blacks, coloureds and Asians).

**C**ompanies must show that they have performed well in four so-called "action areas" — non-employee education, workforce training and advancement, community development and social justice. The latter includes efforts to lobby for change, provide legal assistance and help develop "BCA leadership".

All this may make sense to parent corporations in the US. Signatory

CEOs, fighting domestic pressure to weather it out in SA, want to prove both to themselves and their critics that they are doing the right thing.

It is, after all, their money (and their shareholders'). As the latest Statement of Principles audit notes, substantial costs are involved: R67m and 77 000 man-days for the year ending June 30, to be exact. "These costs are only sustainable because of significant contributions by US parent companies."

Not surprisingly, the perspective at the coal face is rather different. There have long been rumblings from local management. These now appear to be coming to a head.

In July this year, the Signatory Association began circulating a memo in preparation for a showdown with the Industry Support Unit and the parent companies in New York on December 6. "In this time of dynamic change," the memo states, "the question to be posed concerns the relevancy of our actions under the Statement of Principles, and to specifically examine the structure of the annual report and evaluation procedures."

The central contention is that the time has come to end the focus on "placating our critics (in the past we have not really succeeded)" and instead permit local managements more latitude to do what they think is necessary in the new environment

without losing points on the Arthur D Little rating scale.

SA's transition will be turbulent, the memo argues, not least because trade unions are likely to use stoppages and other disruptions to strengthen the ANC's hand in negotiation. This will require all the care, imagination and resources managers can muster without constantly having to worry about satisfying some watchdog in Massachusetts.

In particular, the association feels that the requirement that 12% of payroll be spent on projects to benefit non-employees is diverting money and time from what is now becoming a major priority: the training of black employees to enable them to fill positions commensurate with their newly won political power.

"It is obvious that in the unfolding political and economic debate, the question of training and advancement of disadvantaged South Africans will become more prominent, particularly as the aspirations for a stake in the economy become more pronounced."

The association has a point. The Arthur D Little evaluation system is too onerous and too confining. SA managers surely have a better idea than any outsider of what needs to be done if their parents' interests are to be preserved and promoted. After all, if they don't, the parents can kiss their interests goodbye anyway.

**T**he Industry Support Unit, which technically represents the parents' views, but which is also heavily influenced by those of its own secretariat, is opposed to any major changes in the Statement of Principles regime. It cites, among other things, the requirements of the law.

Even so, there are signs that a growing number of parents sympathise with their subsidiaries, and, besides, are tired of bearing the costs the Arthur D Little method entails. A mounting defection to the State Department version can be expected. Sadly, no one has the courage to suggest that both codes of conduct, and the alien intrusion they represent, be scrapped. Wouldn't it be grand if companies could be seen to be doing the right thing voluntarily and not because a government forced them into it?

# Chemical workers seek joint <sup>5/20/87</sup> scheme <sup>181</sup>

MANY strikes have taken place in the chemical industry through the struggle by the Chemical Workers' Industrial Union (CWIU) to win employer participation in a joint employer-union controlled, industry-wide provident fund established in 1987.

Other unions are also considering similar schemes.

Part of the reason for the CWIU initiative says general secretary Rod Crompton is that there is no industrial council in the chemical industry and also because a vast majority — about 70% — of the enterprises employ less than 100 people.

"It doesn't make sense for workers to have lots of little funds when they can aggregate their buying power both to negotiate better financial terms and benefits with insurers and to secure better investment returns," says Crompton.

Another advantage of an industry-wide fund is that it allows workers to change jobs without withdrawing their pension contributions as long as they remain in or return to the industry.

He says employer resistance is rooted in an attitude of paternalism and a wish to retain control of workers' money.

"In all the strikes at SA Cynamid, Ciba Geigy, Reckitt & Coleman, Rolles etc — the employers said they were prepared to have a

company based provident fund but were not prepared to contribute to the Chemical Industry's National Provident Fund."

The CINPF fund has assets of about £45m.

Ciba Geigy personnel services manager Claus Haar says there are several reasons why the chemical firm opposed the idea of CINPF.

"We would like to introduce social benefits for all workers and not only unionised workers, who only represent 24% of the staff.

"We made a counter-offer of an in-house provident fund to be managed on a 50-50 basis with the union.

"We also had problems with the structure of the provident fund as we felt that Ciba Geigy had inadequate representation on the national fund.

"All employers in the chemical industry would only have 12 representatives out of 24 on the board of trustees. We were allocated one seat.

"We are responsible for the social benefits of workers and don't want to relinquish this responsibility. If we invest money into a fund we want to have a say over how it is managed and used.

"Nowhere in the world has Ciba Geigy handed over the management of benefit schemes."



# People lose as industrial councils die

THE demise of industrial councils in some industries through government's policy of deregulating labour relations is having serious consequences for the pension benefits of workers, says Labour and Economic Research Unit head Taffy Adler in a recent report.

Workers no longer covered by industrial council agreements number about 56 367 he says.

"Any industrial council-provided benefit depends on the existence of both an

industrial council and an industrial council agreement. "The demise of any council thus puts the retirement benefits of the workers governed by that agreement at risk."

There is a provision in the Labour Relations Act for fund money to be transferred to another fund after liquidation, but in practice the process of attempting to do this has been fraught with disputes by the parties involved - to the detriment of retirement benefits.

With the demise of industrial councils, the pension fund becomes a voluntary fund and employers have tended to withdraw, Adler says.

This has resulted in a lack of pension provision for vast numbers of workers threatened with destitution.

"The legal compulsion on employers to contribute to the funds disappears without the sanction of the industrial council agreement," Adler says.

"Employers are no longer required to provide pension benefits for their employees nor are they required to motivate an exemption in terms of equal or better benefits from the main fund, which was run under the authority of the industrial council agreement.

"For instance, the number of contributing establishments to the liquor and catering pension fund dropped from 173 in January 1989 to 104 in March 1990."

BW 21/11/90 (181)



# Probe into the rights of employers' usage

EMPLOYERS are prohibited from withdrawing pension fund surpluses.

In terms of present legislation, a surplus cannot be paid to the employer as it belongs to the fund.

Former Pension Institute executive director Snowy van Niekerk says the Mouton committee of inquiry into the pension industry is investigating the issue.

The institute has prepared an extensive report at the request of the committee and has recommended that employers be permitted to withdraw surpluses under certain defined circumstances.

But several people in the industry have taken issue with this view.

Chemical Workers Industrial Union general secre-

tary Rod Crompton says to lobby for employer use of surpluses is "highly irresponsible" and would "border on theft".

Sanlam GM, group benefits, Francois Marais says surpluses should be retained in the fund for the day when investment returns don't meet expectations.

Liberty Life group benefits marketing manager Alan McCulloch says the issue is "highly emotive".

Surpluses belong to members of pension funds and contributions should be reserved exclusively for their benefit.

However, there could be a case for employer use of surpluses where the business is in dire financial straits to keep it afloat and jobs in existence, he says.

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# Workers may act against company

181

50we  
22/11/90

BLACK workers at Tension Envelope have threatened an industrial action against their company for allegedly forcing them to join a union they did not want, writes **IKE MOTSAPI**.

The workers have also objected to management allegedly deducting, without their consent, "exorbitant" subscriptions for the union. They claimed management threatened them with dismissals when they tried to resign from the union.

They also claimed that they were paying subscriptions of more than R27,40 a week, about R119,60 a month, without being told or informed what they would get as benefits in return. The weekly contribution, they claim, was being determined by the individual employee's salary.

An employee earning more was required to contribute more than the one earning less.

A spokesman for the workers said when he joined the company, like any other fellow employees, they were ordered to sign forms which were filled but their implications not explained to them. They later realised that the forms they filled were those of the union which they did know.

He said: "We were shocked to learn that we belong to a union we did not know. This is very unfair in terms of the Labour Relations Act which, among other things require good and sound working relationship with the employer.

"The sickening thing is that when we want to resign from the said union we are threatened with dismissals."

Mr Terry Bond, manager of Tension Envelopes denied the allegations. He said his company has since done away with the said union since the close shop agreement was done away with in terms of the law several months ago.

He added: "We have here in our company a workers committee which deals with matters relating to the problems of the employees.

"If they have a problem regarding their contributions I am happy to discuss them with their chapel."



# Frame Group to lay off 2 000

Sowetan 22/11/90

By JOSHUA RABOROKO

About 2 000 workers at three factories of the Frame Group - one in Harrismith and two in East London - will be retrenched before the end of the year following the group's decision to close the spinning mill and part of cotton weaving shed operations in these areas.

The executive chairman of the group, Mr Mervyn King, said he had told shareholders in the group's annual report that working capital levels would be reduced and the company's asset base shrunk.

He pointed out that the closures had already been discounted in the share price because the present price was approximately

one third of the group's present asset base. It was imperative to reduce the size of the group's balance sheet and to eradicate unprofitable plant.

He added that it was unfortunate that that had to be done in the present economic climate when unemployment was escalating, but he believed that it had to be in the best long term interests of the group.

"The group's potential as a fully integrated textile operation is enormous. Shareholders are fully aware that the road to success involves a five year programme and

major restructuring. Part of this process is to focus our efforts on completing our plan to make our Durban mills comparable to the best integrated textile mills in the world.

He added that the situation had been exacerbated by the level of textile imports into South Africa. It was unbelievable that government was standing by in a recession and watching imports increasing and a pipeline industry employing some 400 000 being injuriously eroded.

Management of the company and its trade union leaders are meeting in regard to finalising the terms of the retrenchment of union members, he

said.

A reliable source in Harrismith said it would mean the death knell of the town. "Approximately 1100 people work in the Harrismith mill and that impact is that 5000 people in the area will be without a breadwinner," the source said.

Shopkeepers in the town see it as the final straw in an already bleak trading environment. Several were of the view that they would have to close their stores. The East London area is already depressed and the knock on effect in East London from the Frame closure will send more shock waves through that community.

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# VW: stoppages have cost millions

B/day 22/11/90

UNPROCEDURAL work stoppages had disrupted production at Volkswagen's Uitenhage plant for three years, costing the company "millions". This year 20 days' production had been lost, the company claimed yesterday.

Volkswagen said in a statement high levels of absenteeism had compounded the problem, so undermining the company/union relationship that "it has become impractical and uneconomic to continue to operate production".

It said employees failed to follow procedures in the union recognition agreement and ignored requests to return to work, causing the firm to lose millions.

Talks between the firm and the National Union of Metal Workers (Numsa) remained deadlocked yester-

MATTHEW CURTIN

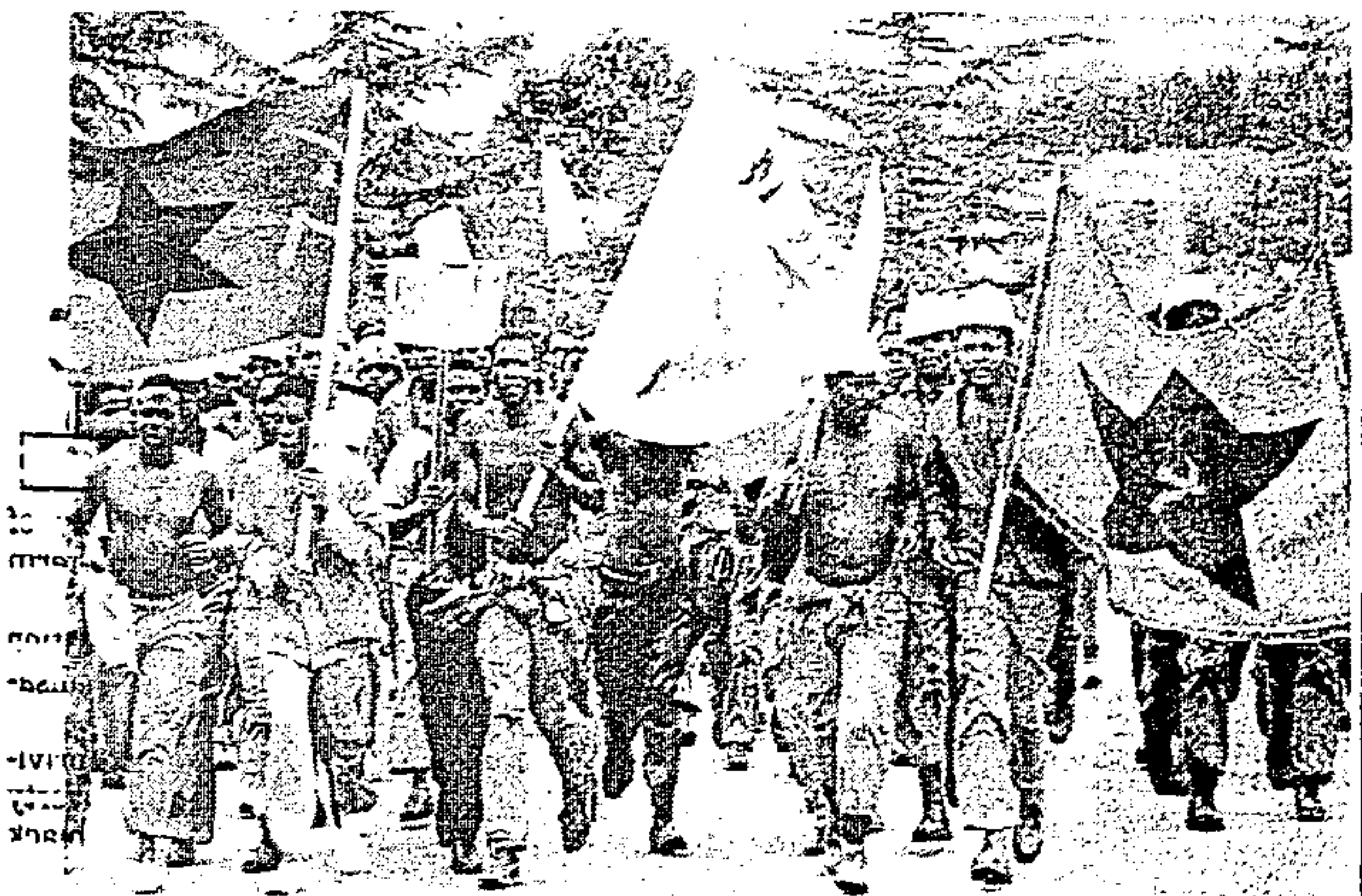
day.

A VW spokesman would not comment on the progress of talks and Numsa officials could not be reached.

Volkswagen suspended production last week after a group of Numsa members left an engine room to attend a court case involving a colleague.

The company said yesterday it was "ready to open the factory as soon as the (recognition) agreement is signed by the union as an act of commitment by shop stewards to ensure industrial peace and orderly industrial relations".

Volkswagen claimed Numsa had agreed in principle to a recognition agreement but had yet to sign it.



Eastern Transvaal Eskom colliery workers outside the corporation's headquarters in Sandton yesterday where they were protesting against being made redundant after the closure of three Eskom power stations in the region. Picture: LINDEN BRUNS

## Eskom and Numsa in retrenchment talks

WILSON ZWANE 181

ESKOM and National Union of Metalworkers (Numsa) officials were locked in negotiations late yesterday over a union demand that 2 000 workers threatened with retrenchment be absorbed elsewhere in the utility.

The 2 000 affected workers are employed at the eastern Transvaal power stations Camden, Komati and Grootvlei which Eskom recently announced it would mothball. *By Day 27/11/90*

Earlier yesterday about 500 Eskom Camden and Komati workers toyi-toyed outside the Eskom head office in Sandton.

They carried ANC and SACP banners and placards with slogans such as "we need our jobs" and "we demand R100 000 for each employee".

Eskom spokesman Peter Adams said he could not predict when negotiations would end.

Numsa official Bernie Fanaroff said the union wanted to discuss Eskom's entire 10-year strategy.

"We are arguing that instead of retrenching the workers, Eskom should retrain and utilise them in its projects," Fanaroff said.

Sapa reports that an Eskom security officer said the company was prepared to allow the demonstration to continue as long as it was peaceful. He said there had been no incidents.

Eskom has previously estimated that of the 2 000 workers whose jobs would be lost, 400 to 600 would be employed elsewhere within Eskom.

An Eskom spokesman, who yesterday would not say how many workers would be affected by the closures, said a joint statement about the retrenchments would be issued only once all negotiations had been completed.



# Nampak strike: Employers battenning down the hatches

W/Mail 23-29/11/90  
By DREW FORREST

"BRITISH unionist Vic Feather always used to say: 'Leave the other fellow the bus fare home'. I can't help feeling Nampak's gone beyond this."

The comment highlights widespread feeling that Nampak has failed to take the long view in crushing the nine-week strike by 4 000 workers over central bargaining.

Strategic errors were undoubtedly made by the Paper, Printing, Wood and Allied Workers' Union. The calling of a national strike in breach of recognition agreements and labour law enabled Nampak to shift the focus to one of conduct and "due process".

But given the unions' growing role in social policy-making, observers stress

that the central bargaining issue will not go away.

"Employers will have to accept that the subject matter of bargaining is going to widen, and that the right forum may not be the plant," said labour consultant Pat Stone.

Employers might see factories as distinct cost units, but labour was bound to push for common pay rates for the same skills, he added.

The settlement, reached after crisis intervention by Cosatu, at least enables Ppwawu to retreat in reasonable order.

About 700 fired strikers have been rehired on final warning, and although the fate of another 500 will be sealed in mediation, they are likely to recover their jobs.

But there is no escaping the disastrous setbacks.

Strikers, who lost over R10-million in wages, won no concession on their minimum wage demand and forfeited half their annual bonus. Some workers, particularly in Nampak Corrugated, may be retrenched as a result of restructuring and lost business during the strike.

More significantly, the union has agreed to a nine-month moratorium on the central bargaining demand. Exploratory talks had started before the strike, and the corrugated division had signalled its willingness to negotiate alternative bargaining levels.

The demand for a group-wide "bugging" probe was also lost. Instead, Cosatu, Ppwawu and Nampak will enter an accord stating their abhorrence of the practice.

The handling of the strike, say both Stone and Nampak's Tony Mercer, bears out hardening employer attitudes on unprocedural industrial action.

This was a central issue in the Mercedes dispute. Significantly, Volkswagen has demanded "agreement to abide by all conditions of employment and the elimination of unprocedural action" as a condition for re-opening its Uitenhage works, closed this week after engine plant workers walked out to attend a court hearing.

"Employers are battenning down the hatches as the recession deepens. They're demanding stricter compliance with agreements," ventured Stone.

Mercer said that while the Cosatu negotiators had indicated their support for "due process", elements within Ppwawu took an expedient view. "The attitude is: 'We'll use it if it works for us'.

"Employers are offloading their burden of collective guilt. Especially at senior level they're saying: 'We're entering a new phase of our history, based on democratic values. We can't allow these to be raped,'" said Mercer.

## 'Death knell' for Harrismith if Frame closes blanket mill

Weekly Mail Reporter  
THE closure of the Frame group's Harrismith blanket mill, with the loss of 1 100 jobs; would reduce the Free State town to a "sanctuary for artists and poets", the SA Clothing and Textile Workers Union has warned.

"It's by far the largest employer — it's the death knell," said Sactwu's Jabu Gwala. "Shops will close and taximen are selling their vehicles. There'll be chaos in the 42nd Hill township."

Last week, Frame announced the closure of three plants, one in Harrismith and two in East London, with the retrenchment of 2 000 workers. Gwala said jobs were also being shed in Durban, Pinetown and Ladysmith.

Plant-by-plant negotiations were under way and a possible third shift at another East London plant could cut job losses there from 850 to 600, he said.

The Harrismith crisis raises the prospect of a joint union-employer approach to the government on textile imports.

Gwala said the union intended setting

up a meeting involving the state, Frame, organised business in Harrismith and another beleaguered blanket-maker, Aranda Textile Mills in Randfontein.

"We're looking for protection," he said. "The last straw is preferential treatment for Turkish blankets under a government trade agreement."

Frame chairman Mervyn King complained last week that the tariff on imported yarn was hurting local cotton growers and spinners, and that a revision agreed last year had not been gazetted. Imports had leapt to nearly seven-million kg in the first half of this year, as against four-million kg for the same period of 1989.

"It is unbelievable that government is standing by in a recession and watching imports increase, while an industry employing some 400 000 is being eroded."

Denying that imports would spur efficiency, he added: "You cannot improve the efficiency of an industry by destroying it."

# VW sets tough conditions for plant reopening

By DREW FORREST and Port Elizabeth Correspondent

VOLKSWAGEN has lost millions of rands and 20 production days this year as a result of "community violence, stayaways and unprocedural strikes", VW said this week.

In a partial replay of the Mercedes-Benz saga, VW has demanded union compliance with a set of tough conditions before it reopens the works in Uitenhage, closed last Thursday.

The closure was sparked when 600 workers in the engine plant walked off the job to attend a court case. VW said this was in defiance of agreed procedures and that workers ignored pleas for a return to work. It said employees recently downed tools over demands for the removal of a foreman.

W/Ment 23/11 - 29/11/90  
The court case which triggered the current dispute revolves around a racial altercation, allegedly involving an AWB member, and Numsa has demanded a clear policy on racial conflict at the works.

It also accused the firm of using minor incidents to implement retrenchments threatened four months ago.

Stressing that it had become "impractical and uneconomic" to continue production, the company has demanded Numsa pledge itself to "uninterrupted production" at the plant.

As conditions for a resumption of work, it has demanded a commitment to VW's viability; industrial peace and stability; agreement to abide by all conditions of employment and to eliminate unprocedural action; and the effective

operation of the shop steward system.

At the heart of the dispute is VW's demand that Numsa sign a new recognition agreement, based on the labour code drawn up in collaboration between South African and German metal unions and similar to those already in force at other German firms in South Africa, such as Mercedes and BMW.

This "very progressive" agreement had not been signed, VW said, although shop stewards had discussed it and members had pledged adherence. It said Numsa was holding back pending "further education and clear interpretation" of the proposed deal.

Negotiations over several days this week failed to bring the parties closer, and management is reported to have walked out of the latest round of talks.

# VW's production suffers 1 500 loss

B/day 23/11/90

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THE closure of Volkswagen's Uitenhage plant since last Friday has already resulted in a production loss of at least 1 500 vehicles, MD Peter Searle said yesterday.

Sapa reports Searle said the plant was losing between 250 and 350 vehicles a day, and he did not know if the plant would re-open before the Christmas shutdown.

He said there would be inevitable delays to deliveries of the more popular Volkswagen models of up to several weeks.

Negotiations between management and the National Union of Metalworkers (Numsa) remained deadlocked yesterday, with the company demanding Numsa sign a recognition agreement and commit itself to ending unprocedural action.

But the plant's senior shop steward John Gomomo said yesterday management's inability to "plan production properly" lay at the heart of the dispute.

The installation of new but inefficient equipment had placed an intolerable strain on management-worker relations. During the year Numsa members were ordered to work overtime to make up for backlogs

and laid off because of parts shortages.

Gomomo said management could not "plan production properly and workers are always the victim of their bad planning". They were using the incident which sparked the closure of the plant to "rectify their production plans".

Volkswagen shut the plant down after several hundred engine-room workers left the factory to attend a court case involving a colleague, which Gomomo said yesterday should have been resolved by internal industrial relations procedures.

Gomomo said Numsa members agreed at a general meeting on Monday to adhere to the recognition agreement procedures but the company now wanted them to sign the agreement "under duress".

Volkswagen officials were not available for comment on the union claims.

Volkswagen and Numsa agreed in February to accept the recognition agreement in principle, but Numsa decided not to sign it until an education programme for its members was complete.

MATTHEW CURTIN



## Technihire 'performs well' against gloomy backdrop

810 am 23/11/70  
INDUSTRIAL holding company Technihire (Technihire) improved earnings by 4% in the six months to end-September.

Earnings rose to 5,1c (4,9c) on a 27% (42,3%) rise in turnover.

Technihire is involved in the hiring of draughtsmen and other skilled personnel such as engineers and artisans to the mining, industrial and public sectors.

Its business activities also involve the hiring out of accounting personnel, and debt collection and administration.

CE Jack Eliasov says in the profit announcement that Technihire performed "exceptionally well" when its results are viewed against a background of the sharply reduced earnings of other companies.

He says trading in the second half of the financial year will continue to be difficult. He adds the strategy of focusing on consolidation and concentrating on organic growth will be continued rather than pursuing acquisitions.

"Consideration will, how-

### Business Day Reporter

ever, be given should worthwhile opportunities present themselves in future," he says. (18)

Operating income rose 2% but with an improved net interest situation, pre-tax income rose 4,64% to R1,2m (R1,1m).

Net tangible asset value a share rose to 22,7c from 17,6c.

In the 14 months to end-March Technihire posted a 76% rise in operating income and a 77% increase in earnings a share. A maiden dividend of 3c was declared.

## EXECUTIVE SUIT



# 'Death knell' for Harrismith if Frame closes blanket mill

Weekly Mail Reporter

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THE closure of the Frame group's Harrismith blanket mill, with the loss of 1 100 jobs, would reduce the Free State town to a "sanctuary for artists and poets", the SA Clothing and Textile Workers Union has warned.

"It's by far the largest employer — it's the death knell," said Sactwu's Jabu Gwala. "Shops will close and taxmen are selling their vehicles. There'll be chaos in the 42nd Hill township."

Last week, Frame announced the closure of three plants, one in Harrismith and two in East London, with the re-trenchment of 2 000 workers. Gwala said jobs were also being shed in Durban, Pinetown and Ladysmith.

Plant-by-plant negotiations were under way and a possible third shift at another East London plant could cut job losses there from 850 to 600, he said.

The Harrismith crisis raises the prospect of a joint union-employer approach to the government on textile imports.

Gwala said the union intended setting

up a meeting involving the state, Frame, organised business in Harrismith and another beleaguered blanket-maker, Aranda Textile Mills in Randfontein. U/M 23-29/11/90

"We're looking for protection," he said. "The last straw is preferential treatment for Turkish blankets under a government trade agreement."

Frame chairman Mervyn King complained last week that the tariff on imported yarn was hurting local cotton growers and spinners, and that a revision agreed last year had not been gazetted. Imports had leapt to nearly seven-million kg in the first half of this year, as against four-million kg for the same period of 1989.

"It is unbelievable that government is standing by in a recession and watching imports increase, while an industry employing some 400 000 is being eroded."

Denying that imports would spur efficiency, he added: "You cannot improve the efficiency of an industry by destroying it."

## Volkswagen and Numsa agreement

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Own Correspondent

PORT ELIZABETH — The National Union of Metalworkers (Numsa) has agreed to adhere to the recognition agreement demanded by Volkswagen as a pre-condition to restarting production. *By 26/11/90*

However, the union would not sign the agreement until all employees were educated on its contents, Numsa chief shop steward John Gomomo said on Friday.

Production at the Uitenhage plant was halted on November 15.

The recognition agreement covers the relationship between the company and the union.

In a statement on Friday the company said: "Production cannot be resumed until the recognition agreement has been signed by both parties and the employees tender their services in accordance with the provisions of the signed agreement and contracts of service."

● Comment: Page 10



# Volkswagen plant to be re-opened

VOLKSWAGEN's Uitenhage plant is to re-open on Thursday after management and the National Union of Metalworkers (Numsa) reached agreement yesterday on an "action plan" to resolve the deadlock. (181)

Management shut the plant on November 15 after "unprocedural" action by workers who left an engine room to attend a court case involving a colleague.

The company insisted Numsa

MATTHEW CURTIN

commit itself to outlawing unprocedural action by signing a recognition agreement — which the parties had accepted in principle in February — before it would resume production. Numsa had not signed the accord as it was waiting for the completion of an education programme for its members. (02/27/11/90)

A company spokesman said

Numsa had undertaken to sign the recognition agreement once an "urgent education programme" to inform union members on the contents of the accord was carried out today and tomorrow.

But after a workers' general meeting yesterday morning Numsa declared a dispute with Volkswagen because the company had refused to pay workers for the time the plant was closed.

● See Page 10

# New dispute at VW plant

From XOLA  
SIGONYELA

A NEW dispute is looming at Uitenhage's giant Volkswagen plant — just as the management and union reached settlement in another.

The plant had been closed for more than a week over management's demand that the union formally sign a recognition agreement first accepted in February.

On Monday, the National Union of Metalworkers of South Africa (Numsa) agreed to sign after two days of education had been held for its members on the agreement's terms.

But another dispute immediately arose over the union's demand that workers be paid for the days of the closure.

Numsa's chief shop steward at the plant, Mr John Gomomo, said: "It's just

unfortunate that we break out of a dispute into another dispute."

Numsa has vowed to take up the issue with Volkswagen head office in Germany and with a powerful German trade union.

The latest round of conflict at the plant, one of the area's largest employers, began on November 15 when about 600 engine plant workers walked off the job to attend a civil

court case between a shop steward and a white foreman.

The company immediately shut down the plant, saying it would not be re-opened until Numsa had signed a recognition agreement already accepted nine months ago.

The company has declined to comment on Numsa's demand that workers be paid fully for the period the plant was shut. —PEN

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South  
29/11/90-5/12/90

## Ethics vital (181) for harmony

Establishing a high degree of common moral purpose and ethics is vital for harmony between employers, employees and different culture groups in the new South Africa. *South Africa 30/11/90*

This is the view of Rabbi David Lapin, a Johannesburg rabbi and businessman, who recently founded the non-profit making institute of business ethics.

Speaking at a business function organised by recruitment and management consulting firm, Marjorie Levy and Associates, he said lack of common moral purpose eroded productivity and led to human conflict.



**DEPARTMENT OF MANPOWER**

No. R. 2749

30 November 1990

**CORRECTION NOTICE****WAGE ACT, 1957****WAGE DETERMINATION 466.—BRUSH AND BROOM MANUFACTURING INDUSTRY, CERTAIN AREAS**

The following correction to Government Notice No. R. 2350 of 5 October 1990 is published for general information:

In clause 3 (1) (b), for the expression "After six months" wherever it occurs in the headings of the wage tables, substitute the expression "During the second six months after this determination has come into effect".

No. R. 2754

30 November 1990

**LABOUR RELATIONS ACT, 1956****JEWELLERY AND PRECIOUS METAL INDUSTRY (CAPE).—RENEWAL OF TRAINING FUND AGREEMENT**

I, Eli van der Merwe Louw, Minister of Manpower, hereby, in terms of section 48 (4) (a) (ii) of the Labour Relations Act, 1956, declare the provisions of Government Notices Nos. R. 960 of 3 June 1977, R. 2156 of 27 October 1978 and R. 723 of 30 March 1990, to be effective from the date of publication of this notice and for the period ending 8 April 1992.

**E. VAN DER M. LOUW,**  
Minister of Manpower.

No. R. 2755

30 November 1990

**LABOUR RELATIONS ACT, 1956****JEWELLERY AND PRECIOUS METAL INDUSTRY (CAPE).—AMENDMENT OF TRAINING FUND AGREEMENT**

I, Eli van der Merwe Louw, Minister of Manpower, hereby—

(a) In terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 8 April 1992, upon the employers' organisation and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisation or union; and

**DEPARTEMENT VAN MANNEKRAG**

No. R. 2749

30 November 1990

**VERBETERINGSKENNISGEWING****LOONWET, 1957****LOONVASTELLING 466.—BORSEL- EN BESEMYWERHEID, SEKERE GEBIEDE**

Die volgende verbetering aan Goewermentskennisgewing No. R. 2350 van 5 Oktober 1990 word vir algemene inligting gepubliseer:

In klousule 3 (1) (b), vervang die uitdrukking "Na ses maande" oral waar dit in die opskrifte van die loontabelle voorkom, deur die uitdrukking "Gedurende die tweede ses maande nadat hierdie vasstelling in werking getree het".

No. R. 2754

30 November 1990

**WET OP ARBEIDSVERHOUDINGE, 1956****JUWELIERSWARE- EN EDELMETAALNYWERHEID (KAAP).—HERNUWING VAN OPLEIDINGSFONDS-OOREENKOMS**

Ek, Eli van der Merwe Louw, Minister van Mannekrag, verklaar hierby, kragtens artikel 48 (4) (a) (ii) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van Goewermentskennisgewings Nos. R. 960 van 3 Junie 1977, R. 2156 van 27 Oktober 1978 en R. 723 van 30 Maart 1990, van krag is vanaf die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 8 April 1992 eindig.

**E. VAN DER M. LOUW,**  
Minister van Mannekrag.

No. R. 2755

30 November 1990

**WET OP ARBEIDSVERHOUDINGE, 1956****JUWELIERSWARE- EN EDELMETAALNYWERHEID (KAAP).—WYSIGING VAN OPLEIDINGSFONDS-OOREENKOMS**

Ek, Eli van der Merwe Louw, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 8 April 1992 eindig, bindend is vir die werkgewersorganisasie en die vakvereniging wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasie of vereniging is; en

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) (a), shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 8 April 1992, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

**E. VAN DER M. LOUW,**  
Minister of Manpower.

### SCHEDULE

#### INDUSTRIAL COUNCIL FOR THE JEWELLERY AND PRECIOUS METAL INDUSTRY (CAPE)

#### TRAINING FUND AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between

**The Cape Jewellery Manufacturers' Association**

(hereinafter referred to as the "employers" or the "employers' organisation"), of the one part, and

**The Jewellers' and Goldsmiths' Union**

(hereinafter referred to as the "employees" or the "trade union"), of the other part,

being the parties to the Industrial Council for the Jewellery and Precious Metal Industry (Cape),

to amend the Training Fund Agreement published under Government Notice No. R. 960 of 3 June 1977, as amended and renewed by Government Notices Nos. R. 2156 of 27 October 1978, R. 1417 of 9 July 1982, R. 24 of 7 January 1983, R. 576 of 15 March 1985, R. 147 of 30 January 1987, R. 2152 of 25 September 1987, R. 71 of 22 January 1988 and R. 722 of 30 March 1990.

#### 1. SCOPE OF APPLICATION OF AGREEMENT

(1) The terms of this Agreement shall be observed in the Jewellery and Precious Metal Industry—

(a) by all employers who are members of the employers' organisation and by all employees who are members of the trade union;

(b) in the Magisterial District of the Cape [excluding those portions which prior to 24 October 1958 and 9 March 1973 (Government Notices Nos. 1559 of 24 October 1958 and 173 of 9 February 1973) fell within the Magisterial District of Wynberg, but including that portion of the Magisterial District of Goodwood which, prior to the publication of Government Notice No. 1882 of 3 October 1975 fell within the Magisterial District of the Cape].

(2) Notwithstanding the provisions of subclause (1), the terms of this Agreement shall—

(a) apply only to employees for whom wages are prescribed in the Main Agreement, and to the employers of such employees;

(b) apply to apprentices in so far as they are not inconsistent with the provisions of the Manpower Training Act, 1981, or any contract entered into or any condition fixed thereunder.

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousule 1 (1) (a) met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 8 April 1992 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

**E. VAN DER M. LOUW,**  
Minister van Mannekrag.

### BYLAE

#### NYWERHEIDSRAAD VIR DIE JUWELIERSWARE- EN EDELMETAALNYWERHEID (KAAP)

#### OPLEIDINGSFONDSOOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen

**The Cape Jewellery Manufacturers' Association**

(hierna die "werkgewers" of die "werkgewersorganisasie" genoem), aan die een kant, en

**The Jewellers' and Goldsmiths' Union**

(hierna die "werknemers" of die "vakvereniging" genoem), aan die ander kant,

wat die partye is by die Nywerheidsraad vir die Juweliersware- en Edelmetaalnywerheid (Kaap),

om die Opleidingsfondsooreenkoms gepubliseer by Goewermentskennisgewing No. R. 960 van 3 Junie 1977, soos gewysig en hernieu deur Goewermentskennisgewings Nos. R. 2156 van 27 Oktober 1978, R. 1417 van 9 Julie 1982, R. 24 van 7 Januarie 1983, R. 576 van 15 Maart 1985, R. 147 van 30 Januarie 1987, R. 2152 van 25 September 1987, R. 71 van 22 Januarie 1988 en R. 722 van 30 Maart 1990, te wysig.

#### 1. TOEPASSINGSBESTEK VAN OOREENKOMS

(1) Hierdie Ooreenkoms moet in die Nywerheidsraad vir die Juweliersware- en Edelmetaalnywerheid nagekom word—

(a) deur alle werkgewers wat lede is van die werkgewersorganisasie en deur alle werknemers wat lede is van die vakvereniging;

(b) in die landdrosdistrik die Kaap [uitgesonderd daardie gedeeltes wat voor 24 Oktober 1958 en 9 Maart 1973 (Goewermentskennisgewings Nos. 1559 van 24 Oktober 1958 en 173 van 9 Februarie 1973) binne die landdrosdistrik Wynberg geval het, maar inbegrip van daardie gedeelte van die landdrosdistrik Goodwood wat voor die publikasie van Goewermentskennisgewing No. 1882 van 3 Oktober 1975 binne die landdrosdistrik die Kaap geval het].

(2) Ondanks subklousule (1) is hierdie Ooreenkoms—

(a) van toepassing slegs op werknemers vir wie lone in die Hofooreenkoms voorgeskryf word en op die werkgewers van sodanige werknemers;

(b) op vakleerlinge van toepassing slegs vir sover dit nie met die Wet op Mannekragopleiding, 1981, of met 'n kontrak wat daarkragtens aangegaan of 'n voorwaarde wat daarkragtens gestel is, onbestaanbaar is nie.



**2. CLAUSE 6.—CONTRIBUTIONS TO THE FUND**

(1) Substitute the following for subclause (2):

"(2) Every employer shall contribute to the Fund an amount of 2 cents for every R5 of wages paid to weekly-paid and monthly-paid employees. For the purposes of this clause, wages shall include leave pay."

Signed at Cape Town this 23rd day of August 1990.

**M. LEVIN,**  
Chairman.

**J. DAVIDS,**  
Vice-Chairman.

**Miss K. MARTIN,**  
Secretary.

No. R. 2790

30 November 1990

**LABOUR RELATIONS ACT, 1956****LEATHER INDUSTRY, REPUBLIC OF SOUTH AFRICA.—EXTENSION OF PROVIDENT FUND AGREEMENT**

I, Dennis van der Walt, Director: Labour Relations, duly authorised thereto by the Minister of Manpower, hereby, in terms of section 48 (4) (a) (i) of the Labour Relations Act, 1956, extend the periods fixed in Government Notices Nos. R. 1303 of 1 July 1988 and R. 307 of 16 February 1990, by a further period ending 1 January 1996.

**D. VAN DER WALT,**  
Director: Labour Relations.

No. R. 2791

30 November 1990

**LABOUR RELATIONS ACT, 1956****LAUNDRY, CLEANING AND DYEING INDUSTRY (NATAL).—AMENDMENT OF MAIN AGREEMENT**

I, Eli van der Merwe Louw, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the date of publication and for the period ending 9 February 1995, upon the employers' organisation and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisation or union; and

**2. KLOUSULE 6.—BYDRAE TOT DIE FONDS**

(1) Vervang subklousule (2) deur die volgende:

"(2) Elke werkgever moet 'n bedrag van 2 sent vir elke R5 van lone wat aan weekliksbesoldigde en maandeliksbesoldigde werknemers betaal word, tot die Fonds bydra. Vir die doeleindes van hierdie klousule sluit lone verlofbesoldiging in."

Geteken by Kaapstad op hede die 23ste dag van Augustus 1990.

**M. LEVIN,**  
Voorsitter.

**J. DAVIDS,**  
Ondervoorsitter.

**Mej. K. MARTIN,**  
Sekretaris.

No. R. 2790

30 November 1990

**WET OP ARBEIDSVERHOUDINGE, 1956****LEERNYWERHEID, REPUBLIEK VAN SUID-AFRIKA.—VERLENGING VAN VOORSORGFONDS-OOREENKOMS**

Ek, Dennis van der Walt, Direkteur: Arbeidsverhoudinge, behoorlik daartoe gemagtig deur die Minister van Mannekrag, verleng hierby, kragtens artikel 48 (4) (a) (i) van die Wet op Arbeidsverhoudinge, 1956, die tydperke vasgestel in Goewermentskennisgewings Nos. R. 1303 van 1 Julie 1988 en R. 307 van 16 Februarie 1990, met 'n verdere tydperk wat op 1 Julie 1988 en R. 307 van 16 Februarie 1990, met 'n verdere tydperk wat op 1 Januarie 1996 eindig.

**D. VAN DER WALT,**  
Direkteur: Arbeidsverhoudinge.

No. R. 2791

30 November 1990

**WET OP ARBEIDSVERHOUDINGE, 1956****WASSERY-, DROOGSKOONMAAK EN KLEURNYWERHEID (NATAL).—WYSIGING VAN HOOF-OOREENKOMS**

Ek, Eli van der Merwe Louw, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die datum van publikasie en vir die tydperk wat op 9 Februarie 1995 eindig, bindend is vir die werkgewers-organisasie en die vakvereniging wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasie of vereniging is; en



The bitter nine-week strike by 4 000 Nampak employees over centralised bargaining ended last week. The union suffered some setbacks and the company took a hardline attitude on unprocedural action.

However, the strike showed that centralised bargaining is firmly on the union agenda and will not go away. According to a spokes-

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man for the Paper, Printing, Wood & Allied Workers' Union, the strike "put a cutting edge" to Cosatu's Barlow Rand campaign.

The decision to strike, despite negotiated recognition agreements, enabled Nampak to focus attention on union conduct. Nampak accused the union of "refusing to honour agreements" and "calling an illegal strike without a ballot among workers."

Though the union managed to get reinstatement for most of the 1 200 workers dismissed — about 700 were reinstated on final warning, while the remaining cases will be decided in mediation (though most are likely to be taken back) — the union has been hard hit in several ways.

Strikers have lost R10m in wages (a company estimate), as well as 50% of the annual bonus. The company last week warned that workers could face retrenchments as a result of losses during the strike and changes in the production process — possibly at the corrugated division, which was most affected by the strike.

At the heart of the union concession is an agreement to a nine-month moratorium on the issue of centralised bargaining at Nampak. The union says negotiations at plant level are to continue this year.

In terms of the "bugging issue," Cosatu, the paper union and the company have entered an accord, stating their "abhorrence of the practice in industrial relations." The union had originally called for a full inquiry into alleged electronic eavesdropping on unionists by management.

Nampak's industrial relations director Tony Mercer has commented on the senselessness of the strike and he stresses the unprocedural industrial action. But the union points to the fact that members went on strike for nearly two months, apparently demonstrating the strength of support for centralised bargaining. ■

# New Vaal housing scheme launched

By KENOSI MODISANE

A Johannesburg-based pharmaceutical and a housing company this week launched a new range of corporate group scheme housing in Evaton's North Oasis Gardens.

The scheme, which involved Adcock-Ingrams Laboratories and Minrav International, was hailed as "positive step for companies to be involved in group housing schemes for their employees". (181)

"This is not only a step forward in the building industry, but it is a triumph that senior officials from companies should inspect houses built for their employees before they move in," said Mr Phillip Nicolau of Minrav.

"It is also a good social exercise that senior members in a company should know where their employees retired to at the end of every working day," added Nicolau.

About 11 executive officials from Adcock inspected the houses built at the new suburb. And they were later treated to a braai as a "roof wetting party".

Sowetan 30/11/90

# Work resumes at VW plant

ASSEMBLY lines at Volkswagen in Uitenhage started running again on Wednesday.

Management and the National Union of Metalworkers of South Africa signed an agreement on Tuesday after a dispute which led to the closure of the plant on November 15.

The agreement covers the full relationship between the company and the union and sets out the rights and obligations of both parties.

However, the company and the union continue to disagree over the payment of employees for the eight days' shutdown.

Management spokesmen said the company felt it had no moral or legal obligation to pay employees for the time the plant was closed.

Numsa has said it intends taking up the issue with Volkswagen's head office in Germany.

*Sowetan Correspondent.*

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# Are CCs still employees?

S/Times 2/12/90

FIONA LEPPAN discovers hidden

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# danger in a new form of labour contract

PITFALLS await employers involved in the increasingly popular scheme whereby employees turn themselves into "contractors" — and then sell their services back to their employers. The employees, often styled as "independent contractors", pay themselves through closed corporations (CCs) in the hope of getting tax advantages, but essentially they continue to give the same service as before.

Mr Shikwambana believed that his relationship with Quantum Construction had been unfairly terminated, and that his status as an employee had never changed. The company, however, argued that the applicant was not an employee and did not enjoy that status after the introduction of his own corporate entity.

The legality of these schemes has been called into question by numerous tax experts and the Department of Inland Revenue. Now another debate has arisen: are these so-called independent contractors "employees" as defined in the Labour Relations Act 28 of 1956?

Two recent cases in the Industrial Court examine the dilemma. Nelson Shikwambana was a former employee of Quantum Construction (Pty) Ltd. He resigned and took up the company's suggestion that he form his own CC. Mr Shikwambana's position before and after the introduction of the CC remained unchanged except that the CC was paid by the company for services performed by Mr Shikwambana. In turn, he was paid in his personal capacity by his CC.

The arrangement between the company and Mr Shikwambana's CC was terminated without notice on February 28 1989 on the grounds that his services were too expensive.

contract had been entered into between the applicant's CC and the company.

This is an important finding since, in the earlier decision of the Industrial Court in *CD Addington vs Foster Wheeler SA (Pty) Ltd*, the court found that Mr Addington's CC acted as a labour broker which required Mr Addington to perform work for Foster Wheeler and that he was not an employee of that company.

In that particular case there had been a formal agreement entered into between Foster Wheeler and the CC. It was said that the written contract provided clear proof of an intention that the CC would provide the services of its member to Foster Wheeler.

Mr Shikwambana's case, however, was distinguishable because there was no evidence of the conclusion of a contract or the provision of services. There was merely an arrangement that Mr Shikwambana's salary would be paid to him via his CC.

Mr Shikwambana's duties and obligations and his rights to a bonus and continued membership of the pension fund did not change after the introduction of his CC. The Industrial Court concluded that these factors demonstrated a continuation of the employment

relationship, which could not be terminated without good reason and in the absence of a fair procedure. The Industrial Court said in that case "the mere fact that the pay envelope of the applicant was slipped into the pocket of his close-corporation suit does not mean that the man inside the suit can, in labour law, be ignored... labour law is concerned with equity. Equity in this case requires that the corporate veil — in this case a thin one indeed — be brushed aside".

The case law suggests that a minimum prerequisite for the scheme to be valid is the existence of a cogent written contract entered into between the former employer and the CC, in terms of which the CC provides the services of its member to the former employer.

On a close reading of the Shikwambana case, employers would be well advised to take care when dealing with these schemes, for it cannot be assumed that once the CC is introduced the stringent rules of fairness can be discarded in the erroneous belief that the employment relationship has come to an end.

## Contract

On a close reading of the Shikwambana case, employers would be well advised to take care when dealing with these schemes, for it cannot be assumed that once the CC is introduced the stringent rules of fairness can be discarded in the erroneous belief that the employment relationship has come to an end.

● *Fiona Leppan is a labour lawyer with the Johannesburg law firm of Deneys Reitz. She has been requested by the Sunday Times to write a series of occasional pieces on labour and the law.*

## Abuse

The company argued that the separate legal personality of the applicant's CC could not be set aside, more particularly where our civil courts have been reluctant to look behind the corporate personality.

It is interesting to note that section 65 of the Close Corporations Act 69 of 1984 empowers a court to lift the corporate veil unless there has been a gross abuse of the juristic personality of the corporation as a separate entity.

The company, however, did not allege any such abuse and the Industrial Court did not take the matter any farther.

The court found that no formal

Letters are on Page 25

# Shutdowns 'the answer to go-slows and sit-ins'

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3/12/90

MATTHEW CURTIN

MANAGEMENT will use increasingly the strategy of shutting down production to regain shopfloor control from militant workers in the present unstable labour climate, say labour analysts.

SPA Consultants' industrial relations adviser Andrew Pons said at the weekend managements' recent actions at the Mercedes-Benz plant in East London, Volkswagen's Uitenhage plant and JCI's Atok platinum mine were evidence of this trend.

Unprocedural union action not only threatened the viability of companies' operations but also management's authority on the shopfloor.

Go-slows, work-to-rule and overtime bans were as damaging as procedural industrial action because they had the effect of replacing management authority with workers' authority over an extended period.

Pons said management was able to bring unprocedural action to a head by closing down its operations. It was a positive development if management intended to repair its relationship with the work force while reducing its reliance on the law.

It was vital to appreciate the need

for workers' education, a factor at the heart of the Mercedes and Volkswagen disputes, as well as the socio-political climate in SA.

Union members sometimes misunderstood industrial relations procedures and the extent to which their unprocedural action jeopardised a company's viability.

Industrial relations consultant Gavin Brown said unprocedural action was endemic in SA industry.

## Reluctant

It might be too early to determine a trend in the recent plant closures but the tactic was certain to become more common. "Management may have to stop production to regain control on the shopfloor", he said.

Employers, tolerant of unprocedural action when union recognition agreements were new, were increasingly reluctant to allow for worker ignorance.

Unions rarely let management educate their members and had "failed abysmally" to educate themselves, although they were compromised by a lack of resources and

the explosive political environment, especially in the eastern Cape, said Brown.

UCT Labour Law Unit director Clive Thompson said the trend showed management, growing desperate in the current industrial relations environment, had developed more confidence in dealing with unprocedural action.

The shut-downs technically constituted illegal lock-outs, but were an indication of an underlying malaise afflicting the law.

"Employers no longer resort to the contours of the law, but to the contours of industrial relations."

But Levy, Peron and Associates consultant Johann Scheepers said the recent plant closures should "not be confused with lock-outs".

Employers had common law rights to close down operations to protect their interests.

Workers engaged in sit-ins, and rival factions or rival unions ignoring or not abiding by procedures, presented potentially explosive situations for management. Shutting down production was a last resort, for safety considerations if nothing else, he said.



# Surge in man-days lost to strikes

STRIKE action cost SA businesses about 4-million man-days this year compared with 3,09-million in 1989, say estimated figures supplied by industrial relations consultants Andrew Levy & Associates.

The retail sector was worst hit by labour disputes, followed by metal and manufacturing, printing, and clothing and textiles, according to Andrew Levy & Associates researcher Jackie Kelly.

State sectors — including schools and hospitals — featured quite highly for the first time this year, she said.

A new trend this year was the large number of strikes affecting fewer than 200 workers, indicating the movement of unions into smaller companies.

Strikes in the smaller companies tended to be over union recognition, said Kelly.

The main reason for strike action, however, was wage issues, which contributed about 66% of the man-days lost.

In terms of the length of strikes, 70% lasted from one to four days, while 11% lasted longer than 10 days.

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MARCIA KLEIN

Of the 11%, 40% lasted longer than 30 days, including Mercedes (38 days), Mondi (41), Sappi (35), Lion Match (35), Nampak (50), OK (35) and Ciba-Geigy (78), said Andrew Levy & Associates.

Director Brian Allen said this was a record year for strike action, and figures did not adequately reflect the effect of strikes on businesses, as only the episode itself was monitored without taking into account go-slows, work to rule, overtime bans and general lack of co-operation.

## Severe

There was usually a build-up which affected the business and a loss of productivity again when the strike was over.

Negotiated increases had averaged about 17% which was "not an overboard increase", Allen said. With an even tighter economy next year, he said most disputes would probably be triggered by wage-related issues, followed by retrenchments,

dismissals and discipline, unresolved grievances and recognition-type disputes.

Seifsa industrial relations division manager Patrick Shortt said a strike lasting only one week might have a severe effect on a company's ability to be profitable.

He said some companies might lose future orders and contracts or face stringent penalty clauses due to their inability to perform during a strike. Because of the resulting loss of business, a company might have to retrench employees.

At times striking employees returned to work on condition that certain issues were discussed which resulted in management time being directed away from its primary function, Shortt said.

Mercedes estimated that the stoppage at its plant cost R500m with about R13,5m being lost each day, while work stoppages at Volkswagen's Uitenhage plant over three years cost the company "millions". Samancor's two-week strike by 2 000 metal workers led to production losses of about 4 000 tons of ferrochrome.



# AWB pair 'flee' from angry mob

Star 5/12/90 3 181  
By Willy Mashau

THOHOYANDOU — Staff members of two white-owned furniture shops in this Venda capital yesterday staged a two-hour sit-in in protest against two AWB staff members — one of whom appeared on Monday in the Pietersburg Regional Court charged with a recent attack on Sunday school children in Louis Trichardt.

The men, Korea de Wet of Wanda Furnishers and Barend Jordaan of Style and Value Furnishers, were rushed to their homes in Louis Trichardt after a mob of about 70 people demanded that they be handed over to them — "to get what they gave innocent Sunday school children".

According to Style and Value manager Johan de Nysschen, Mr Jordaan had "disappeared" from work on Wednesday last week and reappeared yesterday.

Under pressure from the public and his staff he contacted Rusfurn, the company which owns both furniture stores.

Within minutes the shops received faxes from Rusfurn in Johannesburg informing them that the two AWB members were suspended from duty from the time of receipt of the message. Their salaries, too, had been suspended, Rusfurn said.

Youth held for

By CHIARA CARTER

THE crunch in annual wage negotiations in the Cape cotton industry is likely to occur within the next week.

According to Sactwu national organiser, Mr John Eagles, the union expects employers to table their final offers within the next week.

Sactwu itself is finalising activities to highlight living wage demands in the indus-

# Wage crunch looms in cotton industry

try. (181) ~~181~~  
Already four disputes have been declared — two by employers and two by the union.

"We anticipate tough sessions. Employers' offers have so far been in the R20 to R30-a-week range. This

is not near the bottom line demand of workers," Eagles said.

A key demand put forward by the union is the re-establishment of a central bargaining forum.

The Industrial Council for the Cotton Textile Manufacturing Industry (Cape Province) was formally dissolved earlier this year following the withdrawal of major employers, including Barlow Rand subsidiaries, from the employer forum.

This year's negotiations are being conducted at plant level at about 19 different companies in the Cape Peninsula and Boland.

According to Eagles, the union has formed a negotiating council to coordinate negotiations so that employers face uniform demands.

The union has adopted a hardline approach on non-union members and is demanding that employers implement lower increases for workers who do not belong to the union.

"The industry is highly unionised, with more than 90 percent of workers union members. We are adopting an extreme view on freeriders. We hope that they will decide to enter the union," Eagle said.

Other demands include proclaiming Sharpville Day as a paid holiday and standardising benefits in the industry.

While the implementation date for the agreement is January 1, Eagles said Sactwu was prepared to continue negotiations in the new year if necessary.

## Civil servants code

A WIDE range of public sector employee organisations met with the Commission for Administration in Pretoria last week and agreed on an interim labour relations code for public servants who are excluded from the Labour Relations Act.

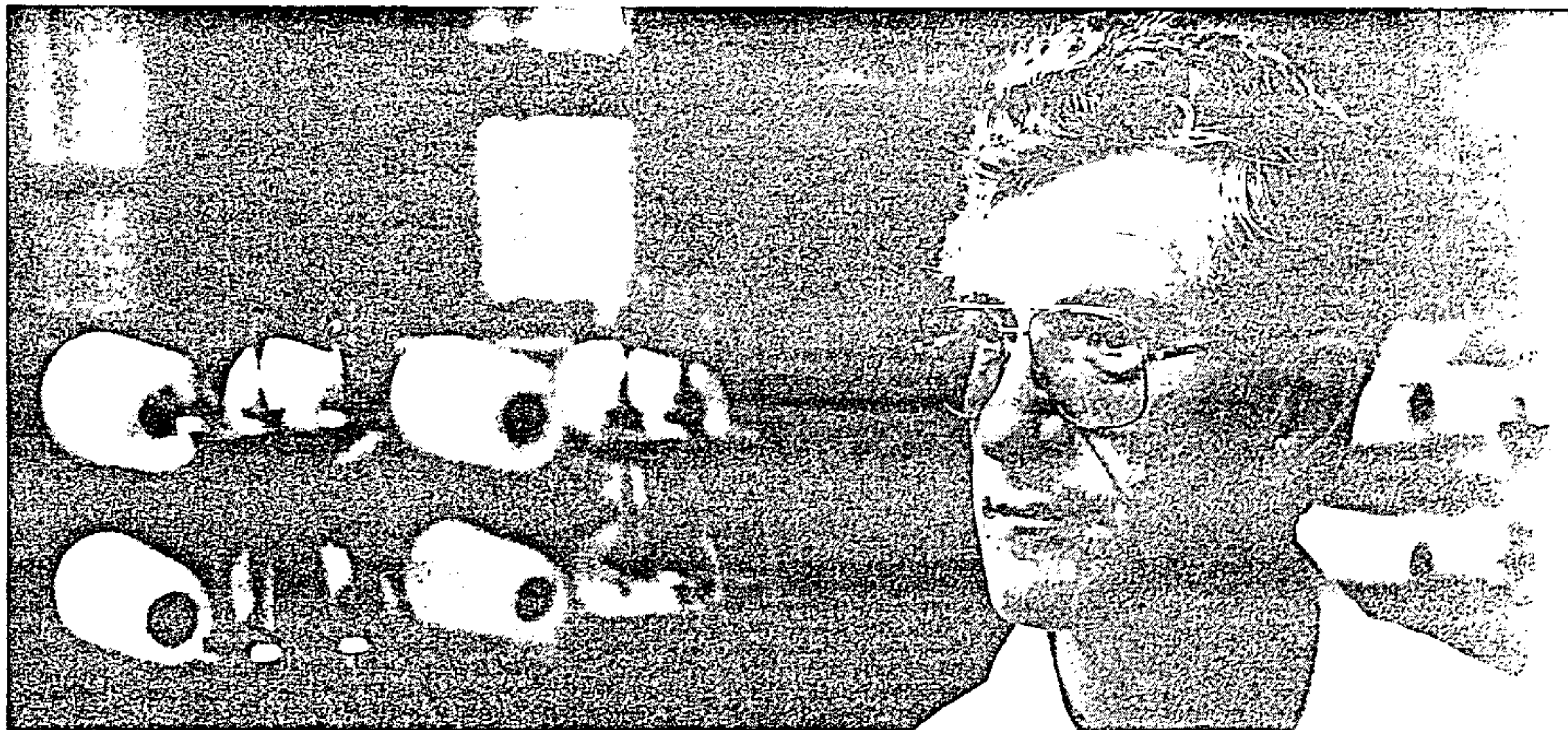
The historic meeting agreed existing labour legislation in the public service is "inadequate" and employees should be involved in drawing up a new system which would include the entire public sector.

The meeting set up a collective bargaining mechanism which will meet in January next year.



A FREE STATE TOWN FACES UP TO MASSIVE UNEMPLOYMENT ... WITH SURPRISING GOOD SPIRITS AND SOME SOUND COMMON SENSE

# A long shadow falls across 42nd Hill



"Main Street's whitewashed windows and vacant stores, Seems like there ain't nobody going to come down here no more. They're closing down textile mills across the railway track. Woman says these jobs are gone and they ain't coming back ...  
— Bruce Springsteen in My Home Town.

## A single factory closes, and the shock-waves batter a town. But hope lives on

DREW FORREST reports from Harrismith. Photographs: KEVIN CARTER

**W**ATCHING the crowds of Saturday morning shoppers, it's hard to believe this Free State community faces the same disaster as Bruce Springsteen's "home town".

A bumper Christmas may be in prospect but that's small solace for the shop-owners of Harrismith. "People have still got cash in their pockets," a cafe owner gloomily avers. "When the dust settles next year — that's when the problems start."

The closure of "the factory" — the Frame group's 60-year-old blanket mill — is on everybody's mind. Harrismith's major employer, with 1 100 employees, it accounted for up to 20 percent of the town's workforce and pumped R750 000 a month into the local economy.

The collapse of this lifeline industry fell against the background of a crisis in local agriculture, stricken by the worst drought in living memory.

Retrenchment money, notice pay and pension payouts are an immediate cushion, but in small ways white Harrismith is already registering the effects. The mill was a major ratepayer, and the town's most voracious consumer of water and power, points out mayor Mike van Niekerk.

With Frame relocating only three staffers elsewhere in the group, perhaps 100 whites are out of work. Scant local job prospects are forcing them out — 60 houses are said to be on the market, only two of which have been sold.

But like every other South African town, white Harrismith throws a dark shadow: the 42nd Hill location, tucked out of sight behind a nearby

koppie. Here the impact will be nothing short of seismic: 80 percent of those in formal jobs worked for Frame.

"It's a disaster, I'll have to shut my shop," says 44-year-old Johannes Mphuthi, who has just won an award for entrepreneurship from the township's chamber of commerce. Mphuthi ploughed every cent, including pension money, into the small building supplies business he launched a year ago.

On the grass outside the location hall, we talk to 50 retrenched workers, many of them women with children and some with T-shirts showing a clenched fist locked on a needle — the emblem of Cosatu's textile union.

"Jobs are getting less and people are getting more," sighs the former chief shop steward at the mill, Jerry Nyamathe. Fugitives from the violence beyond the Drakensburg and from drought-hit local farms are streaming into the squatter camp on the township's edge, he says.

Has anyone found other work? "Angeke!" (Never) is the chorused response, with the comment that workers axed four years ago when Frame closed its cotton mill are still jobless.

What of Tshiamo, a QwaQwa government industrial park on a barren plain 10km away? "The factories are still small, and workers earn R40 a fortnight," says Nyamathe. Wages at Frame ranged between R135 and R185 a week.

Rent, school and medical bills and higher purchase commitments are key concerns. Agnes Mofokeng, a single

mother of two, owes R2 000 in back rent. Faniel Moloi, arthritic and prematurely aged at 34, has a sick wife and four children.

On their membership of the South African Clothing and Textile Workers Union, they have no regrets — even though they believe it may complicate job-hunting in this conservative area. "Kuhle!" (Wonderful) is their verdict on Sactwu, accompanied by much hand-clapping.

Despite serving up to 40 years at the mill, they are oddly tolerant of the Frame group, saying only that they are "hurt" by the closure and their short notice. The state escapes less lightly: "People are angry with the government," says Nyamathe. "There's no training for the unemployed. There are changes, but they're too slow."

At the mill, which we tour with general manager Johannes van der Merwe, silent looms and spinning frames still carry signal-red material from the final order: blankets for the Department of Health. Frozen in mid-task, hoists lift rolls of Lesotho blanketing, once a speciality.

"There was no option — we just didn't have the orders," Van der Merwe says. Himself a casualty of the closure, he believes he will find work. "My worry is the black staff. They lack mobility; for many their job at the mill is all they know."

Van der Merwe refuses to accept that Harrismith might be doomed, pinning his hopes on border industrial development and the town's strategic position, equidistant from the Reef, Durban and Bloemfontein. The immediate



Petrus Maleka and fellow workers from the factory ... decent men and women in the grip of huge, impersonal forces

outlook is bleak, he concedes. "But when hardship arrives on the hill, I believe help will come from down here."

For Cas Human, Harrismith farmer and Free State leader of the Democratic Party, a key worry is the political stability of 42nd Hill.

The township, he points out, is led by a "comrade council" elected on a staggering 50 percent poll, and has been largely spared the unrest which has racked the Free State this year. Township residents share his fear of political violence and rising crime. "A hungry man is an angry man," one told us.

Human, something of a visionary, believes the answer is to re-open the mill under joint worker-management control, coupled with careful market research and a "buy South African" campaign. "You can't be a realist unless you believe in miracles," he comments.

His wife, "Pannie", the energetic chairman of the local *sakekamer*, is pushing hard for practical relief measures. "We're meeting workers to offer

General manager Johannes van der Merwe stands among the silent looms ... now he, like his work-force, faces unemployment

financial advice — some will have to survive on retrenchment money for a considerable time. And perhaps we can set up skilled seamstresses in their own business."

The chamber has also mooted a jointly controlled employment bureau whose first task will be to place the workers in immediate straits.

In essence, the Harrismith tragedy is one of ordinary, decent men and women in the grip of huge, impersonal forces. Seen as inefficient and in dire need of re-tooling, the textile industry was exposed to international competition last year when the government slashed import tariffs. Spun yarn imports have since leapt, and the industry has shed 6 000 jobs.

In the blanket trade, the last straw was a trade deal with Turkey — seen as a reward for its sanctions-busting role — allowing blanket imports to flood South Africa at a token tariff. With urban drift and township electrification, the market has contracted in recent years: of six Frame blanket mills in the mid-1980s, two survive.

Industry spokesmen accept the need for modernisation but argue persuasively that one cannot streamline an industry by destroying it. They are pressing the government for "breathing space" in which to adjust, as well as the "levelling of the playing field" — the same conditions as competitors. South Africa is the only country levying a surcharge and GST on imported plant, they say.

Remedial action, if it comes, will be too late for Harrismith — but the future is not one of unrelieved gloom.

One thinks of the resilience and high spirits of jobless workers and the humane good sense of Cas and Pannie Human. If nothing else, the disaster may draw together conservative white Harrismith and its ragged *doppelgänger*, 42nd Hill.

At the Twist of the Tumbleweed  
Good Things from all over  
the Earth Pause, on their way  
to You, at

Helen de Leeuw  
Hyde Park

16 Lower Mall, Hyde Park, Gqeberha



Shoowa from the Kingdom of Kuba, each a Collector's Piece of amazingly designed Embroidery and Cut Pile; Bronze from Benin; Artifacts from all Africa; Basketry from the Barotse — the finest Basketmakers in the world; old wooden eating Bowls, Stools and baskets from Tonga and Zimbabwe; Textiles both Ancient and Modern: Royal Kente cloth from Ghana, Mudcloth from Mali, Mats from Zaire; cushions Handpainted, Woven, and Embroidered. And presiding over it all Marie Valentine's much publicised Map in all its intricate and informative Pictorial Detail.



# Afrox hits at envy (181)

St. Times 9/12/90  
Business Times Reporter

THE WORK ethic appears to be withering at all levels, says Afrox chairman Peter Joubert in his annual review.

He says neither the begging bowl nor the surliness of envy helps to raise any society.

"Work must start with education and continue in its many forms of endeavour to put more in than is taken out."

Afrox's slogan is, "It's not what we put in, it's what you take out."

Through a programme of job "ownership", employees are encouraged to "grow" their jobs. This involves identifying ways of making the employee's efforts more productive and identifying other areas related to the job where he can make a contribution.

Afrox is helping 1061 employees in a complement of 7 133 with their housing. It is funding the education of 51 external students and 450 children of staff. In addition, 116 employees are taking advantage of the staff education scheme to study for degrees and diplomas.

The Afrox approach to manpower appears to work — the company has made significant technological progress, and it has avoided industrial action. More than 1,400 employees are members of a unit trust which owns 7% of the company.

The company expects to maintain growth even though it foresees a difficult 1991.

# Matching up the demands of office and home

THE destructive pressures of the business world on middle and senior management's family life have a far greater effect than is generally realised on mental health and, therefore, productivity.

For the sake of long-term stability and prosperity, this problem needs to be acknowledged and a compromise sought between the opposing demands of work and family which business people face. The businessman with less work-related domestic stress is likely to be a better employee, while children who grow up in stable homes grow up better equipped for corporate life.

The Urban Foundation's Mike Rotholt partly acknowledged this in his recent annual report when he said: "A society based on family values, clear identification of interests and a strong sense of self-reliance will have a much better chance of success than a society dependent on the state for its well-being."

The pressures referred to are well known: long working hours, taking home both work and stress from the

office, the subtle but insistent demand that work must come first, drinks with the boys, playing sport for the company and being on call. The higher a manager moves in the corporate hierarchy, the more intense these pressures become.

Healthy family relationships are desirable as they produce happier, more self-fulfilled people. But in the world of commerce and industry, they are also the key to the individual's longer-term productivity and growth. A healthy family with a stable marital relationship teaches its children a sense of belonging and loyalty to a group.

Children learn about responsibility and about working co-operatively. A healthy family teaches its children to balance independence with interdependence. They learn about relationships with authority (their parents) and how to resolve conflict.

All these and other qualities that children can develop through family life are of inestimable value to future employers. But employees, if they have children, will always have

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## DIANE FINE

two careers that can never be mutually exclusive. When the working parent is frequently unavailable, he complains: "I'm only here to earn the money, they don't need me for anything else." The conflict of wanting to be a good parent and a successful employee causes counterproductive stress.

Stress affects child-parent interaction and the marital relationship — resulting in a breakdown in the couple's ability to communicate, and a serious loss of satisfaction in a deteriorating sexual relationship.

This, in turn, adversely affects work performance.

To perpetuate a society of emotionally healthy people, families and employers will have to look at how they can meet each other halfway. The starting point would appear to be an acknowledgement of the value of both sets of needs and demands

and the stress placed on the working parent by his dual roles.

Lynette Coetzee, Transnet's new community involvement manager, quotes US research: 78% of employees prefer flexible working hours, more time with families, slower occupational progress instead of faster promotions and success at the expense of family life. Research indicates employees who consistently include their families within their career ambitions are more likely to rise to the top.

Peter Baker, manager of Southern Life's employee care programme, says the firm has a philosophy of caring for and recognising the value of its staff. The company stresses that profit and humanistic values can live side by side. Its care service offers counselling, credit and budgeting advice.

Baker says that besides improving performance, the service helps to create an atmosphere of acceptance and growth. Emotional difficulties are not seen as weaknesses and problems are not suppressed.

Mike Watkins, head of the human resource management department at FNB, says "chronic stress, even when we adapt to it, can cause an increased incidence of sick leave, accidents and inattention at work". FNB runs stress management courses dealing with self-awareness and personal planning, holistic living, creating and using support systems and managing work-related stress.

There are other ways in which to take into account the employee's dual role. Each organisation needs to explore its own culture with a view to defining how it can accommodate the employee in his roles.

The family, too, needs to find ways to incorporate employers' demands without jeopardising its health and stability. Greater interest in the parent's work environment and increased tolerance of the demands he faces at work are just the start.

□ Fine is a counsellor at the Family Life Centre. Some of the corporate information is drawn from the October edition of Manpower Brief published by Mike Alfred.

## LETTERS

# Envisaged R20bn for Gencor's growth 'may create 33 000 jobs'

CAPITAL expenditure of the Gencor group over the next few years could amount to R20bn and involve the creation of 33 000 new jobs if its expansion plans reached fruition, Gencor executive chairman Derek Keys said in London on Friday.

Addressing a group of investors and analysts, he said there were a number of exciting projects in the pipeline.

The final go-ahead on the projects and their financing would, however, depend on the state of demand for the products and the condition of the markets which Gencor would use for funding.



## Partners

Keys said that while Gencor had the funds available for all the projects to which it was committed, mining finance houses traditionally did not finance 100% of each project.

"We work in conjunction with our partners and other shareholders in these projects and they would obviously provide their portion of the financing."

Examples of possible expansions, Keys said, were Gengold's plans which could involve expenditure of about R7bn and the creation of 11 000 new jobs in the next few years. It was already establishing two new mines, Oryx and Weltevreden, and expanding three of its existing mines — Winkelhaak, Kinross and Beatrix.

Engen, the integrated fuels company, had already announced plans to materially increase the capacity of its Genref refinery

## Business Day Reporter

in Durban, the first phase of the expansion would cost around R670m. Keyes said this would further strengthen Engen's role as an important regional player.

"The company's shares are highly rated and in strong demand — in financing its expansion we may allow our shareholding to fall."

Keys said the Columbus stainless steel project — a 50/50 venture between Samancor and Highveld — could involve a total expenditure of R2,6bn for the hot mill to be set up in SA and about R900m for the cold roll mill at a location yet to be determined. "If the Columbus project gets the green light the Gencor group will end up with an effective 22% of the project. It could eventually lead to the creation of some 1 200 new job opportunities."

Impala's planned capex for the Impala 14 shaft, the Deeps shaft, for UG2 growth and for the Messina expansion amounted to about R2,3bn. These projects could well generate more than 17 000 new jobs.

Papermaker Sappi had more than R1bn in possible expansion projects in the pipeline at its Saiccor, Enstra and Tugela mills.

Keys said Gencor's mission was to start or acquire major business ventures and to accelerate the development of its existing businesses.

"From these numbers you will see that we are prepared to put our money where our mouth is."

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VW DISPUTE

(181) ~~(181)~~

## BACK ON TRACK

FIM  
14/12/90

**Production resumed** recently at Volkswagen's Uitenhage plant in the eastern Cape, after the signing of a new and advanced recognition agreement between the company and the National Union of Metalworkers (Numsa).

The deal brought to an end the two-week closure at the plant, sparked when several hundred Numsa members walked off the job to attend a court case involving a fellow worker.

FIM 14/12/90 (181) ~~(181)~~

Volkswagen — which made the signing of the recognition agreement a precondition for the opening of the plant — says the agreement commits both sides to “the maintenance of acceptable work and behaviour standards, the growth and viability of the company, health and safety in the workplace and the principle of equal opportunity for all employees.”

The agreement, similar to those already in force at other major German companies, is based on the “IG Metall” (the German trade union) code of minimum standards for labour relations in SA. Included in these are procedures for grievances, disputes, arbitration and retrenchment.

Volkswagen set tough conditions for a resumption of work. Besides the core demand for the signing of the recognition agreement, it demanded a commitment to industrial peace and stability, and agreement to adhere to conditions of employment and to eliminate unprocedural action.

It said both sides have to work to give the agreement force, as continued disruption of production will threaten the company's viability.

The plant's senior shop steward, John Gomomo, says the agreement should be seen as a guideline, to be respected by both management and workers. But he points to continued incidents of racial tension at the plant, which, he says, management needs to address at an individual level. ■

# Big business builds forum for peace in Middelburg

W/May 14/12 - 19/12/90

By ROBERT LAING

CAUGHT in the crossfire between right-wing city councils and hard-line civic associations, industry is having to play the part of peace broker.

By getting wrangling community groups and local authorities into a conference room, urging them to draft a mission statement, an organisation chart and a code of ethics, big business has managed to work wonders in the industrial town of Middelburg.

The Middelburg Informal Regional Planning Forum has so far drawn support from the Middelburg Chamber of Commerce, the Sakekamer, the African National Congress, the Congress of South African Trade Unions, most local churches, the regional services council and the Middelburg Town Administration.

Middelburg's Conservative Party-controlled town council has not officially joined yet, but says it supports the forum's aim.

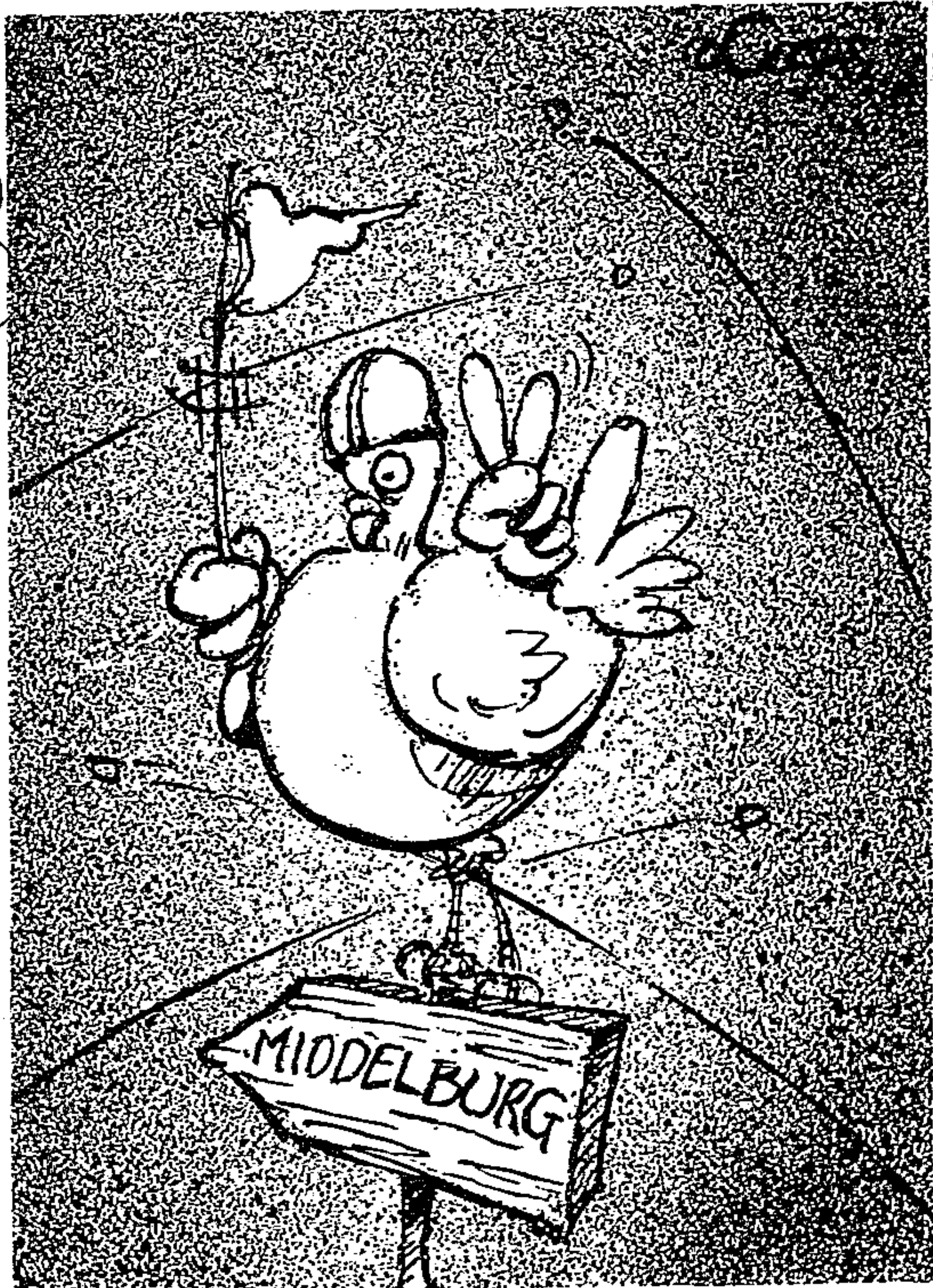
The forum's formation in May was prompted by a meeting between the Highveld Unemployed Workers' Consultative Council and the town's major employers.

Armed with the mission statement — "To create a better Middelburg for all its people (around and within existing structures, resources and services)" — the forum has raised more than R500 000, which it intends spending on social upliftment schemes.

Its first project is to set up a factory called People's Pots.

The forum's major victory to date has been keeping the township's services running.

To avert the violence which followed electricity and water cuts in neighbouring towns, Middelburg Steel & Alloy (MSA) rapidly moved to foot Mhluzi township's R370 000 services bill af-



A rare bird ... business has pulled most opposing factions together

ter the CP town council pulled the township's plug in October.

About 1 900 of MSA's 3 000 employees live in Mhluzi.

MSA manager and facilitator of the forum Brian Wegerle says: "MSA paid the bill as bridging finance on condition that the parties got together and found a long-term solution."

The forum paid November's service bill of R350 000.

Under the forum's patronage Mhluzi residents have agreed to pay a flat rate of R68 a month until February. From March residents will receive metered accounts, Wegerle says.

Council management committee chairman John Carlile says: "Of course

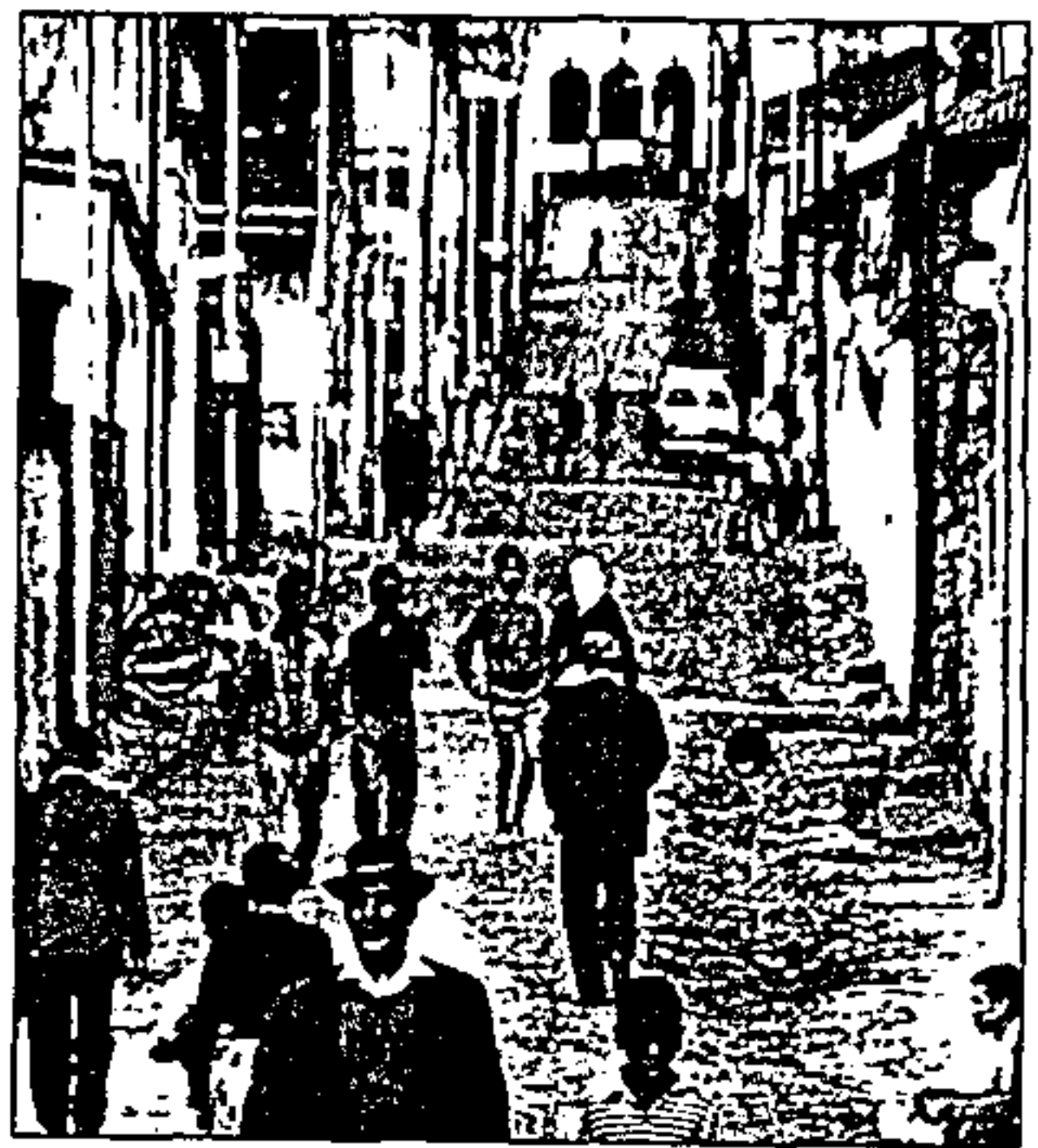
we support the forum, we support anybody who is working to create a better Middelburg. We're not petty, we're not children, we don't stir sh\*t. We work together.

"Everything the forum is working for — job creation, education, housing, health and welfare, security liaison — we support."

However, Carlile won't say when the town council will officially join the forum: "If a body is full of political organisations, it's not a development body — it's a political body."

"As long as the forum works for a better Middelburg, we support it. But its members mustn't bring politics into it."





District Six ... back to  
the old way

FIM 14/12/90

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sidential property in the suburbs, or through people simply ignoring the law.

While some estate agents expect property prices to rise in the short term, others say people have been moving in with little or no trouble for more than a year and no effect on prices is expected.

In the first 10 months of the year, the authorities granted nearly 2 300 permits for people to live across the residential colour line, compared to only 390 in the last five months of last year. Most of the permits are understood to have been granted in Cape Town. Permits generally take between 24 hours and two weeks to process.

With most white English schools in the area already having voted overwhelmingly to adopt nonracial admission policies, no schooling problems are expected in the "open" suburbs. ■

GROUP AREAS FIM 14/12/90

## EASING THE PASSING

Politically, the desegregation of a large chunk of Cape Town's inner residential suburbs may have blown up a storm. Socially and economically, the move simply puts an official stamp on reality.

District Six, Woodstock, Salt River, Observatory and Mowbray are now "free settlement areas." Residential property can be bought and occupied by anyone.

Several political organisations have slammed the decision, saying it makes mockery of government's commitment to scrap the Group Areas Act next year. But the authorities counter that it's part of the process towards abolishing the GAA.

The Cape Town City Council — whose request for the whole city to be desegregated was rejected earlier this year — has criticised the move. Mayor Gordon Oliver says the establishment of new "free settlement" areas on the eve of another session of parliament gives the impression that government isn't serious about scrapping Group Areas.

The opening of the suburbs was also attacked by the ANC, PAC, UDF, United Western Cape Civics Organisation, the Observatory Civic Association and the DP.

But for most residents in the area, little will change. All the suburbs are already essentially "grey" — through the granting of "permits" for blacks to buy and occupy re-



# New wage agreements cover 50 000 in clothing industry

By DREW FORREST (18) ~~18~~ ~~18~~  
AGREEMENTS covering more than 50 000 clothing workers have been clinched in the Transvaal and Natal clothing industrial councils, after tough bargaining involving the SA Clothing and Textile Workers' Union in both forums.

Worker anger over the opening of the Natal Clothing Manufacturers' Association spilled over into region-wide wildcat strikes. Sactwu also declared a dispute with the Transvaal Clothing Manufacturers' Association.

A Sactwu statement said that in Natal qualified workers would receive no less than a R27,50 a week increase from January next year and a further R15 the following January.

In a clear move towards central bargaining, the union has negotiated an 18-month deal in Natal to bring the various regional negotiations into line.

The union said the Natal increases

with Mac 14/12/90 - 17/12/90  
were reasonable given tough conditions in the industry. Eight clothing factories had closed or would be closing, with the loss of 250 jobs, while 500 retrenchments would take place by January 1 at a further 13 plants.

Transvaal machinists — making up 65 percent of the region's 15 000 clothing workers — will receive a R28 a week rise, or 19,6 percent, according to Sactwu's Rob Lagrange.

This was exclusive of non-wage benefits, including an increased employer-contribution to the industry's provident fund, he said. Employers earlier offered 17,6 percent all in.

For the first time, the agreement also provided for one month's paid maternity leave. About 95 percent of clothing workers are women.

Lagrange also revealed that Sactwu had secured worker acceptance of the offer in a ballot. Effectively a "dry run" for a strike vote, this is the first ballot for many years in the Transvaal.

# Union's work 'disrupted' by Reef unrest

CONFLICT in the townships was cutting off the National Union of Metalworkers of SA (Numsa) from its members, crisis committee members said yesterday.

At a media conference in Johannesburg, members of Numsa's crisis committee said the union was struggling to serve its members on the Reef.

The crisis committee was created in October to repair damage to the union's activities caused by unrest.

Committee member Richard Ntuli said township conflict was still affecting union operations — there was only a 40% attendance at shop steward council meetings — as a "third force" defying easy categorisation sought to exploit tension and disrupt union operations.

In October, Numsa shelved planned strike action at Iscor's Vanderbijlpark, Pretoria and Newcastle plants because the escalation in violence made it impractical for the

MATTHEW CURTIN

union to mobilise members.

The union has said Inkatha supporters have been campaigning for workers to leave Numsa and dubbed it an ANC and Xhosa organisation.

In August 60 Iscor workers left the union and abandoned Iscor's Kwa-Masize hostel for a disused hostel where they were joined by 250 Inkatha supporters.

Ntuli said officials' efforts to persuade all workers that Numsa was a non-tribal workers' organisation had paid dividends as members from the Inkatha-affiliated United Workers Union (Uwusa) had defected to Numsa at five PWV factories.

Meanwhile, the union claimed heavily armed Inkatha supporters had been arrested on Sunday outside

the Sebokeng hostel, home of several Numsa members who were to testify at the judicial inquest into the deaths of 42 people in September's communal violence.

Union official Nelson Ngale said some of those arrested were among the group of 136 Inkatha supporters arrested in September when 23 Numsa members had died in an attack on the hostel.

Witwatersrand police liaison officer Capt Piet van Deventer said yesterday at least three of the men police arrested on Sunday had been arrested on September 4.

Police intercepted a group of 15 people on Sunday in a bakkie outside the hostel.

They found an array of weapons in the vehicle, including AK-47 rifles, petrol bombs, a hand-grenade and .38 revolver, he said.

Ngale said union members at the hostel were increasingly concerned for their safety.

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12/11/90  
Arrested

# R20bn Gencor capex to provide 33 000 jobs

GENCOR executive chairman Derek Keys has outlined a R20-billion expansion programme which could create nearly 33 000 jobs.

He told investors and analysts in London this week of projects in the pipeline for Gencor companies.

Gencor has funds for all the projects to which it is committed, but Mr Keys said that mining finance houses traditionally did not provide all the cash.

By IAN SMITH

81 Times 16/12/90

"We work in conjunction with our partners and other shareholders in these projects and they would obviously provide their portion of the financing."

"However, it must be remembered that the final decision on the projects and their financing depends on the demand for the products and the condition of the markets which we would use for funding."

He said that Gengold, which was establishing two mines, Oryx and Weltevreden, and expanding Winkelhaak, Kinross and Beatrix, had plans which could involve almost R7-billion in the next few years.

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These projects could create more than 11 000 jobs.

Engen, the integrated fuel company, has announced plans to increase the capacity of Genref refinery in Durban. The first phase will cost about R670-million.

Mr Keys said: "The company's shares are highly rated and in strong demand: in financing its expansion we may allow our shareholding

to fall." The Columbus stainless-steel project, a 50-50 venture between Samancor and Highveld, could involve expenditure of R2,6-billion for the hot mill to be set up in SA and about R900-million for the cold roll mill at a location yet to be determined.

"If the project gets the green light, Gencor group will end up with an effective 22% of the project. It could eventually mean about 1 200 new jobs."

Impala's planned capex for the 14 shaft, the Deeps shaft, for UG2 growth and for expansion at Messina amounted to about R2,3-billion, he said.

These projects could generate more than 17 000 jobs.

Paper-maker Sappi could spend more than R1-billion on expansion at its Saiccor, Enstra and Tugela mills.

Mr Keys said Gencor saw its mission as starting or acquiring major businesses and accelerating their development.

"From these numbers you will see that we are prepared to put our money where our mouth is."

Fuel



# Motor industry improves wages

MOTOR industry employees' wages will increase from between 14% to 65% on the gazetted minimum pay rates after a wage settlement with employers last month.

MARC HASENFUSS

Also, the SA Motor Industry Employers Association (Samiea) agreed to increase the holiday bonus from one to two weeks' wages and the overtime meal allowance from R1,50 to R5, a National Union of Metalworkers (Numsa) statement said.

Negotiations were conducted at national industrial council level, between Samiea, Numsa, the Motor Industry Employees' Union (MIEU) and the Motor Industry Staff Association (Misa).

Comment from employers was unavailable yesterday.

Samiea rejected Numsa's demand that the differentiated rate of pay based on geographical areas be eliminated, but it

was agreed to narrow the differentials.

Numsa said a combined sub-committee would review the area differentials by February.

The prolonged negotiations were marked by a developing degree of tension, and Numsa warned industrial action would intensify if employers were not serious about improving conditions in the industry.

The motor industry's production levels were seriously curtailed this year by industrial action, mainly in the eastern Cape where work stoppages at the Mercedes-Benz and Volkswagen plants resulted in big losses.

Toyota marketing MD Brand Pretorius said recently the industry would favour a quicker negotiation process.

# Argus to upgrade its staff

The board of Argus Newspapers is to spend R5 million over the next three years on a programme designed to enhance the skills of black staff members.

The chief executive of Argus Newspapers, Mr Peter McLean said the company had embarked on several black advancement schemes or affirmative action programmes since 1979.

"By now allocating R5 million for this skills development of black staff, the determination is to accelerate this progress."

A co-ordinating committee chaired by McLean will set the programme's guidelines and objectives. Affected staff and their unions will be consulted.

"The company is dedicated to improving the personal skills of black staff. It is equally committed to ensuring

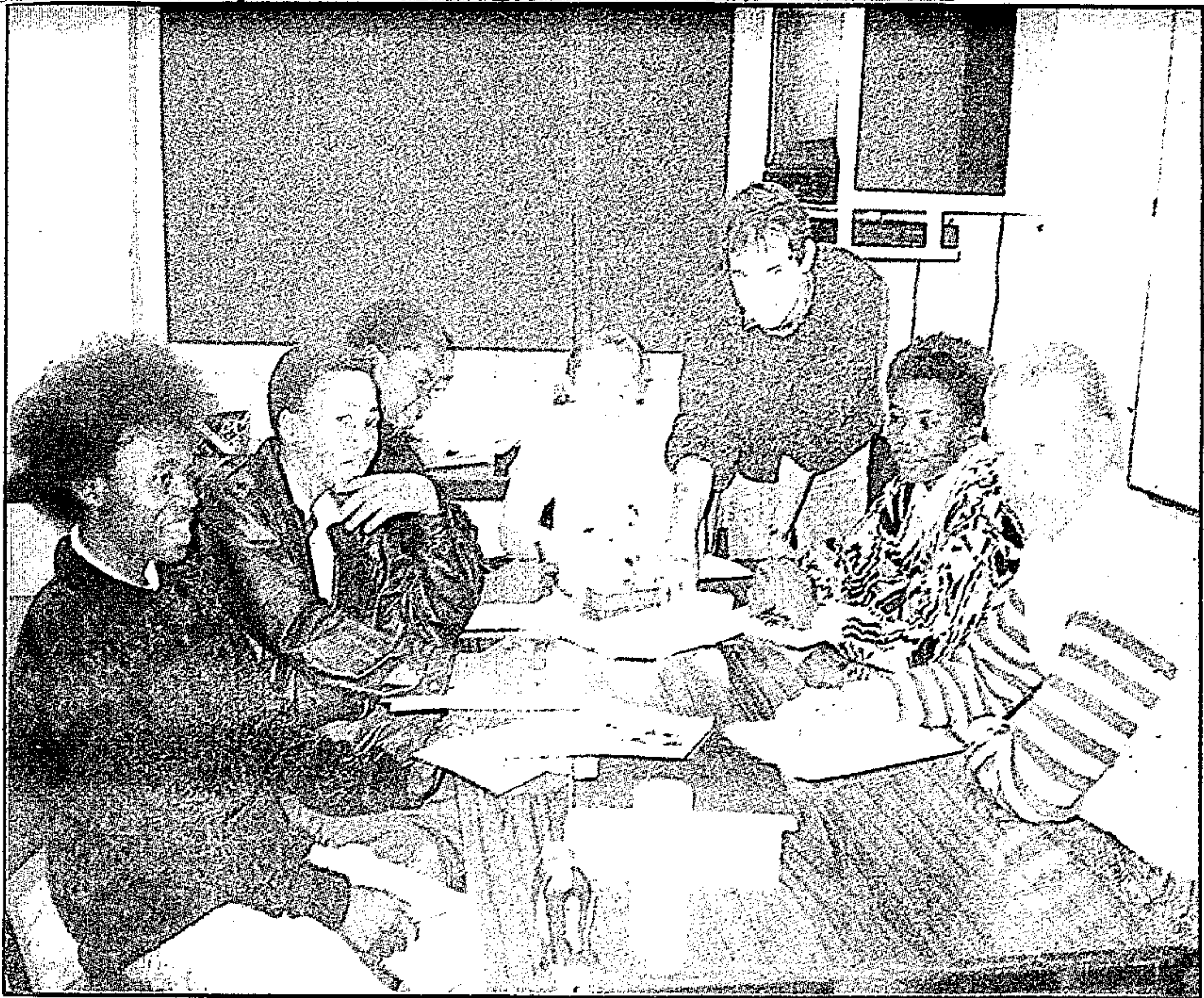
that many more blacks receive the training necessary to enable them to advance into senior management levels," McLean said.

Members of committee are: Peter McLean, chief executive (chairman); Herman Arendse, editor, Community Newspapers; Ed Booth, managing director, Natal Newspapers; Fred Collings, general manager, The Argus.

John Featherstone, general manager-elect, The Star; Aggrey Klaaste, editor, Sowetan; Jimmy Mould, general manager, The Pretoria News; Quraish Patel, group editorial training and development manager.

Dennis Pather, deputy managing editor, Sunday Tribune and The Daily News; Richard Steyn, editor-in-chief, The Star; Roger Wellsted, group personnel manager; Rory Wilson, general manager, Sowetan.





Lawyer Chris Whitaker, a Middelburg Steel and Alloys industrial relations adviser, presents a course on street law to the children of company employees as part of the recent successful all-race Education Enrichment Programme organised by the company.

## All-race education programme a success

By Therese Anders  
Highveld Bureau

Star  
19/12/90

A large industry in the Conservative Party-controlled town of Middelburg has brought high school children of all races together for a weekly education enrichment programme.

The 32 pupils who took part in the recently completed pilot programme are all children of Middelburg Steel and Alloys' employees.

Held on Saturday mornings during the past few

months, the pupils were taken through courses in mathematics, health, street law, careers and communication. The courses were given by Middelburg Steel and Alloys specialists in their respective fields as well as teaching staff from local schools.

Co-ordinator Denys Bezuidenhout said the project had been a great success.

"This is industry playing its part in transforming education. And it has long term spin-offs for in-

dustry in the provision of educated, trained and motivated manpower for the future."

He said the Education Enrichment Programme focused on using pupils' learning abilities rather than "re-teaching" as they get in schools.

"Also, placing children of all races in one room, opens up channels of communication as they come to realise how much they have in common."

Salomien Kruger (13) said it was the first time she had met and made

friends with children from Mhluzi township.

Michelle Foley (14) agreed: "It was nice meeting pupils of different races. Also I was helped with my maths. This was an exciting way to learn."

Said Idah Mabaso (15): "This was a great programme. It taught me many things, like concentration and gave me new ideas for my career. I enjoyed mixing with other children."

Middelburg Steel and Alloys is to continue the programme next year.

(181)



# 'Major hunger

# tragedy' on way

Star 19/12/90

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By Dawn Barkhuizen

South Africa is on the threshold of a major tragedy with a harsh drought and economic recession heralding unemployment and hunger, said Operation Hunger executive director Ina Perlman.

The situation would be exacerbated by a growing Aids epidemic.

By the year 2000, most hunger relief funds could be channelled to Aids orphans, she warned.

For the short-term future, Mrs Perlman predicted "savagely reduced crops at best" in the Northern Transvaal for black and white farmers.

## Many destitute

Every farmer that "went to the wall" represented anything between 20 and 100 families dumped in a desperate situation.

In addition, many families were destitute as a result of the closure — with devastating effects — of factories throughout the country.

Many retrenched workers had been the sole breadwinners of families in rural areas.

Studies by Operation Hunger on rural vulnerability showed that black families in these

areas were 80 percent dependent on income from outside.

She cited an example in East London, where the closure of three factories had been followed by a 300 percent rise in incidents of malnutrition at nearby Mdantsane Hospital in Ciskei.

The organisation must raise R2 million before January to avert a "black Christmas period" for the millions of people it feeds.

In Operation Hunger's newsletter, the following retrenchments or impending retrenchments were reported:

● Gants Foods in the Strand, Cape, intends laying off 1 000 seasonal workers after the closure of its deciduous fruit canning operations. This was as a result of sanctions.

● About 900 workers would be retrenched when the Frame Group closed two factories in East London. Executive group chairman Mervyn King blamed the Government's import policy. The company would also close a plant in Harrismith with the loss of 1 100 jobs.

● Mercedes-Benz in August said it intended laying off 825 employees because of the downswing in the economy.

● An average of 8 000 miners had been retrenched every

month, according to the National Union of Mine Workers. By September, 50 000 had lost their jobs, and another 78 000 faced retrenchment with the threatened closure of marginal mines.

● Armscor in September cut their workforce by 9 000. It was estimated that for every worker laid off, subcontractors retrenched two people. Defence cutbacks are therefore estimated to have cost 60 000 civilian jobs.

## Payroll down

● Transnet has cut its workforce by 64 000 in the past five years.

● The Eskom payroll was down from 66 000 to below 51 000. About 1 500 colliery workers in the eastern Transvaal and 2 000 power station employees stood to lose their jobs as a result of Eskom's decision to mothball three of its older power stations.

● In the engineering industry, 14 000 workers were retrenched between January and August this year, according to the head of the economic division of the Steel and Engineering Federation of South Africa, Michael McDonald.

# Motor industry works out pay deal

By DREW FORREST

**A** QUARTER of a million motor workers are to receive minimum pay rises of between 14,9 and 50 percent in terms of an industrial council deal struck after protracted talks and rising worker impatience and protest.

During the eight-month negotiations, the South African Motor Industry Employers' Association was subjected to repeated pressure in the form of sit-ins, marches and placard protests by members of the National Union of Metalworkers (Numsa).

Covering workers at 10 000 garages, component manufacturers, vehicle body building shops and automotive and reconditioning firms, the industrial council is South Africa's second biggest. Two white unions are also party to it. ~~181~~ ~~20112190 - 1011191~~

A key feature of the agreement is its consolidation of the previous 90 wage rates into an eight-grade structure based on similar skills.

This, Numsa said in a statement, made it possible to set a clear rate for jobs and to provide for the future negotiation of guaranteed personal increases. The historical lack of a guaranteed rise was crucial to the falling living standards of motor workers, it said.

And, although employers rejected union demands for the scrapping of geographical pay differentials, the agreement reduced these. Where rates in rural districts had been 40 percent less, and in small towns 33 percent less than in large centres, the differentials had been cut to 35 percent and 25 percent respectively.

Employers also agreed to double the holiday bonus to two weeks' pay, to give four weeks' leave to workers with 10 years' service with the same employer and to ban the deduction of shortfalls from the pay of petrol attendants.



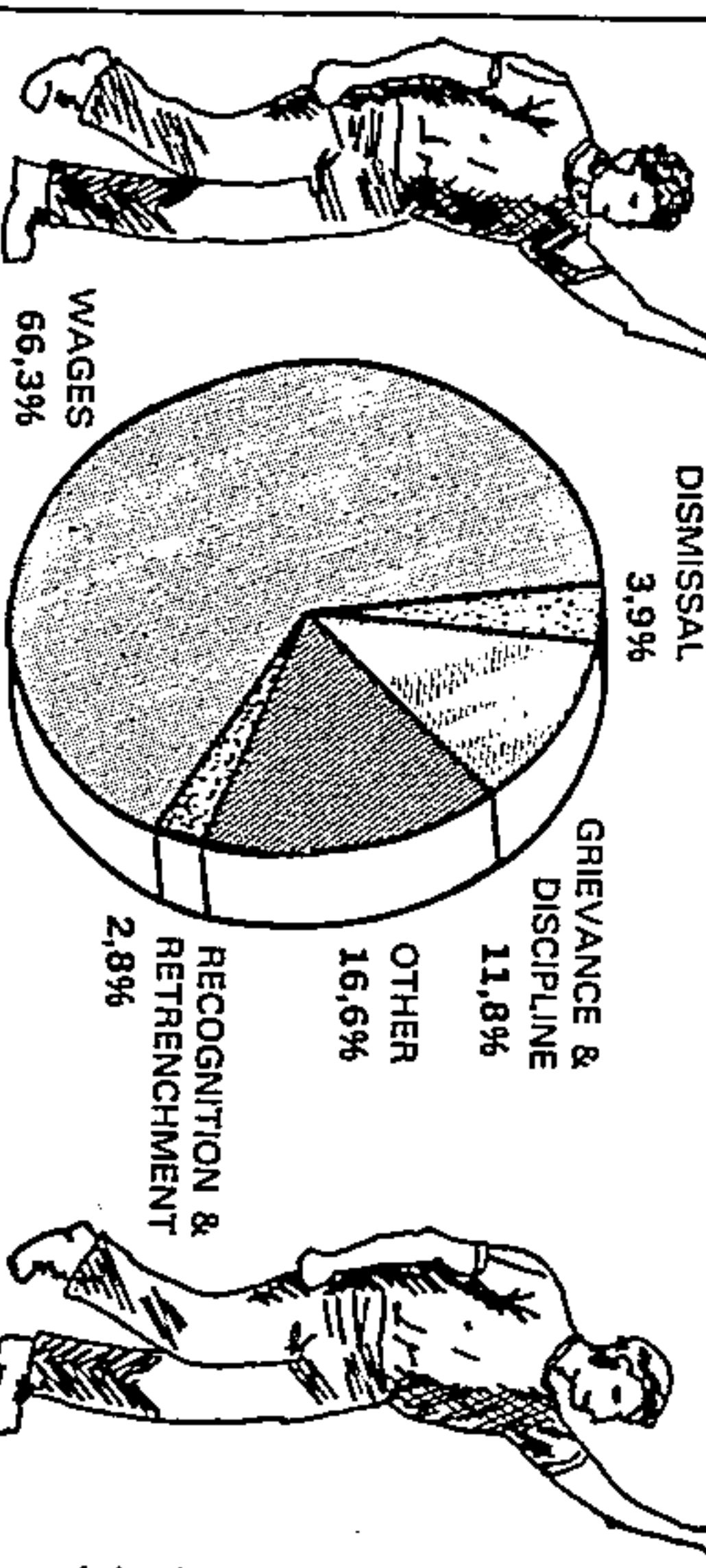
# Scrooge-style pay increases next year

Stines 23/1/90

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## STRIKE TRIGGERS — BY MANDAYS LOST

JANUARY - DECEMBER 1990



Source: Andrew Levy & Associates

**WAGE and salary increases for workers and their bosses will shrink next year.**

Pay rises even close to this year's inflation rate of 15% are likely to be confined to the "lucky few" who are promoted or are skilled in specialist areas.

As the recession bites, business leaders are faced with the choice of maintaining employment by limiting pay increases or adding to the huge pool of jobless. Business leaders warn that the problems experienced in 1990 will worsen next year.

Although they are reluctant to anticipate negotiations with trade unions by guessing at percentages, most predict increases equal to or below official inflation.

The Reserve Bank says high pay increases are a major contributor to rising inflation. Earlier this year the bank appealed to the private sector to pull out all stops to contain inflation.

The bank says wages increased at a year-on-year rate of more than 17% in the second quarter of 1990. The rate of increase was 14% in the first quarter.

## Marginal

The increases were awarded in spite of recession, retrenchment and a rise in unemployment, says the bank's December quarterly bulletin. The mining sector, hit by weak gold prices, rising costs and a steady rand, has retrenched more than 100 000 employees in the past two years.

No improvement is expected in 1991. Gemmin gold division managing director Gary Maude says the unions should be looking at ways to save jobs.

"Any increase in costs at marginal mines will mean a corresponding reduction of staff numbers. The larger the mine the more the loss."



JOHANN LIEBENBERG: The cake isn't growing

When deciding on pay increases.

"If that was not the case, there would have been years when we wouldn't have granted any increases. We look at other factors, such as what pay increases will mean for the economy in general."

"The chamber, which employs 5 000 people, shed 870 jobs this year. Salary increases coming out of a cake that isn't growing mean more money for fewer people. Tight financial discipline for all is the key to survival."

Executives will not receive salary increases exceeding those given to general staff members, he says. "Prudence dictates that salary increases be below the consumer price index. People should not expect the sort of increases they got last year."

## Ability

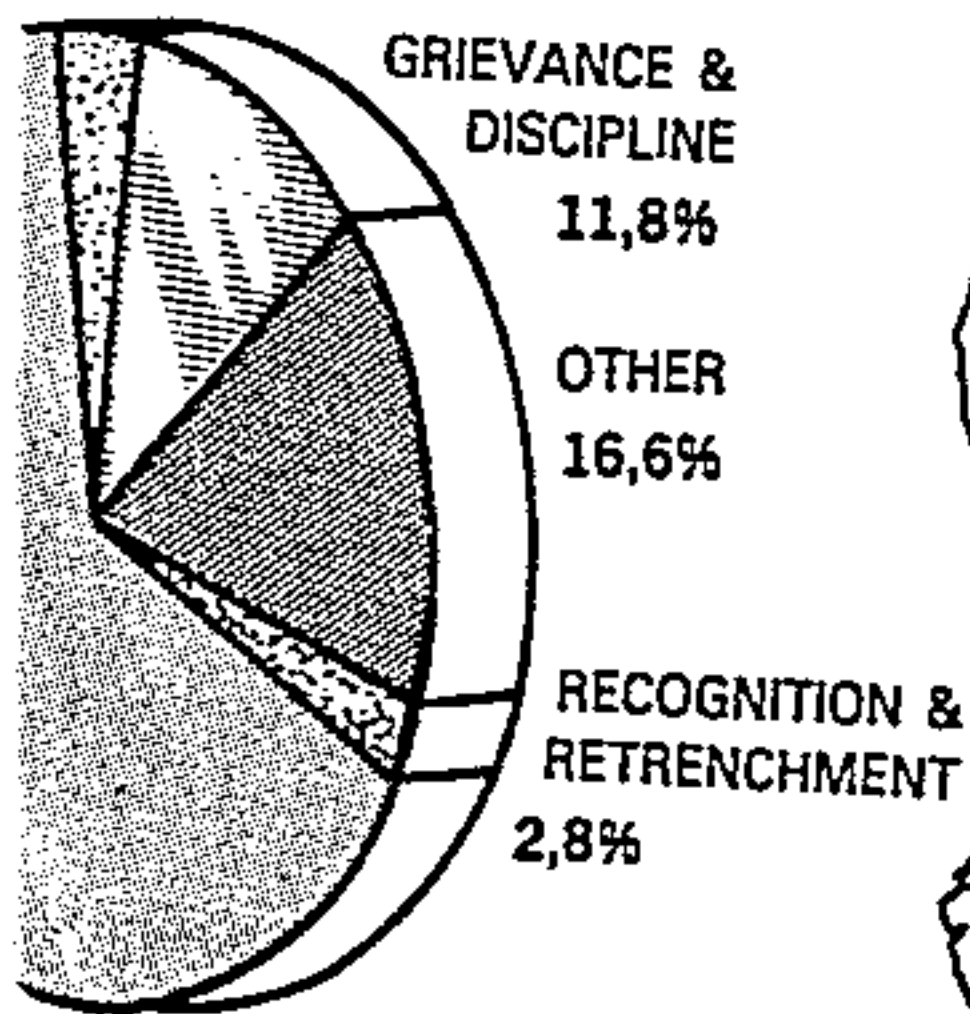
Kevin Stacey, senior consultant at Old Mutual Consulting Services says: "Salaries will go up, but below the rate of inflation. Executive salaries, in keeping with the trend, are lagging behind."

Gemmin's Mr Maude says: "There will be a lot more emphasis on worth and ability in the executive sector than in the past."

Central Statistical Service figures show that the actual wage rate index for all workers for the quarter ended November increased by 20.8% over the same time in 1989.



ISSAL  
3,9%



Source: Andrew Levy & Associates

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"Any increase in costs at marginal mines will mean a corresponding reduction of staff numbers. The larger the wage bill, the fewer the jobs."

Anglo American spokesman Shelagh Blackman says: "The economy has moved into a strong recessionary phase."

"It is imperative that we break the stranglehold of inflation and ensure that it returns to levels comparable with those of our major trading partners."

### Intensive

"To survive in business and to save as many jobs as possible from being axed, companies will have to consider increases below those granted previously."

Unions say they will seek above-inflation-rate increases. They claim that their members receive a low wage and large percentage increases are needed.

Press officer at the National Union of Mineworkers (NUM) Jerry Majatladi says: "Retrenchment is a serious problem. The mining industry has been labour intensive until now. To keep productivity high — having failed to train black labourers — it is resorting to mechanisation; hence the retrenchments."

"High on the agenda at our congress next year is formulation of a policy to fight retrenchment."

Mr Majatladi says workers cannot be blamed for the poor state of the economy.

"They cannot be asked to accept below-inflation-rate increases."

Not everyone agrees that an increased salary bill will mean more sackings.

Brian Allen, senior consul-

JOHANN LIEBENBERG: The cake isn't growing

when deciding on pay increases.

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### By CHARMAIN NAIDOO

tant at industrial relations company Andrew Levy & Associates, asks: "If salaries in 1990 had been 15% to 20% lower, would there have been fewer retrenchments? I don't think so."

"Retrenchments come from overstaffing, not from not being able to afford to pay."

Mr Allen believes that executive salaries, and those which are not negotiated, will not keep pace with inflation.

"Negotiated salaries should not be too far below inflation."

He has found that unions acknowledge that business is going through tough times.

"But their approach is that members are also suffering. A total of 72% of all strikes and industrial action this year was related to wages."

Four-million mandays were lost to strikes this year compared with 3,09-million in 1989.

Chamber of Mines senior general manager Johann Liebenberg says the industry expects "extremely difficult" conditions next year.

"This will cause us to be cautious about wages we negotiate with employees."

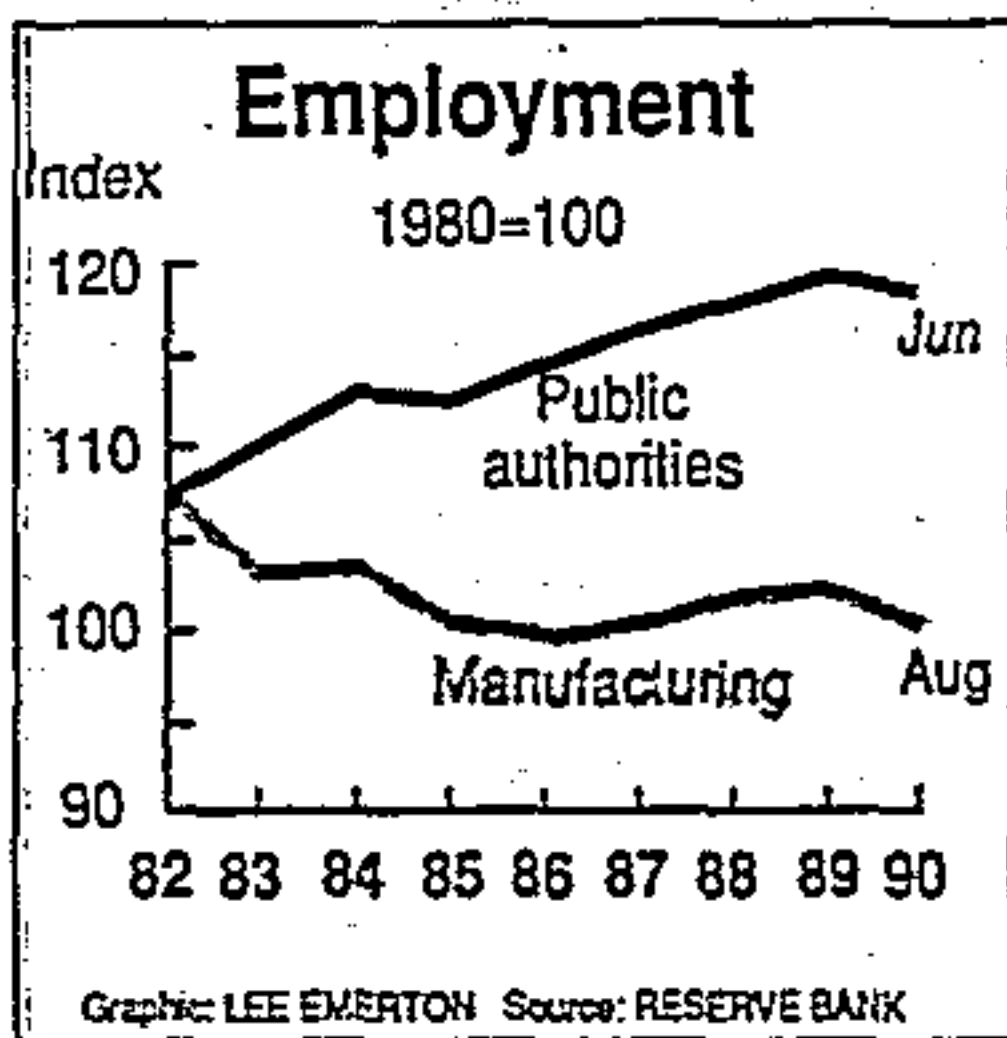
Mr Liebenberg says that affordability is only one of several factors examined

# Jobs in manufacturing sector drop to 1980 levels

Biday 27/12/90

GRETA STEYN

EMPLOYMENT in the manufacturing sector declined by 3% between January and August this year to a level almost exactly the same as in 1980, figures in the latest Reserve Bank Quarterly Bulletin show.



Employment in manufacturing has fallen this year in line with the fall in output — also about 3% over the same period. Manufacturing is the largest contributor to SA's GDP at 23% and has traditionally been the main provider of jobs. The fall in manufacturing output is a major factor behind the recession.

Even more discouraging are employment trends in mining where total employment is less than in 1980.

The index, with 1980 as base year, slipped to 99,1 in July from a peak of 106,2 in 1987. Mining accounts for about 11% to GDP. Unlike manufacturing, this sector increased its output in the third quarter.

Contrasting with employment trends in manufacturing and mining is growth

in public sector employment of more than 18% since 1980.

The most rapid growth, however, has been in private services — including banking, insurance, hotels, and transport — of about 26% during the last decade. The latter sector also appears to be recession proof, as there was growth in employment between June 1989 and this year (1,6%).

Both commerce and general government increased their gross domestic product this year.

A recent Bureau for Economic Research (BER) study found the stagnation over the past decade of employment growth in the manufacturing sector reflected the increasing rate at which labour was replaced by capital in the past decade.

The fixed capital stock of the country grew by 15,7% in real terms during the 1980s.



# Experts tell why tens of thousands are losing jobs

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**A** least 70 000 workers have lost their jobs since the beginning of this year. The hardest hit was the mining industry where close to 30 000 workers were made redundant.

The iron, steel, metallurgical and engineering industries retrenched more than 10 800 workers over between July and October. Statistics for the rest of the year are not available, but a spokesman for the Industrial Council for the Iron, Steel, Engineering and Metallurgical Industries said drastic retrenchments had taken place in the latter half of 1991.

In the clothing, textile and knitting industries, well over 7 000 workers lost their jobs.

Transnet announced a few weeks ago that it planned to reduce its workforce by about 60 000 by the end of 1991.

## Crisis

Labour experts predict a worsening of the crisis next year, with many companies waiting until after Christmas to start rationalising.

**Why the crisis?**  
Andrew Levy & Associates consultant Brian Allen attributes the deepening crisis to increased labour costs.

Companies cannot cope with unions' escalating wage demands. In previous years when the economy went through rough times, companies could "still afford to carry labour" because wages were lower and union demands more acceptable.

If the current economic situation continues next year, which is more than likely, retrenchments would soar at a higher rate than this year, Mr Allen believes.

Trade unions would have to be more realistic about the economic situation and weigh the cost of higher wages against job losses, he says.

This year could be described as the year of retrenchments — unionists and employers believe it to be the worst on record. SHAREN SINGH reports on the crisis and the conflicting views on the reasons behind it.

In the mining industry, employers were forced to rationalise and close shafts, and would possibly shut down entire mines next year, because of the low gold price and rand-dollar exchange rate, says Chamber of Mines spokesman Johan Liebenberg.

Profits and dividend payments to shareholders have declined over the last few years, he claims.

A substantial burden for mining houses are labour costs. Unions have become accustomed to demanding increases based on, or higher than, the inflation rate, which is not economically viable, he says.

Professor J.L. Sadleir, of the Bureau for Economic Research, blames trade unions for the increasing loss of jobs because of their "irresponsible demands".

In the current climate of "unrealistic union demands" and uncertainty over whether workers would turn up for work, companies were finding it less costly and more profitable to replace labour by capital machinery.

The "rather aggressive stance of unions encouraged by the ANC's policy of mass action and destabilisation", had resulted in labour market instability, loss of business confidence and a severely affected economy.

"Unions have themselves to blame — they are pricing their members out of the market," Professor Sadleir says.

A Labour Research Service

(LRS) economist, on the other hand, argues that companies should be grateful to unions for pushing for higher wages, which increases consumer spending and in turn benefits the economy.

Higher wages are a positively good thing for the economy, he urges, because they force employers to upgrade their workforce and invest in training and capital, thus increasing productivity and the quality of goods produced.

The temporary technical downturn in the economy has contributed partly to job losses, which was expected when economies go through difficult phases.

## Solved

But the real problem lies in employers' failure to invest in new productive capacities. Fixed investment has been falling since early last year, particularly in the manufacturing sector, though the population is growing rapidly, he says.

And decreasing capital stock has a direct bearing on employment levels.

"It seems that bosses are on strike," LRS says, because they are not fulfilling their contribution to the economy. Instead of providing capital, they are allowing capital stock to decline.

Until investment dramatically increases, the unemployment problem would not be solved. This onus rests directly on the

shoulders of employers.

There are about 388 000 newcomers on the job market yearly and only about 45 000 get jobs, which amounts to a 12.5 percent absorption rate.

**Reinforcing the LRS view.**  
Unionist Ebrahim Patel from the South African Clothing and Textile Workers Union says the economy's inability to create jobs is caused partly by the decline of gross domestic fixed investment.

"When employers refuse to invest in new plants and factory expansion, then obviously unemployment will rise as new job entrants enter a stagnant employment market," he says.

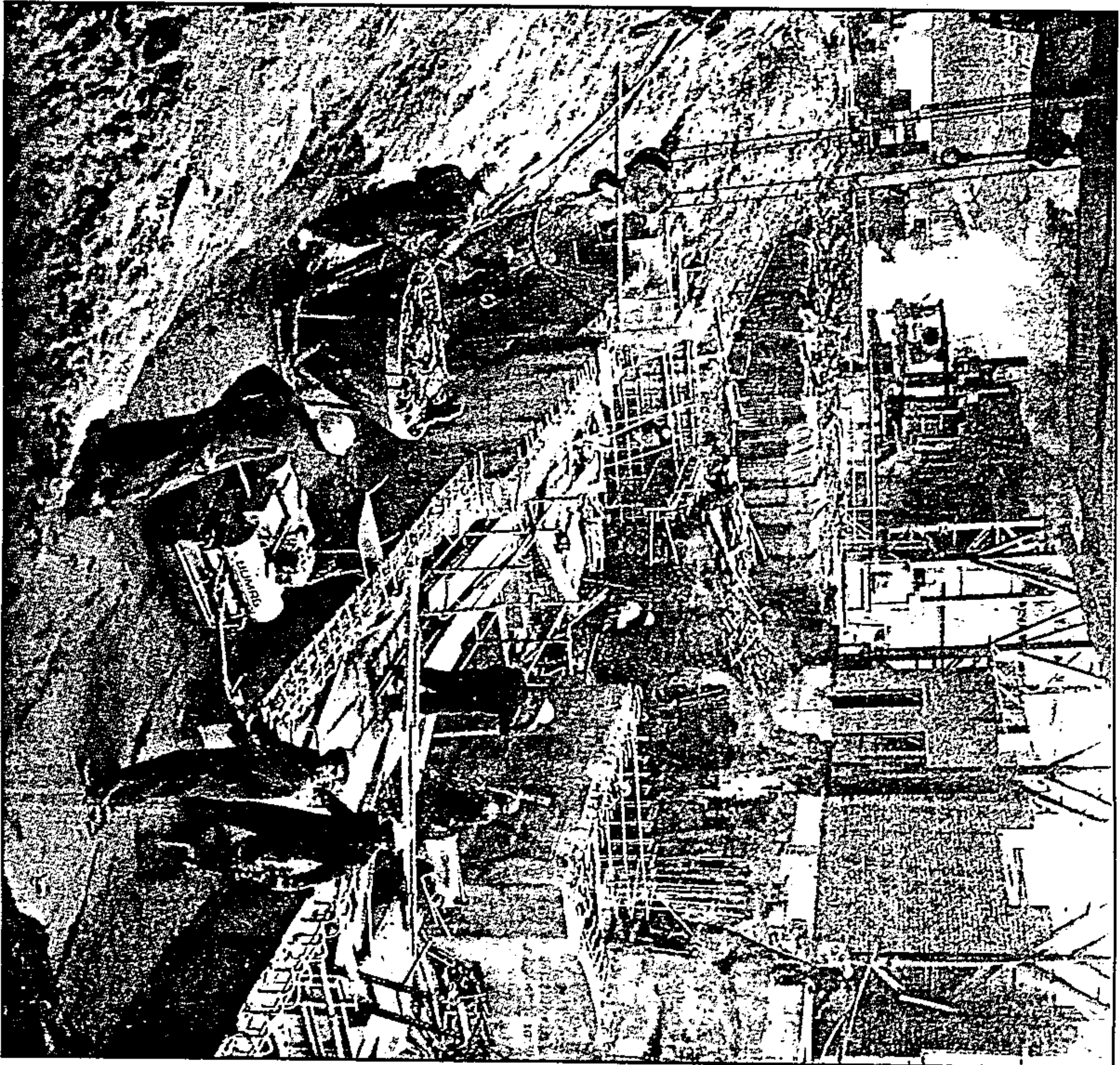
Employers argue that high wages are a major contributory factor to high retrenchments, but there is no guarantee that low wages protect jobs, Mr Patel says.

In the clothing industry, 9 000 workers were retrenched in the Cape alone in 1985 at a time when trade union militancy was unheard of in the industry and when wages were extremely low.

Low wages have also not stopped retrenchment in the mining industry, he adds.

In response to the current recession, the Government is trying to lower inflation by increasing interest rates. But the higher the interest rates, the lower the economic growth, which workers pay for by losing their jobs. The high inflation rate is not the fault of workers, but the Government's apartheid policy, he argues.

Workers are paying to rectify the consequences of apartheid through factory closures, retrenchment and short time. Unions would fight the retrenchments in the short term by negotiating job security with employers, Mr Patel says.



Gloomy future . . . At least 70 000 jobs have been lost this year, mostly in the mining and industrial sectors where management says the costs of labour have become too high. And prospects for the new year are decidedly grim.



# Both sides can claim victory in hard-fought wage talks

ANNUAL wage negotiations in the mining and metal/engineering industries were hard fought by both employers and unions — Seifsa and the National Union of Metalworkers took five months to ratify the metal industry's main agreement for 1990/91.

But in the end both sides could claim they had won significant concessions, most importantly without workers resorting to strike action.

The absence of industry-wide industrial action in these two sectors put into perspective a year which saw a surge in strikes in general.

Labour consultants Andrew Levy and Associates calculated there was a 29,4% increase in man-days lost in 1990 from the previous year to more than 4-million. Average pay awards stayed at 17,4% — the same as last year but down half a percentage point from 1988.

However, in the Reserve Bank's December quarterly report, Governor Chris Stals said wage hikes would put the single biggest strain on the economy in 1991.

While 66% of strikes concerned wage issues, 1990 was a year of strike action on workers' rights, often unsuccessful.

The longest strike was by 260 Chemical Workers Industries Union members at Ciba Geigy in support of demands that the company join the chemical industries' provident fund. The union came away empty handed.

Similarly almost 4 000 Paper

MATTHEW CURTIN

Printing Wood and Allied Workers Union members not only failed to win any commitment from Barlow Rand subsidiary Nampak on their call for centralised bargaining, but workers also lost bonuses and the union agreed to a nine-month moratorium on discussing the issue. This came after a seven-week strike.

This strike proved to be a tactical error by the Cosatu affiliate as workers embarked on the industrial action in clear defiance of existing recognition agreements.

The importance of unions adhering to such agreements and minimising unprocedural action was demonstrated by the seven-week closure of Mercedes-Benz's East London plant.

## Lessons

The dispute there, triggered by dissident Numsa members occupying company offices in support of demands that the company leave the motor industries national bargaining forum, took the lid off a critical breakdown in worker-manager relations at the plant.

Not only had the company not met production targets for five years, but Numsa was faced with the embarrassing defiance of union policy by an important portion of their membership.

The lessons learnt by both sides may have put industrial relation

on a sounder footing as management re-established shopfloor control and the union realised the importance of worker commitment to productivity and education on industrial relations procedures.

Volkswagen, Lebowa Platinum and Genmin Mooinooi mine management also learnt lessons from the Mercedes experience, closing down operations in face of allegedly intolerable unprocedural action by union members.

Violence, however, presented the most difficult problems for employers and unions.

The crisis meeting held in Welkom in May when Law and Order Minister Adriaan Vlok, police and army representatives, Chamber of Mines and Anglo officials, the white mining union, NUM and Cosatu leaders met in response to the killing of white and black mineworkers demonstrated the gravity of the threat.

The explosion of township violence in the second half of the year brought the problem back to the mines, but also confronted others.

Numsa said strike plans in the metal industry and at Iscor plants were shelved because the township strife threw union organisation into chaos.

The union joined the NUM — whose Xhosa-speaking members on Natal collieries fell victim to alleged Zulu attacks and fled home to Transkei and Ciskei — in meeting Iscor management to find a way to deal with violence.